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Nov. 25.

THE ROYAL ELECTRIC COMPANY OF CANADA..... ..... } PETITIONERS;

AND

THE EDISON ELECTRIC LIGHT COMPANY..... } RESPONDENTS.

NOTE.—The Honourable Sir John S. D. Thompson, Q.C., Minister of Justice, sat with the Honourable Mr. Carling, Minister of Agriculture, at the hearing of this case.

SYLLABUS OF THE OPINION OF THE MINISTER OF JUSTICE.

Patent—The Patent Act (R. S. C. c. 61) s. 37—Importation of parts—Articles of Commerce—Novelty forming part of combination patented—Penalty in section 37, how to be applied—Patentee's right to impose limitation on sale—Object of the enactment as to sale of patented invention.

If an article imported by a patentee and used by him in the construction of his invention is a common commercial article employed for many purposes, and is not specified in the patentee's claim as an essential part of his invention, such importation does not operate a forfeiture of the patent.

2. A fair test of the patentee's ability to freely import any article required in the construction of his invention is to ascertain if it is open to every person in Canada to manufacture, import, sell and use the same without thereby infringing the patent in question. If the article is thus part of the public domain, the patentee is at liberty either to import it or purchase it in Canada for the purposes of such construction.

3. Where the subject of a patent is a combination of elements and one of them is a novelty invented by the patentee, such novelty is in the same position as the other elements with respect to importation by him unless its production or manufacture is covered by the patent in question.

4. There is no express provision in the statute imposing the penalty of forfeiture for importing into Canada the various parts of the invention in respect of which the patent was granted, much less for importing one of its parts. The words of the statute are "the invention for which the patent is granted," and they ought not to be extended beyond their plain meaning. In administering the

statute, the Minister can only apply the penalty to the offence which the statute forbids. He cannot apply it to an attempt to evade the statute.

5. In imposing penalties Parliament must take its own measures to prevent evasion, and it would be most unsafe to impose, in the case of an evasion, the heavy penalty which the law has levelled at the principal offence, on the theory, which may or may not be correct, that Parliament intended by an equal penalty to forbid the doing of that which would be almost or quite an equivalent of the principal offence.
6. Where the article patented is of delicate and skilful manufacture, and one from which the patentee can only reap the reward of his labor and expenditure through its being esteemed successful by the public, it is reasonable for him, at a time when public opinion with respect to it is in suspense, to decline to sell his invention unconditionally to those who, by unsuitable use, would fail to derive benefit from it themselves, and would create an impression in the public mind that the invention was a failure. If, upon application made to him for the purchase of his invention, he imposes a limitation in respect of its use, he ought not to be held to have thereby forfeited his patent unless it appear that such limitation was imposed for the purpose of evading compliance with the provisions of the statute which require him to sell the patented invention at a reasonable price.
7. In relation to the provisions of section 37 of *The Patent Act* touching the price of the patented invention to purchasers, it would appear that the evil the statute was principally intended to prevent is the exaction of exorbitant prices under the monopoly secured by the patent.

PETITION to the Minister of Agriculture praying to have declared null and void patent No. 10654, granted to Thomas Alva Edison on the 17th November, 1879, for "new and useful improvements on electric lamps, "and in the method of manufacturing the same,—the "title whereof is the "*Edison Electric Lamp*,"—on the "ground of non-manufacture in Canada within the "time prescribed in section 37 of *The Patent Act*" (R. S. C. c. 61) (1).

(1) Section 37.—Every patent granted, under this Act, shall be subject and be expressed to be subject to the condition that such patent and all the rights and privileges thereby granted shall

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The respondents are assignees of the patent in question.

The petition alleged, in substance, that the patentee and his assignees had not manufactured the invention within the two years prescribed by law, and that the alleged extension of three months within which to do so had been obtained by false and wilful misrepresentation; that the patentee and his assignee had imported the invention into Canada after the twelve months allowed by law, and prayed, for these reasons, that the patent

cease and determine, and that the patent shall be null and void at the end of two years from the date thereof, unless the patentee or his legal representatives, within that period, commence, and, after such commencement, continuously carry on in Canada the construction or manufacture of the invention patented, in such manner that any person desiring to use it may obtain it, or cause it to be made for him, at a reasonable price, at some manufactory or establishment for making or constructing it in Canada,—and that such patent shall be void if, after the expiration of twelve months from the granting thereof, the patentee or his legal representatives or his assignee for the whole or a part of his interest in the patent imports or causes to be imported into Canada, the invention for which the patent is granted; and if any dispute arises as to whether a patent has or has not become null and void under the provisions of this section, such dispute shall be decided by the Minister or the Deputy of the Minister of Agriculture, whose decision in the matter shall be final:

2. Whenever a patentee has been unable to carry on the construction or manufacture of his invention within the two years hereinbefore mentioned, the commissioner may, at any time not more than three months before the expiration of that term, grant to the patentee an extension of the term of two years on his proving to the satisfaction of the commissioner that he was, for reasons beyond his control, prevented from complying with the above condition:

3. The commissioner may grant to the patentee, or to his legal representatives or assignee for the whole or any part of the patent, an extension for a further term not exceeding one year, beyond the twelve months limited by this section, during which he may import or cause to be imported into Canada the invention for which the patent is granted, if the patentee or his legal representatives, or assignee for the whole or any part of the patent, show cause, satisfactory to the commissioner, to warrant the granting of such extension; but no extension shall be granted unless application is made to the commissioner at some time within three months before the expiry of the twelve months aforesaid, or any extension thereof.

be declared null and void, and the extension above mentioned set aside and cancelled.

November 13th, 1888.

Lash, Q.C., *McGibbon*, Q.C., *Curtis* (of New York) and *Kerr* (of Pittsburg, N.Y.,) for the petitioners ;

Cameron, Q.C., *Macmaster*, Q.C., and *Dyer* (of New York) for respondents.

The case now came on before the Deputy Commissioner of Patents, and evidence was taken on both sides.

December 17th, 1888.

The case was argued before the Deputy Commissioner who reserved his decision.

February 26th, 1889.

