BETWEEN

THE SERVIS RAILROAD TIE PLATE COMPANY OF CANADA, (LIMITED)........ PLAINTIFFS;

1904
Jan. 11.

AND

THE HAMILTON STEEL AND IRON COMPANY, (LIMITED).......... DEFENDANTS;

Patent for invention—Railroad tie plates—Novelty—Patentability—Defence not raised in pleadings—Amendment—Costs.

S, the plaintiffs' predecessor in title, obtained Canadian letters patent No. 20,566, for certain improvements on wear plates for railroad ties which, according to the specification of the patent, consist in a flat, or comparatively flat body, portion provided at its opposite sides with depending flat-edge flanges adapted to enter the wooden body of the cross ties without injuring the same, which flanges are relatively parallel and lie in planes approximately at right angles to that of the said body portion. The inventor claimed (1) a wear plate for railroad ties consisting of a body having projecting flanges at its side edges; and (2) the combination with a railroad rail and supporting cross-tie of a wear plate consisting of a body having projecting side flanges; said plate being interposed between the rail and tie with its flanges entered into the tie longitudinally or parallel with the grain or fibres of the tie. The substance of the invention was the projecting or depending flanges at the edges of the plate adapted to enter the wooden body of the cross ties without injuring the same. S. had also obtained an earlier patent, in 1882, which only differed from the one above set out in having one or more flanges or ribs placed under the plate for insertion into the tie, its object being the durability of railway ties. Prior to S's alleged improvements, iron or steel plates had been used as tie plates, and it was common knowledge that the insertion of such a plate between an iron or steel rail and a wooden tie would give greater durability to the rail. It was also a matter of general knowledge that reduction of the weight of the plate without loss of strength could be effected by using channel iron or angle iron, or by having the plate made

1904

THE SERVIS RAILROAD TIE PLATE COMPANY v. THE HAMILTON STEEL AND IRON CO.

Argument of Counsel.

with flanges or ribs. It was equally a matter of common knowledge that if such flanges or ribs were sharpened they could be driven into the tie, and that such flanges or ribs would in that position assist in holding the plate in place.

Held, that there was no invention in either of the improvements for which S's patents were granted.

2. Costs were witheld because the judgment proceeded upon a defence not raised in the pleadings, but in respect of which defendant was allowed to amend the statement of defence after trial.

THIS was an action for the infringement of a patented invention.

The facts of the case are set out in the reasons for judgment.

September 11th and 12th, 1902.

The case came on for trial, and, after argument, was adjourned *sine die* at the request of the parties to permit of a proposed settlement being effected.

November 11, 1903.

The case not having been settled, was now heard by way of re-argument.

R. G. Code for the plaintiff contended that there was invention in the Servis patents.

The object of the invention is not only to strengthen but to preserve the tie. Thought and study are present in it. (He cites *General Engineering Company* v. *Dominion Cotton Mills Company.* (1). It is useful because it is employed on many railways today. The evidence of the experts shows that there was conception of the invention, first on the part of Servis. (He cites *Griffin* v. *Toronto Street Ry. Co.* (2); *Powell* v. *Begley* (3); *Summers v. Abell* (4); *Jones* v. *Pearce* (5); *Ridout on Patents* (6); *Merwin on Patentability* (7); *Frost on*

(1) 6 Ex. C. R. 309.
(2) 7 Ex. C. R. 411.
(3) 13 Gr. 381.
(4) 15 Gr. 532.
(5) 1 Web. P. C. 124.
(6) 2nd ed., p. 36.
(7) p. 29.

Patents (1). Then the defendants cannot be heard to deny the validity of the plaintiffs' patent because the plaintiffs derive title through the defendants. We purchased our rights from a company in the United States which was practically composed of the same people as the defendant company here. They cannot, then, be heard to derogate from their own grant.

G. L. Staunton, for the defendants, contended there was no invention in the Servis patents. There was a pre-existing "Perkins" patent for tie plates, and Servis simply took out the wooden filler of this plate and applied the plate itself to the tie. The whole invention Servis claims is the flange at the edge of the plate. His invention amounts to nothing more than an application of a previously existing patent, and a mere application is not an invention. (He cites *Harwood* v. *Great Northern Railway Co.*) (2). Again, there was an open *bonâ fide* sale in Canada, by the plaintiffs, of the article covered by their patent before they obtained the statutory extension of their patent from Parliament, in 1900. Therefore, the extension is of no effect. Besides this, Jones obtained his patent, the one defendants claim to be protected by, in the interval between the expiry of the Servis patent and the passage of the Act which sought to extend the life of the latter patent; and this Act especially protects people who had undertaken to make plates in the meantime. This statute must be construed more strongly against the person benefited by the enactment. (He cites *La Compagnie pour l'éclairage au gaz de St. Hyacinthe* v. *La Compagnie des Pouvoirs Hydrauliques de St. Hyacinthe* (3) ; *In re Bower—Barff Patent* (8)

THE JUDGE OF THE EXCHEQUER COURT now (January 11, 1904) delivered judgment.

