

1918  
Jan. 10.

DOMINION CHAIN COMPANY,

PLAINTIFF,

v.

McKINNON CHAIN COMPANY,

DEFENDANT.

*Patents—Place of manufacture—Assembling of parts—Disclaimer—  
New invention.*

A patented article made in the United States in detail, in the sizes required in accordance with specific orders, the parts merely being joined together in Canada, is not manufactured or constructed in Canada within the meaning of the *Patent Act*, R.S.C., 1906, c. 69, s. 38.

2. Under the *Patent Act* a disclaimer by the patentee must be considered as part of the original specification. The patent itself, not the form of the patented article manufactured under the patent, must be considered.

3. *Held*, that the plaintiff's patent for grip treads for pneumatic tires had been anticipated and disclosed no new invention.

**A**CTION by plaintiff claiming to be the assignee of a patent No. 90,650, bearing date December 20, 1904, and granted to one Harry De Lyne Weed, and to Joseph Sumner Pickell, the assignee of one-half interest by assignment from Weed.

Tried before the Honourable Mr. Justice Cassels, at Ottawa, December 4, 1917.

*R. S. Smart*, for plaintiff.

*W. D. Hogg*, K.C., and *J. G. Gibson*, for defendant.

CASSELS, J. (January 10, 1918) delivered judgment.

1918

DOMINION  
CHAIN Co.

v.

MCKINNON  
CHAIN Co.Reasons for  
Judgment.

The plaintiff claims as assignee of the patentees to have it declared that the defendant has infringed the said letters patent by the manufacture, use and sale of the grip treads for pneumatic tires covered by the said letters patent.

The defendant denies the infringement and sets up their 3 main defences:—(1) That the plaintiffs, and those through whom they claim, have failed to comply with the provisions of the *Patent Act*, in that they did not manufacture the invention in Canada according to the requirements of the law. (2) That in violation of the provisions of the *Patent Act*, the plaintiff, and those through whom it claims, imported from the United States the article covered by the patent, and by reason thereof the patent became void. (3) That Weed was not the inventor of the invention claimed by him in his patent, and that, by reason thereof, the patent is void.

There was a further defence that the fees required to be paid for the subsequent term of the patent had not been paid, and that by reason thereof the patent lapsed. This defence was not pressed by Mr. Hogg.

It appears that the fees were not paid, and thereby the patent would have terminated. By subsequent legislation, what is called the *War Measures Act*, the commissioner was empowered to accept the fees, notwithstanding the non-payment, and the effect of such acceptance was to place the patentee in the same position as if he had complied with the provisions of the statute.

The patent relates to treads for pneumatic tires. The patentee describes his invention as follows:

“The object of my present invention is to provide  
“a flexible and collapsible grip or tread composed

“entirely of chains linked together and applied to  
 “the sides and periphery of the tire, and held in  
 “place solely by the inflation of the tire, and which  
 “is reversible so that either side may be applied to  
 “the periphery of the tire, thus affording double  
 “wearing surfaces.”

He places two opposite parallel chains, called side chains, which are flexible. Attached to these flexible chains are a series of cross chains which are attached to the lateral or side chains by hooks. When the tire is inflated, these side chains are held in position. Apparently the patentee had the idea that these side chains to which the cross chains are attached would form a continuous chain, and he describes the method of placing the grip tread over the rubber tire. This is by the deflation of the tire, and when deflated the side chains are placed in position and the tire is then inflated again. This method would not be of much practical use, and in the manufactured tread, instead of the side chains being in one continuous piece, they interlock when placed in position, which obviates the necessity of deflating and inflating the tire.

According to all the witnesses who gave evidence before me, there is considerable benefit from what is styled the creeping motion of this grip tread over the tire. This creeping motion is provided for in the Parsons patent, to which I will have to refer subsequently. But, curiously enough, the patentee Weed seems to have endeavoured to prevent the creeping. In his specification he puts it in this way:

“These grips or auxiliary treads are adapted to  
 “be applied to the traction or driving wheels of au-  
 “tomobiles, and one of the important objects is to  
 “enable anyone, skilled or unskilled, to easily and

1918  
 DOMINION  
 CHAIN CO.  
 2.  
 MCKINNON  
 CHAIN CO.  
 Reasons for  
 Judgment.

1918

DOMINION  
CHAIN CO.  
v.  
MCKINNON  
CHAIN CO.  
Reasons for  
Judgment.