POPE, D.C.P. now rendered his decision, declaring that the patent had become null and void under the provisions of the 37th section of *The Patent Act.*

The following are the facts upon which the Deputy Commissioner based his decision :—

The evidence adduced by the petitioners established, in substance, that the patent was granted to Thomas A. Edison, on the 17th November, 1879 ; that on the 16th November, 1881, an extension of three months time within which to manufacture was granted ; that on the 12th February, 1880, Edison assigned the patent to the Edison Electric Light Company, and on the 30th December, 1886, the latter assigned to the Edison Electric Light Company—the respondents. The lamp consists of a glass globe or bulb, glass tubing, inside pieces of glass, platinum and copper wires, carbon filament, and brass bottom. All these articles were imported from the United States, from the time the patentee and his assignees began to make the lamps in Canada, and still continue to be imported. The process of making

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the lamp from these imported articles consisted of several operations, such as attaching the carbon filaments to the leading-in wires—the leading-in wires having been previously let into the glass and sealed in, the glass bulb and tube attached to it, the air exhausted from the bulb, and connection made with the brass cap or base to attach it to the socket, to connect with the circuit supplying the electric current. On the 14th November, 1881, the Edison Electric Light Company started a small factory in Montreal, worked by two men, and the outfit consisted of a small dynamo, several pumps for producing the vacuum in the globes, several small glass-blower's fires, gas fires, altogether of the value of about $2,000, and commenced the manufacture of the lamps from the materials imported from the United States, as above stated, and on the 17th had completed two lamps. The carbon filaments were put into the lamps in the condition they were brought in from the United States, and were not subjected to any further treatment or process of carbonization after their arrival in the factory in Montreal. The carbon filaments are made of bamboo, imported into the United States from Japan, in the crude or natural state, in strips, and on arrival at the factory in the United States, they were further split into smaller strips, the pith removed, and then, by knives or dies, further reduced to the proper size of the filament. These filaments were then put on a block or mould packed with carbon, then put into a furnace and baked or carbonized. This process requires great skill and labor, and is very difficult, and can only be done by skilled workmen. They tried to carbonize the filaments in Montreal but could not succeed, as the men were not skilled in the work. The glass bulbs were made in the United States from pot glass, the glass-blowers there blowing them by several processes into

the size and shape required. These bulbs were made expressly for use on the incandescent lamps, and must have the same expansion as the platinum. The glass tubing also must be made from the same quality of pot glass as the bulbs, so as to have the same expansion; the platinum wire also was specially prepared in the United States for use in the lamps. The employees were instructed not to sell the lamps to any who did not use the Edison dynamos or plant, and they accordingly did not sell them, and refused to sell to any not using the Edison plant; it being the policy of the respondents to do this, as the sale of the plant was more profitable than the sale of the lamps, the proportion being that where 800 lights were installed, the total price was $12,000, while the cost of the lamps at $1 each was only $800, and this had, practically, the effect of creating a monopoly for the Edison plant. The first sale of lamps in Canada was made to the Canada Cotton Company at Montreal, in December, 1882. The capital stock of the Edison Electric Light Company in November, 1881, was $720,000 or $780,000, the par value of the shares being $100, but they were then quoted and selling at from $1,000 to $1,200 per share, or a premium of $1,000 to $1,100 above par. In January, 1883, the factory in Montreal was closed, and the business transferred to Hamilton, and there increased and more men were employed, but there was no change in the manner of getting out the lamps; the same articles were imported, but in larger quantities, the same steps of assembling all the parts and putting them together to complete the lamp were gone through at Hamilton, as in Montreal. At this time there were about 3,800 lamps in use in Canada, and the annual output was from 8,000 to 10,000 lamps, and was gradually increasing. The proportionate cost of labor bestowed in the United States on the articles sent into Canada, to be used in the making

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of the lamps, is $32.50 on every 100 lamps made; while the proportion of the cost of labor bestowed on the lamps in Canada, after the importation of the articles composing it, is $21.80 per $100 worth of lamps made.

The respondents admitted the importation of the glass bulbs, the glass tubing, the plantinum and copper wires, and the carbon filament, and that the importation continues still, and the evidence they adduced went to show that these were all raw material; that they were all ordinary articles of commerce, and could be used for any other purpose besides incandescent lamps; that the carbon filaments, as imported, were only partly manufactured in the United States, and the carbonization was completed in the Canadian factory by the passing of an electric current through them while a high vacuum was maintained in the lamp bulbs, thereby reducing them to a pure carbon; and that this process of final carbonization was necessary to make a serviceable commercial lamp; that the glass bulbs and tubes, after they were imported, passed through several processes in the factory in Canada to render them fit for use in the lamp; that the platinum was obtained in the United States, and, before being sent into Canada for use in the lamps was remelted from the crude material, and then drawn out into wire and slightly alloyed with iridium, so as to make it a little harder,—the wire being attached to the carbon and fitted into the glass bulbs in Canada; that if the respondents had been compelled to manufacture the carbons in Canada, it would have ruined the business in Canada; that the platinum wire would have cost two hundredfold more in Canada, as it requires a special furnace to prepare it; that the cost of material in the United States as imported into Canada would be the proportion of one-third, and the labor in Canada two-thirds.

A doubt having arisen as to the jurisdiction of the Deputy Commissioner of Patents under the provisions of the 37th section of *The Patent Act*, on further petition of the Royal Electric Company of Canada, the case was reopened by the Minister of Agriculture and heard by him *de novo*.

July 23rd, 1889.

Lash, Q.C., *McGibbon*, Q.C., *Curtis* (of New York) and *Kerr* (of Pittsburg, N.Y.), for petitioners;

Cameron, Q.C., *Osler*, Q.C., *Macmaster*, Q.C., and *Lowrey* (of New York), for respondents.

The evidence taken at the previous hearing before the Deputy Commissioner of Patents was accepted by both the petitioners and the respondents, and some additional evidence was taken. Counsel then argued the case anew.

The HONOURABLE Sir JOHN S. D. THOMPSON, Q.C., Minister of Justice, sat with the Minister of Agriculture at this hearing, and delivered a written opinion, addressed to the latter, as follows :—

The nature of the petition, and the various proceedings taken under it, down to the time when it was heard by Mr. Richard Pope, Deputy Commissioner of Patents, are recited in the decision which was rendered in this case on the 26th of February, last, by that gentleman. I need not detail these matters again, because the narration by Mr. Pope indicates them sufficiently, although it will be seen that I do not concur in his conclusions as to what was established by the evidence in regard to many important points, but arrive at conclusions almost directly opposite. In order that the explanation of the fact that the case subsequently came before us may appear in the record, I may remind you that after the decision of Mr. Pope

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was pronounced the respondents made application to the Governor-General in Council, praying, on various grounds, that effect should not be given to that decision. The application was then referred to you and myself, by His Excellency in Council, for report, and on the examination of the subject which ensued it seemed to be, at least, doubtful that Mr. Pope, as Deputy Commissioner of Patents, possessed the necessary jurisdiction to hear and decide on such a petition, or to pronounce judgment upon it.

