

THE GRIP PRINTING AND PUBLISHING CO., OF TORONTO, } APPELLANTS; *
 (PLAINTIFFS) } *Mar. 18, 19.
 *Nov. 16.

AND

HARMON BENJAMIN BUTTER- }
 FIELD (DEFENDANT)..... } RESPONDENT.

ON APPEAL FROM THE COURT OF APPEAL FOR ONTARIO.

*Patent—Assignment of interest in—Subsequent infringement—
 Estoppel—Utility of invention.*

C. obtained a patent for an alleged invention styled "The Paragon Black Leaf Cheque Book," and in his specification claimed as his invention ;

In a black leaf cheque book of double leaves (one-half of which are bound together while the other half fold in as fly-leaves, both being perforated across so that they can be readily torn out) the combination of the black leaf bound into the book next the cover and provided with tape across its ends, the said black leaf having the transferring composition on one of its sides only.

A half interest in this patent was assigned to the defendant, with whom C. was in partnership, and on the dissolution of such partnership said half interest was re-assigned to C., who afterwards assigned the whole interest to the plaintiffs.

Prior to the said dissolution the defendant obtained a patent for what he called "Butterfield's Improved Paragon Cheque Book," claiming as his invention the following improvements on cheque books previously in use:—

1. A kind of type.
2. The membrane hinge for a black leaf, the whole bound by an elastic band to the ends or sides of the lower cover.
3. A totalling sheet.

After the dissolution he proceeded to manufacture cheque books under his patent.

The plaintiffs instituted proceedings to restrain such manufacture, claiming that their patent was thereby infringed, and, on the hearing before the Chancellor, obtained the relief prayed for ;

*PRESENT.—Sir W. J. Ritchie C.J. and Strong, Fournier, Henry and Taschereau JJ.

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the Court of Appeal reversed this judgment holding, that although the plaintiff's patent was infringed by the act of the defendant, yet, that the patent itself was void for want of novelty and could not be protected. On appeal to the Supreme Court of Canada.

Held,—That the patent of the plaintiffs under which they claimed was a valid patent, and, as there was no doubt that it was infringed by the manufacture and sale of the defendant's books, the judgment of the Court of Appeal should be reversed and that of the Chancellor restored.

APPEAL from a decision of the Court of Appeal for Ontario (1) reversing a judgment of the Chancellor in favor of the plaintiffs.

One J. R. Carter, in 1882, became the sole patentee of an alleged invention bearing the name of "The Paragon Black Leaf Cheque Book." In his specifications Carter stated that he claimed as his invention: "A Black Leaf Cheque Book composed of double leaves, one-half of which are bound together, while the other half folds in as fly-leaves, both being perforated across so that they can readily be torn out; the combination of the black leaf bound into the book next the cover and provided with tape bound across its end; the said black leaf having the transferring composition on one of its sides only." By the letters patent Carter was to have the sole right to manufacture and sell these books for five years.

In anticipation of the patent Carter had sold half his interest in the invention to the defendant, with whom he had entered into partnership, and after the issue of the letters patent the one-half interest was formally assigned to the defendant. The partnership between the defendant and Carter only continued for a few months, and on its being dissolved the defendant re-assigned the half interest in the patent to Carter, and on the same day the whole interest was assigned by Carter to the plaintiffs.

(1) 11 Ont. App. R. 145.

Shortly before the dissolution of partnership the defendant had obtained a patent for an alleged improvement on Carter's invention, to which he gave the name of "Butterfield's improved Paragon Cheque-book;" in his specification he claimed the following as his invention:

1. A kind of type effecting a saving in the labor and expense of printing in connection with counter cheque-books and other duplicating fly-leaf books.

2. A membrane hinge binding the black leaf between the lower leaf of the book and the lower cover, and attached to the upper or clean side of the leaf at a point near the stub perforation (when said leaf is in position for use), and passing around the end of the carbon leaf to its lower or black side where it hangs loosely, preventing the soiling of the stub and forming a strong and pliable hinge for the black leaf.

3. In a counter cheque-book provided with a hinged black leaf as described, totalling sheets printed on the inside of the covers of the book.

The defendant continued, after the dissolution, to make and sell cheque-books under his said patent, and the plaintiffs, claiming that their patent was thereby infringed, instituted proceedings to restrain such manufacture and sale, and the Chancellor who heard the cause gave judgment in their favor. This judgment the Court of Appeal reversed, on the ground that the plaintiffs' patent was void for want of novelty, holding also, that the dealings between the defendant and Carter did not estop the latter from questioning the patent. The plaintiffs then appealed to the Supreme Court of Canada.

