AUGUSTE F. COLLETTE, *et al.* (DEFENDANTS) ..... } APPELLANTS;

AND

JEAN BAPTISTE LASNIER (PLAINTIFF) RESPONDENT.

1885 *Nov. 4.

1886 *Mar. 8.

ON APPEAL FROM THE COURT OF QUEEN'S BENCH FOR LOWER CANADA (APPEAL SIDE).

Patents—Validity of prior patent—Infringement—Damages—What proper measures.

In 1877 L., a candle manufacturer, obtained a patent for new and useful improvements in candle making apparatus. In 1879 C., who was also engaged in the same trade, obtained a patent for a machine to make candles. L. claimed that C's. patent was a fraudulent imitation of his patent and prayed that C. be condemned to pay him $13,200 as being the amount of profits alleged to have been realised by C. in making and selling candles with his patented machine, and also $10,000 exemplary damages.

C. contended his patent was valid as a combination patent of old elements; that there could be no action for infringement of L's. patent until C's. patent was repealed by *scire facias*; and also that L's. patent was not a new invention. The Superior Court, on the evidence found that C's. patent was a fraudulent imitation of L's. patent, and granted an injunction and condemned C. to pay L. $600 damages for the profits he had made on selling candles made by the patented machine. This judgment was affirmed by the Court of Queen's Bench (appeal side). At the trial there was evidence that there were other machines known and in use for making candles, but there was no evidence as to the cost of making candles with such machines, or what would have been a fair royalty to pay L. for the use of his patent. And it was proved also that L's. trade had been increasing. On appeal to the Supreme Court of Canada it was—

Held, (affirming the judgment of the courts below), Henry J. dissenting, that C's. machine was a mere colorable imitation of L's., based upon the same principles, composed of the same elements and producing no results materially different; therefore L's. patent had been infringed, and there was no necessity in order to

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*PRESENT—Sir W. J. Ritchie C.J. and Fournier, Henry, Taschereau and Gwynne JJ.

1885

COLLETTE v. LASNIER.

recover damages for infringement that C's. patent should first be set aside by *scire facias*.

Also (reversing the judgment of the court below) that in this case the profits made by the defendants were not a proper measure of damages; that the evidence furnished no means of accurately measuring the damages, but substantial justice would be done by awarding $100.

APPEAL from a judgment of the Court of Queen's Bench for Lower Canada (appeal side) confirming the judgment of the Superior Court in favor of the respondent.

The respondent (plaintiff below) obtained a patent for a machine which he styled "Machine à fabriquer les cierges de Jean Baptiste Lasnier." The said patent was said, by the specificatioon, to consist:

1o. "In the combination of a basin or tub C, in which the wax is placed, suspended by its curved edge D, resting on the edge of the outside basin, so as to leave a space E, which being filled with water, melts the wax by steam and boiling water, said wax by such process preserves its fine color and is prevented from burning;"

2o. "In the combination of a dipping plunger or frame H, with its bars or cross-pieces II, and the hooks JJ, to which the wicks D are attached, and the strap or chain P, so as to dip the wicks K in the wax and withdraw them. Also, the combination of the weight A and the teeth B to counterbalance the weight, as well as the regulating pin *d*;"

That after obtaining such patent the plaintiff put it in operation and manufactured candles with it which he sold.

The plaintiff's patent was obtained in 1877 and in 1879 the defendants also obtained a patent for new and useful improvements in candle manufacturing apparatus under the name of "Collette & Ulric's Candle Apparatus." This patent was said to consist:

1885

COLLETTE v. LASNIER.

"1st, in a candle making apparatus the combination of a boiler A, and pipes D and K, with tank C, melting vat E and frame L; 2nd in a candle manufacturing apparatus the combination of the dipping plunger Q having slides R, with the candle holder S, having dovetailed or $\vee$ shaped strips *b*, and hooks C, with the frame L having slide rods OO and cross beam P, with pulley A; 3rd in the combination with a candle making apparatus having the dipping plunger Q. fitted with candle holder S of the rope or chain T, pulley A, and winch *d*."

The plaintiff alleged this last to be an infringement of the patent, and brought an action for damages and for an injunction. They claimed as damages the profit made by defendants in the manufacture and sale of the candles made by the last-mentioned patent process. The Superior Court allowed both the injunction and the damages, the latter on the basis claimed by the plaintiff, and the Court of Appeal confirmed the judgment.

Lacoste Q.C. for appellants:

Until appellant's patent has been set aside by *scire facias* the respondent cannot sue for an infringement of his patent. See 32 Vic ch. 26 sec. 46; art. 1035 C. P. C. (Foran's edition).

