1900

May 7.

BETWEEN

THE GENERAL ENGINEERING COMPANY OF ONTARIO, LIMITED ..... } PLAINTIFFS;

AND

THE DOMINION COTTON MILLS COMPANY, LIMITED, AND THE AMERICAN STOKER COMPANY ..... } DEFENDANTS.

Patent—Expiry of foreign patent—R. S. C. c. 61, s. 8—55-56 Vict. c. 24 s. 1—Construction—"Foreign Patent"—"Exist."

By the Patent Act, R. S. C. c. 61, s. 8 (as amended by 55-56 Vict. c. 24, s. 1) it is enacted that "under any circumstances if a foreign patent exists, the Canadian patent shall expire at the earliest date on which any foreign patent for the same invention expires."

J. filed an application for a Canadian patent for new and useful improvements in boiler and other furnaces on the 1st of March, 1892. On the same day he applied for a British patent and also for an Italian patent in respect of the same invention. The British application was accepted on the 30th April, 1892, and the patent issued on the 12th July but was dated, as is the practice in England, as of the date of the application, viz. 1st March, 1892. The Italian patent was issued on the 19th March, 1892, and was granted for a term of six years from that date. The Canadian patent was granted on the 15th October, 1892. The British patent became forfeited for non-payment of certain fees and annuities due thereon on the 1st March, 1897. The inventor was in default in respect of payment of fees on the Italian patent in 1895, and while there was some doubt whether such default operated a forfeiture *ipso facto* under the Italian law, there was no doubt that it expired at the expiry of the six years when no steps were taken by the inventor for its renewal.

Held, that the Canadian patent was void.

2. *Held* that the words "foreign patent" as used in the above enactment include all patents that are not Canadian.

3. That the word "exists" has reference to the date or time when the Canadian patent is *granted* not when it is *applied for*.

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4. That the words "shall expire at the earliest date on which any foreign patent for the same invention expires" are not to be limited to the expiration by lapse of time of the potential term of the foreign patent, but include any ending at a time earlier than the end of the term for which the patent is granted.

ACTION for infringement of a patent for invention.

The case originally came on to be heard by the Judge of the Exchequer Court on the 11th day of April, 1899, and, after trial and argument, judgment on the merits was delivered on the 14th day of June, 1899. This judgment will be found reported *ante* at p. 309. Prior to such judgment the defendants had moved for leave to supplement the evidence at trial by certain affidavits. This motion was refused. A report of the judgment on such motion will be found *ante* p. 306. On the 19th September, 1899, defendants obtained a writ of *scire facias* to set aside the plaintiffs' patent, on the ground of the lapse of a foreign patent for the same invention. On the 8th November, 1899, the sci. fa. case was argued and on the 10th January, 1900, judgment was delivered dismissing the writ, but allowing a motion previously made by defendants for a new trial of the first case on the merits. See this judgment *ante* p. 328. On the 28th March, 1900, the new trial was had.

Mr. Riddell, Q.C. for the plaintiffs: The position of this patent is, perhaps, a little different from that of most patents. The Act 55-56 Victoria, c. 24, came in force on the 9th July, 1892. By section 9 it is provided that the Act shall only apply to patents issued after the passing thereof. The Act which had previously been in force is *The Revised Statutes of Canada*, c. 61. The application was made by the plaintiffs' predecessors in title and everything was done which at that time was necessary to be done on the 1st of March, 1892; and, if there be any difference

