1887
May 9.

J. A. WRIGHT AND W. C. HIBBARD...PETITIONERS;

AND

THE BELL TELEPHONE COMPANY OF CANADA..... } RESPONDENTS.

The Patent Act (R. S. C. c. 61 s. 37)—Construction—Importation of invention in parts.

To bring an importation by the patentee within the prohibition of section 37 of *The Patent Act* (R.S.C. c. 61) it is necessary that it consist of, or affect, the particular invention in respect of which the patent has been granted.

THIS is an application by the petitioners for a declaration that three patents for telephones hereinafter mentioned, granted to Thomas Alva Edison and now owned by the respondent company, are void, because of the importation thereof after the expiration of the twelve months from the date of the granting of such patents respectively (1).

(1) REPORTER'S NOTE. — The following are the provisions of *The Patent Act* (R.S.C. c. 61.) governing the case.

Sec. 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 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:

Of the impeached patents, No. 8,026 was issued on the 20th of October, 1877, and Nos. 9,922 and 9,923 on the 1st May, 1879. The three patents, which, for convenience, are referred to as the Edison patents, were assigned to the Gold and Stock Telegraph Company on the 12th of November, 1880; by the latter company to the Canadian Telephone Company on the 14th December, 1880, and by the Canadian Telephone Company to the respondent company on the 5th of July, 1882.

March 2nd, 3rd and 4th, 1887.

Christie, Q.C., *Archibald*, Q.C. and *Rouf* for petitioners;

Lash, Q.C. for respondents.

The HONOURABLE JOHN CARLING, Minister of Agriculture, now (May 9th, 1887) rendered his decision.

The petition contained a charge of failing to manufacture, but petitioners' counsel in opening the case stated that they relied solely on the importation contrary to law, and no evidence of failure to manufacture was offered.

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 of any extension thereof. — 35 V. c. 26 s. 28;—38 V. c. 14 s. 2;—45 V. c. 22 s. 1.

1887

WRIGHT v. THE BELL TELEPHONE COMPANY OF CANADA.

Decision of Carling, M. A.

At the conclusion of the evidence submitted by the petitioners its effect was discussed by counsel for the respondent and petitioners, respectively, and I decided to consider the case as then presented on the understanding that, if I came to the conclusion that it was sufficient to justify a declaration that the impeached patents were void, I would afford the respondent company an opportunity of meeting such case by any evidence which they might desire to bring forward.

No act of importation by any person or company other than the respondent company was complained of, but, as it appeared from the evidence that the respondent company used the patents of the Canadian Telephone Company by their license and consent, such patents would be affected by acts of importation by the respondent company while the title was yet in the Canadian Telephone Company. In other words they would be affected by any such importation after the 14th of December, 1880.

There was evidence of the importation by the respondent company during the years 1880, 1881, 1882, 1883, 1884 and 1885 of Blake transmitters, carbon buttons, carbon brasses, boxwood pieces, strips for dampening springs, strips for carbon springs, german silver springs, transmitter boxes, backboards and boxes, locks, keys, screws, screw cups, normal pressure springs, gongs, castings, extension bells, batteries, zincs, braided wire, spiral cords, insulators, magneto-bells and prisms for batteries. The value of these importations in the whole amounted to many thousand dollars.

For the respondents it was contended:—

1st. That the articles imported were all articles of commerce that any one could import, and that there was, therefore, no importation contrary to law:

2nd. That the articles imported were not used in the construction of the Edison inventions but of the commercial instrument made and used by the company.

1887

WRIGHT v. THE BELL TELEPHONE COMPANY OF CANADA.

Decision of Carling, M. A.

On further consideration it appeared to me, without coming to a conclusion as to whether or not a case had been made out for avoiding the Edison patents, that it was desirable to hear what evidence the respondent company chose to offer, and to learn what their position was in respect to the relation between the commercial instrument used by them, and the Edison patents.

The parties were notified accordingly, and the hearing of the application was resumed on the sixth instant, and continued on the seventh.

The respondent company examined Mr. Lockwood, an expert, at considerable length, and from his evidence it appeared that the commercial instrument made and used by the company as a telephone does not embody, and is not an infringement of, any of the elements or claims of any one of the three Edison patents. It was clear from the evidence, and it was admitted, that the articles imported were used in the construction or manufacture of the commercial instrument used by the company, and, therefore, if a conclusion were reached that this instrument did not embody and would not, if manufactured by any one, constitute an infringement of the elements or claims of the Edison patents, it would become unnecessary to consider the question as to whether or not the importations complained of were importations of articles of commerce, or, taking them as a whole, of the commercial instrument used by the company.

Mr. Sise, the vice-president of the company, was therefore asked to state the position of the company with respect to this question, and having taken time to consider, Mr. Lash, for the company, said that the position of the company was that put forward in Mr. Lockwood's evidence, namely, that the commercial instrument which we had before us, and which was one of the telephones commonly used by the company,

1887

WRIGHT v. THE BELL TELEPHONE COMPANY OF CANADA.

Decision of Carling, M. A.

did not embody any of the elements or claims of the Edison patents, and that its manufacture or use by any one would not constitute an infringement of any one of the Edison patents, and that so far as the latter were concerned, and but for other patents held by the company, such an instrument would be free to the public.

After some consideration and discussion, the counsel for the petitioners decided not further to controvert the position taken by the company with respect to the relation of the commercial instrument or telephone to the Edison patents.

In view, therefore, of the statement made by the company by its counsel, and being myself of opinion that the weight of evidence compels me to that conclusion, I have decided, and do now decide, that the commercial instrument used by the respondent company as a telephone does not embody the elements or claims of any of the Edison patents, and that its use or manufacture by any one would not constitute an infringement of the Edison patents, which would therefore not be affected by the importations complained of, whatever view might be taken of the effect of such importations.

For these reasons and on these grounds, I dismiss the petition, and declare that, notwithstanding anything that has been shown to me on this application, the three patents for telephones hereinbefore mentioned, granted to Thomas Alva Edison, and now owned by the respondent company, are not void.