

Ottawa
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Sept. 12
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Sept. 30

UNION CARBIDE CANADA LIMITED PLAINTIFF;
AND
CANADIAN INDUSTRIES LIMITED DEFENDANT.

Patents—Pleadings—Patent infringement action—Concise description required of right claimed—Plaintiff's title to right claimed—How to plead—Exchequer Court Rules 88, 114(1)(a), (c) and (e).

A statement of claim in a patent infringement action does not disclose a cause of action and will be struck out under Exchequer Court Rule 114(1)(a) if it does not contain a concise description of the exclusive right of which enforcement is sought (Rule 88); and it will not suffice to refer to some unspecified and undescribed invention or to the patent number, whether with or without the addition of the name of the inventor or of the invention or both.

Semble: To describe the right asserted by setting out a number of lengthy and largely unintelligible patent claims might be insufficient, and such a description might be liable to be struck out under Rule 114(1)(c) and (e) as being likely to prejudice and embarrass the fair trial of the action or as being an abuse of the process of the court.

Semble: It is not necessary for the plaintiff to plead any stage in the acquisition of the right sought to be enforced prior to the grant of the patent, but unless the grant of the patent was to the plaintiff himself the subsequent steps by which the right to enforce it became vested in him are material facts which must be concisely stated.

Dow Chemical Co. v Kayson Plastics & Chemicals Ltd [1967] 1 Ex. C.R. 71; *Precision Metalsmiths Inc. v. Cercast Inc. et al* [1967] 1 Ex. C.R. 214, referred to.

APPLICATION.

Roger T. Hughes for plaintiff.

Gordon F. Henderson, Q.C., for defendant.

THURLOW J.:—This is an application for an order:

that this action be dismissed and that the statement of claim and particulars of breaches be struck out under Rule 114 of the Rules of this Honourable Court on the grounds that—

- (a) it discloses no reasonable cause of action;
- (b) it is frivolous and vexatious;
- (c) it may prejudice and embarrass the fair trial of the action;
- (d) it is an abuse of the process of the Court.

IN THE ALTERNATIVE, for an order that Union Carbide Corporation, parent of the plaintiff Union Carbide Canada Limited, be joined as a party plaintiff to this action on the grounds that Union Carbide Corporation retains residual rights in Canadian Patent 766,213 and that it has not been totally assigned to Union Carbide Canada Limited.

On the first branch of the motion three submissions were put forward by counsel for the defendant:

1. that the statement of claim contains no sufficient allegation of a right to be enforced,

- 2 that the allegations of infringement are insufficient to disclose a cause of action; and
- 3 that the particulars of breaches contain an admission that the plaintiff has no cause of action.

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The statement of claim after describing the plaintiff in paragraph (1) and the defendant in paragraph (2) proceeds as follows:

- 3 The Plaintiff is the owner and patentee of Canadian Letters Patent No. 766,213 issued August 29, 1967 for an invention of George M Adams and Sidney J Wakefield entitled "Method of And Apparatus For Treating Plastic Structures And Products Produced Thereby" by virtue of an assignment from Union Carbide Corporation, the assignee of the said George M. Adams and Sidney J. Wakefield, which assignment was made and dated May 20, 1968 and was recorded in the Canadian Patent Office on June 18, 1968 as No. 728,353. The Defendant has infringed the rights of the Plaintiff under the said letters Patent as set out in the Particulars of Breaches served herewith and threatens to continue the said infringement.
- 4 By reason of the assignment to the Plaintiff of Canadian Patent No 766,213 as aforesaid, the Plaintiff Union Carbide Canada Limited has the exclusive right of using the methods or processes described and claimed in the said Letters Patent in Canada and the exclusive right of making, constructing and vending to others to be used, the products of the said methods or processes and the products described and claimed in the said Letters Patent.

Paragraph (5) is the claim for relief.

The particulars of breaches read as follows:

1. The Defendant has since May 20, 1968 and prior to the date hereof, at a number of its plants in Canada, including Riviere des Prairies, Quebec; Brampton, Ontario; Winnipeg, Manitoba; and Vancouver, British Columbia; treated polyethylene film for the purpose of improving ink adhesion thereof by exposing a surface thereof to high voltage electric stress accompanied by corona discharge.
- 2 The acts of the Defendant referred to in paragraph 1 above are an infringement of claims 1, 2, 10, 11, 12, 16 and 17 of Canadian Letters Patent No. 766,213.
- 3 The Defendant has since August 29, 1967 and prior to the date thereof, sold in Canada polyethylene film treated in the manner referred to in paragraph 1 hereof. To the best of the knowledge of the Plaintiff the Defendant has or uses no standard or proprietary trade designation for such film but refers to such film at least on occasion, as "treated" film
- 4 The acts of the Defendant referred to in paragraph 3 hereof are an infringement of claims 4, 5, 6, 7, and 20 of Canadian Letters Patent No 766,213
- 5 The precise number and dates of the Defendant's infringements are unknown to the plaintiff but are known to the defendant. The plaintiff will claim an accounting in respect of all such infringements. The Plaintiff specifically pleads and relies however

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under paragraph 3 hereof, on the sale by the Defendant to Brimley Litho Ltd, of 390 Progress Ave., Scarborough, Ontario of clear plain polythene rolls of tubing "treated one side" as evidenced by the Defendant's Invoice No. M11844 dated May 8, 1969, and under paragraph 1 above on the treatment of the film therein referred to.

