The appeal is dismissed with costs.

Ottawa 1966

June 1, 2

June 2

BETWEEN:

PHILCO CORPORATION ....PLAINTIFF;

AND

R.C.A. VICTOR CORPORATION .....DEFENDANT.

Patents—Conflict proceedings—Decision of Commissioner—Appeal to Exchequer Court—Time fixed by Commissioner for commencing proceedings—Whether power to extend—Patent Act, s. 45(8)—Evidence of usage—Inadmissibility of—Estoppel—Interpretation Act, s. 31(1)(e)—Patent Rule 126.

On April 9th 1965 the Commissioner of Patents made a decision under s 45 of the *Patent Act* on a conflict of patent applications and fixed a period of 3 months for commencing proceedings in the Exchequer Court by way of appeal therefrom. On July 9th he extended the time to October 9th. On October 15th he again extended the time to January 9th. Plaintiff commenced proceedings in the Exchequer Court on January 4th.

Held, on a motion by defendant to dismiss the proceedings for want of jurisdiction, the Commissioner has no power under s. 45(8) to extend the time fixed by him thereunder.

Evidence that Commissioners of Patents have for years construed s. 45(8) as authorizing extensions of time is not admissible for the interpretation of s. 45(8).

Section 31(1)(*e*) of the *Interpretation Act*, that a power conferred by statute may be exercised from time to time, does not authorize an extension of time once fixed by the Commissioner under s. 45(8).

The authority given the Commissioner by Patent Rule 126 to extend times fixed by him does not explicitly authorize extensions of time, fixed pursuant to the provisions of the Act and would be *ultra vires* if it did.

There was no evidence of any misrepresentation by defendant upon which to claim an estoppel and in any event there can be no estoppel against applying a statute.

Even if the Commissioner had power to extend a time fixed by him under s. 45(8) his second extension was out of time.

Institute of Patent Agents v. Lockwood [1894] A.C. 347; *Re Jaffe, Minister of Health v. The King* [1931] A.C. 494; *Parmenter v. The Queen* [1956-60] Ex. C.R. 66, referred to.

MOTION.

David Watson for plaintiff.

Russel S. Smart, Q.C. for defendant.

JACKETT P.:—During the past two days there has been argued before me a motion by the defendant

(*a*) for an order striking out the Statement of Claim on the ground that the Court does not have jurisdiction to entertain an action under section 45 of the *Patent Act* commenced after the expiration of the period fixed by the Commissioner of Patents under subsection (8) of that section,

(*b*) in the alternative, for an order striking out paragraphs 9 and 10 of the Statement of Claim and paragraphs 2 and 3 of the Prayer for Relief on the ground that the

1966

PHILCO CORP. v. R.C.A. VICTOR CORP.

Jackett P.

> Court does not have jurisdiction in an action under section 45 to determine the issues raised by such paragraphs.

The issues raised by this motion are each of such importance that it is not unlikely that there will be an appeal. As there is a public interest in having any proceeding under section 45 determined with all reasonable speed,[1] I propose to make an order dealing with both branches of the motion (although if I am right in the conclusion that I have reached on the first branch, it would be unnecessary to decide the second branch) in the hope that it will eliminate the possibility of the extra delay arising from a second appeal following the first.

I propose at the present time to state my reasons with reference to the question as to whether the Court has jurisdiction after the time fixed by the Commissioner has expired.

Section 45 provides a procedure to resolve the problem that arises when two or more applications for patents are found in the Patent Office either claiming or disclosing the same invention. The first seven subsections outline the procedure to be applied by the Commissioner of Patents resulting, if the conflict is not otherwise resolved, in each applicant filing an affidavit containing specified information on the basis of which the Commissioner decides which of the applicants is the prior inventor "to whom he will allow the claims in conflict". The final stage contemplated by section 45 is a "proceedings" in this Court, which may be commenced by an unsuccessful applicant to have the decision of the Commissioner reviewed. Such proceedings are provided for by subsection (8) of section 45 which provides, in part, that the claims in conflict shall be rejected or allowed in accordance with the Commissioner's decision

> "unless within a time to be fixed by the Commissioner and notified to the several applicants one of them commences proceedings in the Exchequer Court for the determination of their respective rights."

---

[1] Any delay in section 45 proceedings delays the ultimate grant of a patent and therefore postpones the time when the seventeen year term of the patent expires and thus, the time when the invention falls into the public domain.

In effect, subsection (8) provides for an appeal to this Court from the Commissioner's decision under subsection (7).

In this case, the sequence of events was

(*a*) On April 9, 1965 the Commissioner made his decision under subsection (7) and fixed a period of three months within which proceedings might be brought in this Court,

(*b*) On July 9, 1965, the Commissioner wrote to the plaintiff's solicitors purporting to extend the time so fixed to October 9, 1965;

(*c*) On October 7, 1965, the plaintiff's solicitors wrote to the Commissioner requesting that such period be further extended;

(*d*) On October 15, 1965 the Commissioner wrote to the plaintiff's solicitors purporting to further extend the period so fixed to January 9, 1966;

(*e*) On January 4, 1966, these proceedings were commenced.

