

THE GENERAL ENGINEERING }
COMPANY OF ONTARIO, } APPELLANT;
(PLAINTIFF) }

1900
*Oct. 2, 3, 4.
*Dec. 7.

AND

THE DOMINION COTTON MILLS }
COMPANY AND THE AMERI- } RESPONDENTS.
CAN STOKER COMPANY (DE- }
FENDANTS) }

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA.

*Patent of invention—Option as to priority—Expiration of foreign patent—
Construction of statute—R. S. C. c. 61, s. 8—55 & 56 V. c. 24, s. 1.*

Under the provisions of the eighth section of "The Patent Act" as amended by 55 & 56 Vict. ch. 24, sec. 1 (D.), it is only in the case of the applicant exercising the option of obtaining a foreign patent before the issue of a Canadian patent for his invention that the Canadian patent shall expire by reason of the expiration of a foreign patent in existence at the time the Canadian patent is granted.

Where several applications are made in different countries upon the same day, the applicant cannot be said to have exercised an election to obtain any one patent before obtaining another.

APPEAL from a judgment of the Exchequer Court of Canada (1) upon a second trial, dismissing the plaintiff's action with costs.

The action is for infringement of letters patent of invention and at the first trial judgment was rendered, on the 14th June, 1899, in favour of the plaintiff (2). An order for a new trial was made and leave granted to amend the statement of defence by adding an allegation that prior to action the patent had expired by reason of the expiration of two foreign patents for the

* PRESENT :—Taschereau, Gwynne, Sedgewick, King and Girouard JJ.

(1) 6 Ex. C. R. 357.

(2) 6 Ex. C. R. 306.

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same invention Upon the second trial the judgment now appealed from was rendered dismissing the action.

The questions at issue upon the present appeal are set forth in the judgment of His Lordship Mr. Justice King, now reported.

Riddell Q.C. and *J. L. Ross* for the appellant.

Macmaster Q.C. and *F. S. MacLennan*,³ *Q.C.* for the respondents.

TASCHEREAU J.—I dissent from the judgment allowing this appeal.

GWYNNE J.—I concur in allowing this appeal for the reasons stated in the judgment of Mr. Justice King.

SEDGEWICK J.—I concur in the judgment allowing this appeal for the reasons stated in the judgment prepared by Mr. Justice King.

KING J.—This is an appeal by the plaintiff from the judgment of the Exchequer Court (1) in an action for infringement of letters patent, no. 40,700 granted for a boiler furnace.

Judgment for the plaintiff was given on June 14th, 1899, upholding the invention and establishing the alleged infringement. Subsequently an order for a new trial was made, and on May 7th, 1900, judgment was given dismissing plaintiff's action upon the ground that the patent had expired at the date of the alleged infringement.

The Canadian patent (no. 40,700) was applied for on March 1st, 1892, and was granted October 15th, 1892.

On the same day on which the Canadian patent was applied for, viz., March 1st, 1892, applications were

(1) 6 Ex. C. R. 357.

made for an Italian and also for a British patent. The Italian patent, or as it is termed in Italy, certificate of industrial privilege, was granted March 19th, 1892, and was for the period of six years with option to renew upon payment of fees. The British patent was granted on July 12th, 1892, and was for the term of fourteen years.

It was held that the Canadian patent had expired at and before the time of the alleged infringement, by reason of the fact that the foreign patents, or one of them, existing at the time of the granting of the Canadian patent had expired, in the case of the Italian patent by lapse of time, and in the case of the English patent for non-payment of fees. The provision of the Canadian Act is that

if a foreign patent exists, the Canadian patent shall expire at the earliest date at which any foreign patent for the same invention expires.

The Canadian Act in force at the time of the application for the patent was the Revised Statutes of Canada, ch. 61, sec. 8 of which is as follows :

8. 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 ; and if during such twelve months, any person has commenced to manufacture in Canada the invention for which such patent is afterwards obtained, such person shall continue to have the right to manufacture and sell such article notwithstanding such patent ; and under any circumstances, if a foreign patent exists, the Canadian patent shall expire at the earliest date at which any foreign patent for the same invention expires.

