

THE AUER INCANDESCENT }  
LIGHT MANUFACTURING CO. } PLAINTIFF ;  
(LIMITED.)..... }

1898  
Jan. 24.

AGAINST

HERMAN DRESCHEL AND MARY }  
VAIL MELICK..... } DEFENDANTS.

*Patent of invention—Canadian patent—Foreign patent—Expiration of—  
Effect of.*

The expression "any foreign patent" occurring in the concluding clause of the 8th section of the Patent Act, viz. : "Under any circumstances if a foreign patent exists, the Canadian patent shall expire at the earliest date on which any foreign patent for the same invention expires" must be limited to foreign patents in existence when the Canadian patent was granted.

THIS was an action for the infringement of a patent of invention.

The following are the averments in the statement of claim :—

1. The plaintiff is an incorporated company, having its head office in the City of Montreal, in the Province of Quebec, duly authorized to carry on business in the Dominion of Canada, and carrying on business throughout the said Dominion.

2. The defendant, Mary Vail Melick, is a trader residing at St. Stephen, in New Brunswick, and doing business in the City of Montreal, in the Province of Quebec, under the name of the "Drexel Medical Co.", and the defendant, Herman Dreschel, is her agent and manager, and conducts said business, at Montreal, where he resides.

3. One Dr. Carl Auer von Welsbach, of the City of Vienna, in the Empire of Austria, was the inventor of a certain new and useful illuminant appliance for gas and other burners, and of the method of making the

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same, as more fully described in the letters-patent hereinafter referred to; and letters-patent for the Dominion of Canada were granted to one Frederick de la Fontaine Williams, of the City of London, in England, as assignee of the said Dr. Carl Auer von Welsbach, bearing date the 2nd day of March, 1886, registered in the patent office at Ottawa, under the No. 23,523, granting to the said Frederick de la Fontaine Williams, his executors, administrators and assigns, the exclusive right of making, constructing, using and vending to others to be used, in the Dominion of Canada, the said invention.

4. The said letters-patent were duly assigned to the Welsbach Incandescent Gas Light Company (Limited), an incorporated company now having its head office in the said City of Montreal.

5. The said letters-patent were duly renewed on or about the 13th day of July, A.D. 1892, in pursuance of an Act of the Parliament of the Dominion of Canada, 55-56 Vic., chap. 77.

6. The said Welsbach Incandescent Gas Light Company (Limited), being entitled to the said patent, applied to the commissioner of patents for a reissue thereof, and a reissue of the said patent was granted to the said Welsbach Incandescent Gas Light Company (Limited), the same bearing date the 1st day of September, 1894, registered in the patent office at Ottawa, under the No. 46,946.

7. By assignment under seal dated the 8th day of September, 1894, and duly recorded in the Patent Office, at Ottawa, on the 10th day of the same month, the said Welsbach Incandescent Gas Light Company (Limited), sold and assigned all its rights, title and interest in and to the said patent of Canada, No. 46,946, to the plaintiff in so far as the same relates to the Provinces of Quebec, New Brunswick, Prince Edward

Island and Nova Scotia, save and except that portion of said territory which is included within the limits of the City of Halifax, in the said Province of Nova Scotia.

8. The plaintiff is entitled to the whole legal and beneficial interests in the said patent for the Province of Quebec, and has within the said province, the exclusive right, privilege and liberty of making, constructing and using, and vending to others to be used, the said invention.

9. The said reissued letters patent No. 46,946, of the Dominion of Canada, is a good and valid subsisting patent, and is and has been since the granting thereof in full force and effect.

10. The defendants have no license or consent from the plaintiff to make, construct, use or vend to others to be used, the said invention.

11. At divers times, since the first day of January, 1896, the said defendants have infringed, are now infringing, and are about to infringe the said letters-patent, and have made, constructed and put in practice, and are now making, constructing and putting in practice, incandescent lamps and incandescent devices manufactured according to the invention in respect of which the said letters-patent were granted, and said defendants threaten and intend to continue so to do unless restrained by order of this honourable court.