The proceedings contemplated under subsection (8) of section 45 are, obviously, quite special. Ordinarily, while a patent application is pending, no person other than the applicant and his advisors and the Commissioner's staff have any knowledge of it. Proceedings concerning the validity of any decision taken by the Commissioner normally cannot be instituted until after an application has been granted or refused. The so-called "conflict" proceedings contemplated by subsection (8) of section 45 clearly exist only by virtue of the statute and to the extent that they fall within the statutory provisions.

Read literally, subsection (8) says that "The claims in conflict shall be rejected or allowed" in accordance with the Commissioner's decision unless "within a time to be fixed by the Commissioner" one of the applicants commences proceedings. Upon the expiration of the time fixed by the Commissioner without proceedings having been commenced in the Court, the statute requires that the claims be rejected or allowed. If that requirement were complied with, it would be too late to ask the Court to review the Commissioner's decision. Clearly, the proceedings in the Court are authorized if, and only if, they are commenced within the

1966

PHILCO CORP. v. R.C.A. VICTOR CORP.

Jackett P.

times fixed. If the subsection had itself fixed a time, say three months, for commencement of proceedings, there would be no question that proceedings commenced after that time would not be within the statute and would be a nullity. I can see no difference in the effect of the provision when Parliament substitutes, for a specified time applicable to all cases, a time to be fixed by the Commissioner for each individual case.

What counsel for the plaintiff says in effect, as I understand it, is that there must be *implied* in the provision a power in the Commissioner to extend the time which he has fixed in accordance with the authority *explicitly vested* in him. He supports this by reference to somewhat similar time-fixing authorities vested in the Commissioner by subsections (2), (4) and (5) of section 45, which, he says, are the sort of times that ought as a matter of convenience and good administration to be capable of being extended. Despite this and many other interesting and ingenious arguments put forward by counsel for the plaintiff in this case, as well as by counsel for the plaintiff in *Texaco Development Corporation v. Schlumberger Ltd.*, in which case the same point is also being considered at this time, I have not been able to construe subsection (8) of section 45 as conferring on the Commissioner not only the power to fix the time for commencement of proceedings in the first instance, but, in addition, a power to extend the time so fixed.

When Parliament has intended that a time fixed for appealing can be extended, it has made express provision therefor. Just as there can be no appeal unless Parliament has expressly provided for one, so there can be no extension of the time for an appeal unless Parliament has provided for such an extension.

I should not have thought that a judge of this Court can extend the "further time" that he has fixed under section 82(3) of the *Exchequer Court Act* an appeal to the Supreme Court of Canada, once he has fixed it; similarly, I am of opinion that the Commissioner cannot extend the time that he has fixed for proceedings in a particular conflict, once he has fixed it.

It remains on the first branch of the first application to deal with certain arguments made by counsel for the plaintiff.

I refer first to evidence that he proffered as being evidence as to the consequences that would flow from the interpretation of the section that I have adopted and of what he described as "long usage". I am of the view that such evidence is inadmissible and I reject it. In the interpretation of a provision such as subsection (8) of section 45, I am of the view that evidence is not admissible as being relevant to the interpretation to be put on the words used. I am prepared to act upon the knowledge which I have as a judge of this Court and the information communicated to me by counsel of long experience in such matters who practice in this Court. I take it for granted that Commissioners of Patents have for many years acted on the view that they have authority to extend periods of time fixed under section 45. I naturally, in the light of this knowledge, have given most anxious consideration to the matter before concluding that there was no authority to extend a time fixed under subsection (8) of section 45. I am not, however, prepared to admit as evidence concerning the meaning of words in a statute such as this, when used as ordinary words in the English language, evidence as to the meaning that has been given to the statute by government officials. If such evidence is admissible, I see no ground for refusing evidence as to the meaning given to it by members of the bar, solicitors, patent attorneys, inventors, or anybody else who has had occasion to purport to act with reference to it. If such evidence is admissible with reference to the interpretation of statutes, in addition to evidence as to the relevant facts, there will be no end to the ability of parties to protract trials when it suits their purposes.

Counsel for the plaintiff also relied on section 31(1)(*e*) of the *Interpretation Act*. It provides, in part,

> 31 (1) In every Act, unless the contrary intention appears,
>
> . . . .
>
> (*e*) if a power is conferred or a duty imposed the power may be exercised and the duty shall be performed from time to time as occasion requires;

This clearly, in my view, authorizes the Commissioner to fix a time under subsection (8) of section 45 each time he makes a decision under subsection (7), that is, each time the circumstances require. Section 31(1)(*e*) does not, in

1966

PHILCO CORP. v. R.C.A. VICTOR CORP.

Jackett P.

my view, authorize the Commissioner to extend a time once he has fixed it. I did not understand any of the cases cited by counsel for the plaintiff to go that far.