[The Chief Justice—Under sec. 23 of the Patent Act, if the respondent has a valid patent, he has a right against all the world.]

On the merits the counsel contended, first, that the Lasnier patent was a mere combination of old elements with no new results, and therefore he could not complain of an infringement; citing Nougier Brevêts d'Invention (1); *Crompton* v. *Belknap Mills* (2); Curtis' Law of Patents (3); and secondly, admitting that the Lasnier

(1) Nos. 411, 412, 414, 421. (2) 3 Fisher's patent cases 536.
(3) Sec. 111.

1885

COLLETTE v. LASNIER.

patent is valid, the measure of damages should be according to the difference in cost between the best known machine in use which could be got for manufacturing the tapers, and the cost of the new patented machine with a fair remuneration for the improvement.

Geoffrion Q.C. for respondent contended, that as the appellants had not contested the validity of the respondent's patent the only question for the court to decide, was whether there had been an infringement. Commenting on the evidence he contended that the manufacture of tapers by appellant was an infringement of the Lasnier patent, and relied on the following authorities :—

Bump on Patents (1) ; Higgin's Digest of patent cases citing *Hill* v. *Thompson* (2) ; *Morgan* v. *Seaward* (3) ; *Heath* v. *Unwin* (4) ; *Russell* v. *Ledsam* (5) ; *Bateman* v. *Gray* (6). Goodeve's patent cases citing *Clark* v. *Adie* (7). The same doctrine prevails in the United States. Curtis's Law of Patents (8).

As to amount of damages the learned counsel argued that respondent was entitled to all the profits he could have realized, or such an amount as might have been charged for a royalty equivalent to a reasonable profit on every pound manufactured by him.

Sir W. J. RITCHIE C.J.—I think the defendant has infringed plaintiff's patent ; that the defendant's machine is substantially the same as plaintiff's ; the alterations he has made are, in my opinion, only in reference to the construction of the machine, not a new machine or new combination.

(1) P. 204.
(2) No. 931 p. 385.
(3) No. 938 p. 386.
(4) No. 944 p. 389.
(5) No. 945 p. 389.
(6) No. 962 p. 392.
(7) P. 117.
(8) P. 287 No. 289.

FOURNIER J. concurred.

HENRY J.—This is an action for an alleged infringement of a patent obtained by the respondent Lasnier, brought by him against the appellants.

The declaration recites the patent and charges the appellants with a breach of it. They pleaded thereto a number of pleas: one denying the infringement and others raising other issues, to which, in the view I take of the case, it is not necessary to refer; but there are two which raise issues important to be considered.

By the law which determines rights under patents of invention, the specification is deemed a part of the patent, and the two instruments are to be construed together as one, and if it appears by the patent or specification that anything is claimed by the patentee as a part of his invention which is not new the grant of the privilege will be wholly void. This doctrine is so fully established that I consider it quite unnecessary to cite authorities for the proposition. The consideration given for a patent is a warranty that all is new which the applicant seeks to protect; otherwise a party by getting a patent would obtain protection at the public expense for an alleged invention which already was in public use. The consideration is entire and covers everything in the patent and specification, and if it fails as to one or more parts of the alleged invention, it fails for all, and the patent is therefore void. It is not voidable merely but *ab initio* void. If void, no action can be maintained for any infringement of it, even if the part of the invention to which the alleged infringement refers was new. My reason for stating this proposition will be apparent hereafter.

Before, however, referring to the issues which are affected by the terms of the proposition just stated, I think it proper to refer to one of the defences set up by the appellants, that is to say, that whereas they

1886

COLLETTE v. LASNIER.

Henry J.

obtained, subsequently to the respondent's, a patent by which they were lawfully authorized to manufacture the same article as mentioned in the patent of the respondent, although by the same means as it describes, the subsequent patent authorized such to be done, so long as the same remained unrepealed. I cannot give effect to that contention. When the patent was issued to the respondent, he, if it were good in law, got by the operation of the statute the exclusive right, and a second patent for the same object would be wholly unauthorized and contrary to the terms of the statute, and therefore void. It would be void also because the invention sought to be protected by the second patent could not be deemed new. The respondent sets out the subsequent patent of the appellants, in his declaration, and having done so his counsel raised the objection that I have just dealt with.

