

1926  
 May 10.

PANYARD MACHINE AND MANU- } PLAINTIFF;  
 FACTURING CO. .... }

AND

SIMON BOWMAN, TRADING UNDER THE } DEFENDANT.  
 NAME, FIRM AND STYLE OF THREE-WAY  
 PISTON RING Co. .... }

*Patents—Infringement—Validity—Patentability—Commercial success or failure—Evidence.*

*Held*, that a subsequent patent is no defence to an action of infringement.

2. While there may be, in the device charged with infringement, some slight mechanical variation in the nature of equivalent, as compared with the plaintiff's device, there is nevertheless infringement where the plaintiff's patent bears directly on the defendant's device which does not disclose invention, and which involves the very substance of the invention covered by the plaintiff's device.

Action for infringement of certain patents of the plaintiff.

Hamilton, April 6th, 7th, 8th, 1926.

Action now tried before the Honourable Mr. Justice Audette.

1926  
 PANYARD  
 MACHINE &  
 MFG. Co.  
 v.  
 BOWMAN.  
 —  
 Audette J.  
 —

*G. F. Henderson K.C.* for plaintiff.

*F. B. Fetherstonhaugh* and *H. S. Fox* for defendant.

The facts are stated in the reasons for judgment.

AUDETTE J. now this 10th May, 1926, delivered judgment (1).

This is an action alleging infringement of certain Canadian patents mentioned in the statement of claim herein, whereby the plaintiff seeks the usual injunction, with damages or profits, against the defendant.

The defendant, by his statement in defence, denies infringement and attacks the validity of the patents, concluding, however, merely for the dismissal of the action.

At the opening of the trial counsel for the plaintiff moved for leave to withdraw the name of Charles Ellvin Bleakney as of one of the plaintiffs,—the motion was not opposed and was granted.

The plaintiff's inventions for piston rings, if patentable, are for combination patents and as such fall within the rule of narrow construction since they occupy a place in a field of the art comprising about one thousand of such patents in the United States alone, due to the rapidly increasing manufacturing of automobiles. However a combination of even old parts to produce a better result in a more useful and beneficial way may properly imply invention, and the primary test of a patent is invention. Success from extensive sales is not the test to a right to a patent, yet it is in itself strong evidence that it is useful.

The primary object of these piston rings is to overcome waste of compression and to procure proper lubrication.

The patents in question describe an invention comprising a pair of wedge ring members so constructed and arranged that when properly seated in the piston groove, one ring member normally projects beyond the other so as to engage the cylinder wall initially and exclusively and wear within a limited period of use, after which both sections of the ring then engage the cylinder wall.

(1) An appeal has been taken to the Supreme Court of Canada.

1926  
 PANYARD  
 MACHINE &  
 MFG. Co.  
 v.  
 BOWMAN.  
 Audette J.

These rings, although well adapted for standard equipment, and they have been used as such, are intended primarily to be used as replacement rings; because by such construction they are so fitted to stop the difficulties which are encountered in the inequalities or irregularities in a worn cylinder which are frequently scored by use. The overhang ring section which initially exclusively engages the cylinder wall finds, during its initial period of engagement, its seat within the cylinder and fills all the irregularities in the cylinder. Then there is the oil well formed in the ring.

There is a polygon spring with a flat surface, placed at the bottom of the piston groove which maintains a continuous pressure towards the cylinder wall. And as a result of such spring the co-operating ring members always exert a wedging action against the opposite side walls of the groove, thereby producing a combination giving a new result.

Moreover there is another feature in the plaintiff's rings which seems to be found nowhere else, and that is that the cylinder wall engaging the face of the lower section is located between two bevelled faces. The whole is more fully explained in witness McCrae's evidence, wherein he also explains the difference between exhibits No. 2 and No. 3, working upon the same principle, and it is thought unnecessary to proceed any further into the details of the working of these patents. Witness Durea, a man of unusual skill and experience, approves of the Panyard rings and pronounces them good. The Panyard rings are indeed well known on the market and are distinguishable from all other rings.

On the 26th January, 1923, the parties herein entered into an agreement, filed herein as exhibit No. 20, whereby the defendant became the plaintiff's agent as "seller and distributor" of the piston rings manufactured by the plaintiff under its patents.

In 1924, having heard that the defendant was selling a ring manufactured by himself, with no apparent difference from the Panyard ring, under the name of Three-way piston ring, witness Panyard, the president of the plaintiff company, went to the defendant's place of business in Hamilton, to investigate his stock, and found there circu-

lar boxes with these three-way rings closely imitating Panyard rings. On representation being made to the defendant he agreed to discontinue manufacturing the same, admitting he had made a mistake.

However, Bowman having failed to live up to this agreement, the contract (exhibit No. 20) was cancelled by the plaintiff. In the meantime correspondence was exchanged between the parties, as shown by exhibits Nos. 7, 8, 22, 23, 24 and 25, whereby the defendant admits, among other things, having on the 28th October, 1924, sold about 1,542 of his Three-way piston rings, in infringement of the Panyard rings; and by his letter of the 1st November, 1924, he admits having manufactured just over 2,000 Three-way rings which he says were then nearly exhausted.

