Between

1905
May 8t

P. M. SHARPLES AND HERBERT McCORNACK..... } PLAINTIFFS;

AND

THE NATIONAL MANUFACTURING COMPANY, LIMITED..... } DEFENDANTS.

Canadian Patent No. 78,151 for steadying device in cream separators—Improvement on old device — Narrow construction—Application for writ of sequestration to enforce compliance with judgment.

The invention in question consisted in the substitution of an improved device for one formerly in use as part of a machine, (in this case a tubular cream separator).

Held that the patent must be given a narrow construction and be limited to a device substantially in the form described in the patent and specification.

[In this case the plaintiffs after judgment applied for a writ of sequestration to enforce compliance with injunction restraining further infringement by the defendants of the patent in question. The writ was refused.]

THIS was an action claiming an injunction and damages from the defendants for an alleged infringement of Canadian patent No. 78,151 for an improved steadying device to be used in centrifugal machines.

The facts of the case are stated in the reasons for judgment.

March 16th, 1905.

The case was heard at Ottawa.

C. H. Masten, for the plaintiffs, contended that the issue of anticipation must be found for the plaintiffs. As soon as the steadying device was perfected the patent was applied for in Canada. The "iron drag" was not an anticipation, and the "brass drag" was patented as soon as it was found to fulfil its function

as a frictional steadying device for use in cream separators. By this device the tendency of the suspended bowl of the separator to wobble when the machine is run at high speed is reduced to a minimum. The spring instead of a weight to overcome inertia, together with the lateral movement in a horizontal plane of the socket in which the spindle is inserted, constitutes the essence of the plaintiff's invention. The defendants' drag is the same in purpose and construction. We were the first to use a spring to create friction for the purpose of overcoming inertia in the construction of cream separators, and our patent should be protected.

We have not contravened section 37 of *The Patent Act* either in respect of non-manufacture or improper importation. The price of $35 demanded for our patented invention was reasonable under the circumstances in evidence. (*Anderson Tire Company* v. *American Dunlop Tire Company* (1); *Hambly* v. *Wilson* (2); *Power* v. *Griffin* (3).

W. White, K.C., (with whom was *F. B. Fethers-tonhaugh* and *G. Delahaye*) for the defendants, argued that there was a clear anticipation of the "brass drag" device in the "iron drag" that is now the property of the public. The top bearing claimed in plaintiff's patent is not only found in the "iron drag" but is frequently used in centrifugal machines. The American patents issued to Klots, and Morrison, and produced in evidence, also anticipated the plaintiff's patented device. The "iron drag" is as much within the specification of the plaintiff's patent as the "brass drag."

Again, spring devices were in use for the purpose of producing friction before the plaintiffs' patent. The Morrison patent in evidence shows them.

(1) 2 Ex. C. R. 576. (2) 5 Ex. C. R. 82.
(3) 7 Ex. C. R. 363; 33 S. C. R. 39.

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The plaintiffs have not manufactured all the parts of the combination patented by them; they only make the lower bearing. All the parts must be manufactured to comply with the terms of sec. 37 of *The Patent Act.* The plaintiffs' test book shows that they manufactured the lower bearing after the time allowed by law for experimental user, and so it became public property.

The refusal of the plaintiffs to sell the patented invention at a reasonable price is fatal to the patent.

Mr. Masten replied

THE JUDGE OF THE EXCHEQUER COURT now (May 8th, 1905,) delivered judgment.

The action is brought to restrain the defendants from infringing Letters Patent, numbered 78,151, granted on the 11th day of November, 1902, "for alleged new and useful improvements in shaft mounting for centrifugal machines, &c." and for an account and damages for infringement thereof.

The invention, as described in the specification, relates to improvements in the mounting of rotary machinery of high velocity; and particularly of centrifugal machines having rapidly rotated drums, in which to subject material loosely carried therein to the centrifugal action developed by rapid rotation. In this class of machinery, to use the language employed in the specification, peculiar nicety of adjustment of the supporting mechanism to particular conditions is required in order to secure satisfactory operation; extraordinary speed of rotation being combined with a varying weight of mobile matter; the slightest shifting of which, or the development otherwise of any undue influence, tending to more or less seriously interfere with the proper operation of the machine. The object of the invention, as stated in the specifica-

