

BETWEEN:

BURNS & RUSSELL OF CANADA LTD. . . . . PLAINTIFF;

AND

DAY & CAMPBELL LIMITED . . . . . DEFENDANT.

Ottawa  
1965

April 5-9  
April 12-15

June 17

*Patents—Infringement—Obviousness of “invention”—Inadequacy of disclosures—Claims excessive—Contra proferentem rule of construction—Assignment—Reservation of rights by assignor—Insufficiency of—Past infringement—Tort—Illegality of assignment.*

Plaintiff brought action in June 1962 against defendant for infringement by defendant since 1958 of a Canadian patent for coating masonry units. The patent was issued in 1958 to a Maryland company which by two instruments executed on December 21st 1961 purported to assign its rights to plaintiff. The first of these included an assignment of the right to damages or profits for past infringements. The second stipulated, however, that it was “subject to the reservation by [the assignor] of all rights and benefits...” Defendant denied plaintiff’s ownership of the patent or that there was any infringement and asserted that the patent was invalid for inutility and obviousness.

The evidence of prior art and available literature established that there was prior disclosure of the composition, of the technique or method, and of analogous uses of substitutionary or alternate materials used to produce a product of essentially the same category as that disclosed in plaintiff’s patent, even though the market for such other product was somewhat different.

The court found that the disclosures did not set out the method of constructing, making, compounding, or using a composition of matter in such full, clear, concise and exact terms as to enable any person skilled in the art or science to which it appertained or with which it was most closely connected to make, construct, compound or use it, and that the claims of the patent covered a much wider area than the disclosures.

*Held*, the action must be dismissed for the following reasons:

- (1) The embodiment of the idea to use this known composition for the known use of coating molded masonry units although new was not unobvious to one skilled in the art, and failed to meet the test that it convey “new and useful” knowledge as distinct from merely summoning up old knowledge out of the quiescence of years to those skilled in the art.
- (2) On application of the *contra proferentem* rule the words used failed to discharge the statutory duty imposed by s. 36 of the *Patent Act*, and the patent was therefore invalid.
- (3) Plaintiff obtained no right to the patent in suit under the assignment of December 21st 1961 in view of the reservation of rights by the assignor.
- (4) It is not legally possible to assign a right to sue for infringement of a patent, which is a cause of action in tort. There is no provision in the *Patent Act* which changes the common law in this respect.



1965

BURNS &  
RUSSELL OF  
CANADA LTD.

v.

DAY &  
CAMPBELL  
LTD.*G. F. Henderson, Q.C. and R. G. McClenahan* for plaintiff.*D. F. Sim, Q.C. and W. M. Thom* for defendant.

GIBSON J.:—This is an action brought by Burns & Russell of Canada Ltd., plaintiff, against Day & Campbell Limited, defendant, for infringement of Canadian Patent No. 523,407 issued April 3, 1956, to the Burns & Russell Company of Baltimore City, Baltimore, Maryland, U.S.A., assignee of the inventor, John A. Sergovic, Bloomfield, New Jersey, U.S.A., for “coating masonry units”, which was assigned to the plaintiff on December 21, 1961.

The patent discloses and claims a method of coating molded masonry building units and the product obtained thereby.

The chronology according to the evidence is as follows:

The patent in this action issued April 3, 1956.

The convention date is January 22, 1949. (See section 29 of the *Patent Act*.)

The application date for this patent was June 16, 1949. (See section 28(1)(b) and (c) of the *Patent Act*.)

The plaintiff alleges an invention date of May-June, 1948.

November, 1948, is the date that the inventor, John A. Sergovic, first disclosed in writing his invention. (See Exhibit E, filed.)

About 1956, in the Toronto-Hamilton, Ontario, area, General Concrete Limited, under a licence granted to it dated June 6, 1955 (see Exhibit 25, filed) from the Burns & Russell Company of Baltimore City, Baltimore, Maryland, U.S.A., began marketing the molded masonry structural building block of the patent in this action, under the trade name of “Spectra Glaze”.