“quickly apply the auxiliary tread when needed by  
“partially deflating the tire and then placing the  
“grip thereon, and finally, reinflating the tire to  
“cause the transverse chains to partially imbed  
“themselves in the periphery of said tire, whereby  
“the auxiliary tread or gripping device surface is  
“firmly held in operative position against circum-  
“ferential slipping of the tire.”

Further on in the specification he states:

“The chains—4—are of slightly less length than  
“the arc measured on a cross section of the tire be-  
“tween the chains—3—when the tire is inflated, and  
“it therefore follows that when the tire is inflated,  
“the chains—4—are imbedded in the periphery of  
“the tire.”

He further states that:

“owing to the fact that the cross chains are imbed-  
ded into the tire they are also prevented from slip-  
ping relative to the tire.”

And further on he refers to the fact that the cross chains are held in their position by being partially imbedded in the tire when inflated.

All the witnesses describe, as I have stated, the benefit to be derived from the so-called creeping of the tread—and according to Professor Carpenter, notwithstanding Weed’s contention, there would be creeping in his device. It seems to me that this probably results from the manner in which the manufacturer constructed the treads. If they were constructed as the patentee described, and were thoroughly imbedded in the tire, it is difficult to see how the creeping action could take place. However, this does not become a question of much importance.

I am of opinion, the defence of want of manufacture, and also of importation, has been proved by

the defendant, and that the patent has long since become void under the provisions of the *Patent Act*.

In *Fisher & Smart on Patents*<sup>1</sup> will be found the history of these provisions.

By c. 24 of 55 & 56 Vict., 1892, it is provided:

“(a) That such patent, and all the rights and privileges thereby granted, shall cease and determine, and that the patent shall be null and void at the end of 2 years from the date thereof, unless the patentee or his legal representatives or his assignee, within that period or any authorized extension thereof, commence, and after such commencement, continuously carry on in Canada the construction or manufacture of the invention patented, in such a 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;

“(b) That if, after the expiration of 12 months from the granting of a patent or any authorized extension of such period, the patentee or patentees, or any of them, or his or their representatives, or his or their assignee, for the whole or a part of his or their interest in the patent, imports, or causes to be imported into Canada, the invention for which the patent is granted, such patent shall be void as to the interest of the person or persons importing or causing to be imported.”

As I will point out later, to my mind it would be almost farcical to hold under the facts established in this case that there was any manufacture in Canada, prior at all events to the year 1913.

<sup>1</sup> (1914) pp. 131-141.

1918.

DOMINION  
CHAIN Co.

v.  
MCKINNON  
CHAIN Co.

Reasons for  
Judgment.

1918

DOMINION  
CHAIN CO.v.  
MCKINNON  
CHAIN CO.Reasons for  
Judgment.

William Thomas Morris, a witness called for the plaintiff, states that he was one of the original directors of the Dominion Chain Company when it was first formed in Canada, and has been active in the development of the manufacturing department. That was in 1913. He goes on to point out that the Dominion Chain Company has a factory in Canada where it makes these grips. It is located at Niagara Falls, and has been located there ever since 1913. He describes the method of manufacture of the patented grip. He is asked, as follows:

“Q. Can you illustrate the method of making the “chain grip. Just describe it?

“A. These side members are for a given size of “tire.

“HIS LORDSHIP—What are those side members?

“A. These side members are for a 34 by 4 inch “tire.”

At the trial before me there was a table upon which the so-called manufacture was explained. And the witness Morris is asked:

“Q. What is done with the side members—explain “it?—A. The side members are stretched on this “table—they are of a given size for this 34 x 4 inch “tire.

“Q. How many sizes of those do you carry?—A. “Some 80 odd—that is, 80 odd combinations of side “chains.”

There are about six different sizes, according to this witness, of cross chains. The cross chain is inserted in the side chain by a hook.

