

Ottawa  
1966  
June 28

BETWEEN :

THE CARBORUNDUM COMPANY . . . . . PLAINTIFF;

AND

NORTON COMPANY . . . . . DEFENDANT.

*Patents—Conflict proceedings—Appeal from decision of Commissioner of Patents—Allegations in pleadings—Motion to strike out—Jurisdiction of Court—Patent Act, s. 45(8)(b) and (d).*

The Commissioner of Patents awarded certain conflicting claims in patent applications to defendant on the ground that defendant's inventor was the prior inventor. Plaintiff commenced proceedings in this court to reverse the Commissioner's decision, alleging *inter alia* that defendant was disentitled to a patent containing the conflicting claims on the grounds (1) that the invention containing them had been described in

a publication and had been in public use and on sale in Canada for more than two years before defendant's application was filed, and (2) that the invention defined by such claims was not useful and neither party was entitled to a patent containing such claims. Defendant moved to strike out these allegations.

1966  
CARBORUN-  
DUM CO.  
v.  
NORTON CO.

*Held*, the allegations must be struck out.

1. Under s. 45(8)(d) of the *Patent Act* the court can decide that plaintiff as first inventor is entitled as against defendant to the conflicting claims whether or not there is some other bar to the grant of a patent to defendant. Hence an allegation of the existence of such a bar is irrelevant and moreover does not impugn the Commissioner's determination that defendant's inventor was first inventor of the conflicting claims.
2. Section 45(8)(b) of the *Patent Act* does not permit an attack on the *validity* of the invention defined by a claim in conflict. *Texaco Development Corp. v. Schlumberger Ltd. ante*, p. 459 followed.

Plaintiff company as assignee of William Everett Gould, the inventor, filed an application for a patent in the Canadian Patent Office on January 11th 1961 under serial number 814,519. Defendant filed an application for a patent in the Canadian Patent Office on October 2nd 1962 under serial number 859,243. The Commissioner of Patents notified plaintiff that there was a conflict between the two applications by reason of the presence of a group of claims, *viz* C1 to C14, in both applications and ultimately on January 13th 1965 plaintiff was advised that the Commissioner had determined that defendant's inventor, James H. Perry, was the prior inventor of the subject matter of the said claims. Plaintiff commenced proceedings in the Exchequer Court for a reversal of the Commissioner's determination and its statement of claim contained the following allegations:

7. The invention defined in conflict claims C1 to C14 inclusive was
  - (a) described in the note of G. Burkhard appearing on page 78 and the note of Robert Fraser therein referred to appearing on pages 77 and 78 of the March 1959 issue of the Journal of the Technical Section of the Canadian Pulp and Paper Association,
  - (b) in public use in Canada at the mill of Quebec North Shore Paper Company at Baie Comeau, Quebec, and
  - (c) on sale in Canada by the plaintiff, more than two years before the filing of the defendant's said application serial No. 859,243, in consequence of which the defendant is not entitled to the issue of a patent containing any of the said claims.

1966  
 CARBORUN-  
 DUM Co.  
 v.  
 NORTON Co.

8. Conflict claims C1 to C14 inclusive do not define any alleged invention made by the said James H. Perry before the invention made by the said William Everett Gould who was the true and first inventor of the subject matter of the said conflict claims.
9. If the conflict claims C1 to C14 inclusive, or any of them, do define any alleged invention made by the said James H. Perry before the invention of the said William Everett Gould, then the alleged invention defined by such claims
  - (a) was described on page 98 of the Pulp and Paper Magazine of Canada, Volume 60, No. 8, of August 1959 and the defendant is thus not entitled to the issue of a patent containing them, and
  - (b) is not useful and neither party is entitled to the issue of a patent containing them.

APPLICATION to strike out part of statement of claim.

*Christopher Robinson, Q.C. and Roy H. Saffrey* for plaintiff.

*E. Foster* for defendant.