The defendant began marketing a molded masonry structural building block alleged to infringe about 1958.

The said Burns & Russell Company of Baltimore City, Baltimore, Maryland, U.S.A. (not a party to this action) purported to assign this patent to the plaintiff on December 21, 1961, by two separate contracts of assignment. (See Exhibit 5 and Exhibit G, filed.)

This action was commenced on January 26, 1962, in this Court.

The trial of this action took place from April 5 to April 15, 1965.

The plaintiff is a limited company having its Head Office in the City of Ottawa, in the Province of Ontario. It was incorporated sometime prior to December 21, 1961, and it has as its only assets some undisclosed amount of cash, and whatever title was transferred to it by the two contracts of assignment from the Burns & Russell Company of Baltimore City, Baltimore, Maryland, both dated December 21, 1961, and which, as stated, were filed in this trial as Exhibit 5 and Exhibit G. The plaintiff has not granted to any third party in Canada any licence to use the patent in suit No. 523,407. (The licence to General Concrete Limited, and all other licences to use this patent were granted by Burns & Russell Company of Baltimore City, Baltimore, Maryland, and the royalties therefor are payable to that company.) The plaintiff has not and does not now carry on any business of any kind.

The defendant is a limited company having a place of business in the Township of Barton and County of Wentworth, Ontario, and it does business in the Toronto-Hamilton, Ontario, area, among other places. It manufactures and sells concrete building blocks and other products.

The plaintiff submits that the essence of the invention in suit lies in (1) the choice of a polyester to achieve a facing and a bonding to a structural building block thereby enabling a new article of commerce to be obtained; and (2) the upside down technique employing a closed system enabling one to get the desired shapes in a single structural building block.

The plaintiff also submits proof of commercial success to sustain the validity of the patent in suit.

The defendant relies on 3 defences, (1) that the plaintiff is not the owner of the patent in suit; (2) that none of the claims relied upon by the plaintiff is infringed; and (3) that all the claims of the patent are invalid on grounds of inutility and obviousness. Anticipation is not raised.

The first task of the Court before considering the matter of infringement, is to read the patent in suit in order to find out first what, if anything, is alleged to have been invented. Then and only then is it necessary for the Court to apply

1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD.  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J.

1965

BURNS &  
RUSSELL OF  
CANADA LTD.

v.  
DAY &  
CAMPBELL  
LTD.

Gibson J.

the legal tests applicable for the purpose of determining the issues as to invention and utility.

To determine what, if anything, was invented, it is necessary first to read the disclosures to determine what the inventor purports to disclose and the sufficiency of them and then it is necessary to read the claims.

The two, of course, must have unity and coherence for other purposes, and not just for the purpose of determining what, if anything, is alleged to have been invented; and although the Court permits the patentee to be his own lexicographer, the words employed in the disclosures and claims by the patentee must be read with reference to the established rules of interpretation or construction of written instruments among which is the *contra proferentem* rule (interpretation in case of ambiguity against the party who drafted it) which rule in reference to all patent documents is of considerable significance; and the words must also be sufficient to discharge the statutory duty imposed by section 36 of the *Patent Act*.

The disclosures in the patent in suit indicate that the invention relates to a method of coating molded masonry building units, specifically those made from cinders, cement, haytite, clay, or the like, and the product obtained thereby.

The product obtained is and was sold commercially as a substitute for glazed tile clay building blocks, and is alleged to be superior because it can be produced and sold somewhat cheaper, is at least approximately equally resistant to mechanical injuries and temperature changes, is impervious to moisture, eliminates the necessity of a second back-up building unit, and can be produced in different colours, and with any desired surface finish, either smooth pattern or irregular. About the only serious matter making it less desirable is the fact that it soils easier than glazed clay tile blocks do.

