

BETWEEN:

DOW CHEMICAL CO. PLAINTIFF;

AND

KAYSON PLASTICS & CHEMICALS }
LTD. DEFENDANT.

Ottawa
1966
June 9
June 30

Patents—Pleadings—Process patent—Infringement—Particulars of one infringement given—General allegation of additional infringements without particulars—Order for particulars—Exchequer Court R. 20.

In an action commenced in 1966 for infringement of a process patent issued in 1956 plaintiff in para. (1) of the particulars of breaches alleged that defendant had infringed the patent since its issue by manufacturing in Canada rubber reinforced styrene polymers by an infringing method or methods and by selling in Canada products manufactured in accordance with such method or methods. In para. (3) of the particulars of breaches plaintiff alleged that the precise number and dates of all defendant's infringements were unknown to plaintiff but that defendant's high impact polystyrene marketed by it since early 1963 under the designation "KHI" was an infringement as alleged in para. (1). Defendant moved for further particulars of para. (1) of the particulars of breaches and for the identification of the "rubber reinforced styrene polymer" referred to therein.

Held, plaintiff must supply the particulars sought before obtaining discovery of defendant

Aktiengesellschaft Fur Autogene Aluminium Schweissung v. London Aluminium Co. [1919] 2 Ch. 67, applied; *Tilghman v. Wright* (1804) 1 R.R.C. 103; *Haslam v. Hall* (1887) 4 R.P.C 203; *Mandleberg v. Morley* (1893) 10 R.P.C. 256; *Brennan v. Poslums* (1956) 16 Fox P.C. 98, not followed; *Marsden v. Albrecht* (1910) 27 R.P.C. 785; *Philipps v. Philipps*, (1878) 4 Q.B.D. 127, *Schuster v. Hine Parker & Co.* (1935) 52 R.P.C. 345, referred to.

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APPLICATION.

J. A. Devenny for plaintiff.

Edwin A. Foster for defendant.

JACKETT P.:—This is an application by the defendant for an order requiring the plaintiff to provide further particulars of paragraph 1 of the Particulars of Breaches.

The action was instituted by a Statement of Claim filed on March 9, 1966, which states that the plaintiff is the owner and patentee of Canadian Letters Patent No. 525,041, issued May 15, 1956, for an invention entitled "Method of Polymerizing Vinyl Aromatic Compounds with Rubber" and alleges that "The defendant has infringed the rights of the plaintiff under the said letters patent" as set out in the Particulars of Breaches served with the Statement of Claim.

The Particulars of Breaches are furnished in such an action by virtue of Rule 20 of the Rules of this Court, which reads as follows:

In an action for infringement of a patent the plaintiff must deliver with his statement of claim particulars of the breaches complained of.

The "Particulars of Breaches" filed by the plaintiff read as follows:

The following are the particulars of breaches complained of in the Statement of Claim herein:

1. The defendant has since the date of issue of Canadian Letters Patent No. 525,041 infringed the said letters patent by manufacturing or producing in Canada rubber reinforced styrene polymers by a method or methods which infringes the said Canadian letters patent and by selling in Canada products manufactured or produced in accordance with such a method or methods.

2. The plaintiff will rely on claims 1 to 6 inclusive of Canadian Letters Patent No. 525,041.

3. The precise number and dates of all the defendant's infringements are at present unknown to the plaintiff and the plaintiff will claim to recover full compensation in respect of all infringements. The plaintiff specifically alleges, however, that the defendant's high impact polystyrene marketed by it since at least as early as 1963 under the defendant's designation "KHI", "Kayson Impact Polystyrene" are infringements for the reasons set out in paragraph 1 hereof.

The Notice of Motion is for an order requiring the plaintiff to provide further particulars of paragraph 1 of the

Particulars of Breaches, and, more specifically, particulars identifying the "rubber reinforced styrene polymers" referred to therein.

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There are various points of view from which it might be contended that the Statement of Particulars filed by the plaintiff in this action fails to set out "particulars" of the breaches complained of. The only complaint made by the defendant on this application is, however, that, while the plaintiff has particularized by saying that the defendant has manufactured or produced "the defendant's high impact polystyrene marketed by it since at least 1963 under the defendant's designation 'KHI', 'Kayson Impact Polystyrene' " by a method or methods which infringe the plaintiff's letters patent and by selling in Canada products manufactured in accordance with such a method or methods (last sentence of paragraph 3 of the Particulars of Breaches read with paragraph 1 thereof), the plaintiff has not given particulars of what other rubber reinforced styrene polymers the defendant is alleged to have manufactured or produced and sold. That is, therefore, the only complaint with which I shall deal in these reasons.