12. At divers times, since the first of January, 1896, the said defendants have manufactured, had in their possession, used, offered for sale, and sold to others for use, and are now manufacturing, using, offering for sale and selling to others for use, incandescent lamps and devices manufactured according to the invention in respect of which the said letters-patent were granted, or upon the principle thereof, or in any manner only colourably differing therefrom, and the said

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defendants threaten and intend to continue to do so, unless restrained by order of this honourable court.

13. The said defendants have infringed the said letters-patent by having in their possession, offering for sale, and selling lights, and incandescent devices for lights, manufactured in Europe, according to the invention in respect of which the said letters-patent are claimed, the same having been imported into this country without the leave or license of the above named plaintiff.

The plaintiff therefore claims :

1. That the defendants, their servants, workmen, agents and employees may be restrained by injunction of this honourable court, during the continuance of the said letters-patent, from importing into this country, manufacturing, using, offering for sale, and selling to others for use, incandescent devices manufactured according to, or in the manner prescribed by, the said letters-patent, or according to or in any manner only colourably differing therefrom, and generally from infringing the rights of the plaintiff in respect to said letters-patent.

2. That the said defendants may be ordered to deliver up to the plaintiff all such lights or incandescent devices as aforesaid as are now in the possession of said defendants.

3. That an account may be taken of all gains and profits made by the defendants by the manufacture, sale, letting or hire, supply or user of such lights or devices for lights by the defendants, or by any person or persons by the order, or for the use of, the said defendants, and that the defendants may be ordered to pay the amount of such gains and profits to the plaintiff.

4. That the defendants may be ordered to pay damages to the plaintiff for the infringement of the said patent right.

5. Such further and other relief as to this honourable court seems meet, or the nature of the case may require.

6. The costs of this action."

The statement in defence was as follows:

The defendants for plea to the action and demand of plaintiff herein say:

"1. That the letters-patent for the Dominion of Canada, No. 23,523, granted on the 2nd day of March, 1886, and reissued on the 1st day of September, 1894, under the number 46,946, were not at the time of the institution of the present action and are not now valid and subsisting patents.

2. That the invention covered by said letters-patent was patented in foreign countries before a patent therefor was applied for or obtained in Canada, the said invention having been patented in France and Belgium on the 14th of November, 1885, and in England on the 12th of December, 1885, which said foreign patents still exist.

3. That a patent for the said invention was applied for and obtained in Spain on the 10th of August, 1886, which patent by the laws of Spain remained in force and existence for ten years from said 10th day of August, 1886.

4. That the said Spanish patent expired on the 10th day of August, 1896.

5. That by reason of the fact that a foreign patent for the said invention was taken out prior to the obtaining of the said letters-patent for the said invention in the Dominion of Canada, the said letters-patent for the Dominion of Canada referred to in the statement of claim herein, expired at the earliest date on which any foreign patent for the same invention expires, to wit, on the 10th day of August, 1896, the date of the expiry of the said foreign patent issued in Spain for the same invention.

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The defendants therefore claim that the said alleged letters-patent of the plaintiffs and the alleged reissue thereof may be declared to have expired on the said 10th day of August, 1896.

That this action be dismissed with costs.

Issue joined.

The following admissions of facts were made by the parties for the purposes of this suit :

“ The defendants admit that the incandescent lights and devices manufactured, used, leased, sold and offered for sale by said defendants are made according to a similar process to that set forth and claimed in plaintiff's letters-patent of invention No. 46,946 of the Dominion of Canada, and if plaintiff's patent is still in force are an infringement on said patent.

The plaintiff admits :

1. That patents for the said invention were issued in France and Belgium on the 14th of November, 1885, and in England on the 12th of December, 1885.

2. That the exhibit herein filed by the said defendants marked “ one ” is a true copy of a patent granted in Spain on the 10th of August, 1886.

3. That the said Spanish patent expired on the 10th of August, 1896.”

An interim injunction was granted on the 18th day of May, 1897, restraining the defendants from infringing the patent in question until the trial of their action.