The process of the invention is described by the inventor in these words:

The process of my invention involves the use of a relatively shallow mold or tray which may be made of glass, metal or other suitable material, and which is only slightly larger inside than the dimensions of the face of the building unit to be coated. A quantity of the resinous coating composition to be applied is placed in the mold sufficient to cover the bottom surface thereof. A catalyst or other suitable material may be

added to the composition either before or after it is placed in the mold to start the curing of the resin. After the curing of the resin in the composition has progressed sufficiently, the building block or unit to be coated is lowered into the mold with the face to be coated downward. Thus, the weight of the block itself presses this face against the coating material, and the resin is cured while the block is in this position. This may be accomplished by heating the block in the mold, if necessary, to any suitable temperature such as 150-350°F., and usually requires only a relatively short curing or baking cycle, such as 10 to 45 minutes. The coated block is then removed from the mold, and the coating will of course have an outer surface corresponding in finish to the surface of the bottom of the mold.

The inventor indicates that any type of mold may be used.

The inventor claims this to be a combination patent.

The principal ingredient of the composition used is polyester resin. To this is added a catalyst to produce curing of the resin, a solvent that does not volatilize when the resin is cured, a filler, and sometimes a material to make the surface non-combustible.

All of the ingredients of the composition at all material times were commercially available. The disclosures indicate the types preferred by the inventor, but according to the evidence others equally satisfactory were commercially available at all material times.

The inventor then describes how to make the product using the process and instructs that a mold containing this composition has inserted in it a cement or other building block utilizing its weight, and then the whole is placed in an oven or heating chamber for a period of time, ranging from 10 minutes to 45 minutes at temperatures from 150°F to 350°F, when curing or polymerization of the composition takes place; and instructs that no volatile by-products are given off during the curing cycle.

The invention then instructs that the coated building unit when taken out of the oven is then removed from the mold, and nothing further has to be done to it.

The disclosures then state that "The coated products thus made may be made up into wall and building structures in the usual manner by application of mortar to the uncoated sides, and thus produce a structure that requires no surface treatment or finish but that is highly attractive and serviceable."

1965  
BURNS &  
RUSSELL OF  
CANADA LTD.  
v.  
DAY &  
CAMPBELL  
LTD.  
Gibson J.

1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD.  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J.

The inventor then in his patent makes 11 process claims and 8 product claims for the invention.

Process Claims 1, 5 and 8 represent the main substance of all these process claims and read as follows:

1. A method of coating a face of a molded masonry building unit which comprises placing in a mold a heat convertible polyester resin composition that cures without formation of volatile by-products, introducing said unit into the mold with the face to be coated downward while the composition is in a semi-liquid condition, and curing the resin while said unit is in the mold in contact therewith.

...

5. A method of coating one face of a porous building unit such as a cement block, cinder block or the like which comprises introducing into a shallow mold a quantity of a heat convertible resinous coating composition sufficient to cover the bottom thereof, said composition including a polyester type resin and filler, commencing polymerization of the resin in the mold, then introducing the block into the mold with the face to be coated resting on the coating composition, and heating to complete the curing of the resin.

...

8. A method as defined in claim 5 in which the coating composition comprises a mixture of flexible and rigid polyester type resins, a curing catalyst, styrene, pigment, antimony dioxide and chlorinated paraffin.

Product Claim 16 (with the inclusion of words describing a product having a non-combustible material added to it) represents the substance of the product claims and reads as follows:

16. A masonry building unit as defined by claim 10 having an integral molded facing layer of a composition comprising the reaction product of a polyester type resin in the nature of an ethylenically unsaturated alkyd resin and a polymerizable vinyl monomer and a finely-divided inert filler, the composition of said facing layer permeating the adjacent surface of said block, said composition being cured to permanently interlock said facing layer and building unit and to form a facing layer having a hard, smooth, abrasion-resistance surface which is resistant to peeling, crazing and cracking due to blows and thermal shock.

The patent discloses two specific examples of the invention numbered 1 and 2 for the purpose stated by the inventor, namely: "In order that my invention may be more clearly understood, ..." Neither of these examples is the best "method of constructing, making, compounding or using ... (the) composition of matter". Indeed, carrying out literally the instructions in the examples will not produce the product of the invention.

So much for what is alleged to have been invented.

It is now necessary to consider the question of invention. This, of course, must be determined in this case as in all cases.

