

GERRARD WIRE TYING MACHINE }
CO. LTD. ET AL } PLAINTIFFS;

VS.

LAIDLAW BALE-TIE COMPANY LTD... DEFENDANT.

1926
July 7.

Patents—Infringement—Combination—Particular arrangement of old parts—Equivalency—Colorable evasions

Held, that where an invention relates to the production of an old result by means of a novel combination of old parts, or to a machine utilizing an old principle or system, the patentee is protected only in respect of the particular means specified and set forth in his specifications and claims; and in such circumstances it may be no infringement to achieve the same result by the use of well known equivalents, provided it is not a mere colorable evasion. A new mode of construction or operation of a machine may constitute a means different from that patented, and not be an infringement of the latter (1).

ACTION for infringement of four patents for invention relating to wire tying machines.

Ottawa, January 26, 27, 28 and 29, and Feb. 1, 2 and 3, 1926.

Action now tried before the Honourable the President.

Russell S. Smart for plaintiff.

George F. Henderson, K.C. for defendant.

The facts are stated in the reasons for judgment.

MACLEAN J., now the 7th day of July, 1926, delivered judgment.

This is an action for infringement of four Canadian Patents registered in the name of the plaintiffs. They are as follows: Patent No. 229,260 to run from August 19,

(1) An appeal has been taken to the Supreme Court of Canada.

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1919, known as Hatch and described as an improvement in bundling machines; patent No. 204,793, dated October 12, 1920, described as a portable wire tying machine and known as Boening; patent No. 215,134, dated January 17, 1922, described as an improvement in wire stretching and tying machines and known as H. Model; patent No. 215,103, dated January 17, 1922, described as an improvement in wire tying machines, and known as Little Giant. Infringement of another patent was alleged in the statement of claim but that was abandoned at the beginning of the trial. The plaintiffs claim that a machine used by the defendant and known as Tie-It, infringes all of the patents of the plaintiffs referred to.

All of the patents claimed to be infringed relate to a machine or tool designed to apply wire binders around a bundle, package, or box. In Hatch, the bundle or package had to be brought to the machine as this machine was not a portable one as originally designed. In the case of the machines constructed under the other three patents, they were much smaller, lighter and portable. It is claimed that the purpose of the several inventions or improvements was to solve the problem of quickly placing an effective wire tie around a package. The specifications of each patent describe means for holding the wire, means for tensioning the wire around the package or box, means for twisting a knot in the wire when the desired degree of tension is obtained, and means for severing the wire at the end of the operation. All the patents said to have been infringed clearly reveal the several means which I have mentioned and which are the substantial elements in each. In the case of three of the patents I think claim is made for a smooth bottom on the machine frame, the claim being that a machine with a smooth bottom will more readily slide over a box or package. Then forward and rearward extensions of the bottoms of the frames of some machines, sometimes referred to as fulcrums, are also claimed as part of the inventions. These two classes of claims in respect of some of the patents in question I do not regard as of any importance whatever or as representing any part of the invention. The fulcrums so called are merely extensions of the bottom or base of the

machine designed to give a workable base to the machine, and are employed only because they were obviously necessary and readily suggested in any attempted use of such machines. The claim for the smooth bottom is I think untenable. Neither represents invention or part of an invention and neither is, in my opinion, an element in the case requiring consideration. They relate merely to the structure of the frames of the machines and not to the means or mode of operation and fall within the field of the mechanic rather than that of the inventor.

The modes of applying a wire to a package under the plaintiffs' several patents are quite similar, and the following will apparently describe the method employed in applying a wire binder to a package. There is in the first place means to grip one end of the wire, which then is passed through two holders one on each side of what is called the twister pinion which is slotted where the wire goes through. The wire is then placed around the package or box and again through the holders and slotted pinion, and then by varying means is attached to a tensioning member. The slotted pinion holds two bights of wire in parallel relation, and its conformation is such that there the wires cannot twist, but between the holders on each side of the slotted pinion the wires may be twisted into a knot, that is to say the twisting is on either side of the slotted pinion, and as far as either holder, but not beyond. A lever or tensioning member solely devised for the purpose is then applied to tension the wire firmly around the box. Then by another lever or means the twister pinion is rotated which knots the wire, and on the completion of the twisting of the wire it is cut by suitable means. Then the machine is removed from the box. This does not precisely describe in detail all of the operations or all the elements of the several machines constructed under the plaintiffs' patents, but it in a general way discloses the main elements of the machines and generally the method of operation. It is admitted that the plaintiffs' patents are combination machines and the elements all old.