tion, is to so construct and arrange the rotary shaft or drum and its bearings as to provide for an automatic adjustment of the same to correspond with or correct any variations of the mechanical axis, from the natural axis of rotation; and to this end the invention consists, it is alleged, first, in certain improvements in the supporting bearing whereby the axis of the shaft may be shifted under stress, though constantly tending to return to normal; secondly, in providing a flexible spindle adapted to readily bend under stress developed during rotation, so as to permit the rotating mass to adjust itself to the natural axis of rotation when said axis does not coincide with the normal mechanical axis of the shaft; thirdly, in providing a non-rebounding frictional steadying device adapted to limit and stop any swaying movement of the drum or shaft; and lastly, in the combination of these several features to effect jointly the corrections called for by the disturbing forces occurring during rotation. There are eleven claims made by the inventor, of which the plaintiffs in this action rely upon the first, second, third, fourth, fifth and ninth. The latter claim, which for the purposes of this case, may be taken as including the others, is made in these terms:—

"The combination with a shaft and a suspension bearing therefor, of a non-rebounding laterally movable friction steadying device arranged to contact with the depending portion thereof when the latter is swayed from the normal axis of rotation."

So far the language is general and relates to centrifugal machines of all kinds. But the invention was made in experimenting with cream separators, and the only use to which it has as yet been put is in the manufacture of such separators, the different elements or features described and shown in the drawing attached to the specification, constituting both sepa-

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rately and in combination parts of a complete cream separator. It is in that aspect of the case only that the invention comes under consideration in this case.

No attempt has been made to sustain the first or second features of which the invention is said to consist. The issues have been confined to the third feature, the frictional steadying device, and to the latter in combination with the other features described. Prior to the invention now in question the plaintiff, P. M. Sharples, had manufactured and sold cream separators, in which all the elements or features now claimed appeared, including "a frictional steadying device adapted to limit and stop any swaying movement of the drum or shaft;" and these were arranged, or combined, if that term is preferred, in the same way as the corresponding parts in the present invention are arranged or combined. In the steadying device or drag first used the result obtained was due to the inertia and weight of the drag moving upon a horizontal plane. In the improved form of the device, its weight was so reduced as to be a matter of no consequence, while a spring was used to give the necessary frictional resistance. There is some question as to whether the former was also a "non-rebounding frictional steadying device"; but it seems to me that it was, the difference being only one of degree; but yet a difference in degree so great that a very much better result is obtained. For the earlier improvements made by the plaintiffs in cream separators no patent was taken out in Canada within the time limited therefor; so that when the application was made in Canada for the present patent the public here had a right and were free to make and use tubular cream separators in which all the elements or features or parts described in the present patent existed and were arranged or combined in the same way. What

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was at the time new, and not open to the public was the improved form of the steadying device, which is spoken of in the evidence as the brass drag. Now with regard to the issues as to novelty, subject matter and utility, it is immaterial whether the invention is taken to consist, in the improved form, of this steadying device, or of the latter in combination with the other elements or features described. In either view of the matter these issues should, I think, on the evidence in this case, be found for the plaintiffs, and I so find.

Then, there are allegations that the patent in question is void, and should be so declared:—

1. For failure to manufacture the invention in accordance with the statute;

2. For the importation of the invention contrary to to the statute;

3. For refusal to sell it to the defendants, on request, at a reasonable price.

With regard to these questions it is a matter of some importance to come to a conclusion as to what the invention covered by the patent really was. It is clear of course that it was not a cream separator, of which the improved steadying device, either alone, or in combination with the supported shaft or drum, formed part. And then, with regard to the alleged combination of the steadying device with the tubular drum having a suspension bearing, there is nothing new except the particular form of the steadying device, and all the rest is old both as to form and arrangement. And whether the steadying device is considered as itself a part of the separator or machine, or as a feature of a combination that formed a part of such separator or machine, the invention consisted, it seems to me, in the substitution of one steadying device for another, and that the patent, if it is to be

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sustained, must be given a narrow construction and be limited to the use of a steadying device substantially in the form described. In the present action no attack is made upon the validity of the patent on the ground that more is claimed than the inventor was entitled to claim, and nothing stands in the way of holding it good in respect of the improvement mentioned. And if it be limited to that there are no grounds for declaring it void either for importation contrary to the statute or for failure to manufacture it in Canada, in accordance with the statute.