The defendant in this case has put the claims in issue specifically and seeks to discharge the statutory onus prescribed by section 48 of the *Patent Act* by satisfying the Court by evidence that there is no invention in the patent in suit.

The available supply of polyester resin, which, as stated, is the main ingredient used in the composition to make the coated molded masonry building unit which is described in the patent in suit, was entirely used for military purposes during the last war. It was used, for example, for radar housings for aircraft, for fuel cell liners, and for aircraft protective body armour. During the war a number of companies produced this polyester resin for such military uses. Included among these companies were Pittsburgh Plate Glass Limited, American Cyanide Co. Ltd., and Rhom & Haas Ltd. But after the war there was excess capacity for producing this polyester resin. And the evidence discloses that the volume of use in the last year of the war, 1945, was 4,000,000 pounds, whereas in 1946, immediately after the war, it reduced sharply to 400,000 pounds or, in other words, to 10% of the use just one year before.

There was, therefore, great effort made immediately after the last war, by all persons in the industries which had used polyester resins during the war, or which were in any way associated with them, to find new uses for such polyester resins.

The search was for markets for analogous uses to the wartime uses.

It is, therefore, in relation to these facts which existed at the date of the alleged invention, namely, 1948, that the disclosures and claims in the patent must be considered in relation to the prior art and literature available for the purpose of weighing its cumulative effect in the legal test of invention.

The precise relevant period is up to either the invention date the plaintiff alleges, namely, May-June 1948, or the invention date urged by the defendant, namely, November

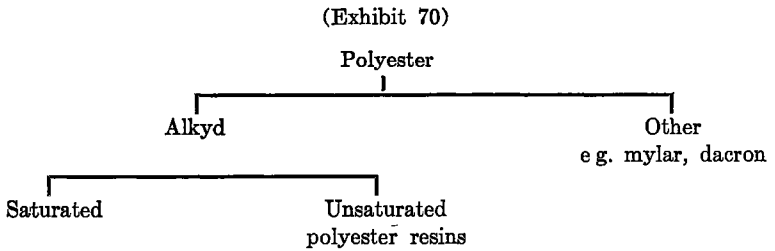
1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD.  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J.

1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD.  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J.

1948, which latter date is the date that the inventor John A. Sergovic first disclosed in writing his invention. Because the period between these two dates is not critical, and nothing turns on it, it is not necessary to determine which date is the true invention date, and adopting either one or other of these dates does not change the result.

Before considering the question of invention, the true meaning of certain terms employed by the witnesses at the trial is now considered and determined.

As mentioned, the main ingredient of the composition used in the application of the patent is an unsaturated polyester resin. As to its categorization in the broad class of polyester, there was disagreement between the plastics expert of the defendant, Mr. Humphrey, and the plastics expert of the plaintiff, Mr. Smith. The area of this disagreement may be stated simply by reference to Exhibit 70 filed, which is reproduced here:



Mr. Humphrey stated that in the broad classification all resins were polyester resins, and, therefore, the word "resins" should be added to the top of Exhibit 70 after the word "Polyester".

Mr. Smith stated that under the saturated alkyd polyester group you could have resins, but they were not polyester resins, and, therefore, it was incorrect in his opinion to classify broadly all polyesters as polyester resins.

It was common ground between these experts that saturated alkyd polyesters will not work in the process envisaged by this patent; and that the polyesters referred to as other (e.g. mylar and dacron) are irrelevant to the issues in this case in that they have no application to the subject process or products.

I prefer the evidence of Mr. Humphrey who defined polyester resins as including alkyds, both saturated and unsaturated, and the category shown as "other" on Exhibit



70, filed, and, therefore, hold for the purposes of these reasons that in the broad classification all are polyester resins.

I now come to answer the question of invention.

In England, this question (was the alleged invention obvious or not?) is answered in this way, as it is put in Blanco White, Patents for Invention, Third Edition, at p. 126, citing the *Moulinage* case, where it is stated:

It has been said that an investigation of the question of obviousness has two stages: first, perception of the advance in the art involved in the claim and secondly, evaluation of that advance in terms of inventive ingenuity; the significance of this division being, that a decision on the first point can effectively be checked for accuracy by an appellate tribunal, whilst a decision on the second in general cannot.

