

3, 1939

In the Privy Council.

No. 21 of 1938.

ON APPEAL FROM THE SUPREME COURT
OF CANADA (OTTAWA).

BETWEEN

CANADIAN CELANESE LIMITED (Defendants) Appellants

AND

THE B. V. D. COMPANY (Plaintiffs) Respondents.

CASE FOR THE APPELLANTS.

RECORD

1.—This is an Appeal by special leave from two Judgments of the Full Court of the Supreme Court of Canada, whereby the Court— pp. 374 & 390

(A) allowed an Appeal by the Respondents from a Judgment of the President of the Exchequer Court of Canada, dismissing an Action brought by the Respondents for (*inter alia*) a Declaration that Canadian Letters Patent No. 265960 were invalid and void and were not infringed by the Respondents' manufacture of certain shirt collars as the Appellants had claimed in a still untried Action for the infringement of the said letters patent brought by the Appellants against the Respondents in the Superior Court of the Province of Quebec; and pp. 286 p. 2 pp. 1 & 5

(B) dismissed an Application of the Appellants for a re-hearing following upon the filing of a Disclaimer in respect of the said letters patent. p. 390

THE ACTION.

2.—The Appellants are a Limited Company manufacturing (*inter alia*) cellulose acetate and artificial silk made from cellulose acetate at Drummondville in the Province of Quebec, Canada. They are the Assignees of Canadian Letters Patent No. 265960, granted on 16th November, 1926, to Dr. Camille Dreyfus. They are also the owners of Canadian Letters Patent No. 311185. p. 1

- pp. 1, 2 & 5 3.—The Respondents are a Limited Company carrying on the business of shirt dealers at Montreal. They have been selling collars and shirts with attached collars which the Appellants claim constitute an infringement of each of the said letters patent.
- p. 5 4.—On 25th July, 1935, the Appellants began an Action in the Superior Court for the District of Montreal, in the Province of Quebec, against the Respondents, for an Injunction and damages by reason of the infringement of each of the said letters patent by the said collars and shirts with attached collars.
- p. 1 5.—On 19th August, 1935, the Respondents began an Action 10 against the Appellants in the Exchequer Court of Canada (under Section 60 of the Canadian Patent Act, 1935) in which they claimed a Declaration that the said collars or shirts with collars attached did not constitute an infringement of either of the said letters patent, and a Declaration that each of the said letters patent were invalid and void.
- p. 286 6.—This latter Action was tried at Ottawa in January, 1936, by the President of the Exchequer Court of Canada, who delivered Judgment on 26th March, 1936. By the said Judgment the Action was dismissed with regard to Letters Patent No. 265960, which were declared to be valid and to have been infringed by the Respondents. Letters Patent No. 311185 were declared to 20 be invalid and void.
- p. 304A 7.—The Respondents appealed to the Supreme Court of Canada from that part of the said Judgment which related to Letters Patent No. 265960. (This patent is therefore the only one now in suit.)
- p. 374 8.—The Appeal was heard by the Full Court. In its Judgment delivered on 19th March, 1937, the Appeal was allowed with costs, and Letters Patent No. 265960 were declared to be invalid on the sole ground that the claims were too broad and embraced more than the alleged invention disclosed in the body of the Specification, and that the claims when thus construed were anticipated by some prior patents. 30
- p. 387 9.—Before the said Judgment was drawn and entered the Appellants on 31st March, 1937, filed a Disclaimer (under the provisions of Section 50 of the Canadian Patent Act, 1935) restricting in terms the scope of the claims and expressly excluding therefrom that which the Supreme Court of Canada had held to be too wide. Thereupon the Appellants, in order to avoid the invalidating of the patent, presented an Application to the Court on 27th April, 1937, alleging the filing of their Disclaimer and praying for a re-hearing so that the Court might provide in its formal Judgment for the Disclaimer already filed.
- p. 383
- p. 390 10.—By a Judgment delivered on 1st June, 1937, the Full Court dismissed the said Application with costs. 40

LETTERS PATENT No. 265960.

p. 403

11.—The invention described in Letters Patent No. 265960 relates to new and useful improvements in “fabrics and sheet materials and the manufacture thereof.” It deals with the manufacture of composite sheet material by a novel process. This process consists in the uniting of associated fabrics, at least one of which contains yarns of a thermoplastic derivative of cellulose woven (or knitted) into it, by the action of heat and pressure. The cellulose derivative softens and spreads under the action of heat and pressure, and proper adhesion of the fabric results. In order to assist or increase the softening of the cellulose derivative, use may be made of a softening agent, solvent or plasticiser.

The novelty of the invention resides in the use of a cellulose derivative **in the form of yarns** woven into a fabric, as a means of uniting fabrics under the action of heat and pressure, due to the thermoplastic nature of such cellulose derivative, and either with or without the assistance or application of a plasticiser, softening agent or solvent.

In the result the feature of the invention is the control of the degree of closing of the pores or interstices and the degree of intimacy of union of the fabrics. This depends upon the quantity of thermoplastic yarn woven into the fabric and also upon the degree and duration of heat and pressure applied and upon whether plasticisers, softeners or solvents are employed. Thus the material produced may be water resisting or gas resisting, and may even be water-proof or gas-proof if desired, but it may also be made without closing or reducing to a marked extent the pores or interstices of the component fabrics according to the requirements of the particular industry for which the material is to be used.

The process does away with the necessity of using any adhesive substance applied to or coated on the material to be united, as the adhesive substance used is in the form of yarns woven into at least one of the fabrics to be united.

A composite material is thus produced which before effecting union of the component fabrics, may be easily manipulated, cut, sewn, etc., and which offers many advantages particularly as regards the collar industry.