between the two Acts, if there be any difference as regards the rights the plaintiffs would have under the two Acts, I venture to argue that the Act of 1886, (R. S. C. c. 61,) is the Act which will govern, and not the Act 55-56 Vict. c. 24. This statute, when I say this statute I mean the corresponding statute, has been in other countries a matter of investigation. Under the law in England when it was provided there that a patent taken out in a foreign country had effect, nothing done in such foreign country after the application in England had any bearing upon it. I am desiring to argue that the turning point is the filing with the Minister, in the proper office, of the application upon which a patent is subsequently granted. I say then that when the law in England was that a patent in a foreign country had any effect, nothing that was done in the foreign country in the way of taking out the patent or allowing the patent to expire, had any force whatever in England. Of course since the Imperial Act of 1884, the taking out of a foreign patent has no effect in any event; but I am speaking of the time at which the taking out of a patent in a foreign country had some force in England. So too in the United States. In the United States before the law of 1870 there was no question whatever as to what the law was. That will be found in the case of *O'Reilly* v. *Morse* (1); and also *French* v. *Rogers* (2); and it was so considered even after the passing of the Act of 1870. The Act of 1870 is slightly different from the previous legislation, and I say that even after the passing of the Act of 1870 it was considered that the same was the law. (Cites *Bate Refrigerating Co.* v. *Hammond* (3); *Bate Refrigerating Co.* v. *Sulzberger* (4). In the case last cited it was finally decided that

(1) 15 How. p. 127.
(2) 1 Fish. P. C. p. 136.
(3) 19 Brodix, 231.
(4) 157 U. S. 1.

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a patent taken out in a foreign country, before a patent actually issued in the United States, came within the meaning of the statute of 1870.

My argument, so far as that is concerned, is this: In England there is no question as to what was the law. In the United States, until long after the passing of this legislation in Canada, it was supposed to be the law. It was supposed to be the law that it was the application which was the turning point, and not the real issue of the patent. Then, I venture to submit, that, taken in connection with another case which I will cite, shows that the date of the application is the important point, and that therefore the Canadian Act of 55-56 Vict., called the Act of 1892, has no application here. And, it is well known of course that no Act is retroactive unless it is so stated. (*Gillmore* v. *Executor of Shooter*) (1).

Then I refer also to the judgment in *Dash* v. *Vankleek* (2), and *Society for the Propagation of the Gospel* v. *Wheeler* (3). *Maxwell on the interpretation of Statutes* (4); *In re Pulborough School Board* (5)

It does not, however, occur to me that in reality it makes a very great deal of difference as to whether the Act of 1892 applies, or the Act of 1886; the wording is a little different. That part of the section upon which my learned friend must rely is the same in both statutes. The section introduced by the Act of 1892 is substituted for section 8 in the Act of 1886, and they would therefore both be under the heading of "Application for Patent." The wording in the latter part of the section in each is the same, and it is that upon which defendants must rely. That reads thus: "And under any circumstances, if a foreign patent exists the

(1) 2 Mod. 310.
(2) 7 Johns. 502.
(3) 2 Gallison, p. 139.
(4) Pp. 277 to 299.
(5) [1894] 1 Q. B. 737.

Canadian patent shall expire at the earliest date on which any foreign patent for the same invention expires." That I say is the same in both.

Now of course this court has already decided in the *Auer Light* v. *Dreschel* (1) that it does not mean if there be any foreign patent for the same invention. Such foreign patent, along with the Canadian patent, comes within the purview of the previous part of the section.

If the Act of 1886 applies then I take it there is no doubt as to our position, because that reads thus: "No inventor shall be entitled to a patent for his invention if a patent therefor, in any other country, has been in existence in such country for more than twelve months prior to the application for such patent in Canada." If that Act applies, then it is quite clear that a patent not having subsisted for twelve months, or any time prior to the application, will not be a patent which comes within the meaning of section 6 of the Act of 1886. Then there is something about the manufacture. The whole section is intended to apply to the same state of facts. It is intended to apply to the state of facts of an inventor electing to go and obtain a patent for his invention in a foreign country, doing that in the first place, and then having done that, making up his mind that he wants to get a patent in Canada, and then applying for a patent in Canada. The application for the patent is part of the obtaining of the patent. The application is followed by the patent. The application is followed by the grant of a patent in the ordinary course.

Then I say where the person does not elect, where he does not make up his mind, that he is going to get one patent before he gets the other; but where he makes up his mind he will make his application upon the

(1) 6 Ex. C. R. 55.