This author then states that in England, the proper way of asking this question is settled. The author says it should be put in the form of the "Cripps question".

If this question were to be asked in reference to a Canadian case the form of this question would have to be changed to make it applicable to Canadian law. For this purpose it is necessary to substitute for the date of the patent the date of the invention, because in Great Britain patents are dated as of their filing date. In addition, priority of invention there depends upon filing and not upon priority of invention. In other words, in Great Britain the first to file is the first to get the patent.

In Canada, patents are dated not as of the date of filing but as of the date of issue.

Therefore, there are two matters of difference that necessitate the change in the form of the question, and both are matters of dates, because, to recapitulate, in Great Britain the date of the patent is the same date as firstly, the date of the filing, and also it is the effective date in so far as that date concerns priorities.

The "Cripps question" in Great Britain (as it was put in this case from which its name is derived) is as follows:

Was it for all practical purposes obvious to any skilled chemist in the state of chemical knowledge existing at the date of the patent which consists of the chemical literature available ... and his general chemical knowledge, that he could manufacture valuable therapeutic agents by making the higher alkyl resorcinols ... ?

1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD.  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J.

1965

BURNS &  
RUSSELL OF  
CANADA LTD.v.  
DAY &  
CAMPBELL  
LTD.

Gibson J.

If this question were modified so as to put a question in a form complying with Canadian patent law and so as to be applicable to this case for the purpose of determining invention or non-invention, the words "existing at the date of the patent" would have to be changed to the words "existing at the date of the invention".

Using this question as modified may be a proper test to employ in a Canadian patent action in certain cases to determine whether or not invention exists; but in this case I do not propose to draft and employ such a question.

In applying this or any other test, however, consideration must be given to the prior art, available literature, and prior use, if any, as adduced in evidence. Such evidence may be more full and cogent than was available to the examiner at the time the patent issued because it is a reasonable inference that in this or in any other action before any Canadian Court when invention is put in issue, the adversary system of jurisprudence will result in there being adduced in evidence much more of the relevant prior art, available literature and prior user, if any, than it was possible for the examiner in the Canadian Patent Office to consider before issuing the patent whose validity is being attacked on the grounds of no invention. As a result, the extent of the burden of the onus in section 48 of the *Patent Act* is brought into question.

In considering the prior art and literature available in the legal inquiry on the question of invention, of course, it is all the prior art and literature available that may be looked at (providing it would be reasonable to read such matters together—that is the prior information may not be indiscriminately mosaiced); and such is addressed to the hypothetical reagent, the "person skilled in the art or science to which it appertains, or with which it is most closely connected". (See section 36(1) of the *Patent Act*).

This hypothetical reagent or mechanic, the Courts have sometimes equated with the "reasonable man" used as a standard in negligence cases.

At other times, the Courts have applied a standard for this hypothetical person in determining whether or not an invention exists by saying that it is or is not "beyond the expected skill of the calling" or "beyond the skill of the routinier".

It should be noted, however, that although the tests are legal, the problem in all cases is to make them soundly factual; and this must be done always armed with hindsight.

The *Patent Act* does not prescribe any rule to be applied to determine whether or not there has been an invention as such. It only prescribes in reference to invention that the subject matter must be "any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter..."

But it also prescribes in section 48 a *prima facie* presumption of validity; and it thereby puts on the person attacking the validity of a patent in any action, on the ground of non-invention, the onus of satisfying the Court from a reading of the disclosures and claims in the patent itself or by adducing evidence, that there was in fact no invention.

Perhaps out of all the tests, one test that may be employed in most cases to reach a correct factual conclusion, is whether the idea conveys "new and useful" knowledge, or merely summons up old knowledge out of the quiescence of years to those skilled in the art.

