INDIANA MANUFACTURING COMPANY ..... } PLAINTIFF;

AND

HARRY WARD SMITH AND THE GOOD ROADS MACHINERY COMPANY, LIMITED ..... } DEFENDANTS.

1905
Oct. 23.

Patent for invention—Pneumatic straw stackers—Combination—Assignment—Right of assignor to impeach validity of patent—Right to limit construction—Estoppel.

The assignor of a patent, sued as an infringer by his assignee, is estopped from saying that the patent is not good; but he is not estopped from showing what it is good for, *i.e.*, he can show the state of the art or manufacture at the time of the invention with a view to limiting the construction of the patent.

2. In an action for infringement against the assignor of a patent for improvements in pneumatic straw stackers, it appeared that an earlier patent assigned by the defendant to the plaintiff excluded everything but the narrowest possible construction of the claims of the second patent. In the latter, speaking generally, the combination was old, each element was old, and no new result was produced; but in respect of one of the elements of the combination there was a change of form that was said to possess some merit. Beyond that there was no substantial difference between the earlier and later patents.

Held, that while as between the plaintiff and any one at liberty to dispute the validity of the later patent, it might be impossible on these facts to sustain the patent, as against the assignor, who was estopped from impeaching it, it must be taken to be good for a combination of which the element mentioned was a feature.

THIS was an action for the infringement of a patent for improvements in pneumatic straw stackers.*

The facts of the case are stated in the reasons for judgment.

June 2nd, 1905.

The case was heard at Toronto.

*REPORTER'S NOTE:—An earlier case between the plaintiff company and the defendant Smith, and others, involving a similar patent, will be found in 9 Ex. C. R. 154.

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W. Cassels, K.C., and *W. D. Hogg, K.C.*, for the plaintiffs;

C. A. Masten and *G. Lynch-Staunton* for the defendant, H. W. Smith.

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THE JUDGE OF THE EXCHEQUER COURT now (October 23rd, 1905), delivered judgment.

The action is brought by the plaintiff against the defendants for the infringement of the first and second claims of the Canadian letters-patent numbered 84,183 granted for certain alleged new and useful improvements in pneumatic straw stackers. The defendant Harry Ward Smith sets up four defences: First, that he has not infringed; secondly, that the matter in controversy is *res adjudicata*; thirdly, that the patent is void because of the failure of the plaintiff to carry on in Canada the manufacture of the invention according to the statute; and fourthly, that the patent is void by reason of the importation by the plaintiff of the invention contrary to the statute. The other defendant, the Good Roads Machinery Company, Limited, set up the first, third and fourth defences mentioned; and also that the invention was not new, that the alleged inventors were not the first or true inventors; and that the invention was not useful.

The action as against the defendant last-mentioned has been discontinued.

The patent sued on was granted to the plaintiff company upon an application and specification made by the defendant Harry Ward Smith and his brother Martin Franklin Smith, the specification bearing date of the 26th of December, 1901. On the 15th of January, 1902, Martin Franklin Smith assigned his interest in the invention and application to Harry Ward Smith and the latter assigned to the plaintiff company on the 20th of December, 1902, and the patent was

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granted to the company on December 1st, 1903. A prior patent for improvements in pneumatic straw stackers had been granted to the defendant Harry Ward Smith and his brother Martin Franklin Smith upon an application and specification made by them. The specification in case of the earlier patent is dated the 26th of August, 1901, and the patent bearing the number 73,416 was issued on the 15th of October of that year. On the 15th of January, 1902, as appears from the allegations and admissions to be found in Exhibit "J", Martin Franklin Smith assigned his interest in letters-patent numbered 73,416 to the defendant Harry Ward Smith, and the latter assigned the same to the plaintiff on the 5th of January, 1903. It will be observed that the first patent was granted prior to the date of the specification of the second patent; and also that the assignment of the first patent (No. 73,416) to the plaintiff bears a later date than the assignment to the company of the second invention and application. The consideration, however, mentioned in the assignment of the second invention is the nominal one of dollar, while the defendant Harry Ward Smith admits having received one thousand dollars as consideration. The following is taken from his cross-examination by Mr. Cassels:

"Q. You were paid a money consideration, were you not, for the assignment of this patent?—A. Yes.