12.—The nature of the invention is fairly set out in the following paragraph of the Specification :—

“According to the invention, a fabric or sheet material is made by uniting under appropriate conditions of temperature and pressure, woven, knitted or other fabrics composed of or containing filaments or fibres of thermoplastic cellulose derivative or derivatives with woven, knitted or other fabric composed of or containing filaments or fibres of non-thermoplastic or relatively non-thermoplastic material.”

p. 403, ll. 13-18

13.—The fabric “composed of or containing” filaments or fibres of thermoplastic cellulose derivative may be made up entirely of yarns of such derivative, or it may be a “mixed” fabric made up partly of such cellulose derivative and partly of non-thermoplastic material such as cotton, silk or linen. The other fabric or fabrics to which it is to be united may be either wholly or partly made up of “non-thermoplastic material.”

p. 403, ll. 23-25

The respective fabrics may be disposed in any desired relative number in alternation with each other. The Specification mentions in particular a fabric of thermoplastic yarns "disposed between two fabrics of cotton" such as is carried out in the manufacture of Respondents' collars.

The thermoplastic cellulose derivative actually used in practice by the Respondents, and by the Appellants' licensees, is cellulose acetate.

14.—A wide range of properties of the composite sheet material is obtainable under the invention according to requirements. Its application extends to cases where strictly gas-proof properties are required as well as to cases where good permeability is desired, and to other cases covering all intermediate stages. 10

15.—The Appellants adduced evidence at the Trial of tests made under varying conditions, in accordance with the teaching of the patent, and produced samples to illustrate the range of results obtainable under the patent.

These tests and samples bear out the teaching of the patent as to the necessity for the application of heat and pressure on the thermoplastic cellulose derivative, with or without the assistance of a softening agent, in order to secure proper adhesion of the associated fabrics.

Some of the samples are highly resistant to water and air; some are gas-proof; others show very good permeability to both water and air.

At the Trial a demonstration of permeability was given in connection with 20 Exhibit "Z 1c."

16.—The Specification ends with 25 claims. Twenty-four of these are process claims and the last covers the product. Claims 1 to 6 inclusive refer to a "thermoplastic derivative of cellulose." Claims 7 to 12 inclusive refer to "an organic derivative of cellulose." Claims 13 to 18 inclusive refer to "a cellulose ester." And Claims 19 to 24 inclusive refer to "cellulose acetate."

The following claims may be cited as typical:

CLAIM 1.

"A process for the manufacture of composite sheet material which comprises subjecting a plurality of associated fabrics, at 30 least one of which contains a thermoplastic derivative of cellulose, to heat and pressure, thereby softening said derivative and uniting said fabrics."

CLAIM 4.

"A process for the manufacture of composite sheet material which comprises treating a fabric containing a thermoplastic derivative of cellulose with a softening agent, associating it with another fabric, and uniting the fabrics by subjecting them to heat and pressure."

17.—It is the contention of the Appellants that when read as a whole the 40 said letters patent distinctly provide that the derivative of cellulose is to be used in the form of yarns or threads woven into at least one of the fabrics to

be united. Throughout the Specification reference is made to "yarns" and also to "filaments or fibres" of thermoplastic cellulose derivatives. As the filaments or fibres are the very fine elements that go to make up the yarns, the reference to them in the Specification necessarily implies the use of a cellulose derivative in the form of yarns or threads woven into the fabric.

The reference to "a plurality of associated fabrics at least one of which contains a thermoplastic derivative of cellulose" cannot, it is submitted, mean anything but a derivative of cellulose in the form of yarns woven into the fabric. The word "contains" would not be an apt term as applying to
10 a coating on the fabric.

Moreover, the very nature of the invention does not permit of the use of a cellulose derivative in any other form but that of yarns or threads woven into the fabric.

18.—The Appellants have granted licences under the said letters patent to manufacturers in Canada. Licence agreements were entered into with Tooke Brothers Limited, John Forsyth Limited, and Cluett, Peabody and Company of Canada Limited, under which these companies were granted the right to use the said letters patent "to make and sell collars, bosoms and cuffs
20 "that are attached to or are parts of men's shirts or detached collars made
"and sold only with shirts of identical material" subject to the payment to the Appellants of certain royalties. In the United States of America some fifty or sixty licences have been granted, upon which royalties are being collected, on the corresponding United States Patent No. 1903960.

Ex J.1, p. 435
Ex. J.2, p. 438
Ex. J.3, p. 441
p. 436, ll. 2-4,
p. 439, ll. 2-4,
p. 442, ll. 2-4

GROUND OF OBJECTION TO THE PATENT.

pp. 2 & 3

19.—The grounds upon which it was alleged by the Respondents that the said letters patent were invalid may be summarised as follows:—

- 30 (A) That the claims include more than the invention disclosed in the Specification and are not limited to the use of cellulose derivatives in the form of yarns or threads; and that in consequence the claims cover what was old.
- (B) Anticipation by 18 prior Specifications (of which 13 were relied upon by the Respondents before the Supreme Court).
- (C) Want of subject-matter.
- (D) That the Specification is ambiguous.
- (E) That the Specification is misleading.
- (F) Non-utility.

At the trial in the Exchequer Court of Canada, before Mr. Justice Maclean, the question of non-utility was not argued by the Respondents.

The learned Judge found the patent valid, declaring that there was subject-
40 matter of invention, that the patent was not anticipated by prior patents, and that the objections alleged against the Specification were unfounded.

He further held that the patent was infringed.

The Judgment of the Supreme Court of Canada (delivered by Mr. Justice
Davis) allowing the Respondents' Appeal from the Judgment of Mr. Justice
p. 375

RECORD

Maclean is based solely on the point that the claims of the patent are too broad, because they are not restricted to the use of a cellulose derivative in the form of yarns or threads and that, when thus broadly interpreted, the claims embrace more than the invention disclosed in the Specification and are anticipated by prior patents.

