BEATTY BROS. LIMITED (*Defendant*) ..APPELLANT;

AND

LOVELL MANUFACTURING COMPANY AND MAXWELL LIMITED (*Plaintiffs*) ..... RESPONDENTS.

1958
*Dec. 9
1959
Jan. 27

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

Patents—Action for infringement—Pleadings—Reference to foreign patent—Motion to strike out—Whether irrelevant—Exchequer Court Rule 114.

The plaintiff, in an action for infringement of its Canadian patents, sought, under Rule 114 of the Exchequer Court, to strike out certain paragraphs of the statement of defence and particulars of objection,

*PRESENT: Locke, Cartwright, Abbott, Martland and Judson JJ.

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which alleged that the plaintiff was bound by the amendments, admissions, interpretations and statements made by it in the prosecution of its American patents claiming the same invention as its Canadian patents, on the ground of irrelevancy. The application was allowed in part and the defendant appealed to this Court submitting that it should be permitted to adduce statements or admissions made by the plaintiff in proceedings before the United States Patent Office.

Held: The appeal should be allowed. The question of the admissibility of the evidence in question ought to be left to the decision of the trial judge as and when the evidence is tendered, and that question was still entirely open.

APPEAL from a judgment of Dumoulin J. of the Exchequer Court of Canada[1], allowing in part a motion to strike out paragraphs of the defence. Appeal allowed.

W. B. Williston, Q.C., and *R. D. Wilson*, for the defendant, appellant.

H. G. Fox, Q.C., and *D. F. Sim*, for the plaintiffs, respondents.

The judgment of the Court was delivered by

CARTWRIGHT J.:—This is an appeal brought, pursuant to leave granted by my brother Abbott from an order of Dumoulin J.[1] striking out paragraphs 4, 5, 6 and 7 of the statement of defence filed by the appellant.

The action is brought by the respondents, the registered owner and exclusive licensee respectively, for infringement of four Canadian patents. The appellant denies that it has infringed these patents and in addition contests their validity.

Paragraph 4 of the statement of defence is typical of those which were struck out. It reads as follows:

4. The Defendant states that said Letters Patent No. 399,972 discloses and claims the same invention as described and claimed in United States of America Letters Patent No. 2,202,778 dated May 28th, 1940, owned by the Plaintiff Lovell Manufacturing Company and that the said Plaintiffs are bound by the amendments, admissions, interpretations and statements made and submitted by the applicant for the said letters and by the agents for the applicant and for the Plaintiff Lovell Manufacturing Company in prosecuting the said applications for the said patents before the Canadian and the United States Patent Offices to obtain the allowance

[1] (1958), 29 C.P.R. 1.

of the claims in the said Letters Patent No. 399,972 and in particular claims 1,2,6,12,13 and 14 of both of the said patents, which amendments, admissions, interpretations and statements have the effect of limiting the said claims to the specific wringer construction described and disclosed in the specification for carrying out the purposes set forth therein by the applicant. The Defendant at the trial of the action will refer to the proceedings before the Canadian and the United States Patent Offices in respect to the application for the said patents and the prior patents cited therein.

The motion before Dumoulin J. was brought pursuant to Rule 114 of the Exchequer Court to strike out the paragraphs mentioned "as being impertinent and irrelevant and tending to prejudice, embarrass or delay the fair trial of this action". It does not appear that the paragraphs were objected to on the ground that the defendant was pleading evidence contrary to the opening sentence of Rule 88:

> Every pleading shall contain as concisely as may be a statement of the material facts on which the party pleading relies, but not the evidence;

In his reasons for judgment Dumoulin J. states the question to be determined as being:

> . . . whether or not statements made and evidence attempted before an alien Board, exercising quasi judicial powers, and its ultimate decisions, may have any binding force whatever, as alleged, before a Canadian Court.

and goes on to hold that this question must be answered in the negative. Counsel for the appellant made it plain that he does not seek to rely on any decision of a foreign tribunal; his submission is that he should be permitted to adduce in evidence statements or admissions made by the plaintiff or its agents in the course of the proceedings in that country.

It developed during the course of the argument before us that neither counsel contended that the question of the admissibility of such statements or admissions should be decided on an interlocutory application; but counsel for the appellant was apprehensive that if the paragraphs in question were struck out the judge presiding at the trial might feel himself bound by the order of Dumoulin J. to

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exclude the evidence; and, conversely, counsel for the respondent wished to guard against the judge at the trial feeling bound, if the paragraphs were restored, to admit it.

In my respectful opinion the question of the admissibility of evidence of the sort referred to above ought to be left to the decision of the judge presiding at the trial as and when the evidence is tendered. I wish to make it clear that the order which I propose should be made leaves that question entirely open.

I incline to the view that neither the motion nor the appeal was strictly necessary in order to keep open the question of admissibility of evidence referred to above; and, indeed, I understood counsel to be of the view that both the motion and the appeal were made *ex abundanti cautela.*

I would allow the appeal and set aside the order of Dumoulin J. but in all the circumstances I would order that the costs in this Court including those of the application for leave to appeal should be costs in the cause.

Appeal allowed.

Solicitors for the defendant, appellant: Riches & Rest, Toronto.

Solicitors for the plaintiffs, respondents: McCarthy & McCarthy, Toronto.