Q. And it amounted to quite a sum of money?—A. Not very much in a case of that kind.

Q. A thousand dollars at first, I understand?—A. There is a good deal of expense.

Q. Just answer my question. It was a $1,000 was it not?—A. Yes."

I infer from this and the fact that the assignment produced mentioned only a nominal consideration that Mr. Cassels and the witness had in their minds

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the first patent as well as the second, and that the two assignments constituted one transaction although upon the face of the documents there is some sixteen days between the respective dates. In that view of the case, probably, in any view of the case, it becomes important to see wherein, in the matters now in controversy, the two applications and specifications were alike and wherein they differed. And that it seems to me may be most conveniently done by placing extracts therefrom in double columns opposite to each other, by omitting the portions that are not material to the consideration of this case which has to do with a part only of a pneumatic stacker; namely, with the discharge pipe, the sectional elbow, and the arms by which the sections of the elbow are supported in combination with means for collapsing or extending the sections of the elbow, and means for limiting such extension movement.

SPECIFICATION OF AUGUST 26, 1901.	SPECIFICATION OF DECEMBER 26, 1901.
Patent issued October 15th, 1901, and numbered 73,416.	Patent issued December 1st, 1903, and numbered 84,183.
To all whom it may concern:	*To all whom it may concern:*
Be it known that we Harry Ward Smith * * and Martin Franklin Smith * * have invested certain new and useful improvements in Pneumatic Straw Stackers, of which the following is a specification:	Be it known that we Harry Ward Smith * * and Martin Franklin Smith * * have invented certain new and useful improvements in Pneumatic Straw Stackers, of which the following is a specification:
The object of our invention is to devise a simple, cheap and effective pneumatic straw stacker, and it consists essentially of certain improvements in the	The object of our invention is to devise a simple, cheap and effective pneumatic straw stacker and it consists essentially of certain improvements in

means for introducing the straw into the fan housing in the means for discharging the chaff either with the straw or separately; in an improved and simplified turntable and elbow; and in certain other details of construction hereinafter more specifically described and then definitely claimed.

* * *

The discharge pipe H is connected with the interior of the fan housing in the usual manner, its inner side opening substantially at or near the point where the narrow part of the housing and the wide part come in line. See Fig. 3.

* * *

The discharge pipe H passes directly upward and is fitted loosely within the lower end of the elbow M so that the elbow may turn freely around as hereinafter described. The elbow is formed in three pieces *g*, *h*, *i*. To the lower piece *g* of the elbow is secured a metal ring *j* provided in front with two suitably journalled rollers *k* and behind two suitably journalled rollers k^1. The rollers *k* are adapted to engage the underside of the metal ring N and the rollers k^1 the upper side of the same ring. This metal ring is secured to the board *l* by means of outwardly

the means for introducing the straw into the fan housing in the means for discharging the chaff either with the straw or separately; in an improved and simplified turntable and elbow and in certain other details of construction hereinafter more specifically described and then definitely claimed:

* * *

The discharge pipe H is connected with the interior of the fan housing in the usual manner; its inner side opening substantially at or near the point where the narrow part of the housing and the wide part come in line. See Fig. 3.

* * *

The discharge pipe H passes directly upward and is fitted loosely with the lower end of the elbow M so that the elbow may turn freely around as hereinafter described. The elbow is formed in three pieces *g*, *h*, *i*. To the lower piece *g*, of the elbow is secured a metal ring *j* provided in front with two suitably journalled rollers *k* and behind two suitably journalled rollers k^1. The rollers *k* are adapted to engage the underside of the metal ring N and the rollers k^1 the upper side of the same ring. This metal ring is secured to the board *l* by means of out-

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and downwardly extending lugs m so that the free engagement of the rollers k and k^1 with the metal ring is not interfered with.

As the weight of the extension O of the discharge pipe presses downward at the rear side of the elbow and upwards at the front side of the elbow the rollers k and k^1 provide for the proper taking of this strain with rolling friction on the ring N. Arms n are secured to the ring j and extend rearwardly to a point or line with the centre from which the sections of the elbow are struck.

Sections h, i are respectively connected to arms n^1, n^2 on a common centre. The sections g and h telescope within the sections h and i respectively, as shown, and thus by telescoping these sections the extension O of the discharge pipe may be given any desired upward inclination.

Short sections of wire or chain o may be used to connect the sections of the elbow to limit their motion and retain them in their proper position.

It will be necessary to provide a slot at the point p to enable the section i of the elbow to work over the arm n^1 of section h.