The Supreme Court in its Judgment did not deal with any objection other than this to the validity of the patent. Neither did it pronounce on the question of infringement.

THAT THE CLAIMS INCLUDE MORE THAN THE INVENTION
DISCLOSED IN THE SPECIFICATION AND ARE NOT LIMITED 10
TO THE USE OF CELLULOSE DERIVATIVES IN THE FORM OF
YARNS OR THREADS ; AND THAT IN CONSEQUENCE THE CLAIMS
COVER WHAT WAS OLD.

20.—The Respondents contended that the claims of the patent are not limited to the use of a cellulose derivative in the form of yarns or threads, but extend to the use of cellulose derivatives in any form, for example, when they had been applied to a fabric in the form of a coating ; and that in consequence the claims cover what was old.

The trial Judge stated his conclusion on this matter as follows :—

p. 299, ll. 5-13

“ The next point made against the patent on the ground of 20
“ ambiguity is that it is doubtful whether the invention is confined to
“ the use of yarns of cellulose derivatives, or whether it extends to
“ a fabric which contains the cellulose derivative subsequently applied.
“ I think it is quite clear that the Specification is limited to yarns or
“ threads of cellulose derivative that is to say, the thermoplastic yarns
“ of cellulose derivative are woven into one at least of the fabrics to be
“ united, and that is the first step of the invention. I cannot think
“ that the Specification is in any way ambiguous upon this point.”

The Supreme Court in its Judgment acknowledge that :—

p. 380, ll. 20-22

“ The Specification refers to the thermoplastic derivative of 30
“ cellulose being present only in the form of yarns, filaments or fibres
“ woven, knitted or worked into one or more of the layers constituting
“ the final composite product . . . ”

Their Lordships further declare that the invention, as defined in the body of the Specification, is novel :—

p. 378, ll. 34-45

“ There is really no denial of the statement that before Dreyfus
“ this method of uniting two or more materials into one composite
“ fabric was unknown. Prior user is not even set up against the patent,
“ but prior art is relied on. When the prior art is examined it consists
“ entirely in different methods of coating or embedding cellulose or 40
“ other adhesives. In every case the cellulose is spread over, or
“ squirted upon, or embedded in the material leaving a glassy and stiff

“ surface. There is nothing in the prior art of a process for the
 “ manufacture of a composite sheet material made by subjecting a
 “ plurality of associated fabrics, at least one of which contains a
 “ thermoplastic derivative of cellulose in the form of yarns, filaments
 “ or fibres, to heat and pressure, thereby softening the derivative
 “ and uniting the fabrics in a composite material. If that process was
 “ the real invention of Dreyfus, then there was nothing in the prior
 “ art that undermined it.”

10 The Supreme Court then proceeds to allow the Appeal, and hold the patent
 invalid on the ground that the claims are broader than the actual invention
 and are not restricted to the use of a cellulose derivative in the form of yarns
 or threads. As a result of this construction of the claims, their Lordships held
 that the patent was “ clearly anticipated ” by three prior Specifications,
 namely :—

- (A) Van Heusen (United States) 1479565 (1924) ;
- (B) Green (British) 9879 (1889) ; and
- (C) Dreyfus (British) 173021 (1921).

20 In arriving at their construction of the claims of the patent in suit,
 their Lordships considered for the purpose of aiding themselves in such
 construction the wording of the claims of the corresponding British Patent
 (No. 248147) and the corresponding United States Patent (No. 1903960).
 In this connection their Lordships remark as follows :—

30 “ It is difficult to understand why the inventor in defining his
 “ claims in his British Application should have expressly mentioned
 “ ‘ woven, knitted or other fabric composed of or containing filaments
 “ ‘ or fibres of a thermoplastic cellulose derivative or derivatives,’
 “ and in defining his claims in the United States Application should
 “ have expressly mentioned ‘ a fabric containing yarns comprising
 “ ‘ a thermoplastic derivative of cellulose ’ and should have entirely
 “ omitted such words in his subsequent Application in Canada.”

And at a later stage in their Judgment :—

“ In the Canadian Patent involved in this Appeal before us the
 “ inventor did not state in his claims the essential characteristic of his
 “ actual invention though it does appear in the claims in his British
 “ and United States Patents. No explanation is offered.”

21.—The Appellants contend that Mr. Justice Maclean in the Exchequer
 Court took a correct view as to the construction of the claims of the patent in
 suit, and that the Judgment of the Supreme Court in this respect is erroneous.

40 In the Appellants’ contention, the Supreme Court in construing the claims
 as they did, improperly divorced the claims from the body of the Specification.
 In so doing, the Supreme Court, it is submitted, departed from the well
 established principles of construction of patent claims which have been clearly
 enunciated in a long line of decisions.

Further, in the Appellants’ submission, the claims of the patent even if
 construed without reference to the body of the Specification clearly indicate

RECORD
—

that the cellulose derivative to be used is to be in the form of yarns or threads and not in the form, for example, of a coating.

In addition, the Appellants contend that the Judgment of the Supreme Court is erroneous in that their Lordships construed the claims of the patent in suit by reference to and with the aid of the claims of the corresponding letters patent for the same subject-matter in Great Britain and the United States of America.

The Appellants further contend that the Judgment of the Supreme Court is erroneous in that their Lordships (as will appear hereafter) in their second Judgment of 1st June, 1937, indicated that they had construed the 10 claims of the patent in suit having regard to the fact that the Appellants had successfully resisted discovery before the Exchequer Court of Canada in regard to questions which the Respondents desired to put to Dr. Camille Dreyfus the inventor of the patent in suit and the President of the Appellant Company particularly as regards the commercial exploitation of the invention outside Canada.