The defendant claims that the plaintiffs' patents alleged to be infringed are void for want of invention, because they were anticipated by previously existing combinations,

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and were in principle and substance known to the prior art. There is much to say in support of this contention as is true of almost any combination machine. In Steiner, a machine designed to tension and knot wire when applied to bales of hay contains substantially all the principal elements of Hatch or any other of the plaintiffs' machines. We find there holding means, the tensioning means, the slotted pinion or gear wheel contracted laterally so that two wires cannot turn therein past each other, and the means to rotate the gear to knot the wire on either side of the pinion. It did not however have a cutter or severing means which was apparently performed by hand. It would have required alterations in the structure of its frame in order to be used for applying wire to a wooden package or box. The specifications of Hatch specifically claim improvements over Steiner by reason of the provisions for cutting means and means to secure a more ready release of the wire from the receiving slots. Then in Merryweather we find means for holding, tensioning, twisting and severing. Instead of a pinion there is what is called a chuck to effect the twisting. Then there is the group of Lowery patents, one of which is described as relating to machines for binding or tying with wire articles such as shipping boxes. Here in some or all of this group of patents we find tensioning, twisting and severing means, but the mechanical construction varies considerably from Hatch. Numerous other patents were put in evidence with the view of proving anticipation of Hatch.

I am of the opinion, however, that the improvements in Hatch were substantial and represented an advance over any of the prior art, the combination was new and useful and was not anticipated at the date of the invention as a particular combination, and must be held to be valid as a combination machine of a known class or type. It was not, however, a pioneer patent or what is sometimes called a master patent. The art was gradually advancing towards the thing desired. Hatch according to the evidence laboured long in bringing forth his invention; I think he improved upon the prior art sufficiently to say he produced a new thing and was entitled to a patent for the improvements. It has utility not to be found in Steiner

and others, and was more adaptable to its intended purpose and apparently met a want and was a labour saving device. It is much more doubtful if improvements representing invention are to be found in Model H. and Boening. The only difference between Boening and Hatch is that the former is portable. It was a mere carrying forward of the idea of Hatch changed only in form or degree and involved nothing more than mechanical skill. That patent is void I think for want of invention. I have reached the same conclusion respecting Model H. If the action for infringement was by Hatch against the inventors of Boening and Model H. I would feel obliged to hold there was infringement on the ground that there was no substantial difference in the machines or their means and method of operation. Even if I am wrong in my view as to the validity of these two patents, the most that could be said for them I think is that they are particular means for achieving an old result. The other patent, Little Giant, is of a different class, the tensioning means being quite different from Hatch and is I think another combination machine.

It is well settled that when an invention relates to the production of an old result by means of a novel combination of old parts, or to a machine utilizing an old principle or system, the patentee is protected only in respect of the particular means he sets forth in the specifications; and in such circumstances it may be no infringement to achieve the same result by the use of well known equivalents. In other words when the invention claimed is the particular arrangement of old parts previously used in combination, the doctrine of infringement by the substitution of equivalents is not applicable, and the patentee cannot complain of the use of different mechanical appliances in lieu of one or more of the parts. Mere colourable evasions would not of course afford a defence. I would refer to the well known case of *Curtis v. Pratt* (1).

The question then arises if what was sought by Hatch and Little Giant was an old result. In *Merryweather* the inventor stated that the object of his invention was the manufacture of a machine for tying bundles and packages

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(1) [1863] L.R. 3 Ch. D. 135; L.R. 1 H.L. 337.

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with wire. This patent discloses means for tensioning the wire after it was passed around the package by hand, means for twisting the wire, and finally means for cutting the wire. In Lowery No. 799,174, patented September 12, 1905, the invention related to bundling machines and had for its object, the inventor states, to provide a simple, strong and efficient apparatus for binding bundles of laths, etc., with wire. In another of the Lowery inventions, dated April 1, 1913, the invention was said to relate to machines for binding or tying by wire articles such as shipping boxes, whereby the unauthorized and undetected opening of such boxes during shipment might be prevented. The invention included tensioning, twisting and severing means.

I refer particularly to Merryweather and the Lowery group for the reason that Mr. Hintz, the expert witness for the plaintiff stated that the Lowery machine had been made a standard wire or binding machine, and was manufactured in New York. He further stated that this machine was no longer being sold because of the competition which the Gerrard and the Tie-It machines had given it. He also states that Merryweather was used years ago and that possibly one here and there might still be found, and again he stated that wherever the plaintiffs' or defendant's machines are brought into the market, Merryweather is displaced because of the amount of wire it uses. This evidence I accept as proof that Merryweather and Lowery were produced and performed the results claimed for them, that is, tying packages or boxes by wire and knotting the same, though not perhaps in the same way or as expeditiously or as satisfactorily as Hatch. These were therefore not merely paper anticipations as might be said of much of the prior art cited at the trial by the defendant. Hatch was therefore I think a particular mechanical device for effecting a result which was an old result. The question remaining to be dealt with then is whether the defendant's machine is merely a colourable imitation of Hatch and the other machines of the plaintiffs', or whether the defendant's machine employs a different means or is another particular mechanical device for obtaining the same result. After a careful consideration of the defendant's machine, I have reached the conclusion that Tie-It

obtains the same result but by a different means, and does not therefore infringe the particular means disclosed in the plaintiffs' invention to obtain that result.

