E. T. WRIGHT, LIMITED (DEFENDANT) . . APPELLANT;

AND

THE ADAMS & WESTLAKE COMPANY, AND THE HIRAM L. PIPER COMPANY, LIMITED (PLAINTIFFS). } RESPONDENTS.

1928

*Dec. 3, 4.
*Dec. 5.

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

Patent—Validity—Invention—Novelty—Manufacture and importation—Patent Act, R.S.C., 1906, c. 69, s. 38—Patent Act, 1923, c. 23, ss. 40, 41, 66.

The judgment of the Exchequer Court of Canada, [1928] Ex. C.R. 112, holding that the patents in question (for improvements in trainmen's lanterns), relied on by plaintiffs, were valid, and had been infringed by defendant, was affirmed. It was held that, in the combination patented, there was invention, novelty, usefulness and commercial value; and that (in regard to the patents' validity) no violation was shown of any statutory provision as to manufacture and importation.

All matters of manufacture and importation prior to the coming into force of *The Patent Act* of 1923 (c. 23) are governed by the provisions of the earlier Act which it replaced. After the Act of 1923 came into

*PRESENT:—Anglin C.J.C. and Mignault, Newcombe, Rinfret and Smith JJ.

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force, questions of manufacture and importation were governed by its provisions; and under them the Commissioner of Patents is *curia designata* to determine such questions; as to which, therefore, the Exchequer Court of Canada, in an action brought in that court, has no jurisdiction.

APPEAL by the defendant from the judgment of the Exchequer Court of Canada (Audette J.) (1).

The action was for alleged infringement of two Canadian patents, dated 13th September, 1921, and 30th January, 1923, respectively, for certain new and useful improvements in lanterns, especially adapted for the use of trainmen. The second patent was for improvements on the invention covered by the first patent. Counsel for defendant had admitted, at the opening of the trial, that, if the patents were good, there was infringement; but disputed the validity of the patents, alleging absence of novelty or invention, and absence of subject matter for valid letters patent. It was further alleged by defendant that the alleged inventions had not been manufactured in Canada in compliance with s. 38 (*a*) of the *Patent Act,* R.S.C., 1906, c. 69, under which the patents were granted, and that importation had taken place in contravention of s. 38 (*b*) of said Act. Audette J. (1) held against the defendant and gave judgment for the plaintiffs.

As to manufacture and importation, counsel for the plaintiffs (respondents) contended, among other things, that the uncontradicted evidence showed that no lanterns constructed under either patent were imported after 13th March, 1923, the last day allowed for importation under the first patent (the year allowed for importation having been extended for six months); that, as the prohibition against importation was repealed (1923, c. 23, s. 66) on 1st September, 1923, (the date of the coming into force of *The Patent Act,* 1923, c. 23), the time allowed for importation under the second patent never expired; that there was no evidence that any lantern parts were imported between 13th March, 1923, (the last day allowed for importation) and 1st September, 1923, when the prohibition against importation was repealed (1923, c. 23, s. 66); that, in any event, the importation of certain parts, common to the trade, did not constitute importation of the lanterns; the

(1) [1928] Ex. C.R. 112.

remaining parts, including those that were new, were manufactured in Canada and the lanterns assembled here; that, as the time allowed for manufacture in Canada under the former Act had not expired, as regards either of the patents in suit, on 1st September, 1923, when the requirement was repealed (1923, c. 23, s. 66), there could be no question of either patent's having become void for failure to manufacture; that under the present Act (1923, c. 23; see ss. 40, 41) which went into force on 1st September, 1923, the provisions as to importation and manufacture had no application here; that there is no provision in the Act rendering a patent void for importation or for non-manufacture in Canada; and that the only tribunal in which the provisions of the new Act relating to importation and manufacture can be invoked is before the Commissioner of Patents; the Exchequer Court has no jurisdiction save on appeal from him, or upon a reference to the Court by him, neither of which is the case here.

F. B. Fetherstonhaugh K.C. for the appellant.

W. L. Scott K.C. for the respondent.

After argument by counsel, judgment was reserved, and on the following day the judgment of the court was orally delivered by

ANGLIN C.J.C.—The Court is unanimously of the opinion that the appeal fails and must be dismissed—speaking generally, for the reasons assigned by Mr. Justice Audette. That the combination patented by the plaintiff's assignor involved invention was demonstrated; of its novelty we are satisfied; its usefulness and commercial value do not admit of dispute.

In regard to the questions of manufacture and importation, which were discussed, I should, perhaps, add that we agree with the construction put by Mr. Scott on section 66 of the Act of 1923. In our view, all matters of importation and manufacture prior to the date of the coming into force of that Act are governed by the provisions of the earlier statute, which it replaced. That leaves to be considered, in regard to the first patent, the question of importation between the 13th March, 1923, to which the time for importation into Canada had been extended, and the

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date of the coming into force of the Act of 1923, the 1st of September of that year. As to that, Mr. Scott contends that there is no evidence of importation between those dates. Mr. Fetherstonhaugh did not challenge that statement of Mr. Scott, and failed to point out any such evidence. The time for importation into Canada under the second patent had not expired in September, 1923. There is, therefore, nothing upon which to base a decision that there was importation affecting the validity of either patent prior to the date of the Act of 1923 coming into force.

After that Act came into force the questions of manufacture and importation were governed by its provisions, and under them the Commissioner of Patents is *curia designata* to determine such questions, and it would be only on appeal from him that the Exchequer Court would have jurisdiction. That being the case, the present proceeding is one in which, as to such questions, there was no jurisdiction in the court of first instance to entertain the action.

The attack on the patents entirely fails. The appeal, therefore, is dismissed with costs.

Appeal dismissed with costs.

Solicitors for the appellant: *Fetherstonhaugh & Fox.*

Solicitors for the respondents: *Ewart, Scott, Kelley & Kelley.*