I asked the witness whether what he showed me on the table would be described in the first claim of the patent subsequently disclaimed, and he states—

“HIS LORDSHIP—What you have just been showing me, that would be described in the first claim, would it not? A grip for elastic tires comprising side chains flexible in all directions whereby they may be reversed side for side, interlocking members on the ends of said chain and cross chains having their ends secured to the side chains and their inner and outer faces similar, whereby either face may be placed against the tire. Does not that what you show correspond to that?”

“A. It is a description of these that I have just got through showing you.

“HIS LORDSHIP—Is there any difference?”

“*Mr. Smart*—No, it does not specify. The cross chains are not at right angles, as claim 10 does for instance.”

He proceeds to describe what he claims was manufacturing in Canada as follows (to his own counsel):

“Q. When did the Weed Company begin operations in Canada and where?—A. In 1906, at Bridgeburg.

“Q. How long did the Weed Company continue its operations in Canada at Bridgeburg?—A. In 1906 and 1907.

“Q. And where and when did it next carry on its operations?—A. In 1908, in Sarnia.

“Q. How long did you continue operations in Sarnia, and after that when and where did you continue operations?—A. In the spring of 1908 and 1909, 1910, 1911 and 1912, at the United Community Company’s plant at Niagara Falls, Canada.”

He is asked this question:

“Q. Where did the Weed Chain Company get the chains it used from 1906 to 1907 in the manufacture of chain grips in Canada?—A. We imported

1918

DOMINION  
CHAIN CO.  
v.  
MCKINNON  
CHAIN CO.

Reasons for  
Judgment.

1918

DOMINION  
CHAIN CO.

v.

MCKINNON  
CHAIN CO.Reasons for  
Judgment.

“it from the United States, the side chains with the  
“cross chain hooks attached.”

He states:

“We had an arrangement with the United Com-  
“munity Company as manufacturing agent to man-  
“ufacture the grips for the Canadian market,  
“during the years 1909, 1910, 1911 and 1912. Their  
“method of manufacturing was the same that we  
“followed in 1906, 7 and 8, and continued to-day  
“in our chain manufacturing department of the Do-  
“minion Chain Company at Niagara Falls.”

He is asked:

“Q. In what shape did the material come into  
“your manufacturing establishment in the United  
“States?—A. The connecting hooks were attached  
“to the side chains and the cross chain hooks were  
“attached to the cross chains.”

On cross-examination, referring to the chains ex-  
hibited on the table, he is asked the following ques-  
tions:

“Q. I am asking you, what is here on the table—  
“these side chains are complete?—A. They are com-  
“plete as they stand.

“Q. The side chains you say there are complete  
“as they stand, these on the table?—A. Yes.

“Q. And the cross chains those that are attached,  
“and those that are on the table there loose, they  
“are also complete; they are cut to the proper length  
“with the hooks attached?—A. Manufactured to  
“the proper lengths in the manufacturing depart-  
“ment.

“Q. I do not care where they are manufactured,  
“what we have on the table as cross chains are com-  
“plete with the hooks upon them?—A. Yes.



“Q. Now we understand one another; then we  
“have here two side chains complete with the hooks  
“upon them?—A. Yes.

“Q. We have a number of cross chains complete  
“with the hooks upon them?—A. Yes.

“Q. Is there any other part or member required  
to make the completed grip chain?—A. No.”

Further on he is asked:

“Q. They were to be put upon tires, they were not  
“to be put upon gate posts?—A. As a completed  
“chain tire grip.

“Q. Nor were they brought in, in 1907, for no  
“other purpose?—A. For chain tire grips.

“Q. And these parts, as we have them here on the  
“table, were brought in and you put them together,  
“and completed them, for what purpose?—A. Com-  
“pleted them for the purpose of the Weed Chain  
“Tire Grip.”

Further on he states, as follows:

“Q. You yourself, with one assistant from New  
“York and two or three boys, did the work?—A.  
“Yes.

“HIS LORDSHIP—Were these things sent in from  
“the United States made to order in lengths and so  
“on?

“A. The side chains with the connecting hooks at-  
“tached and the cross chains with the hooks at-  
“tached.

“HIS LORDSHIP—Were they all made in the United  
“States to order for particular sizes?