It was, accordingly, deemed best that the whole matter should be reheard before yourself as Minister of Agriculture; and you having desired my assistance at the hearing, I had the pleasure of hearing this most important subject very ably discussed. It was agreed at that time (subject to certain reservations which are not important now) that all the evidence, proceedings and arguments which had taken place before Mr. Pope should be considered as re-taken before yourself, and should be used to the same extent as if you had heard them. This evidence, and the report of the arguments which had taken place before Mr. Pope, together with the arguments which we heard, and the briefs which were subsequently handed to us, contain the material on which I am now to give you my opinion.

I have considered the subject carefully, and have delayed somewhat the expression of my opinion in consequence of finding myself unable to arrive at the same conclusion as that expressed in the decision of Mr. Pope, who truly says in his decision that he had bestowed upon it "all the care, study and consideration which his time and ability admitted, in endeavoring to arrive at a sound, just and equitable conclusion," and who, I know, possesses in a very high degree the ability to consider such matters in the way in which

they should be considered by a person exercising judicial functions in regard to them.

I first put out of consideration the contention made by the petitioners that the extension, which was obtained by the patentee on the 16th of November, 1881, (for three months) of the time to begin the manufacture of the patented article in Canada, was obtained by fraud. The extension was made on an *ex parte* application, no doubt. The law contemplates the application being *ex parte*. It empowers the Commissioner of Patents to decide on the proof which may be thus submitted to him. The Commissioner did decide in favor of the application. Without disputing the proposition that "fraud invalidates everything," and, although it may be that if the concession then made by the Commissioner were obtained by fraud it might be treated as null, I see no ground for sustaining the contention that it was obtained by fraud. The proof on which the application was based may perhaps have been exaggerated. It may perhaps have been untrue. I am far from saying that it was either exaggerated or untrue. The evidence on that point offered by the petitioners was, to my mind, very inconclusive. It has not made the impression on my mind which it has made on that of counsel for the petitioners, who argued that the company which had obtained the extension was shown to have been "one of the wealthiest companies in the United States," although its capital for the operations in the United States and Canada was under $800,000.

He was led to that conclusion by the fact that the shares of the company advanced in price very much above par, forgetting, apparently, that the profit on sales of shares is the profit of the owner of the shares—not of the company—and that the advance was evidently due to the speculative anticipations formed as to the company's future.

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Assuming, for the sake of the argument, however, that the proof was untrue,—that certainly would not render the decision of the Minister null.

The decision or judgment of a tribunal cannot be treated as null simply because the person in whose favor it was obtained put forward false testimony. The extension of time was actually made by the Minister. No application has ever been made to rescind the Minister's order, and therefore the time within which the patentee was bound to cease importing the patented article, and to begin the manufacture of it in Canada, was the 17th of February, 1882.

In the view that I take of this case it will be unnecessary for me to express my opinion as to whether the jurisdiction possessed by the Minister of Agriculture or his deputy, is exclusive, as contended for by the petitioners, or conclusive, when exercised, as contended for by the respondents.

I think we may also put out of the case the points taken in the particulars as to the importation of completed lamps. These points were probably based on a misapprehension of fact. It appears that four completed lamps were actually imported.

It is said that they were returned, or destroyed, and that the importation had been made by mistake.

The excuse, however, is not material. They were never sold in Canada, nor offered for sale, nor intended to be sold, but were merely intended to be used as samples, or models, of the article which it was intended should be manufactured within the Dominion.

Another item of this charge was the importation of lamps for the Lachine Canal; but it seems from the evidence that what were called lamps were only lamp fittings.

In fact, these points were not presented for our consideration as grounds on which the petitioners expected

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a favorable decision. We may fairly treat them as having been abandoned.

The application of the petitioners, therefore, rests on the set of facts following :

The patentee has made his lamps out of glass bulbs and glass tubes made in the United States and imported from there into Canada; with platinum wires produced from platinum, mined in Russia, manufactured into wire in the United States and imported into Canada from there; with filaments of bamboo grown in Japan, imported thence to the United States, carbonized partly in furnaces there, and imported thence into Canada, with brass bottoms made in the United States to fit into lamp sockets, and imported into Canada; also with copper wire which has come from the United States.

The glass bulbs and tubes are the first articles to be considered. It is admitted that they are articles of commerce in the United States, in Canada, and in almost every other country, and were so for many years before the patent.

It is clear that bulbs and tubes of that description are used for other purposes than for electric lamps, the bulb being the simplest form the glass takes in the process of blowing, and the tubing being made and used for a great variety of purposes.

While the hearing was going on in your office you may remember that it was pointed out that a number of such bulbs were standing on your desk for the purpose of exhibiting various kinds of seeds.

A description of the patented lamp does not mention the glass bulb as being an essential part of the lamp. A transparent chamber of any shape, or of several parts joined, capable of affording a vacuum, would suffice. Therefore, the bulbs and tubes are not

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used exclusively for this purpose and are not even essential to the invention, strictly speaking.

There is some evidence as to the glass bulbs and tubes being manufactured expressly for the respondents, that is, manufactured to their order, and there seems to be no doubt that each electric light company gives an order in advance for the number of bulbs which it will require, by a given time, as well as for the amount of tubing which may be required. This is not, by any means, because the manufacture of bulbs and tubes is confined to electric lamp purposes, but because it is necessary that they should be carefully made, more free from flaws than would be insisted on if they were used for some other purposes, and because it is necessary that the tubing, which has to be connected with the bulbs in the process of making the lamp, should be of the same melting, and the same description of glass as the glass of which the bulb is formed. Some companies also desire that their bulbs should have a distinctive form which is very easily given by the blower, and seems to be merely a matter of fancy. All this does not, in my opinion, make any essential difference; it is simply a precaution for care and accuracy in the making of a very common article of merchandise which is to be used in the construction of a patented article.

It cannot, certainly, be urged that the respondents might use bulbs and tubes carelessly made and ill-matched without forfeiture of the patent, but that they must lose their patent by reason of the pains that they take to avoid defects and flaws.

These bulbs and tubes, as I have said, are not a part of the claim in the patent. In fact, it is quite possible to conceive of the patented article being made without them—made, for instance, in some other shape. However this may be, they are articles of commerce, which

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any one may import, manufacture, sell or use without infringing the patent. They were in use long before electric lamps were invented, are used for other kinds of electric lamps, and I cannot come to the conclusion that the importation of these into Canada incurred the forfeiture of the patent.

What I say on this point may be taken as said of many other articles which go into the composition of the lamp, and which will be referred to hereafter. I do not see how it can be reasonably contended that these articles may be imported freely into the country, may be sold in all our shops and warehouses, may be used for any other purpose which a purchaser pleases (even for the manufacture of electric lamps), and the purchaser be liable to no penalty; while, if the patentee buy them and use them in making his lamps, he is to incur the enormous penalty of forfeiture of all his patent rights. If he may buy them here and use them for his lamps, he may certainly import them and use them.

