1940
* Oct. 3.
* Nov. 18.

LOUIS SKELDING (PLAINTIFF) ..... APPELLANT;

AND

F. T. DALY AND ANOTHER (DEFENDANTS) ..... RESPONDENTS.

ON APPEAL FROM THE COURT OF APPEAL FOR BRITISH COLUMBIA

Patent—Action for infringement—Plea alleging invalidity of patent—Jurisdiction of provincial courts—Whether concurrent with the Exchequer Court of Canada—Patent Act, (D) 1935, c. 32, ss. 54, 59, 60, 63—Patent Act, (D) 13-14 Geo. V, c. 23, ss. 33, 37.

In an action brought by a plaintiff in a provincial court for a declaration that his patent had been infringed by the defendant, the latter denied such infringement and further pleaded that the patent was invalid. The plaintiff having raised on appeal the point that the provincial courts had no jurisdiction to entertain such a defence on the ground that the Exchequer Court of Canada alone has the authority and the power to declare a patent or any claim therein invalid or void,

Held, affirming the judgment of the Court of Appeal for British Columbia, that the provincial courts have jurisdiction, concurrently with the Exchequer Court of Canada, to entertain a defence of invalidity of a patent. In doing so, the provincial courts will not assume to give any judgment setting aside the patent, but will merely deny the plaintiff the relief sought on the ground that the plaintiff's patent was invalid.

Durable Electric Appliance Co. Ltd. v. *Renfrew Electric Products Ltd.* (59 O.L.R. 527; [1928] S.C.R. 8) ref.

APPEAL from the judgment of the Court of Appeal for British Columbia, reversing the judgment of the trial judge, Morrison C.J., and dismissing the appellant's action.

The material facts of the case and the questions at issue are stated in the above head-note and in the judgments now reported.

H. R. Bray for the appellant.

E. G. Gowling for the respondents.

The judgment of Rinfret, Kerwin and Hudson JJ. was delivered by

RINFRET J.—This appeal is from the courts of British Columbia and it concerns a patent bearing number 283712, issued on the second day of October, 1928, for "Hot Air Heating Systems," upon an application filed March 23rd, 1927.

The appellant brought his action in the British Columbia courts under section 54 (1) of the *Patent Act*, 1935. He complained that his patent had been infringed by the respondents; and he asked for a declaration to that effect, accompanied by an injunction restraining the respondents from constructing, using and vending the Hot Air Heating System, as well as for an order directing them to deliver up all articles found to have infringed, that all necessary accounts be taken and enquiries made and for the payment of damages, or profits, and costs.

In the trial court, the appellant succeeded; but in the Court of Appeal the judgment was reversed, on the ground that, as to a certain feature concerning top and rear radiators in the furnace, there was no claim in the patent to protect the monopoly invoked by the appellant, and, in respect of another feature called the "Breather", the device was not patentable at the time of the application therefor because it had been in public use or sale in Canada for more than two years prior to the application for the patent, and because the knowledge and use of that device was of a public and open character several years at least previous to the application.

Although the appellant brought the action before the British Columbia courts and prayed for a declaration that his patent was valid and in full force and effect, he raised before us, as he had done before the Court of Appeal, the point that the provincial courts had no jurisdiction to entertain the defence of the respondents based on the ground of invalidity, and that the Exchequer Court of Canada alone could do so.

The argument was that the respondents before the provincial courts could meet the appellant's action only by showing that they had not infringed the patent. If, on the other hand, they intended to urge the invalidity of the whole patent, or of some of the claims thereof, according to the appellant, they could do so exclusively by bringing themselves a substantial action for impeachment of the patent before the Exchequer Court of Canada, which alone had the authority and the power to declare the patent or any claim therein invalid or void.

We agree with the Court of Appeal that, in the premises, this objection to the jurisdiction of the provincial courts cannot be sustained.

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For the purpose of the present argument, it is immaterial whether we refer to the *Patent Act,* ch. 23 of the Statutes of Canada (13-14 Geo. V), assented to on the 13th of June, 1923, or to the *Patent Act,* 1935. The right of the respondents to plead as matter of defence any fact or default which, by statute or by law, rendered the patent void, is expressed in identical terms either in sec. 37 of the Act of 1923, or in sec. 59 of the Act of 1935. These sections read as follows:—

> The defendant, in any action for infringement of a patent, may plead as matter of defence any fact or default which by this Act or by law renders the patent void, and the Court shall take cognizance of such pleading and of the relevant facts and decide accordingly.