The parties are agreed that the question that I have to decide is whether the plaintiff's pleadings sufficiently comply with the Rules if, at this stage of the proceedings, that is before discovery, they state one particular of a type of infringement and claim in respect of other types of infringement that are unknown to the plaintiff but are known to the defendant.

Counsel for the plaintiff takes the position, in effect, that the plaintiff, if it has information of one type of infringement of its patent, is entitled to launch proceedings for infringements of that type and for anything else that the defendant may have done that constitutes infringement of the same patent, so that he will be in a position, in the course of obtaining discovery from the defendant, to explore the possibility of there having in fact been types of infringement of which he did not know when he launched his action. He concedes that, some time before trial, he must, if the defendant then insists, amend his Statement of Particulars by adding allegations of any other infringements of which he has become aware in the meantime and

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upon which he proposes to rely, so that he will then be restricted at trial to his Statement of Particulars as amended.¹

He limits this contention, at least for the purpose of this application, to alleged infringements of a process patent by a manufacturer, who should know what processes he has employed, and thus excludes infringements consisting only of selling, since a seller of goods of which he is not the manufacturer would not ordinarily know by what process the goods sold by him were made.

Generally speaking, I think it is correct to say that an action under our judicial system is a device to settle disputes where the plaintiff asserts certain facts which the defendant denies, or where the plaintiff asserts that on undisputed facts the law entitles him to relief that the defendant says the law does not entitle him to, or where there is some combination of such disputes between the plaintiff and the defendant. The assumption is that, at the time that the proceedings are instituted, the plaintiff has grounds on which his professional advisors are of the view that he can assert certain facts.² This he is required to do by his pleadings—see Rules 88 and 96A of the Rules of this Court for the general requirement, and Rule 20, *supra*, re actions such as the present.

It may well be, of course, that the plaintiff, at the time that an action is instituted, has grounds for asserting that the defendant has done certain things although he is not in a position to say precisely when or where or how the defendant did such things. These details in the circumstances of a particular case may be entirely within the knowledge

¹ An amendment to particulars or to the pleadings after any important step such as discovery has been completed should not be permitted, in my view, unless it is quite clear that it does not involve the possibility of substantial injustice to the other party. The pleadings, including particulars, fix the lines within which discovery is conducted, evidence is prepared for trial and evidence is adduced at trial. Had the pleadings been in the amended state before the opposing party conducted the various steps in the case, it might have resulted in his discovery, preparation for trial and evidence at trial being substantially different. The danger of amendment during argument after the evidence is closed is greater than after discovery but it is a matter of degree. Compare *Esso Petroleum Co. Ltd. v. Southport Corporation*, [1956] A.C. 218.

² For a useful discussion of the difference between facts constituting the cause of action and facts that are relevant as evidence to prove such facts, see *Phelps v. Phillips*, [1878] 4 Q.B.D. 127.

of the defendant. For example, the plaintiff may be in a position to show that a manufacturer sold a certain class of goods that had been manufactured by his patented process. Only the defendant can know, however, when and where they were so manufactured. In such a case, it obviously would not be necessary for the plaintiff to give such particulars, at least before discovery had taken place. There may also be circumstances in which the plaintiff's knowledge is sufficient to warrant commencing proceedings but it is appropriate to give him an order for inspection of the subject matter of the action under Rule 148A before he is required to settle his Particulars of Breaches. Compare *Elder v. Victoria Press Manufacturing Company*.¹