Those skilled in the art in this case, that is, the addressees of the prior art and the available literature, may be equated to persons such as Mr. Smith and Mr. Humphrey who are competent plastics experts, familiar with the materials relevant to this patent, as, for example, polyesters, monomers, and catalysts; and it may be also addressed to manufacturers and merchandisers of concrete and other structural building blocks.

The deficiencies of one addressee may be made up by the other. (See *Osram v. Pope's* (1917) 34 R.P.C. 369.)

To those skilled in the art, the following knowledge was available at all material times from this pertinent prior art, according to the evidence.

Exhibit H, being U.S. Patent No. 461,890 issued on the invention of one George Richardson, dated October 27, 1891, relating to a method of forming a concrete block, is the basis of one kind of building unit referred to in the patent in suit in respect of which a cementitious facing of a different kind is applied to it.

1965  
BURNS &  
RUSSELL OF  
CANADA LTD.  
v.  
DAY &  
CAMPBELL  
LTD.  
Gibson J.

1965  
BURNS &  
RUSSELL OF  
CANADA LTD.  
v.  
DAY &  
CAMPBELL  
LTD.  
Gibson J.

Exhibit J, being U.S. Patent No. 1,162,172 issued on the invention of one Robert M. Jones, dated March 19, 1915, discloses an invention relating to the formation of a stucco face on building blocks, and a method involving the use of a mold in which a preformed concrete block is placed and in which the weight of the block pressing down on the compound that is put in the mold completes the cure thereby producing a facing of stucco material on the concrete block.

Exhibit K, being U. S. Patent No. 1,509,727 issued on the invention of one Theodore Hostetter, dated September 23, 1924, discloses the pouring of a coating material into a mold in a liquid or a semi-viscous condition; recommends the addition of a hardener to the mixture; advises that a pigment may be added for colour; recommends and suggests a wide use of fillers; and when the mixture is partially gelled, discloses the technique of placing the block in the mold; and informs that the product thereby produced has a molded surface.

Exhibit L, being U.S. Patent No. 1,516,890 issued on the invention of one Charles David Pochin, dated November 25, 1924, discloses a method and a product resulting from the manufacture of blocks for paving and other like purposes; discloses a rubber facing instead of a polyester facing as in the patent in suit; and discloses a product resulting from forming in a mold.

Exhibit M, being U.S. Patent No. 1,721, 367 issued on the invention of L. E. Barringer, dated July 16, 1929, discloses a method of applying an alkyd resin facing to a tile, and a method of applying by dipping, spraying or by a powder.

Exhibit N, being U.S. Patent No. 1,953,337 issued on the invention of one F. L. Carson, dated April 3, 1934, instructs how to apply to a wood block plastic materials, which may be bakelite, rubber, cementitious materials or any other plastic material in a great variety of colour effects. (This is a resin in the broad definition of resin found in this case and it includes the saturated alkyd resins.)

Exhibit O, being U.S. Patent No. 2,120,309 issued on the invention of one F. L. Carson, dated June 14, 1938, instructs as to the method of providing a surfacing material for concrete or steel pipes and it discloses the use of a wide

variety of synthetic resins and it discloses as an object of this invention: "to provide a surfacing material of the class described which possesses the property of admixing with and infiltrating into and through this slurry coat by capillary action so as to form what may be termed a fusion bond between the lining or surfacing material and the body of the concrete".

1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD.  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J

Exhibit P, being U.S. Patent No. 2,193,635 issued on the invention of one Albert E. Marshall, dated March 12, 1940, instructs as to a process in which the body is a calcium sulphate cement and the coating is a thermo-setting resin; and teaches that the coating is placed on top of the body and is molded in heat and pressure to form a facing, and that the product resulting is a unit with a body and a molded plastic surface.

Exhibit Q, being U.S. Patent No. 2,347,233 issued on the invention of one C. G. Abernathy, dated April 25, 1944, relating to a flexible plastic coating for highways discloses that it can be applied to any type of base and that the composition consists principally of a low cost inert aggregate such as sand in a binder together with a colouring material and an agent to provide the desired degree of resilience and that it employs an alkyd resin (which is a polyester resin within the meaning found in this case).