Ottawa, October 11th, 1897.

C. A. Duclos for the plaintiff :

This case involves a very important point in our patent law, arising upon the construction of the concluding clause of section 8 of *The Patent Act*. That enactment is as follows :

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

The Act 55 & 56 Vict. c. 54 sec. 8 re-enacts this provision, and it is the law to-day. The way in which this provision is invoked in this case is this: A Spanish patent for the same invention was taken out after the Canadian patent for the Auer light was granted. The Spanish patent has ceased to exist, and the defendants claim that the enactment referred to causes the Canadian patent to lapse with the defunct Spanish patent. Now our contention is that the words "any foreign patent" in the latter clause must be held to be limited to some foreign patent in existence at the time the Canadian patent was granted. The word "existing" should be read into the section before the words "foreign patents." It can be readily understood that no inventor would allow an unimportant foreign patent to lapse if he imagined that the construction of this is the one contended for by the defence. The court should protect vested rights and not allow them to be overthrown by any forced construction of the statutes. It ought not to be presumed that the legislature intended to enact such hardship. Such a question could not be raised under the United States law; there, the matter is settled beyond all manner of doubt, and an American patent cannot be in any way affected by the lapse of a foreign patent unless such foreign patent has been granted previous to the date of the American patent.

I refer in this connection to section 4887 of the Revised Statutes of the United States. It will be observed that the words of the American statute, although their intendment is clear enough, do not establish a radically different policy from that deducible from our own Act. *O'Reilly v. Morse*, 15 Howard, 62. At page 127 of that case, Mr. Justice Grier says:

"Now the Act of 1836, as we have shown, had given a privilege to foreign patentees to have a patent

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“ within six months after date of such foreign patent.  
 “ It had not affected, in any manner, the right pre-  
 “ viously enjoyed by American citizens, to take out a  
 “ foreign patent after filing their applications here.  
 “ This section gives additional rights to those who  
 “ had first taken out patents abroad, and holding out  
 “ an additional encouragement to foreign inventors to  
 “ introduce their inventions here, subject to certain  
 “ conditions contained in the proviso. Neither the  
 “ letter, spirit, nor policy of this Act, have any refer-  
 “ ence to, or bearing upon, the case of persons who  
 “ have just made their applications here. To construe  
 “ a proviso, as applicable to a class of cases not within  
 “ its enacting clause, would violate all settled rules of  
 “ construction. The office of a proviso, is either to  
 “ except something from the enacting clause, or to  
 “ exclude some possible ground of misinterpretation,  
 “ or to state a condition to which the privilege granted  
 “ by the section shall be subjected.

“ Here the proviso is inserted to restrain the general  
 “ words of the section and impose a condition on those  
 “ who accept the privileges granted by the section. It  
 “ enlarged the privileges of foreign patentees, which  
 “ had before been confined to six months, on two con-  
 “ ditions: 1st. Provided the invention patented abroad  
 “ had not been introduced into public use here; and  
 “ 2nd, on condition that every such patent should be  
 “ limited in its terms. The general words, ‘in all  
 “ cases,’ especially when restrained to every such  
 “ patent cannot extend the conditions of the proviso  
 “ beyond such cases as are the subject matter of  
 “ legislation in the section. The policy and spirit of  
 “ the Act are to grant privileges to a certain class of  
 “ persons which they did not enjoy before; to encour-  
 “ age the introduction of foreign inventions and dis-  
 “ coveries, and not to deprive our own citizens of a



“right heretofore enjoyed, or to affect an entirely different class of cases, when the applications had been filed here before a patent obtained abroad.”

*J. E. Martin* for the defendants: It must be borne in mind that the English, French and Belgian patents are the same as the Canadian patent. These were all granted prior to the taking out of the Canadian patent. The Canadian patent is therefore not the parent patent, and whatever weight might be attached to the argument that the courts should protect to the utmost the interests of any parent patent, it does not obtain here.