The court referred to in these sections is

> that court of record having jurisdiction to the amount of damages claimed in the province where the infringement is said to have occurred

(sec. 33 of the Act of 1923, or sec. 54 of the Act of 1935). It is not disputed that the court where the present action was brought in British Columbia is a court of record within the meaning of these sections; and we have no doubt that the respondents, in an action for infringement such as the present one, had the right to plead the invalidity of the patent in whole or in part. That right flows evidently from the terms of the relevant sections of the *Patent Act.*

We may say that jurisdiction in a case like this was entertained, without there being any point raised in regard to it, by the Appellate Division of the Supreme Court of Ontario in *Durable Electric Appliance Company Ltd.* v. *Renfrew Electric Products Ltd.* (1), from which a further appeal to this Court was dismissed (2). In that case, the Appellate Division held that the patent in question was invalid and that the plaintiffs' action for infringement should be dismissed. In delivering the unanimous judgment of this Court, Anglin C.J.C., said:

> The ground on which the Court of Appeal has rested its judgment is, we think, sound.

Even if we were not bound by the judgment in the *Durable* case (2), we would certainly decide in a similar way in the present case.

Turning now to the merits of the judgment in the Court of Appeal of British Columbia:

(1) (1926) 590 L.R. 527. (2) [1928] S.C.R. 8.

The appellant, heard at the trial, declared in positive terms that his invention consisted in the combination of a top radiator and a back radiator in a furnace:

Q. You are claiming that your invention is a combination of these two? A. Yes, sir.

And, at bar, counsel for the appellant did not put it on any different ground; but, when asked by this Court wherein the specifications and the claims of the patent covered such an invention, he referred to claims 8 and 9.

For the present purposes, it will be sufficient to set out claim 9, as the wording of claim 8 is wholly reproduced in claim 9, which consists merely of the same wording, plus the addition of the two last lines in the latter. Claim 9 reads as follows:

9. In a hot air furnace having a casing enclosing a fire pot, and a dome in communication with a smoke header and a jacket depending from the smoke header and within the casing through which the smoke is adapted to pass to increase the heat radiating areas of the furnace, said jacket comprising a vertical pipe having a dividing wall defining a down flow and an upflow passage.

Now, it is not possible to read into this claim a combination of what was described throughout the evidence as a top radiator and a back radiator.

When called upon to show to the Court wherein no. 9 claimed such a combination as new and requested therefor the grant of "an exclusive property or privilege" (sec. 14-1 of the Act of 1923, or sec. 35-2 of the Act of 1935), counsel for the appellant contended that the words "smoke header" in the said claim were there to indicate the top radiator, and the word "jacket" to indicate the rear radiator.

Unfortunately for the appellant, it is impossible so to read claim 9, in view of the wording of the whole specification and also of the reference therein to the drawings accompanying his application and which form an essential part of the patent issued to him. Wherever, in the descriptive part of the specification, the appellant wished to refer to the top radiator, he invariably described it as "a radiator"; whilst the expressions "smoke-header" and "jacket" are invariably used for the purpose of designating the rear radiator.

In claims 6 and 7, which admittedly have reference only to the top radiator, the latter is called "radiator"; but—

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which is still more significant—the reference by number indicating the corresponding part in each figure of the drawing is no. 5 for the device designated as radiator and nos. 16 and 32 for the devices designated respectively as "smoke-header" and "Jacket." And a mere glance at the drawings will show that no. 5 is there used to indicate the top radiator, while nos. 16 and 32 represent the Smoke-Header and Jacket. The latter aggregation, as described throughout the evidence, is declared to form what is called the rear radiator.

It follows that the same words (Smoke-Header and Jacket), in claim 9, cannot be taken, as contended, to indicate, the former (Smoke-Header) the top radiator, and the latter ("Jacket") the rear radiator. By the very terms of the specifications and by the references therein made to the drawings, it is shown inescapably that "smoke-header" and "Jacket" form together only the rear radiator, and the consequence is that the top radiator is not mentioned at all in claim 9, that nowhere in any of the claims referred to or invoked is there a claim made for an invention consisting in the combination of the top radiator and the rear radiator; and that, therefore, the appellant never got a patent protecting such a combination, nor granting an exclusive property and privilege therein.