It does not seem reasonable that a person who has been placed expressly under the protection of the patent law, as a reward for inventive genius and for expenditure of labor and capital in devising a patented article, should be subjected to enormous penalties for doing what everybody else may do, and I do not think that such would be a correct construction of the law.

The platinum wire is imported from the United States wound on spools. It is not denied that this is an article of commerce, useful for many purposes. It is not pretended that its production is covered by any claim in the patent which makes its manufacture the sole property of the patentee.

Is it a thing, therefore, which he is bound to produce and manufacture in Canada? On the contrary, it is a

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general article of commerce, as much as so valuable a material can be, and the only difference between the platinum wire of general commerce and the platinum wire used by electric lamp manufacturers is that the latter is desired to be free from flaws and defects, which sometimes may be tolerated in the former. In other words, the patentees are not to be permitted, it is virtually contended, to import platinum wire for use in their lamps unless it is irregularly and defectively made; but if roughly and badly made the law is not violated and the patent is not to be cancelled. There was evidence that the platinum wire is sometimes alloyed with iridium to stiffen it, and make it hold up the lamp better than it otherwise would; but this is also true of the platinum wire used for many other purposes, and the alloy is nothing new, is not covered by the patent and is by no means essential. The platinum wire, even with the alloy, was in use long before the electric lamp was invented. The copper wire is imported from the United States in small coils.

It is a common commercial article used for many purposes, and not an essential part of the lamp which was patented by the patent under consideration.

All that the claims in the patent say in regard to the wires is that the filament shall be "secured to metallic wires," and that "metal wires" shall pass through "a receiver made entirely of glass," and the "securing of platina contact wires" to a carbon filament. The copper wire used is the copper wire imported and used for all electrical purposes.

As to the brass bottom pieces, it is stated in the testimony that these are two brass pieces separated or held together by means of plaster, and that the two brass pieces are imported into Canada from the United States and are put together and set in plaster in Canada

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and attached to the lamp. It does not appear that these brass pieces are an essential part of the lamp, or in any way covered by the patent claim, or by the patent itself. The pieces may be of any other material which will serve the purpose, and may be of any shape, size or quality which fancy can design. They are, in one form or another, common to all electric lamps. The expert called by the petitioners says concerning the brass shells: "There is absolutely noth- "ing said about it in the patent, so I should regard it "as a subsequent improvement or attachment."

It is clear, to my mind, that in respect of all these articles (and only one remains to be considered), every one of them is of the public domain, free to every person in Canada to manufacture, import, sell and use without thereby infringing the patent under consideration, and that in respect of their use, the respondents incur no greater liability or penalty than they incur by importing, and not manufacturing, the plaster with which they seal the lamps, or any of the common appliances of the workshop which may be used in the manufacture.

The carbon filament remains to be considered.

This is described in the patent claim as "a filament of carbon of high resistance, made as described, and secured to metalic wires as set forth," &c.

The strips of bamboo, out of which filaments are made, are imported from Japan, as I have said, are split into threads in the United States, baked into a partly carbonized condition there, and sent from there into Canada. As a matter of fact, it seems that the carbonizing of the filament is a very difficult work, requiring great experience and skill. It has been principally done by Mr. Edison himself, and although, perhaps, sometimes done by others, has so often failed in the hands of others, even of those who had temporarily

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succeeded, that the work is practically reserved for Mr. Edison's factory in New Jersey, or was so at the time under consideration.

This was the case as to filaments for use in Europe as well as for use in Canada.

It may be also observed in this connection (although it may not have an important bearing on the legal view of the question) that the filament is of a very trifling value, even after it has been carbonized, and of very trifling cost.

After being brought into Canada it is attached to the leading wires and, during the process of exhausting the air from the glass bulb, is subjected to an electric current for the greater portion of half a day. The carbonizing which it receives in the United States and the treatment by electric current after it arrives in Canada, before the final completion of the lamp, are what make the filament a filament of high resistance and fully carbonized. It could hardly be said to be fully carbonized until the treatment which is given in Canada has been applied. Before that the filament is a partly carbonized filament, which would emit light when the current was applied, but not efficiently; because, not being completely carbonized, it would be of short duration, comparatively, and would impair the vacuum. It would be a carbonized filament, but not "a filament of carbon."

I must observe of the filament, as of the other articles which I have enumerated above, that the production or manufacture of this article is not covered by the patent claim or by the patent. True, it is a most essential part of the patented invention. It may, perhaps, be said to be what Mr. Pope declares it to be, "the novelty which the inventor has contributed to the art of incandescent lighting." To my mind, however, there is a mistake, which would lead to an erroneous

conclusion on the whole subject, involved in the proposition which has been put before us in the following words: "The carbon filament, as imported by the "patentee and his representatives, the respondents, * * "is claimed in and covered by the patent; * * * "anyone who should use it without the permission or "consent of the respondents would render himself liable "to them in an action for infringement of the patent." Reading these words in connection with the statement that "the carbon filament of high resistance is the novelty which the inventor contributed to the art of incandescent lighting," one would expect, in turning to the patent, to find a patent simply for "a carbon of high resistance," because nothing but a novelty can be the subject of a patent, unless it be a new combination, and the language used in the proposition before quoted would not apply to a combination. But the carbon filament is not "the invention for which the patent is granted" (to quote the exact words of the enactment prohibiting importation, which is invoked here). On the contrary the production of the filament is not covered by the patent at all. The "invention for which the patent is granted" is a lamp in which the filament is to emit the light. The lamp was old, the filament new. The combination was patented.

The patentee might have patented the filament, it would seem, but he has chosen to patent only the lamp containing the filament—or the combination, and not the new part merely.

If the view expressed in the above quotations were sound, the patentee would have satisfied the conditions of the patent by simply making the filament of carbon in Canada, and doing no more; but it is clear that if he had done only that the petitioners would have had an unanswerable case for the forfeiture of the patent. They would have said: "True, your great

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contribution—your only contribution—to the art of electric lighting was your filament of carbon, but you have patented a lamp in which that filament would give out light, how is it that you have not made lamps in Canada, but only carbons ?"

Here is evidence from the petitioners' expert on the point:

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Q. Now, the first claim reads as follows: I claim as my invention, first, an electric lamp for giving light by incandescence, consisting of a filament of carbon of high resistance, made as described and secured to metallic wires as set forth. Will you say, what, in reference to the lamps which I have been speaking of, is covered by that first claim in this patent, construing it, as we must do, by the specifications which precede the claim ?

A. I think that claim clearly covers any form of incandescent electric lamp, having in it a filament made of carbon and having a high resistance. The word filament implies that it is a fibre or thread. It must be a carbon of high resistance, and must be connected by conducting wires.

