

ROBERT MITCHELL. PETITIONER ;
 AND
 THE HANCOCK INSPIRATOR }
 COMPANY } RESPONDENTS.

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 Jan. 22.

Patent—New combination of known elements—Importation—The Patent Act of 1872, sec. 28.

A new combination of known elements is an invention and as such is patentable. The person who has devised such new combination has all the rights and privileges of an inventor even if the novelty consists in a trifling mechanical change, provided, in the latter case, some economic or other result is produced someway different from what was obtained before.

2. Where the subject of a patent is a new combination of old devices, the patentee cannot import such devices in a manufactured state and simply apply his combination to them in Canada without violating the prohibition against importation contained in section 28 of *The Patent Act of 1872*.

PETITION to the Minister of Agriculture for the avoidance of Patent No. 7011, granted to the respondents for "The Hancock Inspirator" on January 24th, 1877, on the ground of non-manufacture and illegal importation (1).

(1) The section of *The Patent Act of 1872*, with its amendments, governing this case are as follows:
 28. Every patent granted under this Act shall be subject and expressed to be subject to the condition that such patent and all the rights and privileges thereby granted shall cease and determine, and the patent shall be null and void, at the end of two years from the date thereof, unless the patentee, or his assignee or assignees, shall, within that period have commenced, and shall, after such commencement, continuously carry on in Canada the construction or manufacture of the invention or discovery patented, in such manner that any person desiring to use it may 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, and that such patent shall be void if, after the expiration of twelve months from the granting thereof, the patentee, or his assignee or assignees, for the whole or part of his interest in the patent, imports, or causes to be imported into Canada, the invention

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The case was heard before the Deputy Minister of Agriculture.

The evidence consisted of Customs files, business correspondence, statutory declarations, and the oral testimony of witnesses heard before the Deputy Minister

November 17th and December 22nd, 1885.

Fleet for petitioner ;

Tait for respondents.

Fleet, in substance, argued as follows : The case practically comes before this tribunal on a reference from the Superior Court of Montreal, Mr. Mitchell, the petitioner here, having been sued by the Hancock Company for infringement of their patent, to the amount of \$5,000, pleaded, besides other grounds of defence, the forfeiture of the said patent on account of illegal importation and non-manufacture in the terms of the 28th section of *The*

for which the patent is granted ; and provided always, that in case disputes should arise as to whether a patent has or has not become null and void under the provisions of this section, such disputes shall be settled by the Minister of Agriculture or his deputy, whose decision shall be final. *The Patent Act of 1872*, sec. 28.

2. Whenever a patentee has been unable to carry on the construction or manufacture of his invention within the two years hereinbefore mentioned, the Commissioner may, at any time, not more than three months before the expiration of that period, grant to the patentee a further delay on his adducing proof to the satisfaction of the Commissioner that he was for reasons beyond his control prevented from complying with the above-mentioned condition. *The Patent Act of 1872*, as amended by 38 Vic. c. 14 s. 2.

3. The Commissioner may grant to the patentee or his assignee or assignees for the whole or any part of the patent, an extension for a further period of time, not exceeding one year beyond the twelve months limited by the first paragraph of this section, during which he may import, or cause to be imported into Canada, the invention for which the patent is granted : Provided, that the patentee or his assignee or assignees for the whole or any part of the patent, shall show cause satisfactory to the Commissioner to warrant the granting of such extension ; but no extension shall be granted, unless application be made to the Commissioner at some time within three months before the expiry of the twelve months aforesaid or any extension thereof. *The Patent Act of 1872*, as amended by 45 Vic. c. 22 s. 1.

Patent Act. This special pleading was met by a demurrer to the effect that the nullity caused by violation of the 28th section of *The Patent Act* cannot be tried by any other court than that of the Minister of Agriculture. Upon which exception Mr. Mitchell applied, to Mr. Justice Mathieu, to stay the proceedings, in order to obtain a decision from this tribunal which might be introduced into the record. The application was allowed by the judge.

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We have, by the evidence produced in this case, so clearly demonstrated that large and continuous importations were made by the patentee and his legal representatives, and that the patented article was never entirely manufactured in Canada, that I have really very little to say, unless, perhaps, in replying to my learned friend on the other side. In the case of *Barter v. Smith* (1), and the Bell Company telephone cases (2), all the points that can possibly arise have been clearly defined. A case of this kind narrows itself down to matters of fact, and the matter of fact is whether the importations were made subsequent to the term allowed by the Act, or whether they were not. I submit that, by Mr. Patton's evidence and the correspondence between the owners of the patent and Mr. Patton, their agent, for a time, we have demonstrated that, after the expiration of the delay, extensive importation of the invention actually took place, and that there was a decided intention shown to supply the demand for the article, to any extent, by means of importations. We have, furthermore, proved that, within two years of the present time, 630 inspirators were imported in parts, to be simply put together in Canada, for the purpose of vending and selling them to the Canadian public. The affidavits produced by the respondents in the case are, virtually, an admission of the facts alleged

(1) Reported *ante*, p. 455.