We have, therefore, to decide solely as to the patent of the respondent, and the question of the alleged infringement. In the specification of the respondent he describes his invention, and after setting out and describing the mode of manufacture and the means of using the patented machine, he concludes in these words:—

Je ne réclame pas comme invention le fourneau, ni les bassins, et levier, courroi, ni les poulies ni les poteaux, non plus les poteaux à mortoise, ni le poids de contre balance ni les coulisses, etc., etc., car je sais qu'ils ne sont pas nouveaux, mais je réclame comme invention:—

1o. La combinaison du bassin ou cuve intérieur C. dans laquelle est placée la cire, pendue par son bord recourbé D. reposant sur le bord du bassin extérieur B. de manière à laisser un espace E. qui rempli d'eau, fait fondre ma cire par la vapeur et chaleur de l'eau en ébullition, qui par ce moyen conserve ma cire dans sa belle couleur, et l'empêche de brûler tel que décrits, et pour les fins indiquées.

2o. La combinaison du mouton ou chasse H. avec ces barres ou traverses I.I. et les crochets J.J. à laquelle on attache les mèches K. et le courroi ou chaines P. par laquelle il est suspendu et le levier S.

qui le fait descendre et monter dans et de la cuve ou bassin intérieur C. par l'action de la courroi ou chaine P. de manière à plonger les mèches K. dans la cire et de les retier.

Aussi la combinaison du poid A. et des dents à dégré *b.* pour contrebalanncer la pésenteur, ainsi que la chevilles régulatrice, *d.* etc. etc. tel que décrit et pour les fins indiquées.

The patent refers to the specification and protects the combination as claimed.

To the charge of infringement of the combination so protected, the appellants, with other defences, pleaded as follows :—

Que chacun des organes qne composent cette machine étaient depuis longtemps connus et acquis au public et que chaque combinaison séparée et le mode de fonctionnement de chacun de ces organes étaient depuis longtemps dans le domaine public et en usage.

Que notamment la combinaison "d'un bassin suspendu par son "bord recourbé sur un autre bassin de manière à laisser un espace "rempli d'eau afin de faire fondre la cire par la vapeur et la chaleur "de l'eau en ébullition" était, lorsque le demandeur a pris son brevet et longtemps auparavant, dans le domaine public et en usage.

Que la combinaison d'un mouton ou plongeur ou châsse auquel sont attachées les mèches se soulevant et se baissant par des moyens mécaniques semblables et équivalents à ceux de la machine du demandeur, de maniére à plonger le plongeur dans la cire et le retirer, était depuis longtemps connu, et dans le domaine public et en usage.

Que le demandeur ne peut réclamer comme son invention aucune des combinaisons prises séparément, ni aucuns des moyens qui sont mentionnés dans son brevet d'invention pour la fabrication des cierges et de la chandelle.

Que ce procédé de fabriquer des cierges et de la chandelle en faisant fondre le suif ou la cire à l'aide d'un bain-marie et par immersion, à l'aide d'un plongeur méchanique, était depuis longtemps connu et dans le domaine public lorsque le demandeur a pris son brevet.

The first combination claimed by the respondent is that of the two boilers—the one intended to hold the wax used in the manufacture of wax tapers or candles, and the other to hold water, with a space between

1886

COLLETTE v. LASNIER.

Henry J.

them to heat the wax by the steam and heat of the water in a boiling state, and the object for which is stated to be to preserve the good colour of the wax and to hinder it from burning "telque decrits et pour les fins indiqués."

This combination claimed to be new by the specification is alleged in the defence to have been at the time of the issue of the patent, and long before, publicly known and in use. An important issue is, therefore, raised, and if the defence is proved and the patent nevertheless sustained, what would the result be? Clearly that the public could not use a combination which was public property, because the patent interposed to prevent the continued use of such public right. Such a conclusion could not, however, be reached. No person by obtaining a patent can interfere with public rights previously acquired. What was in the public domain could not be called new, and was therefore unpatentable? As I before stated the consideration for the patent in this case was entire and indivisible—founded on the warranty that everything claimed as new was really so, and as there was but one consideration for the whole, a failure in part makes the whole patent void. The issue is squarely raised and must be decided according to the facts in evidence on the trial. Looking at the evidence as to that issue, it appears all one way, and that is to sustain the defence. The evidence is sufficient to establish the position that every part of the machine with its several combinations was well known and used before the date of the patent, except the application of the lever to the pullies for raising and lowering the plunger. The combination of a furnace with the two boilers as before mentioned had been well known and used, but the respondent in his specification claims it as new. He admits that the basins were not new, but claims their combination.