W. Cassels Q.C. for the appellants.

It is not necessary for the plaintiffs, who obtained a patent prior in point of date to that of defendant, to impeach the defendant's patent by *scire facias*, as was

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contended for by him in the court below. The plaintiff's case is established by the simple production of the patent referred to in the statement of claim. The judge who tried the case found the defendant's patent was an infringement of the plaintiff's. It may be his patent is an improvement, but then he is entitled to nothing more than the improvement, and cannot appropriate the invention of the plaintiffs.

The question of the patent being void for want of utility is not pleaded. There being no evidence on the part of the defence the patent is sufficient evidence of the utility. And if the question of evidence be looked at, the evidence is conclusive in favor of the plaintiff's contention.

By the specifications of the patent, Carter states that the object of the invention is to provide a check book, in which the black leaf used for transferring writing from one page to another need not be handled. The specification states that the leaf has a transferring composition on its bottom side only, and is provided with a tape, &c.

Furthermore, it states that the patentee is aware that black leaves are used in other forms of books used in transferring writing from one page to another, but they are either loose in the book, and are therefore easily lost, and are dirty to handle, or are placed in the centre of the book, &c.

The learned judge in appeal says that it is even "left to be inferred that the leaf is to be bound in the book with the blackened side undermost." The learned judge has omitted to consider that the specifications expressly state that the leaf has a transferring composition on its bottom side only. Furthermore, the plan put in shows this to be the case, and the plan must be looked at to explain and illustrate the patent. The learned judge is also in error in considering that

the only object of having a transferring composition on one side is to prevent the fingers from being soiled. The specification states that black leaves hitherto in use are dirty to handle. The learned judge seems to think that relates merely to the fingers in turning over the leaf. It is obvious that if there were a tape on either side of the leaf, it is immaterial whether it were black on one side or both, so far as this point is concerned, but the evidence in the case demonstrates that not merely by means of the leaf being blackened on one side only is it cleaner for the person using the book, but one important benefit arrived at is in regard to the goods purchased. The back of the customer's bill is not defaced, and this is shown to be a considerable benefit. In the case where the leaf is blackened on both sides, of necessity when the entry is made by the clerk selling the goods the paper resting upon the darkened side receives a certain amount of dirt from the carbon leaf. If this paper is then taken off, as is customary in shops, and placed upon the goods of the customer, it would have a tendency to dirty such goods; but in the case in question, with the leaf blackened on one side only, the paper upon which the memo. is written for the customer does not come in contact with the carbon, and cleanliness is thereby attained; and it is shown by the evidence that this is a matter of considerable moment. When the specifications state that the leaf is dirty to handle, they should be considered in a fair and liberal manner, and the patent should not be destroyed by a narrow scrutiny, and a meaning placed not intended and not contemplated. See *Otto v. Linford* (1). There is an additional use in having the carbon blackened on one side, viz., that by virtue thereof the leaf given to customers can be written on both sides—not being blackened by the carbon, it can

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(1) 46 L. T. N. S. 40.

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be turned over and the other side utilized; and this is also shown by the evidence to be of considerable benefit. It was argued by the defendant in the court below that by reason of the omission of the tape in the books manufactured by him the infringement was not proved. The learned Chancellor has disposed of this by his judgment, and it would appear that during the time that Carter and Butterfield were in partnership the books were manufactured without this tape, and the omission of this tape would not prevent the defendant from being liable. See *Clarke v. Adie* (1); *Dudgeon v. Thomson* (2); and *Harrison v. Anderston Foundry Co.* (3).

Furthermore it is contended that by the double use of the leaf the defendant substitutes an equivalent for the tape. It is quite clear that the use of an equivalent would not prevent the defendant from being an infringer, and in this particular case it is not contended that the appellants omit an element, but the fact is that they use one element in a double capacity. In one capacity it is an equivalent for the tape. The appellants refer to *Latta v. Shawk* (4); *Curtis* (5); *Seymour v. Osborne* (6); and numberless cases in the United States to the same effect, and *Smith v. Goldie* (7) in this court.

R. E. Kingsford for respondent.

It is urged by the plaintiffs that the ground of the decision of the Court of Appeal is want of utility, and that this question was not raised in pleading, and that therefore the judgment should not have been given on this ground. A perusal of the judgment shows that this is not the ground, or the only ground—besides, the point is sufficiently raised by the pleadings. At any rate the point arises upon the evidence for the plaintiffs,

(1) L. R. 2 App. Cas. 320.