But not only must an inventor, or his assignees, after the lapse of the period prescribed by the statute, carry on in Canada the manufacture of the invention patented, he must also do this in a manner that any person desiring to use it may obtain it or cause it to be made for him at a reasonable price. (*The Patent Act*, s. 37 (*a*)). When the time had arrived for the plaintiff Sharples to manufacture the invention in Canada, the defendants, who are also manufacturers of cream separators, applied to his agents to have the invention made for them at a reasonable price for use in their business, and there was correspondence and negotiation on the subject. What the defendants wished to purchase were the brass drags or steadying devices. All the other parts of a tubular cream separator were free to the public, and to them as a part of that public, and it was also open to them to use the same in connection with a steadying device, provided the latter was not an infringement of the device covered by the plaintiffs' patent. The negotiation, however, was carried on in general terms, the defendants asking for the article covered by the patent and the plaintiffs naming a price for that article. In the conclusion the plaintiff Sharples, through his solicitor, offered on receiving an order with a satisfactory guar-

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antee of payment, to cause to be made for the defendants the patented invention as shown in the drawings and specification (excepting the supporting frame and the feed tube) at the price, on an order for one hundred and twenty, of thirty-five dollars a piece. The price did not suit the defendants and nothing more came of the negotiation or offer. Now, in the view I have taken of this case, what the plaintiff Sharples offered to furnish, and for which a price was named, included a good deal more than the invention for which the patent can be sustained. At the same time it was, I think, reasonable for him to take the view at the time that the patent covered what he offered to sell at the price named. And I am not prepared to say that the price asked for the parts of a tubular cream separator shown in the drawings attached to the patent (excluding the frame and feed tube) was, under the circumstances, an unreasonable price, especially as there was nothing very definite as to the size of machine for which the parts were needed; and that being so, I do not think the case is one in which the patent should be declared void for failure to sell for a reasonable price, there being a *bonâ fide* controversy, not free from doubt or difficulty, as to what the thing was that the patentee was bound to manufacture and furnish.

Then with regard to the issue as to infringement, it is conceded that the second steadying device or drag that the defendants used, which is shown and illustrated by Exhibit No. 14, was an infringement of the plaintiffs' device, if as to that the patent is, as I think it is, sustainable. With regard to the form of a steadying device exemplified by Exhibit No. 17, which may be briefly described as a ball moving in a socket, I have seen no reason to change the conclusion that I formed at the hearing that it is not an infringement. With respect to the form of a steadying device or drag

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shown and illustrated by Exhibit No. 16, and now in use by the defendants, I am of opinion that in that form, and constructed as that is, it is an infringement. It is argued that it is merely the reverse of No. 17, being a socket moving over the surface of a ball. But an actual test of No. 16 will show that the contact ring into which the hollow spindle is inserted is so constructed as to have under pressure a lateral movement bodily in what approaches a horizontal plane, and substantially in the same way and manner as the device mentioned in the plaintiffs' patent may be moved. And otherwise the two devices are very similar. It is said that this is due to the faulty construction of the particular device. That matter cannot at present be determined. The facts will no doubt be brought out on the reference that will be directed. So far as those in use are so constructed as to have under pressure a lateral movement bodily in what is substantially a horizontal plane, instead of a movement about an imaginary or fixed point as in the case illustrated by Exhibit No. 17, they will be taken to be infringements of the plaintiffs' device.

There will be judgment for the plaintiffs; and an injunction to restrain the defendants from infringing the plaintiffs patent No. 78,151, as herein construed; also a reference to the registrar of the court to ascertain the damages. The plaintiffs are also entitled to their costs.

Judgment accordingly.

Solicitors for plaintiffs: *Masten, Starr & Spence.*

Solicitors for defendants: *Delahaye & Reeves.*

On the 10th day of July, 1905, the plaintiffs moved for an order directing a writ of sequestration to issue

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against the defendant company for an alleged contempt of court in continuing to infringe the plaintiffs' patent after the order for an injunction restraining such infringement had been entered.

C. H. Masten in support of the motion;

G. Delahaye, contra.

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On the 4th day of October, 1905, THE JUDGE OF THE EXCHEQUER COURT dismissed the motion for sequestration, with costs. The learned judge filed the following reasons for his judgment upon such motion.

This is an application for an order of sequestration against the defendant company for an alleged contempt in disobeying an injunction granted on the 8th day of May last, whereby the company was restrained from infringing a certain patent of the plaintiffs for useful improvements in shaft mounting for centrifugal machines; or in the alternative for an order that a writ of attachment should issue against certain officers of the company for such contempt.