PRIOR SPECIFICATIONS.

22.—With respect to the prior Specifications the Trial Judge stated :—

“ Not one of them, I think, describes or gives directions to use
“ the idea described and claimed in Dreyfus. Not one of them 20
“ contains the suggestion of uniting two or more fabrics by making
“ use of thermoplastic yarns of a cellulose derivative woven into one
“ of the fabrics to be united ; most of the cited prior art suggests the
“ application of an adhesive substance to be applied to some of the
“ fabrics or materials involved.”

The Supreme Court after construing the claims of the patent in suit broadly, found anticipation in three prior Specifications : Van Heusen (U.S.A.) 1479565—1924 ; Green (British) 9879—1889 ; and Dreyfus (British) 173021—1921 ; but did not specifically consider any other citation.

The Appellants contend that none of the cited Specifications anticipates 30 the patent in suit ; and that the three Specifications particularly referred to in the Judgment of the Supreme Court do not anticipate even if the claims of the patent in suit are construed broadly in the manner set out in the Judgment of the Supreme Court.

23.—(A) VAN HEUSEN UNITED STATES PATENT No. 1479565—1924.

This discloses the use of a cement or binding agent to unite the plies of fabrics in the making of collars. Such cement or binding agent is used in the form of a coating and not in the form of yarns or threads forming part of a fabric.

There is no disclosure of the use of heat where a cellulose derivative is 40 used as coating material. Consequently there is no disclosure of the use of the

p. 294, ll. 36-42

p. 380, l. 36

thermoplasticity of a cellulose derivative for the purpose of uniting fabrics under heat and pressure.

The Appellants submit that Exhibit No. 38 filed by the Respondents which purports to be a sample made in accordance with the teaching of this Specification is irrelevant inasmuch as the Exhibit has been made with a cellulose derivative (nitro-cellulose), and that heat has been used for the uniting of the fabrics contrary to the teaching of the patent.

No use has ever been made of the invention in question. The type of collar described in this Specification is not the familiar Van Heusen collar well known on the market.

The Trial Judge referred to this Specification as follows:—

“ Now there is no reference in Van Heusen to the use of a thermo-
 “ plastic cellulose derivative in the form of yarns, woven into one of
 “ the two or more fabrics to be united, and which may be cut and
 “ sewn and handled like any other fabric, and this, I think, on grounds
 “ of utility, would be much more desirable and convenient than
 “ dealing with pieces of fabrics that were coated with a cementing
 “ material. Van Heusen, in my opinion, is not an anticipation of
 “ Dreyfus.”

p. 295, ll. 30-35

20 (B) GREEN BRITISH PATENT No. 9879—1889.

This has for its object merely to impart to fabric threads and other articles a silk-like lustre. Octro-nitro-cellulose is used for this purpose in the form of a coating applied to the article.

After the coating has been applied the octro-nitro-cellulose is treated to disengage some of the nitric acid.

The solution of octro-nitro-cellulose is squirted through jets on to the fabric in a manner analogous to the application of icing to a cake.

There is no disclosure of uniting or making composite sheet material from a plurality of associated fabrics. The Specification is concerned with coating
 30 and not with uniting articles.

(C) DREYFUS BRITISH PATENT No. 173021—1921.

This is concerned with reinforced sheet webs, plates or the like employed “ as glass substitutes in glazing and for other purposes.” Such sheets are used in association with open meshed metallic or textile fabrics.

One alternative provides for the use of a solution of cellulose ethers, through which an open meshed fabric is passed, thus picking up the required quantity of cellulose ethers to close up the interstices, and the product is then dried. The other alternative provides for the making of a sheet or film of cellulose ether which is united to a metallic or textile open meshed fabric by
 40 heat and pressure. The patent states that the fabric is “ embedded ” in the films. Alternatively, the fabric may be placed between two such films.

This Specification does not disclose the use of a cellulose derivative in the form of yarn or thread, but in the form of a sheet or coating.

There is no disclosure of the uniting of associated textile fabrics to form a composite sheet material.

The purpose of the invention is the production of reinforced sheet webs or plates. In substance, the Specification provides for a sheet of cellulose ether reinforced by a metallic or textile fabric.

Exhibits "Z-11a" to "Z-11f" have been filed by the Appellants and are representative of the product of this invention.

Exhibit 41 filed by the Respondents is, the Appellants contend, not representative of the product of this invention as the fabric used in making the exhibit is a closely-woven one having no transparency, and does not meet the requirements of the Specification, which calls for a glass substitute in which open meshed material is used. 10

24.—BERARD BRITISH PATENT No. 607—1856.

This relates to the application of collodion (nitro-cellulose) as a means for rendering waterproof fabrics and other substances. As an alternative the application of collodion in the form of a coating is used as a means for uniting two fabrics. The collodion may be passed on to a sheet of glass and the film formed may then be united by pressure to cloth, or the film may be used to unite two fabrics. In another form, instead of re-forming the sheet material, the collodion is supplied to the fabric in the form of a coating.

No heat is used.

No yarns or filaments of a cellulose derivative are used for uniting, but sheets 20 or coatings. The only reference to a derivative of cellulose is to nitro-cellulose which is an inorganic derivative of cellulose. No reference is made to cellulose acetate or any other form of organic derivative of cellulose. The reference is to a Provisional Specification which does not appear to have been followed by a complete Specification.

MILLAR BRITISH PATENT No. 17549—1898.

This is concerned with the production of fabrics from liquid or plastic materials. The liquid material exudes from a nozzle in a fine thread-like stream and falls upon the surface of a web.