JACKETT P.:—This is an application to strike out paragraphs 7, 8 and 9 of the plaintiff's Statement of Claim in these proceedings under subsection (8) of section 45 of the *Patent Act*.

By subsection (7) of section 45, which contains the procedure for resolving a conflict between two applications for patents which are pending in the Patent Office at the same time, the Commissioner is required to examine the facts stated in affidavits which the respective applicants are required to file under subsection (5), and to determine "which of the applicants is the prior inventor to whom he will allow the claims in conflict".

Subsection (8) of section 45 provides for proceedings in this Court following upon a decision so made by the Commissioner and reads as follows:

(8) The claims in conflict shall be rejected or allowed accordingly unless within a time to be fixed by the Commissioner and notified to the several applicants one of them commences proceedings in the Exchequer Court for the determination of their respective rights, in which event the Commissioner shall suspend further action on the applications in conflict until in such action it has been determined either

- (a) that there is in fact no conflict between the claims in question,

(b) that none of the applicants is entitled to the issue of a patent containing the claims in conflict as applied for by him,

1966

CARBORUN-  
DUM Co.  
v.

\* \* \*

(d) that one of the applicants is entitled as against the others to the issue of a patent including the claims in conflict as applied for by him.

NORTON Co.  
Jackett P.

During the course of the argument I reached a conclusion, after hearing counsel for both parties, as to the disposition to be made of the application in respect of paragraph 8. That paragraph is struck out with leave to the plaintiff to plead

- (a) that James N. Perry did not make the invention defined by the conflict claims, and
- (b) that, alternatively, if he did, he did not do so until after William Everett Gould did so.

With reference to paragraphs 7 and 9 of the amended Statement of Claim, counsel for the defendant relied, in support of his application, upon the reasons that I filed on June 24 last in *Texaco Development Corporation v. Schlumberger Ltd.* (*ante* p. 459) for disposing of the application made in that case and bearing date May 2, 1966. In that case, I took the position, although I do not appear to have stated it explicitly, that paragraph (b) of subsection (8) of section 45 is not wide enough to confer jurisdiction on the Court to determine that "none of the applicants" is entitled to the issue of a patent containing the conflict claims in a case where

- (a) the defendant's inventor is the first inventor of the invention defined by the conflict claim so that none of the other parties is entitled to a patent containing that claim, and
- (b) there is some legal bar to the grant of a patent for the invention to the defendant.

In that case I said: "It might be of some assistance in the event that there is an appeal from my Order striking out paragraphs 9, 10, 13 and 14, if I indicate, very briefly, that, reading section 45 as a whole, it is my view that it provides for an interruption in an ordinary processing of an applica-

1966  
CARBORUN-  
DUM Co.  
v.  
NORTON Co.  
Jackett P.

tion for a patent for the sole purpose of deciding which of two applicants is the inventor (sometimes described as the first inventor) of an invention which is claimed by each of two applications pending in the Patent Office. This interruption in the ordinary processing of applications for patents is extraordinary and should, in my view, be restricted to the determination of the conflict which it is designed to resolve. It is for this reason that, while I recognize that the words of paragraph (b) of subsection (8) read literally and by themselves are wide enough to include a consideration of such questions as whether the particular claim put in conflict by the Commissioner is an 'invention' within the appropriate sense of that word and whether there is a statutory bar under paragraph (b) of subsection (1) of section 28 of the *Patent Act* to a grant of a patent to him, nevertheless, having regard to the scheme of section 45, it seems clear to me that paragraph (b) of subsection (8) thereof is referring only to the case where 'none of the applicants is entitled to the issue of a patent containing the claims in conflict as applied for by him' because the evidence has revealed that the real inventor of the invention described in the claims in conflict is some person other than the applicants who are before the Court."

Paragraphs 7 and 9(a) of the Statement of Claim in this case contain facts upon which the plaintiff seeks to establish that there is a bar to the grant of a patent to the defendant even if the defendant's inventor is the first inventor of the conflict claims. He endeavours to support the pleading of such facts as a basis for a prayer for judgment in his favour under paragraph (d) of subsection (8) of section 45.

