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*May 31.
*June 17.

FADA RADIO LIMITED (DEFENDANT).... APPELLANT;

AND

CANADIAN GENERAL ELECTRIC COMPANY LIMITED (PLAINTIFF) } RESPONDENT.

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

Patent—Validity—Alleged material untruth in affidavit verifying petition—Previous issue of patent in foreign country for same invention—Re-issued patent—Patent Act, R.S.C. 1906, c. 69, ss. 8, 10, 24, 29—11-12 Geo. V, c. 44, ss. 6, 7 (1)—Absence of affidavit in support of petition for re-issued patent.

Plaintiff sued for infringement of a patent granted 25th November, 1924, as a re-issue, under s. 24 of the *Patent Act*, R.S.C. 1906, c. 69, of a patent applied for in 1919 and granted to plaintiff (as assignee of the inventor) on 20th January, 1920. Defendant challenged the validity of the patent, alleging material untruth in the affidavit prescribed by s. 10 of the *Patent Act* in verification of the petition for the original patent, in that the inventor swore that "the same has not been patented to me or others with my knowledge or consent in any country," which, it was alleged, was untrue in view of the issue of a German patent in 1917 for the same invention; and claiming that because of such untruth of a material allegation (*Patent Act*, s. 29) the original patent was invalid, which rendered the re-isued patent likewise invalid. Defendant also alleged, as a ground of invalidity, the absence of any affidavit in support of the petition for the re-issued patent.

Held, that, in view of ss. 6 and 7 (1) of 11-12 Geo. V, c. 44 (amending the *Patent Act*), which were applicable to the case, and their effect with regard to the materiality of the impugned statement, and in the absence of fraudulent intent, the attack on the validity of the original patent (and, on this foundation, of the re-issued patent) must fail; that, as to absence of an affidavit in support of the petition for the re-issued patent, any insufficiency in the material on which the Commissioner acts, the entire absence of an affidavit or any defect in the form and substance of that which is put forward as an affidavit in support of the claim, cannot, in the absence of fraud, avail an alleged infringer as a ground of attack on a new patent issued under s. 24; it is not a "fact or default which, by this Act or by law, renders the patent void" (s. 34); the recital of the patent that the applicant had complied with the requirements of the *Patent Act*, was conclusive against defendant in the absence of fraud; (*Whittemore* v. *Cutter*, 1 Gallison, 429, at p. 433; *Seymour* v. *Osborne*, 11Wallace, 516, at p. 541; *Wayne Mfg. Co.* v. *Coffield Motor Washer Co.*, 227 Fed. Rep. 987 at pp. 990-1; *Hunter* v. *Carrick*, 10 Ont. A.R. 449, at p. 468, cited).

Judgment of the Exchequer Court ([1927] Ex. C.R. 107) affirmed, subject to modification of the formal judgment to restrict it to the claims in issue.

*PRESENT:—Anglin C.J.C. and Mignault, Rinfret, Lamont and Smith JJ.

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APPEAL by the defendant from the judgment of Maclean J., President of the Exchequer Court of Canada (1), in an action for infringement of patent. The only issue on the appeal was as to the validity of the patent in question. The grounds on which its validity was attacked, and the material facts of the case, are sufficiently stated in the judgment now reported.

E. Lafleur K.C. and *W. D. Herridge* for the appellant.

O. M. Biggar K.C., R. S. Smart K.C. and *J. C. MacFarlane* for the respondent.

The judgment of the court was delivered by

The CHIEF JUSTICE.—The defendant appeals from the judgment of the Exchequer Court (Maclean, P.) (1) holding it liable to the plaintiffs for infringement of Canadian patent no. 244,847, granted on the 25th November, 1924, as a re-issue of Canadian patent no. 196,390, granted on the 20th January, 1920.

The fact of infringement, if the patent in question be valid, is no longer in controversy. The only issue on the present appeal is as to the validity of the patent, which is challenged on these grounds:—

(*a*) Material untruth in the affidavit prescribed by s. 10 of the *Patent Act* (R.S.C., c. 69) in verification of the petition for the original patent no. 196,390, in that a prior patent had, to the knowledge of the affiant, been granted in Germany for the same invention;

(*b*) (1) Invalidity of the original patent because of such untruth of a material allegation (s. 29) rendering the re-issued patent likewise invalid;

(*b*) (2) Absence of any affidavit in support of the petition for the re-issued patent.

The defendant also complains that the declaration and injunction granted by the Exchequer Court are wider than the issues presented to it justified.

By s. 29 of the *Patent Act* a patent is void.

if any material allegation in the petition or declaration [prescribed by s. 10] is untrue.

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We assume that by the "declaration of the applicant" mentioned in s. 29 is meant the affidavit of the "inventor" required by s. 10. We also assume that the German patent of 1917 in fact covered the invention patented by Canadian patent no. 196,390. The statement in the inventor's affidavit verifying the petition on which that patent was granted, which is impugned, is

> that the same [i.e. the invention for which the patent was sought] has not been patented to me or others with my knowledge or consent in any country.