If, however, the plaintiff has *no* ground for asserting that the defendant had done any particular act that, according to him, constituted an infringement of his rights, I should have thought that he has no basis for institution of proceedings for such an infringement. If the plaintiff does not know what his claim is, "he has no right to make a statement of claim at all".² A bare assertion that the defendant has *infringed* the plaintiff's rights is not an allegation of facts constituting a cause of action and a statement of claim in which that is the only assertion of infringement could be struck out as being an abuse of the process of the Court. See *Marsden v. Albrecht*³ per Buckley L.J. at pages 788-9. The facts must be alleged in such a way that the Court can be satisfied that, assuming the truth of what is alleged, the plaintiff has an arguable cause of action.² It would be no answer to an application to strike out in such a case for the plaintiff to say that, if he is allowed to have unrestricted discovery of the defendant, he may then be in a position to plead a cause of action. In *Schuster v. Hine Parker & Co. Ltd.*⁴ where, in the course of upholding an order dismissing an action with costs because it disclosed no cause of action as the Particulars of Breaches did not allege facts constituting an infringement, Romer L.J., in the Court of Appeal, said at page 352:

I assume . . . that the truth of the matter is this: The Plaintiff actually has instituted this action without knowledge of any infringement

¹ (1910) 27 R.P.C. 114.

² *Philippus v. Philippus*, (1878) 4 Q.B.D. 127.

³ (1910) 27 R.P.C. 785 (C.A.)

⁴ (1935) 52 R.P.C. 345

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by the Defendants of the Plaintiff's Patent in the hope that in the course of the proceedings and by diligent interlocutory exploration he might discover something that would assist him. Such proceedings as those are not encouraged by the Courts, and, in my opinion, Mr. Justice Farwell' was well justified in putting a summary end to them by striking out the Statement of Claim as disclosing no cause of action and dismissing the Plaintiff's action with costs.

Is the position any different, if the plaintiff links with the allegation of one cause of action a general allegation of other infringements which, so far as the plaintiff knows, do not exist but which may be revealed by an unrestricted discovery? This is the question, as I see it, that is raised by this application.

I cannot recall, and I have not been referred to, any type of case outside the realm of industrial property litigation where there has been a tendency to endeavour to turn an action for damages into a general "Royal Commission" type of inquiry as to what infringements of the plaintiff's property rights the defendant has been committing.¹

In connection with industrial property litigation, it is obvious that, once it has been established that the defendant has been infringing the plaintiff's rights by one course of conduct, there is a natural desire on the part of the plaintiff to be allowed scope to ascertain, by the judicial process, what other infringements, if any, the defendant has been committing. The question that I have to determine is whether that form of relief is open to him under our judicial system or whether such a course of action is subversive of the principle on which our system is based, namely, that the function of the Courts is to settle existing disputes.

Strictly speaking, the plaintiff must allege in his Statement of Claim the facts that, according to him, constitute the infringement or infringements of his rights under his patent in respect of which he claims relief. Rule 20 requires, in addition, a separate statement of "particulars" of such "breaches".

¹ It is important, in my view, that particulars should play their proper role of keeping each action within proper bounds. ". . . it is the purpose of such particulars that they should help to define the issues and to indicate to the party who asks for them how much of the range of his possible evidence will be relevant and how much irrelevant to those issues. Proper use of them shortens the hearing and reduces costs." Per Lord Radcliffe in *Esso Petroleum Co. Ltd. v. Southport Corporation*, [1956] A C 218 at page 241.

As I have already indicated, an allegation that the plaintiff has "infringed" the plaintiff's rights, as opposed to an allegation of facts constituting an infringement of his rights, is not such an allegation of fact at all.

If there is no allegation of facts which, if true, constitute or might constitute an infringement of the plaintiff's patent, the action can, as I have already indicated, be disposed of summarily on a point of law, either on a motion to strike out or otherwise. Strictly speaking, such a situation is not one for a motion for further particulars but I am inclined to the view that such a motion is an appropriate manner of bringing the matter to a head, having regard to the common practice of pleading conclusions as though they were allegations of the facts on which the conclusions are based, which practice, while not strictly speaking correct, is not too unsatisfactory in some circumstances.

Assuming that there is an allegation of facts that, if true, constitutes or might constitute an infringement, the question as to whether the plaintiff should be required to furnish further particulars is one to be decided as a matter of discretion having regard to the facts and circumstances of each particular case. For example, as already indicated, if the plaintiff's information is such that he knows, or has grounds for believing, that the defendant, who is a manufacturer, has been selling a certain type of goods that have been made by the plaintiff's patented process, the plaintiff should not, at least before discovery, be asked to give particulars as to where or when such goods were so made. Again, if a defendant manufactures only one line of goods, and the plaintiff has grounds for believing that those goods were made by his patented process (which embraces several possible variants), the plaintiff cannot be expected to give particulars as to the precise method employed by the defendant, at least before discovery. On the other hand, if the plaintiff's patent is for some process or improvement on a process which might conceivably be worked into any one or more of several hundred different operations in the defendant's plant, it would probably be incumbent upon the plaintiff to give sufficient particulars so as to limit not only the trial but discovery to the particular operation of the defendant's which, according to the information upon which the plaintiff based his decision to commence his action, constitutes an infringement of the plaintiff's patent.