(2) Reported *ante*, pp. 495, 524.

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by the petitioner, facts which cannot be for a moment denied. The proof is so conclusive that it is unnecessary for me to say any more. We are willing to rely wholly on the point of illegal importation.

*Tait*, argued, in substance, that the patentee and his assignees had done all they could to comply with the requirements of section 28 of *The Patent Act*, and had actually kept themselves within the provisions of that section of the statute. The patent bears date the 24th January, 1877. The affidavits filed by respondents establish that James Morrison, of Toronto, commenced the manufacture of the invention in Canada on the 21st day of January, 1879, being within two years from the date of the patent, and had ever since continuously carried on in Canada the manufacture thereof according to law, in such a way that the petitioner could have obtained the article at such a reasonable price as to have been able to make a fair profit upon the resale. In the month of November, 1880, the firm of Stevens, Turner & Burns, of London, Ontario, obtained a license to manufacture, and did manufacture, the invention until December, 1882, when they abandoned their license and transferred their stock to the respondents by delivering the same to their agent at Montreal, Mr. Betton. The respondents, in 1883, made a new arrangement with Morrison, already mentioned, by which they, the respondents, agreed to purchase the patented article manufactured in Canada by Morrison at the rate of no less than 500 in every year—an arrangement which has ever since been and is now in force.

The owners of the patent have never received any demand for license to manufacture from the petitioner, nor any other person except the said Morrison, and Stevens, Turner & Burns, and they have never refused to sell the patented invention to anyone. Therefore, the pretension of the petitioner that the respondents,

patent is forfeited by reason of non-manufacture should be declared unfounded.

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In considering, next, the allegation that the patent had been forfeited by reason of illegal importation, it is necessary to point out the nature of the invention. The invention in question is a combination of two old and well known sets of apparatuses. One of them is used to raise the water, and is called in the specification "the lifting injector," and is also known by the name of "ejector." Such an instrument was invented in England as far back as 1806; in the form used in the patent here in question, it was invented by Mr. Hancock, and patented in the United States under No. 86,152 in January, 1869. The other element or apparatus is used to transmit the water to the boiler, and is known under the name of "injector." This instrument was invented in France by Mr. Giffard, and patented in Europe in 1858, and in the United States in 1860. Prior to Hancock's invention, here in question, each of these elements was used by itself, or in other combinations, and both are so used to the present day. The invention of the patent No. 7011 has been accomplished by a new arrangement or combination of these two elements. To apply the combination, which is intended for stationary boilers, to locomotive boilers, a different system of valves and levers is used; those used in the Hancock locomotive inspirators, as originally constructed, were invented by Mr. Park, and patented in the United States, and those used for locomotive inspirators more recently constructed were patented, in Canada, by J. T. Hancock in 1881.

The respondents admit that they imported locomotive inspirators embodying Park's and Hancock's last mentioned invention, but they maintain that this does not entail the forfeiture of patent No. 7011; because, as established by the affidavits, the machines

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imported were not the invention patented under patent No. 7011, for the reason that if the levers and valves which constituted Park's invention (not patented in Canada) as used in the first form of the machine, were removed, there remained nothing but barrels and jets of themselves wholly inoperative for any purpose. The same can be said in relation to the Hancock's invention of 1881, patented in Canada, inasmuch as valves, connections and means of operating these elements would have to be supplied to obtain the result sought for. The patents of 1881, No. 12,934 and No. 13,087, Mr. Hancock had abandoned, and what was imported as locomotive inspirators were the old elements, Park's invention and the Hancock's inventions, patented in 1881, and not the subject-matter of patent No. 7011.

As to the stationary inspirators, three series of shipments are referred to by the petitioner. 1st, to Fairbanks & Company, through Mr. Patton; 2nd, to Stevens, Turner & Burns, and 3rd, to J. M. Betton. The shipments made to Fairbanks, after the legal delay, were of a few articles, very nearly all "locomotive injectors," and were, moreover, made for the purpose of creating a market. It is to be remarked also that the "stationary inspirators" are made in fifteen different sizes at least, requiring for each size special expensive tools. The shipments to Stevens, Turner & Burns consisted of certain parts, particularly jets and barrels made to help the manufacture of the article in Canada, inasmuch as neither these licensees nor any other person were willing to undertake the manufacture of such parts.