Then coming down to the simple question of the statute, it is to be said that the plain words of the statute are indisputably in favour of the defendants' contention. The Spanish patent is the “foreign patent” to which this clause is referable so far as this case is concerned. Upon the expiry of the foreign patent, the Canadian patent *ipso facto* expired. The word “any” means and covers “every” foreign patent.

[*PER CURIAM*.—The question is whether we should read into the enactment the word “such” or “existing.”]

In that connection we can obtain no assistance from the American statute that has been cited; because the phraseology used is entirely different from the Canadian Act. The precise wording of section 4887 of the Revised Statutes of the United States is as follows:—

“No person shall be debarred from receiving a patent for his invention or discovery, nor shall any patent be declared invalid, by reason of its having been first patented or caused to be patented in a foreign country, unless the same has been introduced into public use in the United States for more than two years prior to the application. But every patent granted for an invention which has been

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 " previously patented in a foreign country shall be so  
 " limited as to expire at the same time with the foreign  
 " patent, or, if there be more than one, at the same  
 " time with the one having the shortest term, and in  
 " no case shall it be in force more than seventeen  
 " years."

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It will be seen that this has reference only to that class of cases in which patents have been previously taken out in foreign countries. Nor does the English statute 15 & 16 Victoria, chapter 23, section 85, give us any assistance in interpreting the enactment in question in this cause. In a number of English cases decided under this section (sec. 85) it was held that "any such patent" must be taken to refer to the first class of cases referred to in the Act, and such cases were those involving foreign patents in existence at the time the domestic patent was granted. Admitting, as the counsel for the plaintiff contends, that the word "exists" as used in the last clause of section 8 of the Canadian Patent Act governs the interpretation of the words "any foreign patent," so that they should be taken to refer to any foreign patent existing at the time that the Canadian patent is taken out, it is not conclusive of the question of the validity of the plaintiff's patent in Canada; because as a matter of fact there were foreign patents in existence at the time a Canadian patent was issued, and these patents were identical with each other, with the defunct Spanish patent as well as with the Canadian patent. So it seems to me that the argument is of very little force when such a consideration is applied to it.

[PER CURIAM.—If the Spanish patent had been the first taken out, and it had expired there would in such a case be no question under our Act.]

No. — Referencet o *Higgins's Digest of Patent Cases* (1st Eng. ed.) at pp. 302 and 303 will be useful in this

case not so much in the direction of affording any special assistance in the interpretation of our Canadian Act, but as showing the general policy of the English legislature in enacting, and that of the English courts in enforcing, enactments upon the same subject. It seems to me that that policy may be stated fairly as follows: that where a foreign patent is allowed to expire the courts at least will not protect the inventor who has been careless enough to prejudice the parent patent by allowing the expiry of such foreign patents. I think that this is the *ratio decidendi* of *In re Blake's Patent* and *In re Johnston's Patent* to be found at p. 303 and 304 of *Higgins's Digest*. I rely on these cases also because the patent in question in this case is not the invention of a Canadian but of a foreigner, and it is to be said that the case of *O' Rielly v. Morse*, in 15 Howard 62, cited by counsel for the plaintiff, puts forward the "domestic side" of the reason for protecting the patent. The case seems to proceed upon the theory that domestic patentees should be protected more strenuously than foreign patentees; and it would appear that the court there acted upon the distinction between the two classes of patentees as regards the measure of protection it should afford. Where the parent patent is a domestic invention, then the courts will afford the largest possible measure of protection.

But it is submitted that our own statute is *sui generis*, and that any cases decided under the English and the American statutes are not very helpful in reaching a right conclusion in its interpretation. Then, the statute being plain and unambiguous in its phraseology the words used must be taken in their plain and ordinary meaning. An artificial sense should not be attached to the words used when they can be reasonably interpreted in their ordinary sense.

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It being established that the Spanish patent was for exactly the same invention as the Canadian patent, and that the Spanish patent has expired, it must be held that, under the provisions of the 8th section of our Patent Act, the Canadian patent is no longer in force.

