Ottawa 1968
Dec 17
Dec 20

BETWEEN:

LIBBEY-OWENS-FORD GLASS COMPANY ..... PLAINTIFF;

AND

FORD MOTOR COMPANY OF CANADA, LIMITED ..... DEFENDANT.

AND BETWEEN:

LIBBEY-OWENS-FORD GLASS COMPANY ..... PLAINTIFF;

AND

FORD MOTOR COMPANY OF CANADA, LIMITED ..... DEFENDANT;

AND

SELAS CORPORATION OF AMERICA, (INC.) ..... THIRD PARTY.

(No. 1)

Practice—Motion for summary judgment on defendant's admission—R 256B(2)—Action for infringement of certain claims in patent—Admission of infringement of patent—Ambiguity—Purpose of Rule

During the trial of an action for infringement of certain patent claims defendant's counsel wrote to plaintiff's counsel stating *inter alia* that defendant admitted infringement of the patents (but not indicating any specific claims) subject to argument as to their validity etc On the strength of that admission plaintiff moved under Rule 256B(2) for an order that defendant had infringed the four patents

Held, the admission was too ambiguous to support the order sought *Adcock et al v Algoma Steel Corp Ltd et al* [1968] 2 O R 647, approved Moreover Rule 256B(2) is not applicable that rule is intended to apply where there is more than one cause of action or claim, to permit one to be disposed of before the others.

MOTION.

C. R. Carson for plaintiff.

Donald F. Sim, Q.C. for defendant.

JACKETT P.:—In these two cases, in which the plaintiffs and defendants are the same, the plaintiff has moved for judgment under Rule 256B(2) which reads as follows:

> (2) A party may, at any stage of an action, apply for such judgment or order as he may, upon any admission of fact in the pleadings, or in the examination of any other party, be entitled to; and it is not necessary to wait for the determination of any other question between the parties; or he may so apply where the only evidence consists of documents and such affidavits as are necessary to prove their execution or identity without the necessity of cross-examination, or, where infants are concerned, and evidence is necessary so far only as they are concerned, for the purpose of proving facts that are not in dispute

In action No. B-288 the plaintiff claims against the defendant for alleged infringement of Canadian patents Nos. 653,277 and 488,745, and in action No. B-1015 the plaintiff claims against the defendant for infringements of Canadian patents Nos. 470,044 and 613,040.

On November 13, 1967, one of counsel for the defendant wrote to one of counsel for the plaintiff as follows:

> This will confirm the arrangements we have made with respect to the inspection of the Ford plant.
>
> (1) The inspection is now scheduled to take place at 12 30 p m. on Tuesday, November 28th, 1967.
>
> (2) The parties making the inspection will be yourself, Mr Henderson, Mr Nobbe and one technical representative of L-O-F.
>
> (3) You and each of the persons making the inspection have agreed that information obtained during the inspection will be used only for the purposes of the two pending actions and will not be used for any commercial or other purpose
>
> (4) The inspection is to be of the vinyl stretching operations carried on by Ford and of the prepressing and tacking operations
>
> (5) The inspection shall be without prejudice to your right to apply to the Court for further or other inspections.
>
> (6) L-O-F agrees to consent to and cooperate with Ford in obtaining an order directing a preliminary trial between the parties relating to the plea of license under patents Nos 486,072, 486,073, 488,745, 488,746, 513,738, 549,068, 726,061 and 727,546 and the plea based upon Section 58 in respect of patent No 653,277
>
> (7) Ford agrees that proceedings in the remaining portions of the actions may proceed in the normal course and undertakes not to seek any stay or delay thereof on the grounds of the separate and preliminary trial above referred to.

1968

LIBBEY-OWENS-FORD GLASS CO v. FORD MOTOR CO OF CANADA LTD

Jackett P.

(8) Ford admits that it has infringed Canadian Patents Nos. 470,044, 488,745, 613,040 and 653,277 subject to and reserving all arguments as to validity, license and Section 58 in respect thereof.