As to the shipments made to James M. Betton, it appears that they consisted of a number of parts which had to be worked, combined and adjusted, in order to construct a number of stationary inspirators. The respondents submit that the importation of these parts cannot entail forfeiture of patent No. 7011, inasmuch

as the parts are old and well known elements, requiring to be combined, coupled and adjusted, to become the invention of the said patentee; inasmuch as they could be used for the separate instruments known as ejector and injector; inasmuch as, all the time, Morrison was manufacturing all sizes of stationary inspirators, as did also Stevens, Turner & Burns; inasmuch as respondents never intended to injure the manufacturing interest of Canada, as is shown by them undertaking to purchase 500 of the patented articles from Morrison; inasmuch as, all through, they acted in good faith under legal advice, believing themselves to be within the purview of the law.

The case is different from the *Bell Telephone case* (1); but resembles a French case referred to in *Barter v. Smith*, the case of *Warlick c. Pecquet*, which is reported in *Dalloz* (2).

Mr. Dalloz, in his *Repertoire*, *verbo* "Brevets d'invention," No. 267, commenting on this *arrêt*, says:—"Il est évident, en effet, que quand l'invention a pour objet, non la fabrication d'un nouveau mécanisme, mais l'application nouvelle d'un mécanisme connu, il suffit que le breveté fasse cette application en France, pour qu'il y exploite réellement sa découverte, et satisfasse ainsi au vœu de la loi, bien qu'il tire de l'étranger les machines nécessaires à cette exploitation. Ce que la loi interdit, c'est de faire fabriquer à l'étranger des objets semblables à ceux qui sont garantis par le brevet; or, dans l'espèce, les machines que le breveté fait venir de l'étranger, n'étant pas l'objet du brevet, ne sont pas garanties par lui; la disposition qui nous occupe leur est donc étrangère."

I will remark in conclusion that it seems hard, after the company trying so many years to introduce this

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(1) Reported *ante*, p. 495.

(2) *Jurisprudence Générale*, 1846, partie 2, pages 194 et 195.

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invention into the country, that the patent should be set aside, at the suggestion of somebody who has sat all the time watching the efforts of the owners of the patent until they have made it a success. The respondents, therefore, feel that they can with confidence leave their fate in the hands of this paternal tribunal. *Fleet*, in reply, argued that although willing to rely on illegal importation alone, the petitioner could rely solely on the point of non-manufacture. By referring to the evidence and correspondence of Mr. Patton, it is clearly seen that up to the year 1880 he was the only representative of the patentee in Canada, and that the manufacturing which commenced shortly before that time was begun in infringement of the patent. Taking the affidavit of Mr. Howe and the deposition of Mr. Betton, together with the deposition and letters of Mr. Patton, it is clearly established that Morrison's manufacturing, up to the agreement of 1881, was a case of infringement of the patent and not a compliance, by the owners of the patent, with the requirements of the law.

A certain amount of stress was laid upon the fact that the locomotive inspirator is not, as alleged, covered by the patent; but in Mr. Patton's deposition we see that all the imported articles sold by him (Mr. Patton) were stationary inspirators; he had nothing to do with the others. Again the 630 inspirators imported in parts and put up by Mr. Betton were all stationary inspirators. The intention of the respondents, as it is clearly shown, was to supply the Canadian market to any amount they could with imported inspirators, and, as a matter of fact, they did supply the Canadian market with articles imported either in whole or in parts. It was sought to be established that the machine in question is composed of two machines known and in use for a long time. The invention in question is a new



combination and the patent is, consequently, a patent for a combination, it stands as such as covering the invention and for the performance of the functions described in the specification. As decided in the Bell Telephone case (1), the importation of the elements of the combination to serve in the combination was the importation of the patented combination.

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I submit that, by the evidence produced, under none of the administrative *régimes* during which the patented articles were supplied to Canadians, have these articles been manufactured in Canada; all the machines sold were imported either in whole or in part, under Mr. Patton's *régime*, under Messrs. Stevens, Turner & Burns' *régime*, and under Mr. Betton's *régime*, to within two years of the present time. Under the facts which have been produced, I submit that the prayer of the petition should be granted, and, moreover, I would strenuously urge that, considering the flagrant nature of the contravention of the law, the costs, which are prayed for in the petition, should be awarded against the respondents.

TACHÉ, D.M.A., now (January 22nd, 1886) rendered his decision.

In this case the question of importation is the only one which really appears to be involved. There is no proof that at any time the patentees have refused to sell or license their invention; far from it, they seem to have always been anxious that its manufacture should be carried on by somebody in Canada, under license or on payment of a fair royalty, at the same time that they have shown themselves determined to push the sale of their patented articles, even to the alternative of supplying the Canadian markets by importation. The injury to home labor, in this case, comes not

(1) Reported *ante*, p. 495.