“A. The specification, as I have explained that  
“question, the specification was received from our  
“agent, and the goods were ordered from the chain

1918

DOMINION  
CHAIN CO.

v.

McKINNON  
CHAIN CO.Reasons for  
Judgment.

“manufacturer, following the same procedure as  
“we had done in New York.”

It would appear that the agent in Montreal would apply for certain numbers of the grip treads for the particular sizes of the automobiles to be furnished. This specification was forwarded to the United States, and the side chains and the cross chains fully completed would be sent to Bridgeburg, hooked together and sent on to their Montreal agent.

This witness further states:

“HIS LORDSHIP—You sent the specifications of  
“the tire you wanted and they sent you the side  
“chains and the cross chains to suit that specifica-  
“tion?—A. Yes; the specification would go if we  
“wanted 1200 pieces over all.

“HIS LORDSHIP—There might be one thing in  
“bringing in a marketable commodity from the  
“United States, say 200 or 300 feet of side chains,  
“and another thing if you sent a specification for a  
“particular length of chain to suit a particular  
“wheel, and then get it in in that shape,—is that the  
“way you got it?

“A. I will try to make myself clear. The specifi-  
“cation coming to us, for example, from Montreal  
“would read his requirement for the year or six  
“months, that would be probably 50 setts of 34 x 4-  
“inch or 50 setts of 33½-inch. I would purchase  
“chain to make 50 pairs of 34 by 4. I would pur-  
“chase from the manufacturer 200 pieces of this  
“chain required to make 50 pairs to a given length,  
“then so many hundred pieces of cross chains,  
“which would be supplied to me with a cross hook  
“attached and with the connecting hook attached.

“HIS LORDSHIP—Ready to be put on?

“Yes. I would then take my schedule sheet, and  
“decide, for example, that a 96-foot length would  
“make so many pairs of 34 by 4 grips.”

Further on he describes that the side chains with  
the connecting hook attached were packed in separate  
barrels, and the cross chains with the cross  
hooks attached were packed in separate barrels.

Further on he states:

“Q. But the portions of the chain you brought in  
“in 1907, as you have already said, were made and  
“ready to be completed for an automobile wheel  
“and to be sent forward to your purchaser on com-  
“mission in Montreal for that purpose?—A. On  
“consignment.

\* \* \* \*

“HIS LORDSHIP—In regard to these cross or trans-  
“verse chains, they would have to be made to order  
“of certain dimensions?

“A. Yes.

“Q. There is a hook on each end. They would be  
“made to order of certain dimensions?—A. Yes.

“Q. And made to order in order to hook into the  
“side chains?—A. Yes.

“Q. Where was that work done?—A. By a chain  
“manufacturer in the United States at that time.

“HIS LORDSHIP—They would buy a length of that  
“brass wire and cut it into the necessary lengths?

“A. At this particular time in the United States  
“the company that actually manufactured this side  
“chain manufactured, I believe, as near as I know,  
“the hook; but they did buy these cross chains, and  
“furnished us at first the completed part, the com-  
“pleted grip in itself first, and then afterwards  
“furnished us with this cross hook secured with the

1918

DOMINION  
CHAIN CO.

v.  
MCKINNON  
CHAIN CO.

Reasons for  
Judgment.

1918

DOMINION  
CHAIN Co.  
v.  
MCKINNON  
CHAIN Co.

Reasons for  
Judgment.

“cross chain separate, with the cross chain hook attached, and the side chain with the side chain hook attached.”

In regard to this alleged manufacture at Bridgeburg, the evidence of Frank T. Patterson describes the so-called manufacture. The place of manufacture seems to have been a small harness and barber shop, that the plaintiffs would rent for perhaps two weeks in the year; and in this place, having received from the United States the complete tread, they would attach the cross chain to the side chain. The only work apparently performed in Canada towards the so-called manufacture is nipping down the point of the hook after it is inserted in the cross chain, so as to prevent it being detached from the side chain. This is done with a tool which was exhibited in court.