He claims the combination of the lever with the chains or bands by which the plunger is raised and lowered to be added to and form part of the whole combination with the boilers, furnace, and other parts mentioned. His claim, however, is not confined to the mere combination of the lever with the other part of the combined machine, but if it had been so confined and the question properly raised by the defence as to its validity, it might be at least very doubtful if the mere addition of such a piece of well known and used mechanical agency would entitle the applicant for a patent to obtain protection for it. Levers have been universally known and used for all sorts of purposes and all kinds of machinery for centuries, and the mere addition of it to other parts of the combined machine in question is such that it would be obvious as a mechanical means to an end to any person knowing the operation of the other parts of the machine and the use of the lever, that there would be in regard to it little that could be properly termed *invention.* It would be, in my opinion, but the application of a well known and used mechanical power to a combined machine, the right to use which by the public could not be questioned. That issue is, however, not raised as the appellants have admitted the validity of the patent to that extent. Although making that admission they have pleaded a defence otherwise and have shown by evidence that is not only not contradicted but sustained, that, for the reasons I have before given, the patent is void. If so, no action can be maintained for any infringement of it. The appellants are, therefore, in my opinion, entitled to have their appeal allowed and a judgment in their favor decreed with costs.

TASCHEREAU J.—Lasnier, the respondent, in 1877 obtained a patent for new and useful improvements in candle making apparatus. In 1879 the appellants

1886

COLLETTE v. LASNIER.

Taschereau J.

obtained a patent for the same object—new and useful improvements in candle making apparatus.

The respondent now sues the appellants to annul their patent, and for damages resulting from the infringement by them of his own patent. He alleges by his declaration: 1. That he manufactured tapers with his machine after having obtained his patent, and that he sold those tapers. 2. That, after having taken cognizance of his patent of invention, the appellants constructed their machine, which is an infringement of his patent. 3. That on the 20th February, 1879, the appellants obtained a patent. 4. That since the month of August, 1878, the appellants have manufactured by means of their machine, 600 lbs. of tapers a day, and that they have sold them. 5. That the appellants have realized with the aid of the machine, by economy in manufacturing and superiority of the article manufactured, a saving of five cents per pound, representing so much profit. 6. That the profit so realized by the appellants by means of their machine, amounts to $13,200 which the respondent has a right to claim as having been realized by the infringement of his own patent. 7. That the respondent, moreover, has a right to exemplary damages to the amount of $10,000.

Conclusions—That the appellants be declared to have copied the Lasnier machine. That the appellants' patent be declared null as having been obtained in violation of the rights of the respondent. That the appellants be forbidden to make use of the Lasnier machine, and that they be condemned jointly and severally to pay respondent $23,000 for damages.

The appellants admitted the legality of the respondent's patent, but denied that they had infringed it in any way, or that their own patent was a copy or imitation of it, but that, on the contrary, their patent is a good and valid one.

1886

COLLETTE v. LASNIER.

Taschereau J.

Such is the issue between the parties. We have, therefore, not to inquire into the validity of the respondent's patent. The only question submitted is as to the legality of the one issued to the appellants.

The two courts below have found against the appellants, and declared that their patent was a copy and a fraudulent imitation of the one owned by the respondent, prohibiting the appellants from further making use of their machine.

These judgments, in my opinion, are unassailable, and the appeal should, except as to the damages, of which I shall speak just now, be dismissed. I will not enter into a detailed comparison of the two machines. This would be hardly intelligible without the model, which we had before us at the argument. The judgment appealed from finds that the appellants' machine is substantially the same as the respondent's, and entirely based on the same principles, and that the few changes or improvements it may contain are entirely unimportant and constitute mere mechanical equivalents, used for the same purpose and producing the same result. In this finding of fact I entirely concur. It being so, in fact, the appellants' case has no standing in law. That is so clear that authority is hardly required for it. They are collected in Bump's Law of Patents, Nos. 197, 202, 205 and 207. In France the principle is the same.

Now, as to the question of damages. It is settled law that though a Court of Appeal will not, as a general rule, entertain an appeal from an order of the court below assessing damages, yet, it will do so, when it is shown that the court below has acted on a wrong principle in assessing the quantum of damages. *Ball* v. *Ray* (1); *Bank of Upper Canada* v. *Bradshaw* (2).

It is under this rule that the appellants here ask us

(1) 30 L. T. N. S., 1. (2) L. R. I. P. C., 479.

1886

COLLETTE v. LASNIER.