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Probably, applications for further particulars calling for an exercise of discretion are applications in which the Court should insist upon the supporting affidavits by both parties giving a reasonably full and frank disclosure of the grounds upon which the action was commenced and of the actual problems with which the parties are faced from the point of view of pleading, discovery and preparation for trial.¹

In my view, however, none of these problems arise when the plaintiff, in addition to particularizing as to the facts constituting an infringement that are known to him, attempts to bring within the ambit of his Statement of Claim facts that are unknown to him and which, as far as he has any ground for belief, do not exist. Such an attempt to include in a Statement of Claim causes of action based upon no known facts must fail. Either the plaintiff can show that there are facts that justify including a second cause of action in the Statement of Claim or the references to such a possible cause of action are not relevant to any cause of action and should be struck from the pleading.

For the above reasons, I am of opinion that the application for further particulars should be granted in the terms sought and that the action should be stayed until such particulars are supplied or the Particulars of Breaches are amended so as to limit it to the breaches of which particulars are given.

In coming to this conclusion, I regard the decision of the Court of Appeal in England in *Aktiengesellschaft Für Autogene Aluminium Schweissung v. London Aluminium Company*² as being directly in point. While that was a decision as to whether interrogatories were to be answered, the decision turned upon a conclusion that a particular paragraph in a Statement of Objections in a patent infringement action, which I regard as indistinguishable in principle from paragraph 1 of the Particulars of Breaches in this case, was not "a particular of any breach whatever," so that it did not form a basis for discovery. See per Swinfen Eady M. R. at page 74:

The plaintiffs by para. 2 of their particulars of breaches do give particulars of an alleged infringement. [His Lordship read the paragraph and continued:] In my opinion that is the only particular contained in the

¹ Cf. *Mersey Chemical Works Ltd. v. Levenstein Ltd.*, (1912) 29 R P C. 677.

² [1919] 2 Ch. 67.

document headed "Particulars of Breaches." Paragraph 1 is merely a general allegation that the defendants have infringed the patents, and does not condescend to give any detail, or any particular of the breach. It must be remembered that the function of particulars of breaches is to point out to the defendant what specific act on his part is complained of so as to prevent surprise at the trial, and, if this is so, how can it be said that para 1 of the plaintiffs' particulars of breaches complies with that provision? It is a mere repetition in general terms of the allegation in the statement of claim that the defendants have infringed the patents "prior to the issue of the writ in this action and subsequent to the 17th day of November, 1909"—that is to say at some time between November 17, 1909, and July 18, 1918, an interval of something like nine years. [His Lordship read the paragraph and continued.] There are no particulars and no details at all. In my opinion that paragraph does not amount to a particular of any breach whatever.¹

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Having regard to the fact that this motion was argued on the basis that the point involved is whether a plaintiff in such an action is entitled to include in his Statement of Claim breaches of a kind of which he has no information, it is worthwhile referring to what the Master of the Rolls said at page 75:

The first and second interrogatories are general interrogatories of a roving or fishing character to endeavour to find out whether the defendants have committed some other breach. They are not directed to any breach of which any particulars are given; and in my opinion it is not the practice in a patent action to allow interrogatories to travel outside the particulars, and to embrace questions generally of a roving and fishing character

and at page 76:

Then it was said that, if the plaintiffs were able to obtain an answer to the interrogatories in the present case, it was quite possible that the answer might disclose some other breaches, and that then the plaintiffs could apply to amend their particulars of breaches, and bring them into

¹ The paragraph to which the Master of the Rolls referred read as follows:

"1. Prior to the issue of the writ in this action, and subsequent to the 17th day of November, 1909, the defendants have infringed each of the letters patent referred to in the statement of claim by the use in this country for welding objects made of aluminium of fluxes made in accordance with the descriptions in the complete specifications of each of the said letters patent and as claimed in all the claiming clauses thereof, and have in this country used the processes therein described, and sold, supplied, and offered to sell objects made of aluminium so welded."