*Mr. Duclos* replied:—I draw an entirely different conclusion from the English cases than the view put forward by counsel for the defence. The cases cited by him from the English reports all arose upon the question of extending the patent, and not upon the question whether they were void or not. It has always been the policy of the English patent office to be governed in their determination in reference to extending patents, by the fact of the inventor's action in regard to any foreign patents he may have taken out. The cases referred to by the defence all turn upon the question of the extension or the enlargement of a patent; and as a general rule where the foreign patent has expired before application is made to enlarge or extend the patent, the application is refused. Of course that is not the case here. I would refer to *Hall's Infringement Outline* as presenting an exhaustive summary of the rule governing the policy of the courts in questions of this sort. Beginning at page 71 will be found a summary of all the Supreme Court cases in the United States illustrative of the principles that govern similar questions adjudicated upon in that court.

THE JUDGE OF THE EXCHEQUER COURT (now January 24th, 1898) delivered judgment.

The question in this case is as to the meaning of the concluding clause of the eight section of *The Patent Act* as re-enacted in the first section of the Act 55-56 Vict. ch. 24. That clause which was first enacted as part of the seventh section of *The Patent Act*, 1872, is as follows:—

“ And under any circumstances if a foreign patent exists, the Canadian patent shall expire at the earliest date on which any foreign patent for the same invention expires.”

If the expression “ foreign patent ” where it last occurs in the clause has reference to a foreign patent existing at the time when the Canadian patent is granted, the plaintiff is entitled to judgment in this case. If, on the contrary, it means *any* foreign patent, and includes a foreign patent taken out after the date of the Canadian patent as well as one obtained prior to such date, the Canadian patent on which the plaintiff relies has expired and the defendants are entitled to judgment.

In 1872 when the provision in question first found a place in the Canadian patent law, a similar provision existed in the patent laws both of England (15-16 Vict, c. 83, s. 25 repealed by 46-47 Vict. c. 57) and of the United States (Act of 1870, s. 25, the Revised Statutes, s. 4887), but expressed in the statutes of both countries in terms that made it clear that the English patent in the one case, and the United States patent in the other, did not expire at the expiration of the foreign patent unless such foreign patent had been in existence when the English or the United States patent, respectively, was taken out. If in the Canadian statute the expression “ the foreign patent ” or “ such foreign patent ” had been used instead of “ any foreign patent ” it would be clear, I think, that the Parliament of Canada had intended to adopt the rule on this subject then in force in England and in the United States.

By the English Statute, 15-16 Vict. c. 83, s. 25, it was provided that the English patent should be void immediately upon the expiration or determination of the foreign patent obtained prior to the English patent, or where there were more than one such foreign pat-

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ent, then immediately upon the expiration or determination of the foreign patent that should first expire or be determined; and by the statute of the United States, *The Consolidated Patent Act* of 1870 s. 25 (see also the Revised Statutes, s. 4887) it was provided that the United States patent should expire at the same time with the foreign patent, or if there were more than one, at the same time with the one having the shortest term. In both cases the context makes it clear that the foreign patent, by the expiration of which a domestic patent was to become void, must have been in existence prior to the granting of the domestic patent. And it may be that the expression "any foreign patent" used in the 7th section of *The Patent Act*, 1872, was meant to be subject to a like limitation; and I am inclined to think that it was. The earlier part of the section deals with the subject of foreign patents existing at the date of the Canadian patent, and it is not unreasonable to construe the words in the concluding clause as having reference to the same class of foreign patents. And then if it had been the intention of Parliament to adopt a rule on the subject different from that then in force in England and in the United States, that intention would, I think, have been clearly expressed. I think the expression "any foreign patent" in the clause with which the seventh section of *The Patent Act* of 1872 concluded and the eight section of *The Patent Act* (R. S. C. c. 61, 55-56 Vict. c. 24, s. 1) concludes should be limited to foreign patents in existence when the Canadian patent was granted.

There will be judgment for the plaintiff with costs, and the injunction granted herein will be continued.

*Judgment accordingly.*

Solicitors for plaintiff: *Atwater, Duclos & Mackie.*

Solicitors for defendants: *Foster, Martin & Girouard.*