(1) pp. 27, 28.
(2) 11 H. L. C. 654.
(3) 25 S. C. R. 168.
(4) [1895] A. C. 675.

1904
THE SERVIS RAILROAD TIE PLATE COMPANY
v.
THE HAMILTON STEEL AND IRON CO.
Reasons for Judgment.

The action is brought for the infringement by the defendant of certain patents of invention held by the plaintiff. Of these patents, one has been shown to have been infringed by the defendant, namely, letters patent numbered 20,566 granted on the 12th day of November, 1884, to The Servis Railroad Tie Plate Company "for an alleged new and useful improvement on wear plates for railroad ties," to which, for convenience, reference will herein be made as the Servis Patent of 1884. This patent expired on the 12th of November, 1899, and then under the authority of an Act of Parliament passed on the 7th of July, 1900, (63-64 Victoria, c. 121) it was on the 18th of August, 1900, extended for a term of three years from the date first mentioned; but subject to a provision that any person who had within the period between such expiry and extension acquired by assignment, user, manufacture, or otherwise, any interest or right, in respect to such patented article or improvement, should continue to enjoy the same as if the Act had not been passed, and that such extension should not prejudice any such right or interest so acquired.

In May, 1900, after the expiry of the patent and before its extension as mentioned, the defendant agreed with certain companies, doing business in the State of Illinois, in the United States of America, known respectively as The Railroad Supply Company, The Q. & C. Company, and the Q. & W. Company, to manufacture for them the tie-plates, the manufacture of which constitutes the infringement complained of. The terms and conditions of this agreement were settled and reduced to writing on the 26th day of May, 1900; but was not actually executed by the parties thereto until some time thereafter. The defendant company appears to have executed it prior to August 4th, 1900, and consequently before the extension of the patent in ques-

tion, but of the other companies, parties thereto, one did not execute it at all, and the other two executed it at some time prior to September 11th, 1900, but after the extension mentioned had been granted. These companies were interested as assignees in a number of patents for improvements in tie-plates, and among others, in the United States patent for the invention covered by the Servis Patent of 1884; and during the period between its expiry and extension they exported to Canada, and sold here, a considerable quantity of plates that would have infringed that patent had it then been in force. After the extension of the Servis Patent of 1884 they appear to have made no further shipments of such tie-plates to Canada, but had them manufactured here by the defendant company.

In addition to the defences of want of novelty, utility and subject matter in the Servis Patent of 1884, the defendant company sets up that it had, under the Act authorizing the extension of the patent, and under the agreement referred to, and the circumstances of the case, a right after such extension to manufacture the plates, of the manufacture and sale of which the company plaintiff complains. As I have on other grounds come to the conclusion that there should be judgment for the defendant, it will be unnecessary for me to consider that question, or to determine whether or not the case falls within the statute.

At the hearing of this case, which took place in September, 1902, and when it was nearing a conclusion, I was asked to reserve judgment as the parties were negotiating for a settlement. After a considerable delay, during which the term for which the patent in question was extended expired, I received an intimation that the negotiations for a settlement had failed; and I was requested to give judgment in the

1904

THE SERVIS RAILROAD TIE PLATE COMPANY v. THE HAMILTON STEEL AND IRON CO.

Reasons for Judgment.

matter. As a long time had elapsed since the hearing, a direction was given that the case be set down for argument with special reference to a question that had without objection been gone into at some length at the hearing, that is:—As to whether the patent relied upon was bad or not for want of subject matter, and also with reference to a further question that had not been raised or discussed, namely, whether or not that defence was open to the defendant upon the pleadings as they then stood.