After the application for the Canadian patent, but before it was granted, viz. on 9th July, 1892, section eight of chapter 61 of the Revised Statutes of Canada was repealed (1) and the following substituted therefor :

(1) 55 & 56 Vict. ch. 24, s. 1.

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8. Any inventor who elects to obtain a patent for his invention in a foreign country before obtaining a patent for the same invention in Canada, may obtain a patent in Canada if the same be applied for within one year from the date of the issue of the first foreign patent for such invention; and if within three months after the date of the issue of a foreign patent, the inventor gives notice to the commissioner of his intention to apply for a patent in Canada for such invention, then no other person having commenced to manufacture the same device in Canada during such period of one year shall be entitled to continue the manufacture of the same after the inventor has obtained a patent therefor in Canada without the consent and allowance of the inventor; and, 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.

It has already been held in *Dreschel v. The Auer Incandescent Light Manufacturing Co.* (1) that the words "if a foreign patent exists," and the words "any foreign patent" in the last clause of these two sections, (which as to this is alike in both) relate only to such foreign patents as exist at the time of the grant of the Canadian patent.

In that case, the foreign patent, whose expiry was alleged to work the expiration of the Canadian patent, was granted after the granting of the Canadian patent, and hence it was sufficient for that case to make the distinction there made between foreign patents obtained before the Canadian grant and those obtained subsequent to it.

It is contended for the appellant that the class of foreign patents dealt with by the earlier part of the section is the class of foreign patents obtained prior to the application for the Canadian patent, and that therefore it is not unreasonable, according to the principle of construction adopted in *The Auer Light Co. v. Dreschel* (1) to treat the concluding clause as having reference to that class of foreign patents.

(1) 28 S. C. R. 608; 6 Ex. C. R. 55.

It may however be urged in reply that the section is dealing with foreign patents existing at the time of the Canadian grant and that the reference to the time of application is only for the fixing of a period in a way to admit of the doing of a necessary act in obtaining the Canadian grant; but whatever ambiguity might exist on the words of the clause in the Revised Statutes, it seems that it is removed, (without effecting substantial alteration upon this point,) by the words of the Act of 1892 passed before the issue of the grant in question.

The Act of 1892 lays stress upon the election of the inventor to obtain the foreign grant before the Canadian one. The enactment presents the case of an inventor who may seek, either a Canadian patent alone, or a foreign patent in one country or in several countries, as well; and it assumes that he elects to obtain a foreign patent before obtaining a Canadian patent, and it further assumes that he may have elected to obtain several foreign patents before obtaining a Canadian patent. Now the enactment is that this does not prevent him seeking the Canadian patent as well, if he applies for it within a year from date of the earliest of the foreign patents that he may have obtained. As has been said, stress is laid upon the election of the inventor to obtain a foreign patent, or foreign patents, in priority to the Canadian, and upon his succeeding in his attempt. Now where (as here) several applications are made on the same day, the inventor cannot know which (if any) will be first obtained; and so he cannot be said to have exercised an election to obtain any one before obtaining another. It is wholly a matter of administration in the several offices whether any patent shall issue at all, or when it shall issue in any given case. Hence, if the concluding part of the section is to be construed by reference to

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its earlier part, the proper distinction is not one drawn between foreign patents granted before the granting of the Canadian patent and those granted afterwards during the currency of the latter, but is between foreign patents *elected to be obtained* (and actually obtained) before obtaining the Canadian patent, and foreign patents not so elected to be obtained and, consequently, between foreign patents elected to be obtained (and obtained) prior to the application for the Canadian patent and foreign patents afterwards obtained.

As a matter of course the foreign patent must continue to exist down to the time of the grant of the Canadian patent, for it is manifestly only with regard to such that there could be any question.

If the enactment were clear beyond question, the consequences would be immaterial, but being open to construction in more than one sense, it seems proper to add that upon any other construction than that adopted, the inventor's rights would appear to be varied according to the greater or less degree of promptness amongst the officials of the respective patent offices.

The ground, therefore, upon which the learned judge vacated his original judgment fails and such judgment is to be maintained.

GIROUARD J.—I dissent from the judgment in this case.

Appeal allowed with costs.

Solicitors for the appellant: *Rowan & Ross.*

Solicitors for the respondents: *Macmaster, MacLennan & Hickson.*