To the metal rim j I con-

wardly and downwardly extending lugs m so that the free engagement of the rollers k and k^1 with the metal ring is not interfered with.

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Sections h, i, are respectively connected to arms n^1, n^2 on a common centre. The sections g and h telescope within the sections h and i respectively, as shown, and thus by telescoping these sections the extension O of the discharge pipe may be given any desired upward inclination.

Short sections of wire or chain o may be used to connect the sections of the elbow to limit their motion and retain them in their proper position.

(No corresponding provision.)

To the metal rim j I

nect standards P on which is journalled a winding drum Q provided with a suitable pawl and ratchet retaining device *q*. A crank handle *r* is also provided by which the winding drum may be operated. A cord *s* connects this drum with the upper end of the arm n^1 secured to the section *i* of the elbow. By operating this drum the elevation of the extension of the discharge pipe may be varied as desired.

* * *

What we claim in our invention is:—

(Then follow ten claims of which the seventh, eighth and tenth only are relevant to the case.)

7. In a pneumatic stacker, a discharge pipe, a sectional telescopic elbow, and arms connected to the sections and pivoted together at a point substantially coincident with the centre from which the curve of the elbow is struck, in combination with means connected with the elbow for adjustably collapsing or extending the section at will, substantially as described.

8. In a pneumatic stacker, a discharge pipe, a telescopic elbow made in three sections and arms connected to the sections and pivoted together at a point

connect standards P on which is journalled a winding drum Q provided with a suitable pawl and ratchet retaining device *q*. A crank handle *r* is also provided by which the winding drum may be operated. A cord *s* connects this drum with the upper end of the arm n^1 secured to the section *i* of the elbow. By operating this drum the elevation of the extension of the discharge pipe may be varied as desired.

* * *

What we claim in our invention is:—

(Then follow fourteen claims of which the first and second only are in issue in this case.)

1. In a pneumatic stacker, a discharge pipe, a telescopic elbow made in three sections and arms connected to the sections and pivoted together at a point substantially co-incident with the centre from which the curve of the elbow is struck; in combination with means connected with the elbow for adjustably collapsing or extending the sections at will, substantially as described.

2. In a pneumatic stacker, a discharge pipe, a telescopic elbow made in three sections, and arms connected to the sections and pivoted together at a point

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substantially co-incident with the centre from which the curve of the elbow is struck, one of the end sections being slotted to embrace the arm of the centre section when the elbow is collapsed, in combination with means connected with the elbow for adjustably collapsing or extending the sections at will, substantially as described.

10. The tenth claim is identical in terms with the eighth with the addition of the following feature "and means for limiting "the extension movement "of each section," substantially as described.

substantially co-incident with the centre from which the curve of the elbow is struck in combination with means connected with the elbow for adjustably collapsing or extending the sections at will, and means for limiting the extension movement of each section, substantially as described.

It will be observed that the differences between the descriptions of the inventions in the two cases and of the claims made are very slight indeed. In the first specification the middle section as described and shown is carried by a single arm so located and connected with that section that it was necessary to have a slot in the upper section to permit the latter to pass over or telescope the middle section.

That slot is described and claimed as being something necessary and essential.

The drawings attached to the second specification show a different location of the arm whereby the necessity of the slot is obviated; and the elbow when extended does not present an opening through which dirt and small straws might when the stacker is being operated be discharged. That change or improvement in the mode of attaching the arm to the middle section of the elbow is not described in the second

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specification; but as stated it is shown in the drawings attached thereto. The claim in the second patent is limited to a telescopic elbow made in three sections while in the seventh claim of the first patent the claim is made for a sectional telescopic elbow without any reference to the number of such sections. But in the specification it is stated that this elbow is made in three sections, and it is so shown in the drawings. There is no difference between the two patents in this respect, or so far as they are in question in the action, in any other respect than that which has been pointed out. And with reference to this difference between the second patent and the first it was not at the time a new thing to so connect the supporting arms of an adjustable or telescopic elbow to the sections thereof that such slots as those mentioned were unnecessary. An illustration of a similar attachment or connection of the supporting arms with the sections of the elbow is to be found in the United States Patent numbered 396,773 granted on the 29th of January, 1889, to Lyman Smith for useful improvements in adjustable curved pipe sections or elbows.