Cellulose nitrate is used to coat, in the form of streams, a cotton fabric. 30

There is no reference to the use of heat.

The coating thus produced is not a textile fabric as there is, of course, no intertwining of the component parts and it would be quite brittle in view of the fact that it is made of nitro-cellulose, without any plasticiser, and that the streams from which it is made are relatively thick.

KENNEDY UNITED STATES PATENT No. 590842—1897.

This deals with a method of waterproofing cloth and ropes by spraying a solvent thereon. It does not relate to the uniting of associated fabrics.

There is no application of heat and pressure for the purpose of uniting, nor is there adhesion of two fabrics. 40

OLIVER UNITED STATES PATENT No. 607454—1898.

This relates to the making of belting or driving bands which go round pulleys to drive machinery. Two layers of canvas or duck (shown on the drawings

as "A") are impregnated with a solution of celluloid after which they are dried and then pressed together.

There is no mention of the use of heat for the pressing operation.

An enveloping strip (shown on the drawings as "B") which has also been impregnated with the celluloid solution is placed round the final assembly of the two fabrics, and that is pressed to get the final belting.

This Specification is concerned with heavy belting material and not with sheet material such as might be used to make collars. "Canvas" is referred to in each of the claims and is specially distinguished by the inventor from lighter
10 and finer textile fabrics.

The celluloid solution is used in the form of an impregnation of the material and not in the form of yarns or thread.

Exhibit "Z-8" filed by the Appellants is an example of the product covered by this patent.

CROWALL UNITED STATES PATENT No. 665996—1901.

The object of this invention is to produce a compound stiffening fabric.

The method of manufacture is to size two layers of fabric with a waterproof size (whose composition is not disclosed). These two sheets are then united to form a two-ply material. Thereupon two of these assemblies are united by
20 the aid of a glue composition.

No use is made of yarns of any kind for causing the fabrics to adhere.

No reference is made to the use of a cellulose derivative or to heat.

Moreover, as glue is used (which is rendered even more absorbent to water by the use of glucose) such glue would dissolve if the assembly were subjected to the action of water.

Exhibits "Z-9a" and "Z-9b" are samples filed by the Appellants of material made according to its teaching. The product is stiff and in no way resembles the flexible sheet material with which the patent in suit is concerned.

WEIDIG UNITED STATES PATENT No. 696123—1902.

This relates to the preparation of a surgical dressing and particularly to that type of dressing that is used as a substitute for plaster casts, splints and the like. A cotton fabric, muslin, is treated with a nitrating acid mixture, it being stated that the treatment is such that only the exterior portion of the thread becomes nitrated, while the inner portion remains as a core of ordinary cellulose. The cotton fabric so treated, when to be used, is wrapped around the member of the body, and a solvent for the nitro-cellulose is then applied. Thus the nitrated cellulose becomes colloided as a solid mass and the fibrous structure disappears.

The object is entirely different from that of the patent in suit. It does not
30 relate to the manufacture of "composite sheet material." No use is made of yarns of a cellulose derivative for the purpose of uniting nor of heat and pressure.

The nitro-cellulose is not part of the original fabric, but results from the application of a solvent after the cotton has been first nitrated with an acid mixture. The final product is a solid mass of nitro-cellulose in which the fibres are destroyed.

It was admitted by the Respondents' expert witness at the trial that according to this Specification there is no uniting into a single sheet by the application of heat and pressure.

KEMPSHALL UNITED STATES PATENT No. 768129—1904.

This relates to the manufacture of sheet material for covering golf balls or other articles. A fabric is first impregnated with a solution of celluloid and is then placed between two sheets of celluloid and the assembly is united under heat and pressure. The product is a thick, tough and stiff material.

The cellulose derivative is here present not as in the patent in suit in the form of yarns or filaments but as heavy continuous sheets of celluloid. Also, 10 the fabric is first impregnated with a solution of celluloid.

Celluloid sheets as here used are not "fabrics" within the meaning of this word in the patent in suit.

The product is bulky and hard and could not be stitched.

Exhibit "Z-10c" was filed by the Appellants as representative of the product of this invention. Exhibit "Z-10a" is an example of the canvas, and Exhibit "Z-10b" a sample of the celluloid sheet used in making the product.

Exhibit 37 was filed by the Respondents as made under the patent but the Appellants contend that their Exhibit "Z-10c" is more truly representative.

SEGALL UNITED STATES PATENT No. 1322631—1919.

20

This is concerned with uniting textile fabrics with sheets of celluloid by the application of heat and pressure. A thick product results as appears from the drawings of the Specification. Figures 4, 5, 6 and 7 show buttons.

No disclosure is made of the use of yarns of cellulose derivatives for the purpose of securing adhesion.

No cellulose acetate or other organic derivation of cellulose is present.

There is a reference to collars, cuffs and analogous articles, but these are the old-fashioned celluloid collars and cuffs. Soft or semi-stiff collars could not be produced under the patent.

NACHMANN SWISS PATENT No. 77238—1919.

30

This deals with a process for the manufacture of shoe soles from fabrics made watertight by means of celluloid. It relates to the preparation of sole leather in which a plurality of fabrics are first individually impregnated with leather cement containing celluloid. After these fabrics have been partly dried they are pressed together and then the drying is completed.

There is no disclosure of the use of a cellulose derivative in the form of yarns or filaments, the celluloid here being in the form of an impregnation.

No use of heat for the operation of uniting is disclosed.

LE FAGUAYS SWISS PATENT No. 53333—1910.

This relates to the making of surgical appliances in which fabrics of various 40 natures, such as cloth, leather, felt, rubberised fabric, etc., are united with one or more sheets of celluloid. The uniting is done with the aid of a solvent for the celluloid.