At the argument of the case in November last, counsel for the defendant company moved to amend the statement of defence by adding thereto an allegation that the alleged invention is not subject matter for letters patent, as it did not involve invention. As the question had been dealt with at the hearing, and both parties had given evidence in respect to the issue the amendment was allowed, the plaintiff company setting up in reply that the defendant Company is estopped from relying upon any such defence. The grounds of the estoppel, as I understand them, are (1) that the companies to which reference has been made, or some of them, and who are said to be the real defendants in this action, are in respect of the United States Servis patent the assignees of the Servis Railroad Tie Plate company, from whom the plaintiff company acquired by assignment the Canadian Servis patent of 1884; and (2) that the plaintiff company derives title through one of the said companies to certain other patents set out in the statement of claim. But none of these other patents have been infringed, and no question of estoppel or otherwise arises in respect to them; and with respect to the Servis patent it is clear, it seems to me, that what has occurred does not create an estoppel. The plaintiff company's title to the Servis patent of 1884 came to it

direct from the Servis Railroad Tie Plate Company and not through any of the said companies ; and therefore no question of estoppel can arise.

One David Servis was the inventor of the improvements on wear plates for railroad ties for which the Servis patent of 1884 was issued to the company last mentioned. The object of the invention is stated in the specification to be: to provide a wear plate for the cross ties of railroads, of such construction that it may be cheaply made, readily applied without injury to the wooden cross tie, and effectually operate as an elastic or cushioning support for the rail whereby a comparatively inexpensive provision is made against the shearing action of metal rails upon the cross ties, and the destructive effect of the vertical play of the rails, caused by the movements of rolling stock over them is wholly overcome. To these ends, it is stated in the specification, the improvements consist in a wear plate composed of a flat, or comparatively flat, body portion provided at its opposite sides with depending edge flanges that are adapted to enter the wooden body of the cross tie without injuring the same, which flanges are relatively parallel and lie in planes approximately at right angles to that of the said body portion. Then a claim is made for: A wear plate for railroad ties consisting of a body having projecting flanges at its side edges substantially as described and for the purposes set forth. There is a second claim to the alleged combination to which it is not necessary to refer, the substance of the invention being the projecting or depending flanges at the edges of the plate adapted to enter the wooden body of the cross tie without injuring the same. David Servis was also the inventor and patentee of an earlier improvement in wear plates for railroad ties, in which one or more flanges or ribs were placed under the plate. The patent

1904

THE SERVIS RAILROAD TIE PLATE COMPANY v. THE HAMILTON STEEL AND IRON CO.

Reasons for Judgment.

for this invention was issued in 1882. The object of that invention was stated to be the durability of railroad ties. The iron or steel plate inserted between the rail and the tie prevented the rail from cutting or wearing the tie ; the flanges or ribs strengthened the plate and allowed the latter, without loss of strength, to be of a lighter weight, and the flanges being inserted in the tie, helped to hold the plate in place. The office of the plate and depending flanges mentioned in the Servis patent of 1884 is the same ; the only difference being that as the flanges or ribs are placed at the edge of the plate, there is less tendency for the plate to rock under the weight of an engine or train passing over the rail.

Prior to Servis's alleged improvements iron or steel plates had been used as tie plates; and of course it was common knowledge that the insertion of such a plate between an iron or steel rail and a wooden tie would keep the rail from cutting or wearing the wood of the tie, and so in that respect cause the tie to last longer. It was also a matter of general knowledge that if one wished to reduce the weight of the plate without loss of strength that could be done by using channel iron or angle-iron, or, which comes to the same thing, by having the plate made with flanges or ribs. It was equally a matter of common knowledge that if such flanges or ribs were made thin enough or wedge-shaped or sharpened they could be driven into any piece of wood to which it was desired to attach them, and that such flanges or ribs would in that position assist in holding the plate in place. So for my part I have been quite unable to see wherein there was any invention in either of the improvements for which the Servis patents were granted. And when the question is asked whether there is any invention to sustain the Servis patent of 1884, it makes

no difference, it seems to me, whether we start out with a plain flat plate that any one was free to use, or with the Servis plate of 1882. Regarding the case from either standpoint I agree with the opinion of those witnesses who thought that there was no invention in the alleged improvements of 1884 to sustain the patent in question here.

1904
THE SERVIS RAILROAD TIE PLATE COMPANY v. THE HAMILTON STEEL AND IRON CO.

Reasons for Judgment.

As the judgment proceeds upon a defence which was not raised by the pleadings as they stood at the hearing, although such defence was without objection gone into and discussed at that time, and as an amendment has subsequently been allowed to enable the defendant to take advantage of such defence, there will be no costs to either party.

There will be judgment for the defendant, but no costs to either party.

Judgment accordingly.

Solicitors for the plaintiff: *Code and Burritt.*

Solicitors for the defendant: *Staunton and O'Heir.*