The plaintiffs and the defendant company are manufacturers of tubular cream separators, the former in the United States of America, the latter in Canada. The company in establishing its business in Canada has followed very closely in the plaintiffs' footsteps and makes in Canada cream separators that do not differ in any material respect, other than that to which reference will be made, from those manufactured in the United States by the plaintiff Sharples. So far as the art has as yet proceeded, it is necessary in making a tubular cream separator to have a steadying device or drag adapted to limit and stop any swaying movement of the drum or shaft of the separator. For the first steadying device or drag of that kind used by the plaintiffs in making tubular cream separators they did not take out any patent in Canada, and it became in Canada public property. Later they obtained in Canada a patent that was held in this court to protect an improved form of such device; and an injunction was granted restraining the defendant company from infringing the patent in that respect.

On the trial of the action three forms of such steadying devices or drags that the defendant company had made and used were exhibited, and marked respectively No. 14, No. 16 and No. 17. All bore a close resemblance to that made by the plaintiff Sharples under the patent then in question. It was conceded that No. 14 constituted an infringement, if the patent were good and covered the device or drag made by Sharples. It was held that No. 17 was not an infringement, and with respect to No. 16 it was held that when constructed as the one before the court was, it did infringe, the test applied being whether the contact ring in which the hollow spindle was inserted was so constructed as to have under pressure a lateral bodily movement in what approached a horizontal plane, and substantially in the same way and manner as the device mentioned in the plaintiffs' patent moved under like pressure.

The present application is made

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upon two grounds:—First, on the ground that since the order for the injunction the defendant company has sold separators containing steadying devices or drags identical with those that were held to be infringements of the plaintiffs' device; and secondly, that the company has since the hearing and judgment adapted another form of such device or drag that is, it is argued, an infringement of the plaintiffs' patent, and within the terms of the injunction order mentioned.

With regard to the first ground mentioned, I do not think that any sale has been so brought home to the company or to any of its officers as to justify the conclusion that there was any wilful disobedience of the order of the court. The plaintiffs will not in that behalf be without a proper remedy, and for the rest the case is not one which calls for the exercise of the authority of the court to punish for contempt.

Then with regard to the new steadying device or drag used by the defendant company there is, as there was in the cases illustrated by Exhibits No. 14, No. 16 and No. 17 referred to, a very close resemblance in appearance between it and that made by the plaintiff Sharples under his Canadian patent. The same object is obtained in much the same way. But that is in this case no objection, for the same might be said of the first steadying device or drag used by the plaintiffs, which is now free to the public. The improvement in the device covered by the plaintiffs' patent lies in the use of a spring to create the necessary friction, instead of relying for that purpose on the weight of the drag; and if that is to exclude anyone from using a spring for any purpose in constructing such a drag or device, then I should think that the defendant's present device is an infringement of the plaintiffs'. But I have not been able to come to that conclusion. If I had I should have held that the drag illustrated by Exhibit No. 17 was also an infringement. In view of the well known use of springs for like and similar purposes it does not appear to me that the defendant company, in making such a drag or device, is precluded from using a spring. An examination of the device now under consideration will show that the contact ring in which the hollow spindle of the drum or shaft is inserted has not under pressure a lateral movement bodily in a horizontal plane as the plaintiffs' device has. It is capable of a lateral movement, not in a horizontal plane, but about an imaginary fixed point. The spring no doubt restrains that movement or rotation to some extent by increasing the friction between the contact ring and that which encloses it, but the spring has another office which is directly opposed to the object aimed at in the plaintiffs' device. As the contact ring in the defendant's drag is moved the spring is compressed on one side and extended on the other, and in that way the spring, according to its strength, operates or tends to cause the contact ring to return to the position from which it was moved. To that extent the defendant's is a "rebounding" device, not a "non-rebounding" device, as the plaintiffs' is. If the plaintiffs' device covered by their patent had been the first to be used I should not have thought that the differences I have pointed out were material. I should have had no hesitation in holding both the device illustrated by Exhibit No. 17 and that now in question to be infringements of the patent. But it was not, as has been seen, the first to be used, and it is necessary to give the patent a narrow construction if it is to be upheld at all. The plaintiffs by not obtaining in Canada a

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patent for the device first used by them gave or dedicated all that was involved in, or incident to it, to the Canadian public, and what they have given, and the public has thereby acquired, the defendant company is free to use. The plaintiffs cannot now detract from their gift by obtaining a patent for an improved form of such device. The patent is good only for the particular form of device described in the patent. And it is no just reproach to the defendant company that it follows in the plaintiffs' footsteps, as long as it does not invade their rights. It is in that way that manufactures increase and commerce grows. It is open to the defendant to adopt any modification of the device first used that does not infringe the particular form or improvement covered by the plaintiffs' patent. In my view the device now used by the defendant company, and complained of on this application, is not an infringement of that patent.

The application is refused, and with costs.