There is no disclosure of the use of a cellulose derivative in the form of yarns fibres or filaments. The resulting product is stiff and not flexible, as it has to be used as a splint. The product is not a textile fabric but a plastic mass.

Exhibits "Z-12a," "Z-12b" and "Z-12c" filed by the Appellants are representative of the product of this patent.

The Respondents have also filed samples, Exhibits 42 and 43; but in the Appellants' submission these are not representative as the Specification calls specifically for a rigid product referred to as "composite rigid sheet."

25.—The remaining patent Specifications cited in the Particulars of
10 Objections, and not specifically referred to above, were not relied upon by the Respondents before the Supreme Court. It is the Appellants' contention that none of these other Specifications amounts to a disclosure of the invention the subject of the patent in suit.

26.—No evidence was adduced to show that any of the inventions in any of the cited Specifications had ever been put to use.

In the Appellants' contention there is nowhere to be found in the prior Specifications a disclosure of making composite sheet material by uniting, through the action of heat and pressure, associated fabrics in at least one of which there are woven yarns or threads of a cellulose derivative.

20 In all the instances cited where uniting is to take place, an extraneous substance has to be resorted to in order to produce adhesion, for example, in the form of a coating, or by spraying or impregnating. In no case is there any control over the range of permeability or degree of adhesion. Also the many other benefits derived from the invention which makes it so suitable to the collar industry, such as easy manipulation of the material, the obtaining of constant results, and even simplicity of operation, are not to be found in the cited Specifications.

SUBJECT-MATTER.

27.—Prior to the invention of the patent in suit the only known means
30 of uniting fabrics was by applying an adhesive substance to one of the fabrics in the form of a film or by coating, spraying or impregnating, and thereafter using pressure.

The inventor of the patent in suit conceived the idea of modifying the composition of the fabrics themselves and of using their constituent parts as a means of uniting fabrics under the action of heat and pressure, without the use of any foreign substance. This teaching, in the Appellants' submission, marks a distinct and revolutionary advance upon the prior conceptions in this field.

Owing to the special character of the process, the benefits derived from it are peculiar to this method and do not obtain when other processes are resorted to. The control of the degree of permeability of the composite material and
40 of the degree of adhesion may be adjusted according to requirements in a way that is not possible when an extraneous adhesive substance is used.

Fabrics made according to the invention also possess the quality of easy manipulation, which permits of their being easily cut and sewn without hindrance from glue or other adhesive matter.

RECORD

Constant results without variation in the conditions of union are also obtainable to an extent that would not be possible under different methods.

The Appellants contend that the patent is based on an entirely new idea which departs from all known methods in the field in question and that it gives new and valuable results and they submit that there is ample subject-matter of invention.

It is perhaps not without significance in this connection to observe that (as will appear later under the heading of "Infringement") the Respondents in their manufacture of collars follow almost precisely the process described in the Specification. 10

The Trial Judge held that there was subject-matter, remarking as follows :—

" To unite fabrics by some adhesive, applied in one way or other, such as coating, spraying or impregnating, was known to the art. Dreyfus seems to suggest an entirely new idea, and that is the uniting of fabrics by making use of yarns, filaments or fibres of thermoplastic cellulose derivatives which are woven at least into one of the fabrics and uniting the fabrics in the way I have already described. To suggest the uniting of three pieces of fabric in this way, I think, was a novel step and called for the exercise of the inventive faculty, and, I should also think, required research and experimental work ; and I do not think it was obvious. The idea was, I think, quite novel and patentable, and an idea may be patentable. Subject-matter is demonstrated by the fact that the Plaintiff in the manufacture of its collars follows almost precisely the process which Dreyfus describes in his Specification. Collars are not mentioned in the patent, and there is no reason why they should, but the patent does describe a process whereby, for example, the Plaintiffs' united three-ply soft collar may be made and is being made. The Plaintiff enjoys and employs in a practical way, all the advantages described in Dreyfus." 30

The Supreme Court do not refer to this aspect of the case in their Judgment.

THAT THE SPECIFICATION IS AMBIGUOUS.

28.—(A) PERMEABILITY.

The Respondents contended that the Specification is ambiguous as to whether it is confined to the manufacture of impermeable or relatively impermeable fabrics or whether it applies also to permeable fabrics.

The Appellants contend that the words " permeability " and " impermeability " are relative terms in this connection. All fabrics may be said to be more or less impermeable in that they offer greater or smaller resistance to the passage of liquids or gases ; all fabrics (except those which are completely impermeable) have varying degrees of permeability. 40

The Specification deals at considerable length with the degree of closing of the interstices of the fabrics and states that :

" therefore the degree of impermeability of the compound fabric,

“ or material produced, can vary with the degrees and duration of heat and pressure employed, and with whether plasticisers, or softeners, or solvents are employed, and with the number of fabrics united together, or other circumstances.”

It is further stated that :

10 “ the associated fabrics are subjected to heat and pressure to unite the component fabrics together and give a material possessing a desired degree of resistance to penetration by water or gases, according to the degree and duration of temperature and pressure, the conditions of heat, pressure and time being interdependent.” p. 405, ll. 17-21

There are several other passages to the same effect.

In fact, the wide range of the degree of permeability (or of impermeability) of the composite sheet material produced according to the invention is one of the many benefits derived from the process.

Moreover, when referring to the uses to which the invention may be put, the Specification refers not only to waterproof and to gas-proof fabrics, but declares the invention to be “ capable of other applications.” The final paragraph of the Specification, also states that “ materials made according to the invention may be employed for any other technical or industrial applications.” p. 403, l. 12
p. 406, ll. 40-41

20 In the Appellants' submission therefore it is clear that the Specification does not apply only to impermeable or relatively impermeable fabrics.