That the issue of the German patent was actually known to the affiant is not, perhaps, as conclusively established as it might have been. We are not disposed to infer fraudulent intent negatived by the trial judge. The materiality of the statement, however, having regard to s. 8 of the *Patent Act*, would admit of little doubt, were it not for the enactment of ss. 6 and 7 (1) of the amending statute, 11 & 12 Geo. V, c. 44, which came into force on the 4th of June, 1921.

Those sections read as follows:—

> (6) The rights provided by section eight of the *Patent Act* for the filing of applications for patents for invention which rights had not expired on the first day of August, 1914, or which rights have arisen since that date shall be, and the same are hereby extended, until the expiration of a period of six months from the coming into force of this Act, and such extension shall apply to applications upon which patents have been granted as well as to applications now pending or filed within said period. Provided that such extension shall in no way affect the right of any person, who, before the passage of this Act, was *bona fide* in possession of any rights in patents or applications for patent conflicting with rights in patents granted or validated by reason of such extension, to exercise such rights himself personally or by such agents, or licensees, as derived their rights from him, before the passage of this Act, and such persons shall not be amenable to any action for infringement of any patent granted or validated by reason of such extension.
>
> (7) (1) A patent shall not be refused on an application filed between the first day of August, 1914, and the expiration of a period of six months from the coming into force of this Act, nor shall a patent granted on such application be held invalid by reason of the invention having been patented in any other country or in any other of His Majesty's Dominions or Possessions or described in any printed publication or because it was in public use or on sale prior to the filing of the application, unless such patent or publication or such public use or sale was issued or made prior to the first day of August, 1913.

It will be noticed that these provisions apply to applications on which patents had already been granted, as well as to applications still pending when the statute came into

force—under s. 6 where the rights provided by s. 8 had not expired on, or had arisen after, the 1st of August, 1914, and under s. 7 (1) where the application for the patent in question was made after the 1st of August, 1914.

The rights of the plaintiffs' assignor (Langmuir) under s. 8, arose after the 1st of August, 1914, and his application for patent no. 196,390, was also made after that date. The present case, therefore, falls within the provisions of those sections and, having regard to them, the untruth of his statement, assuming that the existence of the German patent rendered it untrue, can scarcely now be regarded as material, since under s. 7 (1) of the amending Act the existence of the German patent of 1917 cannot be made a ground for avoiding Canadian patent no. 196,390, applied for in 1919, and issued in January, 1920. At all events, in the absence of proof of fraudulent intent on the part of Langmuir, we are not prepared to hold that his patent no. 196,390 was void.

We accordingly consider that the attack on the validity of the original patent must fail, if it would have been otherwise open to impeachment under s. 29 by an alleged infringer.

The foundation of the attack upon the re-issued patent on ground (*b*) (1) thus also disappears.

Nor can the appellant fare better in regard to ground (*b*) (2). Patent no. 244,847 was a re-issue under s. 24 of the *Patent Act* (now s. 27 of 13-14 Geo. V, c. 23). While no affidavit is prescribed by that section to obtain such a re-issue, it is contended for the appellant that s. 10 applies to a re-issue under s. 24 as well as to the issue of an original patent under s. 7. The respondent, on the other hand, maintains that the Commissioner is authorized to satisfy himself by such means as he deems proper and sufficient, as to the existence of the conditions entitling the applicant to a new patent. However that may be, we are satisfied that any insufficiency in the material on which the Commissioner acts, the entire absence of an affidavit or any defect in the form and substance of that which is put forward as an affidavit in support of the claim, cannot, in the absence of fraud, which in this instance has not been suggested, avail an alleged infringer as a ground of attack on a new patent issued under s. 24. It is not a "fact or

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default, which, by this Act, or by law, renders the patent void" (*Patent Act*, s. 34). The recital of the patent that the applicant as assignee of the Langmuir patent no. 196,390, "has complied with the requirements of the *Patent Act*" is conclusive against the appellant in the absence of fraud. *Whittemore* v. *Cutter* (1); *Seymour* v. *Osborne* (2); *Wayne Manufacturing Co.* v. *Coffield Motor Washer Co.* (3); *Hunter* v. *Carrick* (4).

The appeal, therefore, so far as it depends on the invalidity of patent no. 244,847, fails.

But, having regard to the fact that the allegations of infringement were ultimately confined to claims nos. 3, 6 and 10 of patent no. 244,847, it may be better that the judgment of the Exchequer Court be modified so as to make clearer what we think was by it intended. To that end we would expressly restrict the finding of infringement with which paragraph no. 1 of that judgment concludes, so that it would read as follows:—

and has been infringed as to the claims thereof numbered 3, 6 and 10 by the defendant as alleged in the pleadings;

and the injunction should also be modified accordingly.

Subject to this slight variation, the appeal will be dismissed with costs.

Appeal dismissed with costs.

Injunction modified.

Solicitors for the appellant: *Henderson & Herridge.*

Solicitor for the respondent: *Russell S. Smart.*

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(1) (1813) 1 Gallison, 429, at p. 433.

(2) (1870) 11 Wallace, 516, at p. 541.

(3) (1915) 227 Fed. Rep., 987, at pp. 990-1.

(4) (1884), 10 Ont. A.R., 449, at p. 468.