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same day for both patents, he cannot be said to be electing to obtain one patent before he obtains the other. It may be that according to the practice in different countries, according to the state of business in two patent offices, that one patent applied for on the 1st of March would be issued before the same patent applied for in another country upon the 1st of March; but that is a matter of routine, something with which the applicant has nothing to do, something in respect of which he has no election, and, therefore, a person who does what was done in this case, applies in two countries for a patent at the same time, does not elect to obtain a patent for his invention in one country before he obtains it in the other.

If I am correct in that argument, then this particular case does not come within the meaning of the statute of 1892, and it is abundantly manifest it does not come within the meaning of the statute of 1886.

Then, there is a further point. "Under any circumstances if a foreign patent exists." Does that mean a foreign patent exists at the time of the application? I venture to think that that is so. The statute does not interpret itself. Something must be inserted in the statute. A patent does not exist when it expires. It must exist, if it exists at all, before it expires. It cannot be that it means if a foreign patent exists concurrently with the Canadian patent alone. It must mean more than that. Then I say that "if a foreign patent exists" means if a foreign patent exists at the time of the application in Canada for a Canadian patent, then when does the patent expire? A foreign patent expires at the time, not when it becomes void as such, but under the authorities, and one's common sense would so teach him—a foreign patent expires at the time at which it could under no circumstances possibly longer be in existence. If for instance the

laws of a country permitted no patent to be granted for longer than ten years, the patent would expire at the termination of the ten years.

(Cites *Consolidated Roller Mills Company* v. *Walker* (1); *Bate Refrigerator Company* v. *Hammond* (2); *Pohl* v. *Anchor Brewing Company* (3); *Burns* v. *Walford* (4).

Under the old Patent Act, Consolidated Statutes of Canada, c. 34, a foreign country meant a country not under the British Crown.

Let us examine the history of legislation in this behalf. In *The Consolidated Statutes of Canada* of 1859, chapter 34, section 1, the word "foreign" is used with a definition, that having been taken from a previous Act, 12 Victoria, chapter 24. In 1869 the word "foreign" is dropped, and the word "other" is used. That is the statute of Canada of 1869, chapter 11, section 7. Then we come on to 35 Victoria, which is the Act of 1872, where we have the same words "other country." Proceeding onwards, then to *The Revised Statutes of Canada*, 49 Victoria, the section I have just read, again we have the words "other country." Then a change is made in 1892, and we go back to the original wording which was to be found in the statute of 1859. Now then what is the presumption? A word is used to which a definition is given by the statute itself. By succeeding legislation that word is taken out of the statute, and other words introduced; the legislature having in view no doubt the whole legislation on the subject, we must give them, theoretically, credit for that. The legislature, I say, having that in their mind, begin again to use the word that has been used in the first statute. Now then, these statutes are *in pari materia*, so far as they go. They are upon the same subject. If we find the

(1) 43 Fed. R. 578 and 581.
(2) 19 Brodix 231.
(3) 20 Brodix, p. 190.
(4) W. N., 1884, at p. 31.

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word "foreign" or any other word used in the first statute, with a definition given to it, then the presumption is that the word is used in the same sense when introduced into the last statute. Cites *Hull* v. *Hill* (1)).

Then we have to consider whether the Italian patent is a patent for the same invention. It is not the law that because a machine is described the same in both specifications, as apart from the claim, that therefore the patents are the same, or that the patents are for the same invention. (Cites *Barter* v. *Howland* (1); *Holmes* v. *Metropolitan* (2)).

J. L. Ross followed for the plaintiffs, arguing that the object of the Canadian legislation of 1892, which is in accord with the previous legislation, is that if a man published an invention in a foreign country by taking out a patent therefor, and some person learning of that invention, presumably from that foreign patent, begins to manufacture, the Canadian inventor who afterwards comes and makes application in Canada shall have no right to stop that manufacture. He pays the penalty for having published his invention in a foreign country before the date of his Canadian application. The object is to induce a man to make early application in Canada before it has been patented elsewhere. That object appears from the earliest patent Act we have, which declared that if it had been published in Canada or patented in any other country, and the specification published, that were fatal to his Canadian application. The original of section 8 was passed for the purpose of making it clear that no man should be deprived of obtaining a Canadian patent for his invention by reason of his having obtained, before the date of his Canadian application, a foreign patent, and of

(1) 4 Ch. D. 97. (2) 26 Grant 139.
(3) 22 Fed. R. 341.

the specification of that foreign patent having been published, giving to the world a knowledge of his invention.