A carbon filament, even of high resistance, or even such a filament subjected to treatment by electric current, is not a thing which the patentee has the exclusive right to produce. It can be made in Canada by any person who wishes to do so. It can even be used in Canada, for any purpose, by any person, without the charge of infringement, unless he uses it in an "electric lamp." It may be said that no person wants to use such an article for any other purpose, but I do not see that this in any way affects the argument. If the making of a filament of carbon is not patented, but only the construction of a lamp with such a filament, the patentee is bound to manufacture his lamp, with the filament in it, in Canada; but he is not, I think, bound to manufacture his filament here. The one thing which is covered by this patent, and of which the patentee has a monopoly under the patent, is to make an "electric lamp for giving light by incandescence, consisting of a filament" so made "and

secured," &c.; or stating it another way, as his claim does: "The combination of carbon filament within a receiver made entirely of glass, through which leading wires pass, and from which receiver the air is exhausted," &c.; or, stating it still in another way, his claim covers "a coiled carbon filament or strip arranged in such a manner that only a portion of the surface of such carbon conductor shall radiate light, as set forth"; or, stating it in still another way, his claim covers this,—"securing the platina contact wires to the carbon filament and carbonizing of the whole in a closed chamber," &c.

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While commenting on that which has been done in connection with the filament, I may advert to one other contention on which much stress was laid, but which does not seem to me to have the importance which was attached to it, namely, that the process of further carbonizing the filament in Canada, after it is introduced into the bulb, by passing an electric current through it, is not described or claimed in the patent and forms no part of it, and cannot, therefore, be availed of to save the patent. On the contrary, it is said, "this is the subject of another patent, obtained subsequently, by the same inventor."

I do not so understand the position of the patentee. To produce the patented article he has to use, among other things, "a filament of carbon of high resistance," and, if the bamboo is completely carbonized, or even carbonized to a materially greater degree, by the process applied to it in Canada, I do not see why that treatment should be rejected as immaterial, because the process is not a patented process, or a process only patented by another patent. As well might the process of baking, gone on with in the United States, be rejected as immaterial against him because the process of baking is not the subject of this patent. The effect

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of the process not being covered by the patent is merely that the patentee can make his filament of carbon by any process which pleases him. He is entitled to credit for carbonization, however it may be done, and the effect which the subsequent patent has is to prevent other persons from making a "filament of carbon of high resistance" by enclosing it in a bulb, exhausting the air therefrom, and treating it by the electric current, as described in the subsequent patent.

If the argument presented in that objection were correct it would lead to the conclusion that none of the respondents' lamps could be said to have been made in conformity with the first patent, because the carbon filament had been treated by electricity in the manner described in the second patent. But it is admitted that they were made in conformity with the patent, and the only objection is as to certain things being done in the United States.

As I have said, we have simply to enquire, under the first patent (in so far as the filament is concerned), whether the filament of carbon of high resistance was made in Canada by any process whatever, and if the filament was made a filament of carbon of high resistance in Canada by any process whatever, I think it is impossible to say, as a matter of law, that a filament of carbon of high resistance, used in the lamps made in Canada, was made in the United States and not in Canada. It was, at least, partly made in Canada, and I think there would not be ground for cancelling the patent, even if the patentee were bound to make them here.

As I have already intimated, however, inasmuch as the making of the filament is not patented by this patent, I think that the filaments stand in the same position as all the other articles which go to form the lamp.

As to the other articles, I have already given you my views.

I am putting this as though it were necessary, before the patent could be upheld, to be satisfied that no one of the articles which go to make up the patented article was imported into Canada in the condition in which it was used in the construction of the lamp; but I am not at all satisfied that, even if what I have just said could not be affirmed, the patent could thereby be forfeited. I will discuss presently the decisions which have been given on that point; but, leaving them aside for the moment, I do not find anywhere that the statute expressly imposes the penalty of forfeiture for importing into Canada the various parts of the invention for which the patent was granted, much less for importing one of the parts. The words of the statute are, "the invention for which the patent is granted," and it does not seem that the Minister, or his deputy, in administering that law, can enlarge the statute or add any words to it, even in trying to prevent an evasion of the statute. In considering and administering such a statute the Minister or his deputy can only apply the penalty to the offence which the statute forbids. He cannot apply it to an attempt to evade the statute. In imposing penalties Parliament must take its own measures to prevent evasion, and it would be most unsafe to impose, against an evasion, the heavy penalty which the law has levelled at the principal offence, on the theory, which may or may not be correct, that Parliament intended, by an equal penalty, to forbid the doing of that which would be *almost* or quite an equivalent of the principal offence.

To apply this idea to the case in hand, it would be unsafe to apply the penalty of forfeiture to the importation of the various articles out of which the patented article is produced, on the theory that Parliament hav-

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ing prohibited under this penalty the importation of "the invention for which the patent was granted," it may likewise have intended to prohibit, under the same penalty, the importation of the various articles out of which "the invention for which the patent was granted" is made. Even if we thought the law had been violated by importing these parts, it would be better to suffer the risk of the law being infringed, for the time being, and to invite the attention of Parliament to the subject, in order to have an explicit declaration of its will.

I do not wish it to be understood, however, that I find anything in the evidence as to the importation of these articles into Canada, even of the partly carbonized filament, to justify an imputation of bad faith, such as an intent to evade the law and to evade the conditions of the patent.

There is much evidence to the contrary—much evidence to show that, during the time covered by the complaint, the lamp was introduced into Canada; that there was little or no demand for it; that the production of the lamps, for the small demand which existed, was attended with enormous expense as compared with their cost when imported, and that if the lamps, and all the component parts, had to be manufactured in Canada, it would have been utterly impracticable to have carried on the business at all.

There is evidence, also, of great practical difficulties in carbonizing the filament, and of its being a delicate work, at which skilful workmen often fail, and at which workmen, who have succeeded sometimes, fail sometimes, without being able to detect the cause of failure. This I have intimated already in another connection.

As to one piece of the evidence brought forward, by the petitioners, to establish bad faith on the part of

the respondents,—the evidence that the agents or servants of the respondents declared that they were not operating in good faith,—I shall have occasion to speak of it by and by, when I come to the question of the refusal to sell the patented article in Canada, because it was in connection with the sale of the lamps that the declaration was alleged to have been made, although I admit that it has a bearing upon all the charges brought forward.

I merely mention that piece of evidence now for the purpose of showing that I have not forgotten it, and to show that in attributing good faith to the respondents I am doing so subject to what may be said on that piece of evidence, and to what will be said of it hereafter. In this connection I must refer to the evidence of what was done in Canada, in the construction of the lamp, for the purpose of calling your attention to what I think is conclusive evidence that the lamp has not been brought into Canada in pieces, and that the manufacture of the lamp in Canada has not been merely the "assembling of the parts."