Would you kindly indicate your acceptance of this and provide us with evidence that the parties making the inspection apart from yourself and Mr Henderson are aware of and consider themselves bound by the provisions of (3) above

On November 4, 1968, action No. B-228 went to trial pursuant to an order that the action be set down for a trial to be limited to the question whether, assuming the validity of patent No. 653,277, the defendant is liable for infringement of that patent. During the course of that trial, the question arose as to the effect of the part of the letter quoted above, which reads as follows:

> (8) Ford admits that it has infringed Canadian Patents Nos. 470,044, 488,745, 613,040 and 653,277 subject to and reserving all arguments as to validity, license and Section 58 in respect thereof

Mr. Justice Thurlow, who presided at that trial, has this among other matters under consideration at the present time.

In these circumstances, the plaintiffs motion under Rule 256B(2) is, in action No. B-228, "for an order that the defendant has infringed Canadian patent No. 488,745 in suit", and in action No. B-1015, "for an order that the defendant has infringed Canadian patents Nos. 470,044 and 613,040 in suit".

Counsel for the defendant moved for the dismissal of these applications on a number of grounds. I heard argument of counsel on the basis that, if I concluded that the motion should be dismissed, either

(a) because, there being a serious question to be argued, in the exercise of a proper judicial discretion, the application should be dismissed, or

(b) because the application is not for such a "judgment or order" as is contemplated by Rule 256B(2),

I will dispose of the motion accordingly, but, if I come to the conclusion that the application should be considered on its merits, the matter should be left over for further argument, possibly after Mr. Justice Thurlow has delivered his decision on the matter that he has under consideration.

Quite apart from the further material that counsel for the defendant has indicated that he would find it advisable

to put before the court, there is no doubt in my mind that the effect of paragraph (8) in the letter quoted above is so ambiguous that it would not be proper to grant a motion for judgment under Rule 256B on the basis thereof.

The statement of claim alleges that the defendant has "infringed the rights of the plaintiff" under the respective letters patent. The "Particulars of Breaches" specify, in respect of each patent, that "The plaintiff will rely upon" certain specified claims of the said letters patent.

If orders are granted in the terms sought by the applications, they would only determine that the defendant "has infringed" a particular Canadian patent. In such event, there would be no determination that the defendant has infringed the monopoly defined by any particular claim in a patent. There is, however, an attack on the validity of the patents and it may well transpire that some of the claims are valid and others are invalid. Such an order would, in such an event, be no basis for an ultimate judgment in the action in which it was made because it would not determine that there had been an infringement of a valid claim.

If, on the other hand, the applications are treated as being for orders adjudging that the defendant has infringed all the claims on which the plaintiff relies, if the plaintiff is to succeed on the motion, it must be on the basis that an admission by the defendant "that it has infringed Canadian patents Nos. 470,044, 488,745, 613,040 and 653,277 . . ." is an admission that the defendant has infringed every one of the claims in the respective patents upon which the plaintiff relies. Taking the words that I have quoted by themselves, it seems to me that it is at least arguable that it is no more than an admission that the defendant has committed at least one act of infringement in respect of each of the specified patents.

In the circumstances, having regard to the decision in *Adcock et al. v. Algoma Steel Corp. Ltd. et al.*[1] and the authorities referred to therein, I have come to the conclusion that the application should be dismissed with costs to the defendant in any event of the cause.

[1] [1968] 2 O. R. 647

1968

LIBBEY-OWENS-FORD GLASS CO v. FORD MOTOR CO OF CANADA LTD.

Jackett P.

Had I not come to the above conclusion, I should, as I see the matter now, have come to the conclusion that the application would have had to be dismissed because the application for a declaration that the defendant has infringed any letters patent is not the sort of "judgment or order" contemplated by Rule 256B(2). In my view, Rule 256B(2) is intended for the cases where more than one cause of action or claim arises in the same legal proceeding and, having regard to admissions that have been made, a particular cause of action or other claim can be wholly and finally disposed of without waiting for the disposition of the other causes of action or claims in the proceeding.

The application in each action will be dismissed with costs to the defendant in any event of the cause.