The problem raised by the defendant's first submission was referred to by the President of this court in *Dow Chemical Co. v. Kayson Plastics & Chemicals Ltd*¹ where at page 80 he said:

In general, under our system of pleading, a statement of claim for an infringement of a right should clearly show

- (a) facts by virtue of which the law recognizes a defined right as belonging to the plaintiff, and
- (b) facts that constitute an encroachment by the defendant on that defined right of the plaintiff

If the statement of claim does not disclose those two elements of the plaintiff's cause of action, it does not disclose a cause of action and may be disposed of summarily.

While, as far as I know, there is no special rule in relation to claims for infringement of a patent that would exempt such proceedings from this elementary requirement, there appears to be a practice, which is not peculiar to this country, whereby the statement of claim does not describe the particular monopoly right of the plaintiff which he claims to have been infringed but is limited to an assertion that the plaintiff is an owner of a patent bearing a certain number and having a certain title. This patent is not part of the pleadings so that the pleading tells neither the court nor the defendant anything about the rights of the plaintiff that, according to him, have been infringed. Furthermore, if the court or the defendant acquires a copy of the patent, which can be done at a price, more often than not, it will be found that the patent purports to grant to the plaintiff a large number of monopolies and the court and the defendant are left to guess which one or more is the subject matter of the action.

It seems to follow from this departure from the ordinary rules of pleading that the plaintiff then adopts the device found in the statement of claim in this action of omitting to allege any facts that would constitute an infringement of the plaintiff's rights and the statement of claim is limited to a bare assertion that the plaintiff's rights have been "infringed".

The question that occurs to me is whether there is any possible basis upon which such a Statement of Claim can be supported under our Rules.

In *Precision Metalsmiths Inc. v. Cercast Inc. et al*², where the attack on the pleading was restricted to the adequacy of the allegations of infringement and did not raise the point with respect to the assertion of the right infringed,

¹ [1967] 1 Ex. C.R. 71.

² [1967] 1 Ex. C.R. 214.

the President after citing the foregoing passage from the *Dow Chemical* case said at page 220:

At this point, it may be well if I re-state the basic principle involved. A statement of claim must contain a concise statement of the "material facts" upon which the plaintiff relies as giving him a cause of action; it must not contain "the evidence". (Rule 88) Put another way, a statement of claim must contain a statement of the facts that give him a cause of action but must not contain the facts upon which he relies to prove those facts. If the material facts stated by a statement of claim clearly reveal no cause of action, it should be struck out. In an action for infringement of a patent under the *Patent Act*, there must therefore be in the Statement of Claim allegations

- (a) of facts from which it follows as a matter of law that the Plaintiff has, by virtue of the *Patent Act*, the exclusive right to do certain specified things, and
- (b) that the defendant has done one or more of the specified things that the plaintiff has the exclusive right to do

It is not a compliance with the requirement that the material facts be alleged merely to state the conclusions that the Court will be asked to draw, which are

- (a) that the plaintiff is the owner of one or more specified Canadian patents, and
- (b) that the defendant has infringed the plaintiff's rights under such patents.

The opening sentence of Rule 88 reads as follows:

Every pleading shall contain as concisely as may be a statement of the material facts on which the party pleading relies, but not the evidence; such statement being divided into paragraphs, numbered consecutively, and each paragraph containing, as nearly as may be, a separate allegation

To my mind the requirement of this rule that the pleading state "the material facts upon which the party pleading relies" calls, in the case of a statement of claim, for a concise statement of every fact essential to the party's cause of action. Obviously such a statement must include, in a case where interference with a property right is to be the basis for the relief sought, a concise description of the right asserted with a statement of the facts as to how the right arose. What is required, moreover, is not a reference to where information as to the plaintiff's right can be found but a concise description of it sufficient to point unequivocally to what it is that the defendant has violated.

While I have the impression that pleadings of the kind filed in this action have not been uncommon in patent infringement cases this is the first occasion of which I am

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aware when such a statement of claim has been attacked on the ground of inadequacy of the allegation of the plaintiff's right and I was informed in the course of the argument that uncertainty exists among some members of the bar as to how the right should be alleged. Some, I was told, have taken to setting out at length the claims of the patent on which they propose to rely, while others take the view that it has become necessary to allege the making of the invention by the inventor named in the patent and the subsequent grant of the patent, et cetera, as alternatives to allegations of the kind in the statement of claim in his action.

In my opinion there is no necessity in a patent infringement action to plead any step in the acquisition of the right sought to be enforced prior to the grant of the patent itself, since its validity is presumed and it will therefore be for the defendant to raise matters which show invalidity. However, unless the grant of the patent was to the plaintiff himself the subsequent steps by which the right to enforce it has become vested in the plaintiff are material facts and, as I see it, must be concisely stated. That, however, is not the point raised on the present motion. There must be, as well, a concise description of the exclusive right of which enforcement is sought and this requirement in my opinion is not satisfied by a statement that the patent gives the plaintiff the exclusive right to make, construct, use and vend to others to be used some unspecified and undescribed invention.