Now, it is to be noticed that, curiously enough, the patentee never contemplated the point of the hook being bent into the cross chain. If the patentee's specifications were to be carried out, once his tread was on the tire and imbedded in the tire, it could not become detached. And in his specification the patentee states as follows:

“I also contemplate detaching the cross chains from one or both of the parallel chains by making an open link or hook connection, as seen on the left hand side of Fig. 3, in which case the ends of the parallel chains might be permanently connected.”

It seems to me that it would be farcical to treat as a manufacture in Canada what has been done by the plaintiffs or their predecessors. It is, in no sense of the word, a purchase on the American market of

material, a common subject of merchandise, and then bringing these things over and manufacturing them in Canada to the sizes required.

In the case in point, a *specific order* for the completed treads, comprising the side chains and the cross chains, was sent to the United States. They were manufactured to order in the United States for the sizes required, and they arrived in Canada completed treads for the tires of these particular sizes. All that had to be done was hooking the cross chains into the side chains. If this can be called manufacture, I fail to see what possible benefit there can be in the statute which aims at preventing importation and requires manufacture in Canada.

In the case of the *American Dunlop Tire Co. v. Anderson Tire Co.*,<sup>1</sup> Burbidge, J., apparently against his own judgment, went as far as it was possible to strain the law. He evidently thought that he should follow the decisions of the late Dr. Tache, and laid a good deal of stress upon the fact that, after these decisions, the law had been re-enacted. The facts in the *Dunlop* case are not similar to the facts in the case before me; but since the judgment in the Supreme Court in the case of *Power v. Griffin*<sup>2</sup> these decisions of Dr. Tache can hardly be followed. At p. 47 of the report, Armour, J., quotes Dr. Tache's decision, and adds these words:

"Thus holding contrary to the express words of the condition that it was not necessary that the patentee should, within the period mentioned, commence, and after commencement, continuously carry on, in Canada, the construction or manufacture of the invention patented, and holding, without any

1918

DOMINION  
CHAIN CO.v.  
MCKINNON  
CHAIN CO.REASONS FOR  
JUDGMENT.

<sup>1</sup> 5 Can. Ex. 82.

<sup>2</sup> 33 Can. S.C.R. 89.

1918

DOMINION  
CHAIN CO.v.  
MCKINNON  
CHAIN CO.Reasons for  
Judgment.

words in the condition to warrant it, that the conditions would be sufficiently satisfied by the patentee granting to any person desiring to use the invention patented a license to use it upon applying to him for it and upon payment of a fair royalty. This decision cannot be supported, nor can it be held to be supported by the decisions in the Court of Appeal for Ontario, and in this court, in *Smith v. Goldie*,<sup>1</sup> for what was said by Patterson, J., in the former court, and by Henry, J., in this court, was plainly *obiter*, for each of them held that the decision of Dr. Tache was final and not subject to appeal.”

Then there are a number of decisions cited in vol. 2 of the Exchequer Court reports. I take it, however, that since the case of *Power v. Griffin*, the law is that a statute must be construed as it reads.

Reliance was placed by the plaintiffs on the case of *Grinnell v. The Queen*.<sup>2</sup> This case was one under the Customs Act. It was tried before Gwynne, J., who, apparently, treated the case as if it were being tried under the provisions of the *Patent Act*, which has been quoted. He uses this language:

“It is a preposterous fallacy to say that a patented invention, every minutest particle of which was manufactured and constructed in the United States, was manufactured or constructed in Canada. I confess that I am wholly unable to understand how any business man of plain common sense could conscientiously entertain the idea that it was.”

I could not express my own views in more forcible language than that used by Gwynne, J. This case was reversed by the Supreme Court, but on the

<sup>1</sup> 9 Can. S.C.R. 46.

<sup>2</sup> 16 Can. S.C.R. 119 at 123.

ground that the question was not one in regard to the manufacturing clause of the *Patent Act*, but under the provisions of the *Customs Act*.

Ritchie, C. J., at p. 127, states as follows:

“It seems to me that the question in this case is not whether the bringing in the parts composing the sprinklers in an unfinished state, and completing them so as to be in a state to be used as automatic sprinklers with a view of satisfying the provisions of the patent law, as contemplated by the claimant, is a *bonâ fide* compliance with the conditions of the claimant’s letters patent.”