Exhibit S, being U.S. Patent No. 2,413,901 issued on the invention of one C. G. Abernathy, dated January 7, 1947, relating to a method of applying surfacing materials to a bituminous base in surfacing roads, teaches that the coating is an inert aggregate such as sand and a binder such as alkyd resin with or without modifiers and that it is applied by painting or spraying.

Exhibit I, being U.S. Patent No. 999,792 issued on the invention of one John C. Henderson, dated January 12, 1909, discloses a method of facing artificial stone and applying a cementitious facing to it, and instructs that the technique is that of turning the face down and using it to complete the method (as in the patent in suit) and that water is used in this process acts as a catalyst.

To those skilled in the art, there was also available at all material times the pertinent literature Exhibit U, filed, being an excerpt from "Modern Plastics", periodical issue of October 1947.

1965

BURNS &  
RUSSELL OF  
CANADA LTD.

v.  
DAY &  
CAMPBELL  
LTD.

Gibson J.

This excerpt is an article on polyester resins. In it there is a complete description of resins, catalysts, pigments and all the other materials disclosed in the patent in suit which go to make up the composition used. There is also a suggestion that this composition could be applied to a cinder block to provide a bonded facing in colour for decorative building work and could be applied by using a mold and be manufactured in essentially the way described in the patent in suit and in the Henderson patent, Exhibit I.

Considering, therefore, this prior art and the said available literature in relation to the disclosures and the claims in the patent in suit, the conclusion is unequivocal that there was a prior disclosure of the composition, of the technique or method, and of analogous uses of substitutionary or alternate materials used to produce a product of essentially the same category of product as the product disclosed in patent in suit, even though the market for these other products may be somewhat different.

The inventor himself, Mr. Sergovic, according to the evidence, was generally familiar with all this at the material time. He, however, saw a means of merchandising the product disclosed in the patent by adapting and utilizing this knowledge, and was shrewd enough to envisage that it could be marketed in competition with structural glazed tile.

Mr. Humphrey said that having regard to the existing state of the art and available literature at the material time he would have had no difficulty in fabricating the product envisaged by the patent in suit. He said that the article in Modern Plastics, above referred to, would have been sufficient to teach him what to do at the material time.

Mr. Smith was not asked specifically about whether making this product would have been obvious to him, but it is a reasonable inference to draw from his evidence that it would have been. For example, when Mr. Smith was asked what his reaction was when he first saw a sample of this product his reply was as follows:

Q. Had you ever seen anything like it before?

A. No, I hadn't.

Q. Did it make any impression on you?

A. Yes.

Q. Would you tell the Court your impression?

A. I was surprised and delighted at it.

Q. Why were you delighted?

A. Because it looked like a very good application that could lead somewhere

Q. Good application of what?

A. Of the polyester resins.

In my opinion, Mr. Smith's "surprise" and "delight" was caused by the new market outlet for the polyester resins which were then in excess supply, and not by the application of the inventive mind.

In my opinion, therefore, the embodiment of the idea to use this known composition for the known use of coating molded masonry units although new was not unobvious to one skilled in the art, and employing the test above referred to, namely, "whether the idea conveys 'new and useful' knowledge, or merely summons up old knowledge out of the quiescence of years to those skilled in the art", on the evidence the defendant has satisfied me that the inventor did not make a useful addition to the stock of human knowledge and gave no consideration to justify the granting of a monopoly; and it follows that the product obtained by adapting this known composition to this new use does not entitle the plaintiff to a patent.

In my opinion, also, the disclosures and the claims in the patent in suit do not have unity and coherence. The disclosures do not set out the method of constructing, making, compounding or using a composition of matter in such full, clear concise and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most closely connected to make, construct, compound or use it. But the claims following the disclosures are broad and cover a much wider area than the disclosures and do not read in unison with them. Therefore, the *contra proferentem* rule applies with the result that the words used do not discharge the statutory duty imposed by section 36 of the *Patent Act* and, therefore, for this reason also, the plaintiff is not entitled to a patent and it is invalid.

