BETWEEN:

GREGORY FASTENERS LIMITED .....PLAINTIFF;

AND

CONTACT SHEETING INC. .....DEFENDANT.

Ottawa
1967
May 11

Patents—Abandonment of earlier patent application in favour of subsequent—Whether later application entitled to filing date of earlier —Patent Act, s. 28(1)(b)—Motion to strike out allegation in statement of defence—Costs.

Plaintiff sued for a declaration that defendant's patent was invalid because the invention was described in a publication of June 1958, more than two years before the date of defendant's application for the patent on March 20th 1961. The statement of defence contained an allegation that in a patent application filed on April 22nd 1959 defendant disclosed the essential features of the invention, that it abandoned this application after the application of March 20th 1961 was filed, concluding that the later application was entitled to the filing date of the earlier application. Plaintiff applied to strike out such allegation.

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Held: (1) In view of the clear language of s. 28(1)(*b*) of the *Patent Act* it was not fairly arguable that defendant's allegation disclosed any defence to the action.

(2) Defendant's allegation should however not be struck out in order that it might be raised at the trial and thus be dealt with by the Supreme Court of Canada in the event of an appeal thereto.

(3) Plaintiff was entitled to the costs of the application in any event of the cause unless the defendant succeeded on that defence in this court, in which event they should be costs in the cause.

MOTION.

James D. Kokonis for plaintiff.

J. G. Fogo for defendant.

JACKETT P.:—Re: Motion (Notice dated May 4, 1967) made before me this morning for an order striking out paragraph 5 of the Statement of Defence. (Mr. Kokonis for the plaintiff and Mr. Fogo for the defendant.)

The action is for a declaration that the defendant's patent is invalid on the ground, *inter alia*, that the invention described therein was described in a publication published in June 1958 "more than two years before the date of the actual filing of the application for that patent".

There is a reference in the Particulars of Objection to section 29(2) of the *Patent Act* but it would seem to me that the reference should be to section 28(1)(*b*), which has the effect of excluding any invention that was "described . . . in any publication . . . more than two years before presentation of the petition" for a patent, from the class of inventions in respect of which patents may be granted under the Act. The operation of section 28(1)(*b*) may be modified by section 29 (Convention rights) and section 38 (divisional applications), but it is not suggested that either of those provisions have any application here.

The paragraph in the Statement of Defence that is the subject matter of this motion alleges

(a) that the defendant filed in the Patent Office on April 22, 1959, a patent application "disclosing the essential features of the invention" that is the subject matter of the patent that is being attacked,

(b) that the defendant filed in the Patent Office on March 20, 1961, the patent application pursuant to which the patent that is being attacked was ultimately issued, and

(c) that, subsequent to the filing of the March 20, 1961, application, the defendant abandoned the April 22, 1959, application, and concludes that "the second application . . . , as a continuing application", is entitled to an effective filing date of April 22, 1959.

It is clear from Mr. Fogo's argument that he proposes to contend at trial that, by virtue of some doctrine of abandonment that is subject to an exception in respect of continuing applications, which doctrine has been developed by United States jurisprudence under United States legislation and has received some rather indefinite recognition in the course of the administration of the United Kingdom and Canadian statutes of earlier times and by text book writers dealing with problems arising in another context, section 28(1)(*b*) must be read as though it referred to a description of the invention in a publication printed more than two years before an earlier abandoned petition instead of the petition pursuant to which the patent under attack was granted.

In my view, there is no room for argument as to the meaning of section 28(1)(*b*) as far as this problem is concerned. It clearly refers to a publication printed more than two years before the presentation of the "petition" "on presentation . . . of" which the "patent" attacked was "obtained". I can see no possible basis, and Mr. Fogo has referred me to no basis, for applying the doctrine upon which he relies to drastically alter the clearly expressed effect of the provision.

My conclusion is therefore that it is not fairly arguable that paragraph 5 of the Statement of Defence, either by itself or in conjunction with any of the remainder of the Statement of Defence, discloses any defence to the action.

The further question arises as to whether I should exercise my discretion and strike the paragraph out.

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I accept it that the defendant is advised that paragraph 5 of the Statement of Defence constitutes a fairly arguable defence and proposes, regardless of the outcome of this motion, to have the question passed upon, on appeal, if it is decided against it. I must, of course, recognize that events may show that, contrary to the view that I have formed, paragraph 5 raises a defence that is not only arguably valid, but is actually valid. It furthermore appears that the defence raised by paragraph 5 would require very little evidence in addition to that which would otherwise be required at the trial of the action, although it is evident that the argument in support of such defence will undoubtedly substantially prolong the argument that would otherwise be required. Finally, it is clear that, if I strike paragraph 5 out of the Statement of Defence, and if the defendant is to be in a position to rely upon it, it will have to appeal from my decision before the case comes to trial.

In all the circumstances, I have come to the conclusion that I ought not to strike paragraph 5 out of the Statement of Defence but that I should allow the defence raised thereby to be raised at the trial of the action, so that, in the event that there is to be an appeal to the Supreme Court of Canada, that question can be dealt with at the same time as any other question arising out of the case.

Nevertheless, I am of opinion that the plaintiff pursued a proper course in moving for an order to strike paragraph 5 out of the Statement of Defence and that the plaintiff ought, therefore, to have costs of the application in any event of the cause unless the defendant succeeds in obtaining a favourable judgment of this Court on the defence raised by paragraph 5, in which event the costs of this application are to be costs in the cause. It is, of course, a matter for the trial judge as to whether there should be any special disposition of other costs arising out of the defence raised by paragraph 5.