Counsel for the plaintiff also relied very heavily, as an alternative to relying simply on an interpretation of subsection (8) of section 45, on Rule 126 of the Rules made by the Governor in Council under section 12(1) of the *Patent Act*. That rule must be read with Rules 125 and 127. They read:

> 125. The Commissioner may fix a time for the taking of any action for which a time is not prescribed by the Act or these rules and an application may be deemed to be abandoned if such action is not taken within the time so fixed.
>
> 126. Except as provided in these rules, if the Commissioner is satisfied by an affidavit setting forth the relevant facts that having regard to all the circumstances any time prescribed by these rules or the 1935 Rules or fixed by the Commissioner for doing any act ought to be extended, the Commissioner may, either before or after the expiration thereof, extend such time.
>
> 127. Where a time prescribed by these rules is extended pursuant to section 126, the extended time shall be deemed for the purposes of these rules to be the time prescribed by these rules, but no extension of time shall affect any action properly taken by the Office before such extension was granted by the Commissioner.

In considering this alternative branch of the plaintiff's argument, it must be assumed that subsection (8) of section 45 authorizes the special conflict proceedings in the Court if, and only if, they are commenced within the time fixed by the Commissioner. Otherwise, no reference need be made to the Rules. On that assumption, I cannot read the Rules made under section 12(1) of the Act, by which the Governor in Council is authorized to

> . . . make, amend or repeal such rules and regulations as may be deemed expedient
>
> (*a*) for carrying into effect the objects of this Act, or for ensuring the due administration thereof by the Commissioner and other officers and employees of the Patent Office;
>
> (*b*) for carrying into effect the terms of any treaty, convention, arrangement or engagement that subsists between Canada and any other country; and
>
> (*c*) in particular, but without restricting the generality of the foregoing, with respect to the following matters
>
> (i) the form and contents of applications for patents,
>
> (ii) the form of the Register of Patents and of the indexes thereto,

(iii) the registration of assignments, transmissions, licences, disclaimers, judgments or other documents relating to any patent, and

(iv) the form and contents of any certificate issued pursuant to the terms of this Act.

as purporting to permit such very special proceedings as these conflict proceedings are to be commenced after the time contemplated by Parliament. Clearly, the Governor in Council could not have made special provision for such proceedings in circumstances or at times not contemplated by subsection (8) of section 45. If he could not do so explicitly, he could not do so by authorizing an extension of time fixed pursuant to the statutes. The words of Rule 126, when read with 125 and 127, do not explicitly contemplate extensions of time fixed pursuant to the provisions of the statute. In my view, they refer rather to times fixed by the Regulations or fixed by the Commissioner under Rule 125. If they did explicitly refer to the time fixed by the Commissioner pursuant to an express requirement of the statute, I should have thought the rule would be *ultra vires*. In any event, I am satisfied that Rule 126 does not authorize extensions of the time fixed under section 45(8). It is also to be noted that the effect of an extension granted pursuant to Rule 126 is defined by Rule 127, which deems the time to have been extended "for the purposes of these rules".

If the rule does not authorize the extension, or if it is *ultra vires*, section 12(2), upon which counsel rested much weight in the light of the decision of the House of Lords in *Institute of Patent Agents v. Lockwood*[1], cannot have any effect on the matter one way or the other. In this connection, reference should be made to the decision in *Re Jaffe, Minister of Health v. The King*[2].

The other argument of counsel for the plaintiff to which I must refer is that based on estoppel. I reject it because

(*a*) there was no evidence of any misrepresentation made by the defendant, and

(*b*) there cannot be an estoppel against applying a statute as opposed to estoppel that prevents reliance upon a fact that calls the statute into operation.[3]

[1] [1894] A.C. 347. [2] [1931] A.C. 494.
[3] [1956-60] Ex. C.R. 66 per Thorson P. at p. 69.

1966

PHILCO CORP. v. R C A. VICTOR CORP.

Jackett P.

Finally, I should say, with reference to the first branch of the Motion that, even if I were of the view that the Commissioner had power to extend the time, having regard to the requirement in subsection (8) of section 45 that the claims be rejected or allowed when the time expires without proceedings being commenced, I should have been of the view that the second extension would have been too late.

With reference to the second branch of the Motion, I have made an order today that paragraph 9 of the Statement of Claim be struck out.

In so far as the balance of the Motion is concerned, I have adjourned the matter to Monday, June 13, at 10:30 a.m. At that time, counsel for the plaintiff if he is so advised will be free to make an application to amend his Statement of Claim and when he has done so, the second branch of the Motion will, by consent, be regarded as applicable thereto. After any such amendment has been made, I propose to make an order following the general line of the Practice Note that I issued in *Branchflower v. Akshun Manufacturing Co.*, No. 159052, on April 20 last, striking out such allegations in the Statement of Claim as there then may be as contain allegations that one or more of the claims in conflict are not sufficiently supported by the specification. When that order has been made I propose then, in accordance with the reasons that I have just given, to make an order striking out the Statement of Claim as well.

On the first branch my inclination would be to give the costs to the defendant. On the second branch I suppose costs should follow the event. However, we will leave the question of costs until June 13.