But in this case the plaintiffs company derives its title to the invention through an assignment from the defendant Harry Ward Smith and the latter is estopped from setting up or showing that he and his brother were not the first or true inventors of the alleged invention or that it is not new or useful, or that there was no invention or that the specification was not sufficient. It was contended that he could not give evidence of the state of the art or manufacture so as to narrow or limit the construction of the patent. The contention is not of any considerable importance in this case as the first patent, the particulars of which were known equally to both parties to the transaction, shows sufficiently at what stage the manufacture of

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pneumatic stackers had arrived. But I have seen no reason to modify in any way the view that I expressed on that point in the action between the same parties on the earlier patent. (*The Indiana Manufacturing Co.* v. *Smith* (1). In *Hocking* v. *Hocking* (2), Lord Watson said "the appellant is patentee of the invention "which he is said to have infringed, the respondents "having acquired the right to it by direct assignment "from him. He has probably been well advised in "abstaining from impeachment either of the novelty "and utility of the invention, or of the sufficiency of "the specification, and the case must therefore be dis-"posed of upon the assumption that the patent is in "all respects valid. But notwithstanding the peculiar "relation in which he stands to the respondent, he "cannot be held to have infringed it, if as he alleges "he has done no more than would have been permissi-"ble to any independent member of the public who "admitted the validity of the patent." An assignor of a patent, sued as an infringer by his assignees, is estopped from saying that the patent is not good; but he is not estopped from showing what it is good for; and that can only be done by reference to what was known at the time of his invention.

In the present case there is however as has been suggested no difficulty on that point. The earlier patent assigned by the defendant to the plaintiff concludes everything but the narrowest possible construction of the claims of the second patent now sued on. Speaking generally, and omitting for the moment the minor distinguishing features, the combination is old, each element is old, and no new result is produced. But then in respect of one of the elements there is a change of form that is said to possess some merit. The supporting arm or arms (as the case may be) of the

(1) 9 Ex. C. R. 154. (2) 6 R. P. C. 77.

middle section of the elbow is or are so connected therewith that a slot in the adjoining section is avoided. That is all. It may be that as between the plaintiff and any other person who disputed the validity of the patent it would be impossible on these facts to sustain the patent. That is not the question here and I express no opinion as to it. But as against the defendant, or any person who admitted the validity of the patent it must be taken to be good for a combination of the features mentioned of which that is one.

What is it, then, that the defendant has done? He has manufactured pneumatic stackers in which he has used a discharge pipe, a telescopic elbow made in three sections with arms connected to the sections and pivoted together at a point substantially co-incident with the centre from which the curve of the elbow is struck, in combination with means connected with the elbow for adjustably collapsing or extending the sections at will and means for limiting the extension movement of each section. And the supporting arms connected with the middle section of the elbow are so located and arranged that the slot mentioned in the earlier patent is not necessary. As has been observed the specification itself does not show how this is to be done, and it is not clear, I think, whether the drawing shows one arm attached to the lower and inner part of the section or to a ring passing round the section; or two arms passing round the lower part of the section in the form of a bail as it was called. So far as I can see the drawing shows either a ring with one arm or a bail with two; but after all the difference is not important. There is not, it seems to me, a sufficient difference of construction to enable the defendant to escape no matter how narrowly the claim is construed.

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It is argued, however, that the question is concluded by the former action to which reference has been made. That is not my view of the matter. The present action is brought upon a different and later patent; which if good is good for something that was not granted in the former patent. It is not possible under these circumstances, it seems to me, for the issues to be the same; and as a matter of fact they are not the same. In the earlier case there was a feature in one of the elements that the patentee had declared to be essential and necessary that he was not then using. The particular mode of constructing the elbow has been altered so that this feature is omitted, and its omission is claimed to have, and appears to have, some advantages. A patent has been granted which in respect of this elbow cannot be distingushed from the earlier patent except in respect of this feature, and because of the relation of the parties it has to be be taken to be true, whether it really be true or not that the patent is good. The defendant has manufactured pneumatic stackers in which he uses a telescopic elbow constructed in accordance with the second patent. That question was not in issue in the first suit and is not concluded.

No evidence was offered on the other defences set up.

There will be judgment for the plaintiff company with the relief that it is usual to grant in such cases, but the relief must be limited to the particular thing or part of the stacker in controversy and to its manufacture, sale or use in the particular form described.

And there will be a reference to take an account or to assess damages, and the plaintiff will have its costs.

Judgment accordingly

Solicitors for plaintiffs: *Hogg & Magee.*

Solicitors for defendants: *Masten, Starr & Spence.*