F. S. Maclennan, Q.C. for the defendants. My first point in connection with our view of the interpretation of section 8, and its application to the Italian and British patents, is that the date of the application for the Canadian patent is immaterial, that the controlling date is the date of the grant in each case.

(Cites *Gramm Electric Co.* v. *Arnoux & Hockhausen Electric Co.* (1); *Edison Electric Co.* v. *United States Electric Co.* (2); *Electrical Accumulator Co.* v. *Julien Electric Co.* (3).)

With the statutory provisions practically identical, so far as this question is concerned, we find that the United States courts unanimously from 1883 up to 1895, and in all cases which have occurred since, have interpreted their law to mean that the controlling date is the date of the grant of the domestic patent, and not the date upon which the application for the patent was made.

Counsel for the plaintiffs argue that the word "elect" to obtain a patent must be considered with reference to the application, that the application is part of the election. I do not agree in respect to the construction of the word "elect." "Elect" there means taking the patent, taking the patent when it is granted. A patent is not issued on the date of the application. Many patents may be applied for and never issued, and in that case a man could not be said to have elected to obtain a patent.

Take the full words used: "Elects to obtain." That is another reason why we say that this section should be read, not with reference to the date of the appli-

(1) 25 U. S. Off. Gaz. 193. (2) 43 U. S. Off. Gaz. 1456.
(3) 64 U. S. Off. Gaz. 559.

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cation, but with reference to the date on which the patent is granted. Then it is "obtained."

To give any other construction to the latter portion of section 8, so far as the expiration is concerned, we would require to give a different meaning to the word "expire" when it occurs twice. This portion of the section is applicable plainly to the view that the Canadian patent expires by reason of the forfeiture or expiration by forfeiture of the British patent. It is admitted the British is identical with the Canadian patent, and apart altogether from the question of the Italian patent, if expiry by forfeiture of the British patent is to be recognized by this court as an expiry of a foreign patent such as would terminate the life of the Canadian patent, then section 8 applies, and the Canadian patent must be limited by the expiry of the British patent. The word "expire" where it last occurs in the section has reference, not to the effluxion of time, or to the duration of the term for which the patent has been issued, but it has reference to a premature termination, to a premature ending, before the full period or term, for which the Canadian patent had been issued, had expired or run out. And when we give that interpretation to the word "expire" at the end of section 8, I submit we must give the same meaning to the word when it occurs in the earlier portion of the section.

What reason has my learned friend shown in this particular case that this Court should be asked to go further than it went in the Auer Light Case? The court's interpretation in respect of that part of the section agrees exactly with what the courts in the United States have held. Their legislation was in terms which indicated that that was the intention, that that was what Congress intended to do. The Parliament of Canada probably was not quite so

express, but the court has put that construction upon it. Now the court is asked to put a further construction upon it, to extend this part of the section in order to meet the particular case of my learned friend's client. I submit there is no authority for it, that it is not in keeping with the interpretation of legislation of this character in the United States or in England, and it would be doing violence to the Act if the court were to go to that extent.

Now, with regard to the expiration of the foreign patents by forfeiture, operating a forfeiture on the domestic patent, I would refer to the French authorities which were cited in the *sci. fa.* case (1). The jurisprudence of France upon this question I may say is uniform, the highest court there, the Court of Cassation, has held a number of times, the lower courts also have held, that the French patent is limited by the expiry of a foreign patent when that expiry is brought about, either from any accidental cause, or from the non-payment of annuities, or from any other reason whatsoever. So that the construction there placed by the French courts upon similar legislation to what we have now before your Lordship is that the French patent is limited and terminates and expires at the same moment as the foreign patent, no matter how that termination of the foreign patent has arisen; whether the term for which it was granted has run out, or whether it has terminated prematurely by reason of forfeiture for non-payment of annuities, or from any other cause, which is referred to, in one of the cases, as being accidental. The French law upon this question is the law of Article 29 of the 5th July, 1844, and I would cite Dalloz, 1864, part 1, 46, and also Dalloz 1882, part 1, 253.

