Prior to 1949, once an application had been accepted in England, the Comptroller had normally no power to refuse the grant of a patent on the application unless the matter again came before him in opposition proceedings. We think that this section should be adopted in New Zealand.

66. Prior to the British Act of 1949, the British Comptroller had a limited jurisdiction to deal with the question of subject-matter. This matter is adequately stated in *Terrell on Patents* (8th Edition), at pp. 214 and 215, as follows: —

> The limits within which "quantum of invention" (*i.e.*, "obviousness") and "manner of manufacture" may be considered both on application and in opposition proceedings were defined by Sir Stafford Cripps, S.-G., in *Compagnies, &c., du Nord de la France's Application* (48 R.P.C. 185). The effect of his decision may be summarized as follows: There are two questions to be considered: (1) "Is there a manner of manufacture?" and (2) "Is the manufacture new?"; and a manner of manufacture may be regarded as "a manner of adapting natural materials by the hands of man or man-made devices."
>
> As to the first question, "the inherent jurisdiction of the Comptroller . . . is unlimited" but the question must be decided by a study of the specification, and if the invention appears upon the face of the document to be for a manner of manufacture, the grant must not be refused if there is no other objection.
>
> As to the second question, the jurisdiction is limited to a consideration of prior publication and prior claiming. If, however, "there is admittedly no . . . inventive step," the grant must be refused. But such an admission must "be gathered from the document itself in the form in which it would ultimately be approved . . . with all necessary references to the prior art and to earlier documents."
>
> In construing the specification, the Comptroller may take notice of facts known to persons skilled in the art in so far as these are established by evidence or admitted. If, however, there is any real contest whether, in the light of these facts, there is an inventive step, the Comptroller cannot decide the matter, and the grant cannot be refused.

67. Subject-matter was considered at very great length by the Swan Committee, and indeed it is a controversial question on which there are two directly opposing views. On the one hand, it is contended by those who consider that the Patent Office should have power to consider subject-matter that it is wrong and against the public interest that the Patent Office should allow an application which it thinks is wanting in subject-matter. On the other hand, the opposing view is that irreparable harm may be done to the inventor of a really valuable invention by virtue of the possible arbitrary action of the Patent Office in refusing *in limine* to proceed with an application on the ground of lack of subject-matter when a fuller examination of the case, supported by expert evidence, would lead the Court in infringement proceedings to a contrary conclusion.

68. The question of subject-matter has always been one of the most difficult for the Courts to decide, and the position is very well set out in *Terrell on Patents* (8th Edition), at p. 65, where the learned author states:—

> The more numerous decisions in which the term "subject-matter" is used in a somewhat narrow sense must now be considered. In these cases there is no question that the invention must be classed as a "manufacture"; it is also frequently admitted or proved that the invention is novel and useful, but it is contended "that the invention is obvious and does not involve any inventive step having regard to what was known or used prior to the date of the patent." That is to say, the question to be decided is whether there is a sufficient "quantum of invention" in the step taken by the inventor to warrant the grant of monopoly rights. The decisions are therefore really decisions of feeling—each Judge viewing the invention against the background of his own experience.
>
> It has often been said that "subject-matter is a question of law, whereas novelty is a question of fact; but although it is possible to state the general principles which guide the Court in arriving at a decision, nevertheless "subject-matter" is always the most uncertain issue in patent cases, depending as it does upon the temperament and experience of the Judge.

69. By a majority, the Swan Committee recommended that the British Comptroller should have vested in him the power to refuse applications where there was clearly no subject-matter for a patent, but suggested certain safeguards with a view, so far as was possible, of ensuring that no patent should be refused if the matter were really in doubt. Effect was not given in the British Act of 1949 to this recommendation so far as the examining of applications was concerned, but in opposition proceedings a patent