And then he proceeds to point out the difference.

Mr. Justice Strong uses this language, at p. 145: “The case of a watch or a carriage completed abroad, then taken to pieces and imported in separate parts, is wholly different, and the same may be said of the case where the several parts, without being actually put together previous to importation so as to form one whole, are yet so identified with the one specific whole which is to be formed out of them that they are appropriated to one particular instrument or machine, and to no other; in such circumstances it may well be said that there is an importation of a particular machine in parts, but in the present case there was nothing resembling this.”

I think that the patent is null and void for the reasons that I have stated.

I might rest my decision on these points, but, as at the trial, the whole question was tried as to the validity of the patent outside of the question of non-manufacture and importation, and as counsel

1918

DOMINION  
CHAIN CO.v.  
MCKINNON  
CHAIN CO.Reasons for  
Judgment.

1918

DOMINION  
CHAIN CO.v.  
MCKINNON  
CHAIN CO.Reasons for  
Judgment.

showed a great deal of research and care, I think it due to them that I should express my views on the validity of the patent, having regard to the prior state of the art.

The patentee, on November 2, 1917, filed in the Patent Office, a disclaimer, whereby he disclaimed claims numbers 1, 2, 3, 5, 6, 8, 11, 13, and 14, forming part of the specification for the said patent.

Under the *Patent Act* it is provided that where a disclaimer is made, such disclaimer shall thereafter be taken and considered as part of the original specification. The result of the disclaimer is that the patentee limits his invention to a strict construction patent, namely, of the side chains and with the cross chains at right angles. This is all that is left to him, and this is all that is claimed by the counsel for the plaintiffs.

I agree with Hains, one of the expert witnesses for the defendant, that, in the face of the Parsons patent, which was referred to in evidence, namely, United States patent No. 732,299, dated March 24, 1903, the plaintiff's patent limited, in the way in which I have stated, is absolutely anticipated by the patent of Parsons.

It has to be borne in mind that in dealing with these patent cases, the judge has to consider the case from the patent itself, and not from the particular form of the patented article manufactured under the patent. For instance, in the exhibit produced before me evidencing the Parsons tread, it was a zig-zag tread, with the cross chains at an angle of about 50 degrees. That, however, is only one method of manufacture, described in the patent itself.



Now, a careful consideration of the Parsons patent would show that it was not limited to any particular angle. It is obvious that the more cross chains you choose to apply, the less will be the angle. And the sixth claim of this patent is:

“Anti-slipping or protective means for the peripheries of wheels, pulleys or the like, comprising two rings or *annuli* at opposite sides of the wheel, and an anti-slipping medium consisting of a chain or chains secured to the rings and extending across and around the periphery of the wheel.”

Now there is no possible doubt that if Parsons were to manufacture his tread with the cross chain instead of being at right angles at any angle of 15 degrees he would be within the rights of his patent. If Professor Carpenter's evidence is accepted, and there is no difference between a diagonal cross chain with an angle of 15 degrees and a cross chain at right angles, what would be Weed's defence in an action of infringement by Parsons? Would it be possible for him to set up that he was not an infringer because he chose to place his cross chains at right angles? I think not. It seems to me impossible to hold that any such variation from the Parsons invention, as placing the cross chains at right angles, is invention.

Taken with the disclaimer, counsel for the plaintiff admitted that there is nothing left but this feature.

I think there is no invention whatever on the part of Weed in merely taking what was completely disclosed in the art and endeavouring to sustain a patent for a construction patent by this slight variation. I do not think myself that Parsons was limited

1918

DOMINION  
CHAIN Co.v.  
MCKINNON  
CHAIN Co.Reasons for  
Judgment.

1918

DOMINION  
CHAIN CO.v.  
MCKINNON  
CHAIN CO.Reasons for  
Judgment.

to a diagonal cross-bar, but if he were he would be within his rights to have it anywhere even at a less angle than 15 degrees; and to say there was any invention in placing it at right angles and thereby entitling the patentee to a patent, is almost an absurdity, and I cannot see under the facts of this case there can be any intervention.

Judgment will go declaring the patent void, and the defendants are entitled to their costs of the action.

*Judgment for defendant.*