Exhibit No. 20 filed by the Respondents as having been produced in accordance with the teaching of the patent represents, in the Appellants' contention, only one application of the invention.

The Trial Judge concluded upon this matter as follows :—

“ I can find nothing in the Specification which would, on any fair or just construction, indicate that the patentee intended to limit his territory to relative impermeable fabrics, or to limit the uses to which the invention might be applied.” p. 298, ll. 40-43

30 The Supreme Court do not refer to this aspect of the case in their Judgment. The Appellants contend that the Judgment of the Trial Judge in this respect is correct.

(B) THERMOPLASTICITY.

The Respondents contended that the Specification is ambiguous in that it leaves it doubtful whether the invention is confined to thermoplastic derivatives of cellulose or whether it includes any cellulose derivative whether thermoplastic or not.

The Trial Judge decided on this matter as follows :—

40 “ It seems to me that the Specification is not in doubt about that. It includes any cellulose derivative that is thermoplastic.” p. 299, ll. 19-21

The Supreme Court did not refer to this aspect of the case in their Judgment.

The Appellants contend that the Judgment of the Trial Judge in this respect is correct.

RECORD

(C) NATURE OF PLASTICISER, SOFTENING AGENT OR SOLVENT.

The Respondents contended that the patent is ambiguous in that the Specification does not make it clear whether the patent is confined to the use of plasticisers and softening agents of high boiling point, or whether it also extends to softening agents of low boiling point and to volatile solvents such as the acetone-alcohol mixture employed in the manufacture of the Respondents' collars.

The Specification repeatedly uses the expression "plasticising or softening "agents or solvents"; and also "plasticisers or softeners or solvents."

According to the evidence before the Exchequer Court there is no marked 10 distinction between these substances, which are usually referred to as a group to designate any material that will act to soften the cellulose derivative. Under the patent their function is the same, namely, to increase the capacity for softening of the cellulose derivative so that the temperature, or the time, or the pressure used in the process may be decreased. (Their use is not essential under the patent, but optional.)

The Specification states that "any plasticising or softening agents or "solvents (preferably high boiling or relatively high boiling) of the cellulose "derivatives may be employed."

The Appellants contend that the word "any" clearly shows that the 20 invention extends to the use of such plasticiser, softening agent or solvent as may be found suitable, whether volatile or non-volatile. Furthermore, the expression "preferably high boiling or relatively high boiling" implies that others may be used.

The Trial Judge expressed himself as follows on this point:—

"I entertain no doubt whatever but that those to whom the
"Specification was addressed would regard 'softening agents' and
" 'solvents' as meaning substantially the same thing, in making
" a practical application of Dreyfus, and they would understand the 30
" behaviour or effect of softeners, or solvents, in interpreting the
" Specification . . . If the Plaintiffs' solvent is a volatile one
" it is still a solvent and the Specification covers any suitable solvent,
" volatile or non-volatile. It matters little whether acetone is described
" as a softener or as a solvent. The Specification covers both."

The Supreme Court do not refer to this aspect of the case in their Judgment.

The Appellants contend that the Judgment of the Trial Judge in this respect is correct.

THAT THE SPECIFICATION IS MISLEADING.

29.—(A) THERMOPLASTICITY OF CELLULOSE ACETATE.

The Respondents contended that the Specification is misleading in that 40 cellulose acetate, which is specifically mentioned as a thermoplastic cellulose derivative which may be employed, is not in fact thermoplastic.

Dr. Esselen, who gave evidence for the Respondents, said that cellulose acetate became thermoplastic at about 200° C. But he admitted that it is possible to mix plasticisers or softening agents with it so as to make it thermoplastic at lower temperatures. p. 72, ll. 10-11
p. 72, ll. 23-26

Herbert Platt, who gave evidence for the Appellants, said that cellulose acetate softened with heat and as such was thermoplastic. He gave practical instances of the use of this property in manufacturing processes at temperatures of 150°—160° C. p. 162, l. 41
p. 162, l. 43 to
p. 164, l. 24

10 Charles W. Levinson gave similar evidence on behalf of the Appellants, and also referred to cases of actual manufactures. p. 227, l. 36 to
p. 228, l. 14

The Respondents' Exhibit No. 29, which was made from a cellulose acetate fabric at a temperature of 155°—160° C., also in the Appellants' contention supports this view.

The Trial Judge expressed himself as follows on the matter :—

20 “ Then it was contended that the Specification was misleading,
“ first, on the ground that cellulose acetate is theoretically but not
“ practically thermoplastic in the range of temperatures mentioned in
“ the Specification. It seems unfortunate that there should be any
“ disagreement upon a point like this. My conclusion is that the
“ contention is not correct.” p. 299, l. 47 to
p. 300, l. 4

After reviewing the evidence he concluded :—

“ The contention that cellulose acetate is not thermoplastic,
“ to say the least, has not been established.” p. 300, ll. 36-38

The Supreme Court did not deal with the point in their Judgment.

The Appellants contend that the Judgment of the Trial Judge in this respect is correct.

(B) METHYL CELLULOSE.

30 The Respondents contended that the Specification is misleading, in that while it refers to the use of methyl cellulose as a possible thermoplastic cellulose derivative, methyl cellulose is not waterproof and therefore could not be used for one of the purposes of the patent, namely, to manufacture waterproof material.