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under the head of non-manufacture, but under the title of importation, because to the extent that imported articles have been introduced into Canada, to that extent the manufacturing industry of the country has been deprived of the advantage intended to be secured by the 28th section.

It is not necessary to sift the technical question as to whether the locomotive inspirators imported were the inventions of Hancock's patents No. 12,934 and No. 13,087, which the patentee has forsaken, or some other invention, and not the invention of patent No. 7011, the subject matter of the dispute; for the reason that the importation of the stationary inspirators, about which there could not be any such problem raised, is of sufficient importance to decide the fate of this dispute.

Patent No. 7011 was granted on the 24th January, 1877; therefore, the year during which the importation of the invention was allowed by law expired with the 24th day of January, 1878. It is clearly proved that the importation did continue after the latter day, till within two years of the present contest. At times the importation consisted of the article brought in in its complete state, in small numbers; at times it consisted of the articles introduced in parts, in some instances all the parts to be simply put up in Canada, in other instances of only some of the parts; the aggregate of such importations amounting, so far as the evidence goes, in number to many hundreds of the patented apparatus, in value to many thousand dollars' worth.

It is argued that inasmuch as the patent covers an invention which consists of a new combination of old elements, the importation of the elements in their separate state is not the importation of the invention. This is opposed to the very nature of things, as admitted in

all countries in matters of patents. A new combination of known elements is an invention to all intents and purposes, and as such is patentable and confers on the person having devised such new combination the rights and privileges of an inventor, even if the novelty consisted in a trifling mechanical change, provided, in the latter case, some economical or other result is produced someway different from what was obtained before. The combination then is the invention, and, when patented, is the essence of the patent; it must be taken as a whole, not the elements as several things to be separately discussed, and the combination another thing, but the elements as combined, one thing, to stand with all the privileges conceded by law, and, reciprocally, with all the obligations imposed on all patentees. The manufacture of a combination is the producing of the elements as combined, in the sense applied to the word manufacture; the importation of the combination is the introduction of the elements as combined, to perform the functions described in the patent and in the manner described, totally irrespective of the existence of other combinations of the same elements, whether patented or not patented. Consequently, if Nicholson's ejector of 1806, now of the public domain, if Giffard's injector of 1858, also now public, if Hancock's apparatus of 1869 or of 1881, are imported, to be used as such, they do not affect patent No. 7011; but if the elements made use of in these mechanisms are imported as constituents of the combination secured by the said patent, and to be used as such, this importation is the importation of the patented article; because, in the same way that a new combination of known elements is entitled to the protection granted by a patent, in the same way it is subject to the conditions to which all patents are subjected.

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The counsel for the respondents invokes, in support of his contention, a celebrated judgment of the Court of Appeal, in France (1), referred to in the decision in the case of *Barter v. Smith* (2), but it does not apply, in specie, to the present case. This judgment, on the strength of its being a *bien jugé*, has become a part of universal jurisprudence. The French patent, in the case of *Warlick c. Pecquet* (1), was not for a new combination of known mechanical elements at all; it was for a new article of manufacture, an artificial combustible made in the shape of bricks (*briquettes*), for the manufacture of which a well known machinery, described in the specification, was applied. The patentee had introduced into France a few samples of the patented article, amounting to a trifling value, and the essential parts of the machinery to proceed with the manufacture of his *briquettes*. The court of the first instance, mistaking the nature of the invention and otherwise misconstruing the whole affair, had decided that the patent had become void on account of importation after the expiration of the delay granted by the law; an appeal was interjected, and the judgment of the court of first instance was quashed, the superior tribunal deciding that the importation of a few patented articles as samples was no importation in the meaning of the law, and that the importation of the machinery to manufacture the patented article cannot affect the patent; in the translated words of Dalloz, commenting on that decision—"the machines introduced from the outside, not being guaranteed by the patent, the exigencies of the law are foreign to them."

In the present case the importation of the invention itself lasted for several years of the existence of the

(1) Cited *ante*, p. 545.

(2) Reported *ante*, p. 455.

patent, till a comparatively recent date, covered a large number of the patented articles and amounted in the aggregate to a large sum, many thousands of dollars. "It seems hard," says the counsel for respondents, "after the company trying so many years to introduce this invention into the country, that the patent should be set aside." It is, undoubtedly, very hard; if it were a matter of sympathy or of sentiment in all probability the patentee would continue to enjoy the privileges to which inventors are so well entitled; but it is a matter of the fulfilment of obligations and administration of the law, in a case where no legitimate doubt can come to the rescue of the patent.

As regards that part of the petition of the petitioner which asks for costs, the answer is that there is no awarding of costs to parties coming before this tribunal.

Therefore, John Theobald Hancock's patent, No. 7011 for an "Inspirator," has become null and void under the provisions of section 28 of *The Patent Act of 1872*.

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