We agree with the Court of Appeal that, as a result, the appellant fails in his contention that his alleged invention of the so-called combination was ever protected by the patent issued to him and that, therefore, he cannot make his patent the basis of an action for infringement against the respondents on that score.

As for the "breather," which, we are told, is designated in the patent and more particularly in claims 10 and 11 as "a tubular ring having a plurality of air jets," we find it impossible to follow the appellant in his contention that such "breather" was not fully anticipated within the meaning of the *Patent Act*. The Court of Appeal was unanimous in its finding to that effect and we think the finding is unquestionably warranted by the evidence, as we read it. In fact, the anticipation dated back to a great number of years previous to the application made by the appellant for his patent.

It is not disputable that the "breather" was used by others before the appellant contends that he invented it;

that it was in public use and on sale in Canada for more than two years prior to the application, and in such a manner that it had become available to the public (sec. 7-1 of the Act of 1923; sec. 26-1-a and b and sec. 61-1-a of the Act of 1935).

Moreover, it is even doubtful whether the appellant has adduced satisfactory evidence that the respondents, when they were using a breather in their furnace as far back as many years preceding the date of the application for the appellant's patent, were using a similar breather or, in the terms of claims 10 and 11 a similar "tubular ring having a plurality of air jets."

But, be that as it may, the appellant finds himself on the horns of a dilemma for, either the breather used by the respondents was the same as that claimed by the appellant, and, therefore, the said "breather" was anticipated; or it was different and, in that case, there was no infringement of the appellant's claims 10 and 11 for the breather therein described.

In either case, the appellant fails and his action in that respect was rightly dismissed by the Court of Appeal.

Under the circumstances, it is not necessary to declare the appellant's patent invalid or void. It is sufficient to say that the patent, so far as concerns the alleged combination of the top and rear radiators, did not claim such a combination, or certainly did not claim it by "stating it distinctly and in explicit terms," as required by the *Patent Act;* and, as a consequence, there could be no legal infringement of the combination alleged by the appellant to have been the substance of his invention.

In so far as regards the "breather," on the evidence, it must be held to have been anticipated, as found by the Court of Appeal; and so far as claims 10 and 11 of the patent are concerned, they are invalid and void and they cannot form the basis of an action for infringement against the respondents.

The appeal is, therefore, dismissed with costs.

DAVIS J.—This appeal arises out of one of two actions commenced in the Supreme Court of British Columbia for damages for alleged infringement of two patents. The actions were consolidated and tried together. Morrison C.J., the trial judge, found in favour of the plaintiff on

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both patents. The Court of Appeal for British Columbia allowed an appeal in respect of patent no. 283712 issued October 2nd, 1928, for certain improvements in hot air heating systems or furnaces but dismissed an appeal in respect of the other patent relating to sawdust burners or feed units. The appeal to this Court, by special leave of the Court of Appeal, was limited to that part of the judgment of the Court of Appeal which relates to the firstly mentioned patent.

The defendant not only denied infringement but pleaded that the patent was invalid. The first point taken by Mr. Bray on behalf of the patentee, appellant before us, was that the defence of invalidity was an impeachment of the patent and was not open to the respondents in a provincial court. Mr. Bray contended that jurisdiction rests solely in the Exchequer Court of Canada, relying on sec. 60 (1) of the *Patent Act,* 1935, which reads:

> 60. (1) A patent or any claim in a patent may be declared invalid or void by the Exchequer Court of Canada at the instance of the Attorney-General of Canada or at the instance of any interested person.

But by sec. 54 jurisdiction is expressly given to the provincial courts in an action for the infringement of a patent. It is provided, however, that nothing in this section shall impair the jurisdiction of the Exchequer Court of Canada under section 22 of the *Exchequer Court Act* or otherwise.

Section 59 of the *Patent Act,* 1935, reads as follows:

> 59. The defendant, in any action for infringement of a patent may plead as matter of defence any fact or default which by this Act or by law renders the patent void, and the Court shall take cognizance of such pleading and of the relevant facts and decide accordingly.

The provincial court did not assume to give any judgment setting aside the patent; it merely denied the plaintiff the relief sought on the ground that the plaintiff's patent was invalid. That was the same course which was taken by the Ontario Court of Appeal in *Durable Electric Appliance Co. Ltd.* v. *Renfrew Electric Products Ltd.* (1), which judgment was affirmed on appeal to this Court (2).