If the parts were ready for use in the construction of the lamp,—ready to be assembled, and merely requiring to be assembled in order to produce the patented invention, as seems to have been the case with regard to the Bell Telephone (1),—we should have to consider the question as to whether the invention for which the patent was granted was not really imported into the country, although imported in parts. We should then have to consider, with much doubt and difficulty as I have already suggested, whether the penalty provided by the statute should not be attached to that offence to prevent an invasion of the law; but in my view of the evidence, it is unnecessary to consider the

(1) See *ante*, p. 495, and p. 524.

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case from that point of view, and it would be improper to decide it on any such principle.

There are various descriptions, in the evidence, of what was done in Canada with the articles out of which the lamp was made, in the production of the lamp, and in considering what was so done we must remember, at every step, that the patented article is not the carbon filament, merely; not the platinum wire, manufactured without irregularities, merely; not the brass bottom pieces, merely; not the glass bulb and glass tubing, merely; not the joining of a glass bulb and a glass tube of the same melting and same quality of glass; not the carbonizing of the filament; not the treating of the filament by an electric current; but it is, first, "an electric lamp,"—this lamp, to give "light by incandescence, consisting of a filament of carbon of high resistance, made as described, and secured to metallic wires," &c. The quotations are from the first claim of the patent. The second, third and fourth claims of the patent I need not repeat, because, with the exception of the third, which is practically out of the question (being for a kind of carbon filament which was not used), all the claims are included, under one set of words or another, in the description of the patented article as "an electric lamp," although calling it by some other name than a lamp,—the second claim using such words as "a receiver made of glass," and the fourth mentioning "a closed chamber."

Here, then, is the evidence of what was done in Canada to produce the patented invention :—

Henry M. Byllesby, called by the petitioners, says :—

Q. Then what was done with those parts which came from the United States in the Montreal premises? A. Well, there were several operations. In the first place, the carbon filament which had been brought in from the United States was attached to what are known as the leading-in wires, the leading-in wires having been previously

let into the lamp and properly sealed in. The glass bulb and tube attached to it had the air exhausted, the tube was sealed up, the connection completed; the bases, which had also been brought in from the United States, were then attached.

John M. Robertson, another witness called in support of the petition, is more precise. Beginning at that part of his evidence in which he describes the work done in Canada, we find the following:—

Q. What is the next step? A. The next step would be to mount that filament into the platinum wires—the electrodes that pass through the glass are shown in Figure 13, in Exhibit 13.

Q. That is, that platinum wires are attached to the ends of the carbon? A. Yes; that is the process for the carbon. Then we go back to making that inside part. We take a piece of glass, such as is indicated in Part I or B of Exhibit 13.

Q. What do you do with that? A. It is heated in the glass-blower's fire and drawn out, such as is shown in Figure 2. Then that is cut in two and broken in the centre, as shown in Figure 3.

Q. How is it cut down? A. It is drawn to a fine thread and then broken with a file or sharp instrument, as in Exhibit 3.

Q. What is the next thing done? A. The next thing done is to blow out, as in No. 5—the expansion.

Q. How is that done? A. By merely heating it and blowing the breath in. That swells it.

Q. Then? A. Then comes the cutting between the two bulbs or expansions. You can blow one as well as two. They generally blow two to save labor.

Q. Then you separate them? A. Yes; it is cut off sharp, as you see it there.

Q. While it is heated? A. Yes; it is cut off while it is heated, by scoring it with a file.

Q. How long would it take to make that cut? A. It is done in an instant.

Q. In the fraction of a second? A. Yes.

Q. Then what is the next? A. The next thing is to stick that platinum wire into the glass there. It is partly fused, as in No. 9, the platinum being stuck on while it is hot. That platinum wire, though, has had the copper brazed on it, as you see it in $8\frac{1}{2}$. Then, after, it is heated further, as in No. 9, and then squeezed with a pincers.

Q. That closes it in on the platinum? A. Yes; which makes it a tight joint round on the platinum.

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Q. What is the next thing? A. The next is the pressing out of these wires into the shape of II.

Q. After the pincers had squeezed the ends of the glass together? A. They are merely spread out to get the electrodes a certain distance apart, to conform to the shape the carbon has been baked to.

Q. Up to this time the carbon has not been attached? A. No.

Q. Then after having done that, what is the next step? A. The next process is attaching the carbon to the platinum, as shown in No. 13. That is done in various ways. Some use the plastic cement put on the joint and brought to a red heat in a small gas flame. Others use the copper-plating bath. Others use the hydro-carbon bath.

Q. There are various modes of doing that? A. Yes; different companies use different processes. When you get to the stage, as shown at 13, it is ready for what we call sealing in. That brings it over to 21, I should suppose. Meantime, the bulb has been prepared for the reception of that.

Q. Now go back to the bulb? A. Fourteen, or "A," represents the first condition of the bulb as it comes from the glass works. That bulb is put in a little flame by some, and has the gas flame brought under the base of it.

Q. What you would call the apex or top? A. Yes; the gas flame is simply heated at that point, and by the rod that is brought down by hand motion that tit is formed, as shown in 16. This tit is then cut as you see in 17; then the piece of glass, as at letter "C," is melted on to make a connection with that tit, as in 19.

Q. So as to form part of the bulb itself? A. Yes.

Q. Then it is prepared for exhaustion? A. Yes; the bulb is cut off to give the proper length, and it is opened out.

Q. How is the cutting of it done? A. By the scratching away with a file.

Q. Is it heated? A. Not necessarily.

Q. Then it is heated and opened? A. It is heated and opened out, as you see in No. 20, for the reception of 13, as shown in 21; then the heating is continued, and it is sealed in, as shown in 22.

Q. What do you mean by sealed in? A. The glass, Exhibit 13, is melted while inside the globe, Exhibit 22, and they are both heated and stuck together and made air tight.

Q. The filament is inside the bulb? A. Yes; but the filament is inside. The next process necessarily will be this, No. 24, that is, cutting off the extra length of the projecting stem and set the electrodes free, so that they can be held to the proper point. A little tip of glass is put on there to hold it in position, that is, to keep it from twisting or turning. The little tip you see is simply a little dab of

melted glass. Then the lamp is ready to go to the air pumps, as represented in 25.

Q. That is, the pump is attached to that stem? A. Yes; the object of the stem is to attach it to the pump. There are pumps of various kinds. This represents part of a sprinkler pump—a mercury pump, in which a drop of mercury carries the air down with it. After that is done the stem is melted, as shown in 26.