(2) L. R. 3 App. Cas. 34.

(3) L. R. 1 App. Cas. 574.

(4) 1 Bond 259.

(5) P. 393.

(6) 11 Wallace 516.

(7) 9 Can. S. C. R. 46.

and if any technical difficulty arises in regard to the pleading, the court has power to amend, and it should be exercised in a case of this kind where the whole case rests on the evidence adduced by the plaintiffs.

I contend that the appellant's alleged invention was not patentable, and there is no infringement.

The plaintiff's patent is for a combination, of which the tape is the distinctive feature. The alleged equivalent is, as pointed out in judgment of Court of Appeal, no equivalent. The combination is an entirety; if one element be given up, even if immaterial, the combination disappears. *Vance v. Campbell* (1). A patent for a combination is not a patent for all and each of the parts. *Treadwell v. Bladen* (2). A patent for a combination of three things cannot be a patent for a combination of two. Curtis on Patents (3); Bump on Patents (4).

No one can, by combining several devices,—each of which is old, (which is what the plaintiffs do when they abandon their tape) deprive others of the right to use them separately, or of the right to use them in new combinations, or of the right to use some of them in combination omitting others. *Hailes v. Van Wormer* (5); referred to in *Yates v. G. W. R.* (6).

The plaintiff does not claim a black leaf check book, nor perforated leaves, nor the binding of the leaves, or the black leaves as part of his invention. His claim is for a combination of the black leaf bound into the book next the cover, and provided with a tape across its end. Of what then can there be an infringement? Not of the books nor the leaves, nor the black leaves, nor the binding. It is abundantly clear that the defen-

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(1) 1 Fish. 483; 1 Black S.C.U.S. 427.

(2) 4 Wash. C. C. 703.

(3) P. 289, sec. 249.

(4) P. 216.

(5) 20 Wall. 353.

(6) 2 Ont. App. R. 232.

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dant's article does not, nor does his patent infringe upon what is covered by the plaintiff's patent, if anything is covered by it at all.

Although patentee is the inventor of one part of a combination, still it is only claimed in combination with the other parts. A party does not infringe the patent unless he uses the whole combination. *Foster v. Moore* (1).

Then as to the equivalent.

If the defendant uses an article that was not known as an equivalent at the date of the patent in substitution for another in a compound there is no infringement. *Gould v. Rees* (2); *Seymour v. Osborne* (3).

I also rely on the fact that the plaintiffs (who are now the appellant's) did not, by their pleadings or evidence, impeach the validity of the defendant's (respondents) patent, although they had express notice by the pleadings that the defendant intended to rely upon his said patent, yet they did not attack the same nor set up that the defendant's patent was void, as being in any way an infringement of the plaintiff's patent, nor did they seek to avoid it, nor show that the defendant was not making according to his patent, or infringing the plaintiffs' combination; and contend that so long as his patent was not impeached, and it was shown that in manufacturing the books claimed to be an infringement of plaintiffs' alleged patent he was working in accordance with his patent, the plaintiffs were not in a position to succeed as against him. See *Copeland v. Webb* (4).

W. Cassels Q. C. in reply.

Sir W. J. RITCHIE C.J.—I agree with the Chancellor that there was an infringement of the plaintiffs' patent, and that the defendant is making substantially the

(1) 1 Curt. C.C. 279.

(2) 15 Wall. 187.

(3) 11 Wall. 516.

(4) 11 W. R. 134

same kind of books as those of the plaintiffs, with some slight modifications which may or may not be improvements.

I think there was evidence of the utility of the invention, but that question was not tried in the Court of Appeal, and does not appear to have been raised in the pleadings; on the contrary, the statement of defence appears to me substantially to admit the utility of the invention.

I think the judgment of the Court of Appeal should be reversed and the Chancellor's judgment restored.

STRONG J.—I think that the appeal should be allowed with costs.

HENRY J.—The patent under which the appellants claim was a valid patent of a useful invention, and there can be no doubt that the respondent infringed that patent. I think, therefore, the appeal should be allowed

FOURNIER and TASCHEREAU JJ. concurred.

Appeal allowed with costs.

Solicitors for appellants: *Edgar & Malone.*

Solicitor for respondent: *R. E. Kingsford.*

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