Taschereau J.

to reverse that part of the judgment of the Court below condemning them to pay $600 damages for having infringed the respondent's patent. They allege that these damages were assessed upon a wrong principle. In my opinion, it is so, and the appeal as to these damages should be allowed. By the declaration itself the respondent alleges no actual loss, or that he suffered any damage, but simply alleges that the appellants, by using the respondent's patent or their fraudulent imitation of it, have realized a profit of $13,200 over and above the profits they would have or that might have been realized in making candles without resorting to this machine, and he claims that he is entitled to this as the amount of damages that he has suffered; there is even no allegation that had the appellants not used this machine, he would have made all the candles they made. And he could not have contended this, because it is in evidence that there are various other modes of making candles, and that if the appellants had not in the past made, and cannot in the future make, candles with their machine, there was and there is nothing to prevent them from so doing by the other various modes in existence, or even with the respondent's own machine, for he could not refuse to sell them one. Now, all the respondent claims, is the profits that the appellants made. And the judgment of the court below grants them nothing else. After enunciating that the respondent is entitled only to the damages he actually sustained, the court evidently taking it for granted that the damages he sustained consist in the profits made by the appellants, says:—

Considérant que le demandeur a prouvé que par suite de la contrefaçon illégale de son invention, les défendeurs ont du réaliser dans la fabrication des cierges par eux vendus pendant la période écoulée, du mois de septembre, 1878, au mois de novembre, 1879, une économie leur assurant un bénéfice de 5 centins par chaque livre de

ciérges, en outre des profits ordinaires, et qu'il est prouvé que pendant cette période de 14 mois, les défendeurs ont fabriqué et vendu au moins 12,000 livres de cierges donnant un profit net de six cents piastres, réalisé au moyen de l'invention du demandeur, et que celui-ci est en droit de réclamer, à titre de dommages par lui éprouvés, à raison des faits susdits, &c.

Now, these same profits, as I have remarked, the appellants would have made if they had bought and worked one of the respondent's machines. It is in evidence that the appellants were engaged, long before the respondent obtained his patent, in the candle making business, and he made 5,000 or 6,000 pounds a year. It is also in evidence that the respondent's business ever since the appellants made use of their machine, increased and keeps increasing. Milleur who estimates respondent's damages at $25,000, and Esinhart who estimates them at $15,000, base their estimation on the supposition that the respondent should be, with his patent, the only one to make candles in the country; they say so unequivocally. Arrêt de Bourges, 28 Dec. 1869 in Dalloz (1).

There is no evidence in the record of the cost or value of the respondent's machine, or of what would be a fair royalty on it, so that it is impossible to assess the damages; my brother judges are disposed to grant $100 damages, I would not have given so much, but will agree, however, to this amount.

Appeal dismissed with costs as to the infringement. Appeal allowed as to amount of damages with costs against appellants.

GWYNNE J.—Assuming the respondent's patent to be a good one, as upon the record it is admitted to be, the machine for which the appellants have procured a patent also is a mere colorable imitation of the respondent's machine, based upon precisely the same prin-

(1) 1870, 2153.

1886

COLLETTE v. LASNIER.

Gwynne J.

ciples, composed of the same elements, and differing from it only in the arrangement of those elements and producing no results materially different, the judgment, therefore, of the court below should be maintained, except as to the amount of damages, which should be reduced, as the evidence fails to furnish to us any means of accurately measuring the plaintiff's damages. How he himself contemplated making his profit does not appear. It is only when, from the peculiar circumstances of the case, no other rule can be found that the defendants' profits become the criterion of the plaintiff's loss, and we have no evidence before us to enable us to determine what rule should govern in the present case. Whether the profit should consist in the value of a license to make and sell the patented improvement; or if it shewed what is a fair estimate of the value of such license, the plaintiff has not, so far as appears in evidence, set any value himself on such a license. Moreover, the estimate of the defendants' profits, if that had been shewn to be the proper rule applicable to the case, does not appear to have been made by a comparison of the profit obtainable by use of the plaintiff's improved machine in making tapers, with the latest precedent and best known mode of making them, but by a comparison between the use of the plaintiff's improvement and of a very old mode of making tapers, which had, as is said, been improved upon by other modes before the plaintiff obtained a patent for his improvement. I think that substantial justice will be done by reducing the damages to $100.00 and maintaining in other respects the judgment of the Superior Court and dismissing this appeal with costs.

Appeal dismissed with costs. Judgment of Court of Queen's Bench (appeal side) varied.

Solicitors for appellants: *Lacoste, Globensky & Brousseau.*

Solicitors for respondent: *Robidoux & Fortin.*