(1) Ante p. 328.

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That the words "country" and "foreign country," indicate that "country" may have two meanings; one being a political meaning where it would mean and include the whole of the realm of the British Empire, and the other the legal meaning, where it would refer to legal jurisdiction.

With regard to the question as to whether the Italian is a six year or a fifteen year patent, I cited two cases or three cases in the *scire facias* action to the effect that, under circumstances such as we have here, or according to the Italian law, the patentee in applying for his patent was entitled to make an option, and to take a portion of the term, to which he would afterwards be entitled to an extension. That in the event of his not taking the advantage of the privilege of extending the patent, the full term the law would justify him in taking it out, his patent must be construed as a patent for the limited term for which he made the option, that is for the term designated in the grant of the patent itself.

Counsel for plaintiffs have devoted considerable attention to the question of Great Britain not being a foreign country. I think it is hardly necessary to refer to authority upon that question. The matter was gone into on the *scire facias*, and I would refer again to Dicey on *Conflict of Laws*, at pages 64, 66, 67 and 68,

Mr. *Riddell* replied.

THE JUDGE OF THE EXCHEQUER COURT now (May 7th, 1900,) delivered judgment.

The question now to be decided in this case is whether the plaintiffs' patent, numbered 40700, and granted to one Evan William Jones, of Portland, Oregon, United States of America, Manufacturer, for alleged new and useful improvements in boiler and other furnaces, has expired under the provision of the

Patent Laws of Canada, by which it is enacted that "under any circumstances, if a foreign patent exists, "the Canadian patent shall expire at the earliest date "on which any foreign patent for the same invention "expires" This provision first occurs in the concluding paragraph of the 7th section of *The Patent Act* of 1872. It is repeated in *The Revised Statutes*, chapter 61, section 8, and in the amendment of that section enacted in 1892. (55-56 Vict. c. 24, s. 11.)

The application for the Canadian patent in question was filed by Jones in the Patent Office on the first day of March, 1892. On the same day he applied for a British patent and for an Italian patent. The British application was accepted on the 30th of April, 1892, and the patent was issued on the 12th day of July following, and numbered 4014. In accordance with the practice in force there, it bears the date of the application, March 1st, 1892, and was to continue for fourteen years from that date. The Italian patent was issued on the 19th of March, 1892, and was granted for a term of six years from the 31st day of March, 1892. The Canadian patent was granted on the 15th of October, 1892, for a period of eighteen years. The British patent was subject, among other conditions, to one by which it was provided that it should determine and become void if the patentee should not pay all fees by law required to be paid in respect of the grant of the letters-patent at the time provided. The annual fees and annuities on the patent for the year 1897 were not paid when due, or since, and the patent became forfeited therefor on March 1st, 1897. The Italian patent although granted for a term of six years from the 31st of March, 1892, might by the laws of Italy, have been prolonged for one or more years to a term of fifteen years. The annual tax and annuities on this patent for the year 1895 were not

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paid when due or at any time since, and no renewal or extension of the patent has been obtained. There may be some question as to whether or not this patent expired in the year 1895 without any proceeding being taken under the laws of Italy to have it declared void; but there can, I think, be no doubt about its expiring on the 31st of March, 1898. If it had not expired at an earlier date, it certainly expired then. The Canadian Patent was granted subject, among other things, to adjudication before any court of competent jurisdiction and to the conditions contained in *The Patent Act* and the Acts amending the same.