Mention must also be made of exhibits 28 and 29 which show a sale by the defendant of rings of which the top portion only was Panyard's, the lower section being his own ring, or a ring supplied by him.

Another significant indication of the defendant's intention to infringe the plaintiff's ring and to practice a disloyal competition against him, although his agent, appears from literature published by him as appears in exhibits 21 and 34 and also in a publication called "Better Automotive Equipment." In the latter publication, at page 70, which was read into the evidence, appears what might be called the clearest manifestation of his intention of infringing since he advertised his Three-way piston ring as "New Panyard rings." And under that title appears the following advertisement to the public:—

#### NEW PANYARD RINGS.

In addition to the well-known Panyard Piston Ring, the Panyard Piston Ring Co. of Canada, Hamilton, Ont., are now supplying the trade with three other types of rings, which are all of the high standard of the original Panyard Ring. These are known as the Three-Way Ring, the Instant-Seat Ring and the O'Seal Piston Ring.

The Three-Way Ring is designed for use on new or close-fitting pistons and to stop oil pumping and compression leaks without causing extra heat or wall pressure. Instant-Seat Rings are especially made to give extra high compression and will seat to the cylinder walls almost instantly. Pistons to which this type is fitted should not be looser than .006 in. The O'Seal Rings are to help hold excess oil from passing, and should be used on the second ring groove from the top with oil seal towards the bottom of the piston.

The defendant admits this literature as coming from him.

1926  
 PANYARD  
 MACHINE &  
 MFG. Co.  
 v.  
 BOWMAN.  
 Audette J.

Exhibits 21 and 34 further display this set intention of acting with disloyalty towards the plaintiff, his employer, by advertising his own ring and taking, in doing so, the advantage derived from the Panyard rings.

There is in this case a deal of evidence that would perhaps be specially applicable to a case of passing off—a class of action over which this Court has no jurisdiction—yet that kind of evidence in a case of infringement certainly goes to disclose the intention of an infringer to use for his own benefit the advantage derivable from a well-known invention.

Notwithstanding the attack made on the efficiency of the plaintiff's rings in a few instances, and that is inevitable in every case (in absence of proof as to whether the rings were properly installed according to instructions), they were rings for which the plaintiff had expended quite an amount of money in advertising, and which had proved a commercial success, as clearly established by the evidence. Undoubtedly the primary test is invention,—but one cannot ignore the consideration of success or failure which goes toward establishing an element of usefulness and novelty. And as said in *Crane v. Price* (1):

If there was any real invention, though a slight one, producing beneficial result, the patent was given.

And, as already said, I find invention in the combination described above. To this may be added the remark of Lord Justice Bowen in the *American Braided Wire Case* (2):

\* \* \* what is, it seems to me, sound and safe, is the practical conclusion that it is a very important element in the consideration whether there has been invention or not, if you see that the thing never was done in the memory of man down to a particular point, and that the moment it is done it is a great success as regards utility, and as regards value in the market. It is not conclusive of the question of ingenuity, but it forces this reflection on one; unless there is some ingenuity in the person who brought out this article, why was it never brought out before?

After careful consideration I have come to the conclusion that the plaintiff's combination patents are valid, as having produced, by their combination, a new and useful result, involving ingenuity of invention. Moreover, with the sale of Panyard's rings the plaintiff gave a guarantee of service for 15,000 miles.

(1) [1842] 1 Webs. P.C. 377.

(2) [1888] 5 R.P.C. 125.

A patent carries with it and secures the right to every mechanical equivalent of the device of the patent.

Apart from the testimony of any other witness, the defendant by his correspondence with the plaintiff and by his conversation with witness Panyard, has absolutely admitted infringement, promised to stop it but did not live up to it. While he was selling Panyard rings at \$1.65 he undersold his at \$1.25.

By his literature in the form of advertisements, he has further disclosed a deliberate intention to infringe.

Witness Wilson says that in October, 1924, he saw, at Cobourg, a ring sold as "an improved Panyard ring" and was closely resembling Panyard's and could be taken for such.

A question was raised at trial that the drawings in the plaintiff's patent were different from the specifications, but that question is settled by the specifications themselves which state that in the drawing the rings are shown in position with both ring sections engaging the cylinder wall—that is after the initial wearing.

The defendant has obtained patents at a subsequent date to the plaintiff's patents, and such patents are no defence to an action of infringement, as already established by numerous decisions.

While, indeed, there may be some slight mechanical variation in the nature of equivalents, in the defendant's Three-way piston ring, as compared to the Panyard rings, the claims of the Panyard patents bear directly on the defendant's rings and they do not disclose a new invention. The Three-way rings indeed involve, in this particular case, the very substance of the invention covered by the plaintiff's patents thereby constituting infringement upon the same.

See *American Dunlop Tire Co. v. Anderson Tire Co.* (1); *Wright and Corson v. Brake Service Limited* (2).

Therefore, there will be judgment in favour of the plaintiff, as claimed by the prayer of the statement of claim, and with costs.

*Judgment accordingly.*

Solicitors for plaintiff: *Henderson & Herridge.*

Solicitors for defendant: *Fetherstonhaugh & Fox.*

(1) [1896] 5 Ex. C.R. 194.

(2) [1925] Ex. C.R. 127.