The commercial success, which the plaintiff stressed, in my opinion on the evidence was due to a number of matters, and it is difficult to specifically allocate any precise weight to each of these matters. Among such matters,

1965

BURNS &  
RUSSELL OF  
CANADA LTD.

v.  
DAY &  
CAMPBELL  
LTD.

Gibson J.

1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J.

firstly, was the merchandising ingenuity of Mr. Sergovic and of Mr. Alexander H. Russell, the president of the plaintiff company, and of Burns & Russell Company of Baltimore City, Maryland, who saw the commercial possibility of the product disclosed in the patent by using the polyester resins then in excess supply; secondly, the fact that there was a material change in the conditions of the market in that there was a tremendous market after the recent war for the product and the analogous product, viz., structural glazed clay tile, which it was sought to substitute, by merchandising the product disclosed in the patent, in the new schools, factories, etc., which were being built in great numbers, and in the construction of which these products were mainly used and which was an expanding market at the time; thirdly, that the product produced utilizing the invention was marketed under the trade name "Spectra Glaze" which received wide acceptance among architects and builders because of good quality control, and all the licences under the patent in suit were coupled with licences to use this trade mark; and fourthly, all licences to use the patent in suit included licences to use other patents not in suit but related to it and to other matters. Because of all of these matters it is impossible to isolate the commercial advantage, if any, of the licence of the patent in suit; and it is likewise impossible to infer that this commercial success is any proof of invention in this case.

In view of this decision on the question of invention, it is not necessary to deal with the defence of inutility.

It should, however, be mentioned that the submission of the defendant that this action is improperly constituted, in my opinion, is also sound in law.

The plaintiff, as stated earlier in these reasons, commenced this action on January 26, 1962, after having obtained an assignment of the patent in suit on December 21, 1961, from the United States company known as the Burns & Russell Company of Baltimore City, Baltimore, Maryland, U.S.A. It did so by two separate contracts of assignment. (See Exhibit 5 and Exhibit G, filed.) The plaintiff thereby purported to become the patentee as defined in section 2(h) of the *Patent Act* and entitled to the rights, privileges and liberties prescribed in section 46.

Both the contracts of assignment, Exhibit 5 and Exhibit G, were executed on December 21, 1961.



Exhibit 5 was registered in the Canadian Patent Office. (See section 53 of the *Patent Act*.) This assignment purports in its granting clause to be in absolute terms which granting clause reads in part as follows:

...by these presents hereby sells, assigns and transfers unto the said Burns & Russell of Canada Limited its successors and assigns its entire right, title and interest in and to Canadian Letters Patent No. 523,407 ... together with the right to claim and recover damages or profits with respect to past infringements.

This assignment, save and except for the clause "together with the right to claim and recover damages or profits with respect to past infringements" is clear and unequivocal and purports to confer absolute legal title on the plaintiff. I say all, except for this clause, which is meaningless, because this clause purports to assign the right to sue for past infringement which is a cause of action in tort. It is not legally possible at common law to assign a tort and there is no provision in the *Patent Act* which changes the common law in respect thereto.

Exhibit G, contract of assignment, however, is entirely different and it is the one that is relied upon between the plaintiff and the United States Company, Burns & Russell Company of Baltimore City, Maryland. The granting clause in this contract of assignment is "subject to the reservation by the Burns & Russell Company of Baltimore City of all rights and benefits, including the right..." On a true interpretation of the meaning of this contract of assignment the plaintiff has obtained no title or right whatsoever to the patent in suit.

Therefore, the plaintiff's action against the defendant is improperly constituted in that the plaintiff is not a patentee within the meaning of section 2(h) of the *Patent Act*, and, irrespective of the above finding of no invention, the plaintiff, therefore, for this reason, has no claim against the defendant.

In the result, the action is dismissed with costs and the counterclaim is allowed without costs; and there shall be a declaration that Canadian Patent No. 523,407 is void.

1965  
 BURNS &  
 RUSSELL OF  
 CANADA LTD.  
 v.  
 DAY &  
 CAMPBELL  
 LTD.  
 Gibson J.