Nor in my view is the matter advanced or the requirement fulfilled by a reference to the patent number whether with or without the addition of the name of the inventor or the name of the invention as set out in the patent or both. Such a reference is not a statement at all of what it is that the plaintiff has the exclusive right to do and which the defendant is to be alleged to have done. In my view it fails to concisely state an essential feature of the plaintiff's case and because of this, in my opinion, the present statement of claim as framed does not disclose a cause of action. However, even if, on reference to the patent, the scope of the plaintiff's right could be said to sufficiently appear, the paragraph, in my opinion, would still not be a concise state-

ment of the material facts with respect to the right sought to be enforced and the service of such a statement of claim upon a defendant requiring him to file a defence within a time limited by the rules but at the same time making it necessary for him to search for a definition of the right asserted by obtaining at his own expense a copy of the patent and endeavoring to discern what in it is to be relied upon, in my opinion, constitutes an abuse of the process of this court.

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The statement of claim in this action accordingly should not be allowed to stand but in my view it, as well as the particulars of breaches which accompanied it, should be struck out, with leave to the plaintiff to plead anew in compliance with the rules. I should add, however, that in many, if not in most cases the description of the right asserted by setting out a number of lengthy and largely unintelligible patent claims, while perhaps not so susceptible to the objection that no cause of action is disclosed might well be open to the objection that it was not a concise statement of a material fact and might be just as objectionable and liable to be struck under paragraphs (c) and (e) of Rule 114 as being likely to prejudice and embarrass the fair trial of the action or as being an abuse of the process of the Court. As I see it what is required is a succinct description, stripped of all unnecessary and irrelevant verbiage, of the essential feature which the defendant is to be alleged to have taken. To compose such a description may require time and effort but, as I see it, a plaintiff and his counsel should know before the action is commenced what the particular right is that they propose to prove has been infringed and should be able to compose a sufficient description of it.

As the statement of claim contains no sufficient description of the right asserted and as no evidence is admissible on the question (and none was offered), it is not possible, as I see it, to determine whether the allegation of infringement would have been sufficient to disclose a cause of action for the breach of such right if it had been adequately described. I shall therefore refrain from commenting on the sufficiency of such allegations beyond observing (a) that they appear to say more than the allegations which were struck out in *Precision Metalsmiths Inc. v. Cerecast Inc.*

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et al³ and (b) that no heed appears to have been paid to the caution expressed by the President in that case when he said at page 221:

Reference should be made to Rule 20, which provides that, in an action for infringement of a patent, a plaintiff must deliver with his statement of claim "particulars" of the "breaches complained of". Strictly speaking, this rule and Rule 88, when read together, require that the statement of claim should allege the specific things that the defendant has done and that the plaintiff has the exclusive right to do, and the "particulars" delivered under Rule 20 should contain merely "particulars" of such breaches, or, in other words, "particulars" of the "breaches" that have been "complained of" in the statement of claim

The third point taken by the defendant was in substance that the plaintiff, by pleading that "the defendant has since August 29th, 1967 and prior to the date thereof sold in Canada polyethylene film treated in the manner referred to in paragraph 1 hereof," has disclosed that the defendant was using the plaintiff's process prior to the issue of the patent and was therefore entitled to continue to do so after its issue under Section 58 of the *Patent Act* having regard to the decision of this Court in *Libbey-Owens-Ford Glass Co. v. Ford Motor Co. of Canada Ltd.*⁴ In replying to this submission counsel for the plaintiff stated that the word "thereof" was a typographical error and that the word "hereof" had been intended, as indeed appears in paragraph 1. On an affidavit to that effect being filed I would not hesitate to permit an amendment to withdraw any admission implicit in the mistaken use of the word "thereof", if indeed leave to make such an amendment is necessary at this stage under the rules. Moreover, I do not agree with Mr. Henderson's suggested interpretation of paragraph 3 of the particulars of breaches as meaning that the defendant used the process before issue of the patent and it appears to me as well that the point taken by the defendant raises a matter of defence which cannot be resolved without an investigation of the facts and which the court will not determine on a summary application such as this.

In view of the result of the first branch of the defendant's motion the alternative request does not arise but I think I should say, in case the defendant should consider renewing the application at a later stage, that on the material

³ [1967] 1 Ex. C.R. 214.

⁴ [1969] 57 C.P.R. 155.

now before the court, including the statement of Mr. Hughes that he represented Union Carbide Corporation, that that corporation has no interest in the action, does not wish to be heard and will consider itself to be bound by the judgment in the action I would not make an order requiring that corporation to be joined either as a plaintiff or as a defendant in the action.

In the result paragraphs 3 and 4 of the statement of claim and paragraphs 1, 2, 3, 4 and 5 of the particulars of breaches will be struck out with costs and the plaintiff will have leave to plead anew in accordance with the rules of the court.

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