See also Warrington L.J. at page 78. In the subsequent decision of Eve J. in *The Mullard Radio Valve Co., Ltd. v. Trungsram Electric Lamp Works (Great Britain), Ltd.* (1932) 49 R.P.C. 279, the point decided in this Court of Appeal decision does not appear to have been raised. As I read the decision of *Salopian Engineers Limited v. The Salop Traler Company Limited*, (1954) 71 R.P.C. 223, Lloyd-Jacob J. applies this Court of Appeal decision to say that the additional causes of action must be pleaded before discovery.

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the action by amendment. For that the case of *Sykes v. Howarth*, 12 Ch. D. 826 was relied upon; but it really only comes to this: that, if a plaintiff alleges, as an instance of a breach, a sale to A. and the defendant admits the sale of an article, exactly similar, to B. then the sale to B. will be admissible in evidence. In the particular case the defendant seems to have voluntarily admitted a sale not only to Samuel Shaw & Co. and Charles Smith, in the particulars of breaches mentioned, but also to "other persons"; so that there was an admission that he had sold to other persons an exactly similar article, and then the name of one of them was mentioned.

In my opinion those authorities are no justification for allowing the interrogatories to travel outside the particulars, and by interrogatories of a sweeping character to endeavour to find out whether any further breach has, at any time and under any circumstances, been committed by the defendants.

In so far as certain cases cited by counsel for the plaintiff are inconsistent with the Court of Appeal decision upon which I rely, as they are all decisions of inferior courts, I cannot regard them as authoritative. I refer to *Tilghman's v. Wright*¹, *Haslam v. Hall*,² *Mandleberg v. Morley*,³ and *Brennan v. Posluns*.⁴

My conclusion is therefore that, left as it is, paragraph 1 of the Particulars of Breaches in this case is, as a particular of a breach of the plaintiff's patent rights, a mere nullity. Unless, therefore, the plaintiff supplies the particulars sought (I am not deciding whether the defendant would have been entitled to other relief if he had sought it), the Particulars of Breaches are not a satisfactory compliance with Rule 20 and are embarrassing. The order is therefore, as already indicated, for the further particulars in the terms sought and that the action be stayed until such further particulars are supplied or the Particulars of Breaches are amended so as to limit it to the breaches of which particulars are given. The defendant is to have the costs of the application in any event of the cause.

That concludes all that I have to say with regard to the application. I wish to add a few words to raise a question that has arisen in my mind in the course of my consideration of the application.

In general, under our system of pleading, a Statement of Claim for an infringement of a right should clearly show

(a) facts by virtue of which the law recognizes a defined right as belonging to the plaintiff, and

¹ (1884) 1 R.P.C. 103.

² (1887) 4 R.P.C. 203.

³ (1893) 10 R.P.C. 256 at 260.

⁴ (1956) 16 Fox P.C. 98.

(b) facts that constitute an encroachment by the defendant on that defined right of the plaintiff.

If the Statement of Claim does not disclose those two elements of the plaintiff's cause of action, it does not disclose a cause of action and may be disposed of summarily.

While, as far as I know, there is no special rule in relation to claims for infringement of a patent that would exempt such proceedings from this elementary requirement, there appears to be a practice, which is not peculiar to this country, whereby the Statement of Claim does not describe the particular monopoly right of the plaintiff which he claims to have been infringed but is limited to an assertion that the plaintiff is an owner of a patent bearing a certain number and having a certain title. This patent is not part of the pleadings so that the pleading tells neither the Court nor the defendant anything about the rights of the plaintiff that, according to him, have been infringed. Furthermore, if the Court or the defendant acquires a copy of the patent, which can be done at a price, more often than not, it will be found that the patent purports to grant to the plaintiff a large number of monopolies and the Court and the defendant are left to guess which one or more is the subject matter of the action.

It seems to follow from this departure from the ordinary rules of pleading that the plaintiff then adopts the device found in the Statement of Claim in this action of omitting to allege any facts that would constitute an infringement of the plaintiff's rights and the Statement of Claim is limited to a bare assertion that the plaintiff's rights have been "infringed".

The question that occurs to me is whether there is any possible basis upon which such a Statement of Claim can be supported under our Rules.

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