One question that arises on this state of facts, and the clause of *The Patent Act* referred to whereby it is provided that the Canadian patent shall expire at the earliest date at which any foreign patent for the same invention expires, is as to whether or not all the patents are for the same invention. It is conceded that the British and Canadian patents are; but it is contended that the Canadian and Italian patents are not. The drawings accompanying the specifications of the two patents are identical, and the description of the invention in the two specifications are similar and in substance the same; but in the claims the invention is not described in the same terms in both. There cannot, however, be any doubt, I think, that the two patents were granted for the same invention. It is to be borne in mind that none of the elements or things combined in Jones' Canadian patent are new. They, or their equivalents, are all to be found in the United States patent issued to Amasa Worthington on the 30th of December, 1884 (No. 310110), and the manner of combining the various elements does not differ substantially, except in respect of the shape of the fuel chamber or magazine. As I understand the evidence, Worthington's stoker failed to be commercially suc-

cessful for the reason that when then the circular and bowl-shaped fuel chamber, described by him, was made large enough to give the necessary superficial area of fire, the distance from the sides of the chamber to the centre of the fuel was so great that the air could not be effectually forced the whole distance but would escape upwards. As I had occasion to state when giving judgment on the first trial of this case, the best results are attained in a mechanical stoker in which the green fuel is reduced to coke before it reaches the zone of combustion, the gases distilled in the process of coking being burned and utilized without waste. These results, for the reason mentioned, were not attainable, it appears, with the Worthington stoker when the fuel chamber adopted by him was made large enough for practical use. By adopting an oblong or bathtub-shaped fuel chamber, Jones succeeded in producing a mechanical stoker in which the requisite area of fire was obtained, and at the same time every part of the fuel within the zone of combustion was within reach of, and in effective contact with, the air supplied to the furnace. That was, I think, the substance of his invention or discovery. In that lay the difference between his success and Worthington's failure commercially; and it was because of that feature of the combination that his patent was upheld in this case. In this respect Jones' Italian and Canadian patents are undoubtedly the same, and notwithstanding some minor differences in the claims made in the specifications appertaining to the two patents, both are, I think, for the same invention.

The question as to whether a British patent is a foreign patent within the meaning of that expression, as used in the 8th section of *The Patent Act*, is also in controversy. The words "foreign patent" are there used in contradistinction to the words "Canadian

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patent," and are, I think, intended to include, and do include, all patents that are not Canadian.

Then a question is raised as to whether the expression "if a foreign patent exists," occurring in the provisions referred to, has reference to a foreign patent existing when the Canadian patent is granted, or to one existing when the Canadian patent is applied for. While the application is pending, and before the patent is granted, there is no "Canadian patent" to expire or to be affected by a foreign existing patent, and it seems to me that the most natural construction of the provision is to read the word "exists" as having reference to the date or time when the Canadian patent is granted.

There is one other question to which it is necessary to refer. For the plaintiffs it is contended that the expression "shall expire at the earliest date on which "any foreign patent for the same invention expires" should be limited to the expiration by lapse of time of the potential term of the foreign patent; the defendants on the other hand contending that it includes any determination of such term. The plaintiffs' contention is supported, to a great extent, by decisions of the United States courts; but in the corresponding provision of the patent laws of that country, a reference is made to the "term" of the foreign patent, it being provided that a United States patent "shall expire at "the same time with the foreign patent, or if there be "more than one, at the same time with the one having "the shortest term" (1). Here we have no such reference or anything to indicate that the word 'expire' is used otherwise than with its natural and ordinary meaning. It means primarily to emit the breath, and then to emit the last breath, to die, to come to an end, to close or conclude as a given period, to come to

(1) Act of 1870, s. 25, R. S. s. 4887.

nothing, to cease, to terminate, to fail, to perish or to end. Where first used in the provision in question, the word certainly has reference to an ending at a time earlier than the end of the term for which the patent is granted, and I see no reason for giving to it in either case the limited and qualified meaning for which the plaintiffs contend.

I come to the conclusion that the defence now set up must prevail, and that there should be judgment for the defendants. The costs will follow the event.

Judgment accordingly

Solicitors for the plaintiffs: *Rowan & Ross.*

Solicitors for the defendants: *Macmaster & Maclennan.*