On the merits of the appeal I agree entirely with the judgment of the Court of Appeal and do not find it necessary to add anything to the reasons given by the learned judges of that Court.

I would therefore dismiss the appeal with costs.

(1) (1926) 59 O.L.R. 527. (2) [1928] S.C.R. 8.

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TASCHEREAU J.—The plaintiff Louis Skelding took action before the Supreme Court of British Columbia against the defendants, and claimed damages for infringement of his patent no. 283712, and an injunction restraining the defendants from constructing, using and selling the hot air heating system described in the letters patent. In his statement of claim, the plaintiff also prays for a declaration that the letters patent are valid and in full force and effect.

The action was maintained by the Honourable the Chief Justice of British Columbia, but the Court of Appeal allowed the appeal, and set aside that part of the judgment relating to patent no. 283712 for any alleged infringement thereof.

The appellant submitted before this Court that under the dispositions of the *Patent Act,* the Exchequer Court of Canada alone had jurisdiction to hear the plea of invalidity of the patents raised by the defence.

I cannot agree with that contention. Under the heading of " Infringement " the *Patent Act* says (sec. 54, par. (1)):

> (1) An action for the infringement of a patent may be brought in that court of record which, in the province wherein the infringement is said to have occurred, has jurisdiction, pecuniarily, to the amount of the damages claimed and which, with relation to the other courts of the province holds its sittings nearest to the place of residence or of business of the defendant. Such court shall decide the case and determine as to costs, and assumption of jurisdiction by the court shall be of itself sufficient proof of jurisdiction.

This section clearly gives jurisdiction to the Supreme Court of British Columbia to hear the present case which is an action for the infringement of a patent, but this jurisdiction conferred to the provincial court does not, as provided by subsection (2) of section 54, impair the jurisdiction of the Exchequer Court of Canada under section 22 of the *Exchequer Court Act.*

Furthermore, section 59 which reads as follows:—

> The defendant, in any action for infringement of a patent, may plead as matter of defence any fact or default which by this Act or by law renders the patent void, and the court shall take cognizance of such pleading and of the relevant facts and decide accordingly.

gives the right to the defendants to do precisely what they have done in the present case. Having been sued by the plaintiff for infringement, they raise in their plea

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that the letters patent are invalid because the invention is not novel, is not useful, does not involve any inventive step having regard to what was known prior to the date of the letters patent, and because what is claimed to be an invention is not a proper subject-matter of letters patent.

Under the heading of "Impeachment," section 60, subsection (1) says:—

> (1) A patent or any claim in a patent may be declared invalid or void by the Exchequer Court of Canada at the instance of the Attorney-General of Canada or at the instance of any interested person.

It is, therefore, obvious that the Exchequer Court has jurisdiction to declare a patent void or invalid in an action for its "impeachment," and that the provincial courts, and the Exchequer Court have jurisdiction in an action for "infringement" to entertain the issue of invalidity raised by the defence.

Moreover, section 63 which reads as follows:—

> Every judgment voiding in whole or in part or refusing to void in whole or in part any patent shall be subject to appeal to any court having appellate jurisdiction in other cases decided by the court by which such judgment was rendered.

indicates clearly that the provincial courts of appeal have jurisdiction to hear appeals from provincial courts voiding or refusing to void any patent.

Having come to the conclusion that the provincial courts have jurisdiction, I will now deal with the merits of the case itself.

I see no good reasons to interfere with the judgment of the Court of Appeal.

In his specifications the applicant must fully describe the invention and its use as contemplated by the inventor in such clear and exact terms as to enable any person skilled in the art or science to which it appertains, to make, construct, compound or use it. The specification must end with a claim or claims stating distinctly and in explicit terms the things or *combinations* which the applicant regards as new and in which he claims an exclusive property or privilege. In his evidence, the appellant claims that his invention is a combination of a top and rear radiator. Nothing in the claims indicates that the invention for which letters patent were issued is such a combination.

As to the "breather," I believe that it lacked novelty, and that many years before Skelding obtained his letters patent, this device was of a public and open character.

This appeal should, therefore, be dismissed with costs.

Appeal dismissed with costs.

Solicitor for the appellant: *F. J. Bayfield.*

Solicitor for the respondents: *J. M. Coady.*