In the first place, Tie-It is operated by a single lever which tensions, twists and severs the wire as distinguished from the two separate levers which are to be found in all the plaintiffs' machines. The tensioning means in Tie-It is effected by the forward movement of a lever which actuates a circular member with a cam surface and which in turn, briefly stated, extends outwardly two arms holding the ends of the wire which thus tensions the wire. On the return movement of the lever the twisting and severing takes place. In all the plaintiffs' machines the tensioning is performed by one lever designed for that purpose only. The twisting mechanism is also operated by another lever designed only for that purpose.

One can hardly view any one of the plaintiffs' group of machines and then compare them with Tie-It, and say that the latter is the same as any of the plaintiffs' machines. Tie-It is, I think, a good illustration of a combination machine. While it necessarily has the means of performing the principal operations of tensioning, twisting and cutting, still the operating mechanism or actuating means producing that end are very easily distinguishable from that of any of the plaintiffs' machines, and I think represents a new and particular means of achieving the same result. The evidence would indicate that it works more rapidly than any of the plaintiffs' machines. Another thing which in a very important way distinguishes Tie-It from some of the plaintiffs' machines is the fact that the former can be used in any position upon the package or box which is to be tied with wire. Model B for instance, which is said to be constructed under Hatch and to contain every element of Hatch, cannot be used on any part of a box by reason of the twisting arm or handle limiting the distance it can be placed from the edge of the box. There is nothing in the plaintiffs' machines corresponding to the mechanism in Tie-It whereby a single lever will actuate the tensioning, twisting and cutting means. The mechanical construction of Tie-It in my opinion is quite different from that of Hatch or Little Giant and cannot

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be read from the specifications or drawings of those two patents. To the general observer interested in that particular mechanism, Tie-It has not the same appearance as either Hatch or Little Giant. The defendant in Tie-It has produced a new mode of construction and a new method of operation quite different from any of the plaintiffs' machines. It has been said that that which is protected is that which is specified, and that which is held to be an infringement must be an infringement of that which is specified. Particularly is that true of combination machines where the elements are old and have been used before in combination to achieve the same or analogous results. The patent is limited to the particular means specified. I am of the opinion therefore that the plaintiffs' action for infringement fails.

The defendant also claims that the plaintiffs' patents, or some of them, are void by reason of failure to manufacture the same in Canada, and also for importation, contrary to the provisions of the Patent Act.

When the patents in suit were granted it was required of the patentee by the Patent Act, ch. 69, R.S.C., 1906, that he should commence and continuously carry on in Canada the construction or manufacture of the invention patented in such a 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, otherwise the patent should become null and void at the end of two years from the date of grant. The Act also provided that if after the expiration of twelve months from the granting of the patent, the patentee or his representative imported into Canada the invention for which the patent was granted, that it should become void.

By Ch. 44 of the Statutes of Canada, 1921, it was provided that no patent in force on the first day of August, 1914, or subsequently granted, should be void through failure to construct or manufacture, or by the importation thereof, between the said date and June 10, 1922. The present patent Act came into effect on September 1, 1923, and its provisions in respect of manufacture are altogether different from the preceding Act, and no mention is made

of importation. Therefore, between June 10, 1922, and September 1, 1923, the former Patent Act was in force and I think applied to the plaintiffs' patents.

Mr. Smart contended that section 68 of the present Act, which enacts that all patents issued prior thereto should cease to be subject to the provisions of the Patent Act, Ch. 69, R.S.C., 1906, here applied and that the patents in suit are now subject only to the provision of the present Act. That section, however, expressly provided that nothing in the present Act should be construed to revive or restore any patent that was void when that Act came into force. Therefore if the plaintiffs' patents or any of them became void between June 10, 1922, and September 1, 1923, by reason of non-manufacture or importation, it would appear that section 68 of the present Act would hardly restore any patent which in that interim had become void. There is, however, very much to say in favour of Mr. Smart's contention, particularly when one realizes that the present Act contains fresh provisions in respect of manufacture quite different from that found in the preceding Act, and the provisions in reference to importation are entirely dropped. It may well be argued that the intention of Parliament was to enact that a patent which was voidable under the former Act for such reasons, but not having been on such grounds judicially or otherwise declared void before September 1, 1923, became wholly subject to the present Patent Act. However, I think I may dispose of this particular defence without determining the effect of Section 68 of the Act.

Hatch was not manufactured in Canada precisely as patented. A portable machine known as Model "B" was however manufactured in Canada, and Mr. Smart claims that it contains all the claims and disclosures mentioned in Hatch and was therefore a manufacture of Hatch. In fact and in law I think this contention is sound. It was only the frame of this machine that was manufactured in Canada while many of the parts were imported, but nevertheless I think this was a manufacture sufficient to meet the requirements of the Act. In respect of Boeing and H. Model, having found them void, the question of manufacture or importation need not be dealt with. In

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respect of the machine known as Little Giant no manufacture was required within the period in question, but there is said to have been importation. The evidence upon this point is not satisfactory or clear and I do not think I would be justified in finding there was importation upon such evidence.

I therefore find there was no infringement and the plaintiff's action fails. The defendant will have its costs of action.

Judgment accordingly.