Q. That is, the stem through which the air has been exhausted is melted off and sealed by being brought together? A. Yes.

Q. That leaves the bulb a vacuum? A. Yes; that point could be finished off a little better, so that there would be no danger of its breaking. That is a matter done differently by different parties.

Q. What is the next step in connection with making it useful? A. The next step is to put on the brass base, called a bottom, shell or base, by different companies.

Q. That is done by either cement or plaster of Paris, or other similar substance? A. By some plastic material.

Q. The lamp is then ready for use? A. Yes; it is a finished lamp.

This lamp being the invention for which the patent was granted, the one point which you have to decide, under the charge of importing into Canada, is whether that electric lamp was imported into Canada, and not manufactured in Canada. I think it cannot by any possibility be said to have been imported into Canada and not manufactured in Canada.

Considering, however, some of the views which have been entertained and put forward, as to the effect, on a patent, of the importation of the parts of the invention for which the patent was granted, and as to the effect of the assembling of the parts in Canada, we can safely go a step further than I have gone. We can safely enquire whether it can be truly affirmed that the introduction of bulbs, tubes, wires and filaments were the introduction of parts of the lamp. Certainly, portions of the bulb, as imported, were used in the lamp; portions of the tube, portions of the wires and the filament, after being otherwise treated in Canada; but it is impossible to say of any of these articles, excepting the filament, that, when they came into

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Canada, they were parts of Edison's electric lamp. They were simply the materials out of which the lamp was to be made.

The bulbs and tubes were cut off to the required sizes and were used in forming a chamber from which the air was exhausted in order to form a vacuum in which the light was to be given forth, but they were not necessarily, when introduced, to be considered as parts of the electric lamp. They were useful, as I have said, for other purposes, and were even used in the manufacture of other lamps than those of Edison.

To describe the wire which was brought in, on spools and in coils, as parts of an electric lamp, would be a misrepresentation altogether out of the range of the accuracy which is necessary in dealing with a legal question; and although it appears, as regards the filament, that it is not used for any other purpose, it may be so used for anything for which it is or may become capable of being used, or for which it may be hereafter adapted; and, so far as this patent is concerned, the patentee had no monopoly as to the production or use of the filament, as I have elsewhere shown.

This seems to show conclusively to my mind, 1st., that the invention for which the patent was granted was not imported, but was manufactured in Canada; and 2ndly., that the invention for which the patent was granted was not imported in parts.

There remains to be considered the charge that the patented article was not manufactured in such a manner that any person who desired to use it could obtain it at a reasonable price. There is much evidence on this point. There is evidence that the respondents, at one time, refused to sell the lamps to persons who did not intend to use them with the Edison plant.

It seems that the Edison plant is simply a description of dynamo which Mr. Edison uses. It is not a

machine of which he has the patent or any monopoly. The dynamos which are called the Edison plant can be purchased in Canada and the United States. The explanation made in the evidence is that the electric lighting business was then in its initiatory stages, and that it was deemed by the Edison Company most important that the success of the lamp should not be prejudiced in the public estimation by its being used in connection with plant which they believed it could not be used with successfully.

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Under the charge of refusing to sell at a reasonable price, and as to the evidence of a refusal to sell, except for use on the Edison plant, the questions to be determined are:—

Is the evidence to be relied on which declares that this was the only limitation to the sale? and—

Was the limitation made in good faith, in order to prevent the success of the lamp being destroyed and to prevent public opinion being prejudiced against it at a critical stage of the electric light business?

Was it reasonable?

Or, was the whole business carried on merely as a sham to avoid the forfeiture of the patent, while the company had no intention of really doing business in Canada?

One witness, who at the time in question was a lad employed in the factory, says that he heard one of the officers of the establishment say to another that they were not making lamps to sell, but were only "fooling the Canadians." The persons between whom this conversation is alleged to have taken place do not remember it, but they and several others testify that there was no refusal to sell, except by some one or more persons who had duties to perform besides selling, which was entrusted to others in the establish-

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ment, and that the only qualification ever imposed was as to the use of the Edison plant.

I am inclined to think that the evidence on this point, in exoneration of the respondents from the imputation of bad faith, should be accepted. The burden of proof was on the petitioners to make good the charge of bad faith and of refusal to sell; and, in view of the explanations which some of their officers have made on this point, I see no good reason to doubt that the company were manufacturing lamps to sell, and intending to do so in good faith.

I think that the removal of their factory from Montreal to Hamilton, where greater facilities were expected and obtained, the enlargement of their business there, the contracts which the company entered into and fulfilled for lighting at Cornwall, in 1882, and afterwards, and the engagement of a person supposed to have a wide acquaintance in Canada, and therefore able to introduce the lamps into the different parts of the Dominion, the employment of travellers, and the number of lamps produced, are all indications of good faith.

At Hamilton the business has steadily progressed, as the following figures will show :—

	Lamps Made.
From February, 1884, to August, 1886.....	23,189
do. August, 1886, to February, 1887.....	6,613
do. February, 1887, to August, 1887.....	9,447
do. August, 1887, to February, 1888.....	12,718
do. February, 1888, to August, 1888.....	9,893
do. August, 1888, to November, 1888.....	4,650
Total.....	66,510

As to the second question, I see no reason to doubt the good faith of the company in wishing to sell only to those who would use the Edison dynamo. There is

evidence that in the opinion of the respondents' officers the lamps would not work successfully on other plant. Here is their explanation :—

Q. It has been said that general instructions were given, and that it was against the policy of the Edison Company to sell lamps to be used on any plant except their own. Now, what have you to say upon that point? Were there any such instructions given to your Canadian agents?

A. I never heard of any such instructions. I know lamps were sold to be used on all sorts of plants. There is one feature peculiar to the business. We sell a lamp, and it burns a certain number of hours under normal conditions ; but if that lamp is not under normal conditions it may burn a very materially shorter number of hours. The addition of three candles on a sixteen-candle power lamp will either double or half its life. The eye of most people could not detect the addition of three candles in a lamp. My judgment is that much more than that to one coming out of the darkness into the light, of three and even six candles additional, the distinction would be hard to make. The result is that lamps live a short or long life, according as they are used, and the Edison Company determined to see that their lamps were properly used. The lamps being run badly they break rapidly, and the Edison Company would receive a bad reputation in consequence. We had an experience of this kind in Philadelphia. We sold the Accumulator Company our lamps, and they broke rapidly. The plant was badly run. The lamps were of perfectly good quality, but the result was that the Pennsylvania officials said that the Edison lamps were no good, and this affected negotiations for the formation of a company in Philadelphia. They were out of our power, and we could not defend ourselves. It was for this reason that the Edison Company always insisted on knowing to whom they were sold. I think in Canada they have sold repeatedly to outside companies.