Notwithstanding the ingenuity of the argument of counsel for the plaintiff, I cannot escape the conclusion that such pleas are irrelevant to a claim for judgment under that paragraph. Paragraph (d) of subsection (8) of section 45 confers jurisdiction on the Court to decide that "one of the applicants is entitled *as against the others* to the issue of a patent including the claims in conflict". (The emphasis is mine.)

If the plaintiff alleges and proves that the Commissioner was wrong in not deciding that the plaintiff's inventor was the first inventor, the Court can decide that the plaintiff is entitled as against the defendant to the issue of a patent including the claims in conflict. Such a decision can be made whether or not there is some other bar to the grant of a patent to the defendant. Any allegation of such a bar is therefore irrelevant to the claim for relief based on the contention that the plaintiff's inventor was the first inventor. On the other hand, a plea of some alternative bar to the grant of a patent for the conflict claim to the defendant cannot *by itself* be a sufficient basis for decision that the plaintiff is entitled to a patent containing the claim in conflict as long as the Commissioner's decision that the defendant's inventor was the first inventor of that claim remains intact. Such an alternative attack on the defendant's right to a patent is not, therefore, material to a claim for a decision under paragraph (d) of subsection (8) of section 45. It is unnecessary to support a claim based on a contention that the plaintiff's inventor and not the defendant's inventor is the first inventor and it is insufficient to support a decision as long as the finding that the defendant's inventor is the first inventor remains intact. I therefore reject the submission of counsel for the plaintiff in so far as paragraph (d) of subsection (8) of section 45 is concerned.

Counsel for the plaintiff made an alternative argument with reference to paragraph (b) of subsection (8) in which he drew a distinction between the type of plea that was made in *Texaco Development Corporation v. Schlumberger Ltd.* and the type of plea that is made by paragraphs 7 and 9(a) of the amended Statement of Claim in this case.

In *Texaco Development Corporation v. Schlumberger Ltd.*, the pleas that were involved were pleas which, if accepted, would operate to invalidate the applications of both parties. In this case, the pleas that are contained in paragraph 7 and in paragraph 9(a) would operate, if successful, to prevent the defendant from being granted a patent pursuant to his application, but would not affect the plaintiff's application for a patent.

1966  
 CARBORUN-  
 DUM Co.  
 v.  
 NORTON Co.  
 Jackett P.

1966  
CARBORUN-  
DUM Co.  
v.  
NERTON Co.  
Jackett P.

While I recognize the distinction between the two classes of claims, the distinction is not, in my view, relevant to the grounds which caused me to put the interpretation on paragraph (b) of subsection (8) of section 45 that I did in *Texaco Development Corporation v. Schlumberger Ltd.* As I indicated in that case, I recognize that, read literally and by themselves, the words of paragraph (b) extend to include the grounds that were put forward in that case as well as the grounds that have been put forward in this case. Having regard to the scheme of section 45 as a whole and having regard to the scheme of the *Patent Act* as a whole, as I understand it, I am of the view that paragraph (b) must be restricted to the issues that directly or indirectly relate to the resolution of the conflict that gave rise to the conflict proceedings in the first place.

So far as paragraph 9(b) of the Statement of Claim is concerned, counsel for the plaintiff endeavoured to make me appreciate a distinction between a lack of usefulness in the "invention", which would be an attack on the validity of the invention, and a lack of usefulness in the invention as defined by the particular claims, which, he submitted, would not be different in kind from an allegation that the claims were not sufficiently distinct and explicit to comply with subsection (2) of section 36 of the *Patent Act*.

I cannot accept it that paragraph 9(b) is anything other than what, as it appears to me, it purports to be, namely, an attack on the validity of the *invention* defined by the claim.

Paragraphs 7 and 9 of the amended Statement of Claim are struck out.

Costs are to the defendant in the cause.