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The petitioners endeavor to support their charge of bad faith by evidence that the expenditure in putting up the plant was very heavy, as compared with what was spent in putting up the lamps to be worked by the plant, and that there was more profit on the sale of the plant than on the sale of the lamps. The petitioners have failed, however, to show that any stipulation was made, or attempted to be made, by the agents of the respondents, that persons who were negotiating for lamps

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should be supplied by them with the Edison plant. On the contrary the single limitation sought to be imposed was that the lamps should be used on Edison plant, and this was withdrawn, subsequently, as the petitioners allege, because the respondents became alarmed, by learning from the decision in the *Bell Telephone Case* (1) the effect of a refusal to sell a patented invention; or, as the respondents allege, because the merits of the invention had become better known and there was not so much reason to fear a prejudice in the public mind.

It was urged by counsel for the petitioners that in view of the provisions of *The Patent Act* as to the invention being produced "in such a way that it can be sold to any person desiring to purchase the same," the patentee can impose no limitations, but must sell at a reasonable price to all comers.

I think that to lay down the rule thus broadly would be going too far. Admitting what was urged by counsel for the petitioners, that a purchaser has the right to buy the patented invention and then destroy it if he please, I do not think it unreasonable that the patentee of an article of delicate and skilful manufacture, from which he can only reap the reward of his labor and expenditure by its being esteemed successful by the public, is bound to sell his invention to those who, by unsuitable uses, would fail to derive benefit from it themselves, and would create the impression, in the public mind, that the invention was a failure, at a time when public opinion was in suspense. When any such case arises, and we find the patentee attaching a limitation, honestly, with that view, I do not think it would be right to punish him by forfeiting his patent. We should in every case ascertain, as carefully as possible, whether good faith

(1) Reported *ante*, p. 495.

exists, and we should not punish, by forfeiture of the patent, the limitation so imposed, unless we think the limitation was imposed by the patentee really for the purpose of evading compliance with the statute which requires him to sell the patented invention at a reasonable price. Probably the evil which that part of the statute was principally intended to prevent was the exaction of exorbitant prices under the monopoly secured by the patent. The respondents had much to fear from the lamps appearing to be a failure. The plan on which they relied was to set a company on foot to work the patent in Canada. The business was in its infancy; the public had not yet acquired confidence in the light, and competitors were in the field—interested in depreciating the Edison lamp,—competitors who were not hampered by any condition as to manufacturing in Canada, but who relied for their supplies on the factories in the United States.

To support the charge of refusing to sell, there was evidence that the respondents asked, in some cases, as high as three dollars or four dollars per lamp, to persons who would not use the Edison plant; but the more settled rule was to ask $1.25 in such instances, while the price to persons who used the Edison plant was $1.00, with a guarantee of the duration of the lamp. It is said that these higher prices were unreasonable. They were not unreasonable if the condition which they were intended to enforce was not unreasonable. On that point I have already stated my view; but, in justice to the respondents, I must add that none of these prices reached the actual cost of producing the lamps in Canada. All this was very different from the *Bell Telephone Case* (1), where there was a distinct

(1) Reported *ante*, p. 495.

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refusal to sell on any terms, the answer being, " We do not sell telephones ; we lease them."

It only remains for me to inform you of the view which I take of the arguments pressed upon us by counsel for the petitioners with regard to the patent cases which have already been decided by your Department.

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The first is the case of *Barter* v. *Smith* (1). As the decision in that case was to uphold the patent, there is not much that can be relied on by the petitioners. There are many expressions which are strongly in the direction which my opinion has taken. Among others is the observation which calls attention to the unreasonableness of insisting that the patentee should be called on to produce his invention at all times and places in Canada, without any regard to the demand for the invention in the market.

The case of *The Bell Telephone* (2) is more in point. A glance at the decision will indicate to you how far (and it seems to have been very far) the patentees carried the attempt to evade the law by introducing the patented machine in pieces, with the intention of merely assembling these pieces in Canada, besides positively refusing to sell their instruments in Canada. Without saying whether I could have been able to concur in the conclusion arrived at in that case or not, I have simply to observe that the introduction of the parts in this case bears very little analogy to the introduction of the parts of the telephone, and that the process of manufacturing lamps in Canada was widely different from the assembling of the parts in constructing the Bell Telephone here.

The case of *The Hancock Inspirator* (3), decided in January, 1886, was much relied on by counsel for the

(1) Reported *ante*, p. 455. (2) Reported *ante*, p. 495.
(3) Reported *ante*, p. 539.

petitioners, as going farther than the petitioners were asking you to go to forfeit the present patent. I do not regard that as a decision in point. The one point which the Deputy Minister there decided was that when a patent was a patent of a new combination of old elements the patentee might not import the old elements, and simply apply his combination to perform the functions described in the patent. The Deputy Minister forfeited the patent because he thought the patentee was bound to manufacture, and not import, all the elements, as well as to apply the combination in Canada. The elements in that case were themselves machines, and the Deputy Minister seems to have entertained the view that the patentee was bound to manufacture the machines in Canada, although his patent was only for a combination of those machines.

While I do not think the case to be one in point, or one from which any inference can be drawn to affect this case—unless it be an inference from the fact that a very severe view was taken, at that time, by the Deputy Minister of Agriculture, of the requirement in the patent law as to the manufacture in Canada—I must add, as respects that inference, that, if the case were admitted to be one in point, I should have very great difficulty indeed in advising you that the *Hancock Inspirator Case* (1) was correctly decided, or that it should be followed.

It results from all that I have said, that, in my opinion, the petition should be dismissed and a decision pronounced that the patent in question is not void.

The HONOURABLE JOHN CARLING, Minister of Agriculture, now (November 25th, 1889) rendered his decision.

(1) Reported *ante*, p. 539.

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Decision of Carling, M. A.

After a careful consideration of the evidence I decide as follows:—

(1.) I find that Thomas Alva Edison, the patentee of the patent in the proceedings mentioned, did, within two years from the date of such patent, commence, and, after such commencement, did continuously carry on, in Canada, the construction and manufacture of the invention patented, in such manner that any person desiring to use it might obtain it, or cause it to be made for him, at a reasonable price, at some manufactory or establishment for making or constructing it in Canada.

(2.) I further find that, after the expiration of twelve months from the granting of the said patent, neither the said patentee nor any person claiming or holding under him did import, or cause to be imported, into Canada, the invention for which the said patent was granted.

I do, therefore, in pursuance of the statute in that behalf, declare that the said patent has not become null and void, and I dismiss the application of the petitioners, the Royal Electric Company of Canada.