Dr. Esselen gave evidence on behalf of the Respondents that methyl cellulose “ is ordinarily soluble in cold water.” He stated that by cold water he meant water at room temperature. In cross-examination he stated that he had experimented with a material as a textile finish in his laboratory at Boston ; but no report or notes of experiments were produced. He said they were “ more or less cursory experiments.” p. 71, ll. 7-11
p. 71, l. 10
p. 112, ll. 37-42

40 Charles W. Levinson on behalf of the Appellants said that he could not accept Dr. Esselen's broad statement and explained the many varieties of methyl cellulose, depending on the method of making them. He stated that the methyl cellulose used by Dr. Esselen was one recently put on the market as a size for textile fabrics, and was deliberately made water-soluble because it is desirable that sizes should be readily removed from fabrics by washing. This statement was not contradicted. p. 229, ll. 14-33

RECORD

The Trial Judge, after reviewing the evidence, stated :—

“ On the evidence, I must hold this ground of attack is not established. Even the evidence of Dr. Esselen on this point left me with the impression that he himself was a little uncertain as to the opinion he expressed.”

The Supreme Court did not deal with this point in their Judgment.

The Appellants contend that the Judgment of the Trial Judge in this respect was correct.

(C) THERMOPLASTICITY OF NITRO-CELLULOSE.

The Respondents contended that the Specification was misleading in that it states that nitro-cellulose, which is an inorganic cellulose derivative, is thermoplastic, whereas nitro-cellulose is not thermoplastic within the range of temperatures at which it may be safely handled.

The Specification refers to this body as follows :—

“ Whilst fabrics made with yarns or fibres of nitro-cellulose filaments or fibres may be employed in practising the invention this is less advantageous owing to the inflammability of nitro-cellulose.”

Dr. Esselen for the Respondents gave evidence that nitro-cellulose is not ordinarily tested in the laboratory above 135° C. on account of the danger of explosion and that it is not thermoplastic at this temperature.

Charles W. Levinson, for the Appellants, said that nitro-cellulose is thermoplastic, but that the point at which it becomes thermoplastic is so near its explosive point that it would be dangerous to attempt to rely solely on its thermoplastic nature. He went on to say that because of this inflammability plasticising or softening agents would be used to reduce the temperature at which the desired effect is to be obtained.

In the Appellants' contention, in view of the warning contained in the Specification, and the optional use of a softening agent, no one skilled in the art could be misled in this connection.

The Trial Judge stated :—

“ It is agreed that nitro-cellulose can be made safely thermoplastic by the use of a softener, and this probably would be known by those to whom the Specification was addressed.”

After referring to the passage in the Specification quoted above he continued :

“ I do not think the public could be misled by this. The Specification in effect warns those to whom the patent is addressed not to use nitro-cellulose yarns and the reason therefor is stated. I cannot think there is any substance in this point.”

The Supreme Court did not deal with this matter in their Judgment.

The Appellants contend that the Judgment of the Trial Judge in this respect is correct.

(D) OTHER CELLULOSE ESTERS AND ETHERS.

The Respondents contended that the Specification was misleading in that it refers to cellulose derivatives generally and thereby includes many laboratory products not commercially available and many more which, while known theoretically, have never yet been produced.

Dr. Esselen, for the Respondents, stated that there were several hundred cellulose esters theoretically possible. As laboratory products there were probably fifteen or twenty. Substantially the same position obtained as regards cellulose ethers. p. 70, ll. 4-17
p. 70, l. 44 to
p. 71, l. 6

10 Charles W. Levinson, for the Appellants, when asked if he had any reason to believe that any ester or ether (other than those specifically referred to in the Specification) either known or that might become known might not be thermoplastic and might not work properly under the patent, answered :— p. 229, l. 7

“ All the cellulose esters and cellulose ethers that have come to
“ my attention have been thermoplastic and therefore the probabilities
“ are that any others that may be discovered would be thermoplastic
“ rather than non-thermoplastic.” p. 229, l. 10

The Trial Judge observed as follows on this point :—

20 “ Then it is claimed that the patent is bad because the expressions
“ ‘ organic derivatives of cellulose,’ ‘ cellulose esters,’ and ‘ cellulose
“ ‘ ethers ’ are so broadly stated in the patent as to include many
“ derivatives of cellulose, laboratory products, not mentioned in the
“ Specification, many of which are not commercially available, and
“ many of which could not have been known to the patentee. I hope
“ I understand and have stated this point accurately. The classes of
“ substances which I have mentioned were and are perfectly well
“ known but it may well be that there are many species of the same
“ classes not commercially available, known only to laboratory
“ workers, and the list may grow. It seems to me that it is immaterial
30 “ if other species of the classes mentioned, but which fall within the
“ general description of such classes, are not specified, or were unknown
“ to the patentee. I do not think the patent should be condemned
“ on this ground.” p. 301, ll. 27-39

The Supreme Court did not deal with this matter in their Judgment.

The Appellants contend that the Judgment of the Trial Judge in this respect is correct.

NON-UTILITY.

30.—This objection was not argued by the Respondents.

INFRINGEMENT.

40 31.—The Respondents, who are shirt dealers of Montreal, have been selling collars and shirts with attached collars known as “ Tex-Craft ” which the Appellants allege constitute an infringement of the patent in suit. These collars either attached to or detached from the shirts have been since 6th June, p. 4, l. 22
p. 94, ll. 7-10

RECORD

p. 4, l. 19

1935, manufactured by the firm of L. St. Hilaire Ltee of St. Romauld d'Etchemin in the Province of Quebec exclusively for the Respondents and the latter are regarded as the manufacturers thereof by the Department of National Revenue for Canada.

The process (hereinafter called "the Respondents' process") by which these collars are made as described by the Respondents' witnesses at the trial is as follows :—

p. 49, l. 39 to
p. 50, l. 20

Three plies of material are assembled together and sewn in the usual manner. The intermediate ply contains yarns of cellulose acetate (every third warp thread) while the two outer plies are of the same material as that with which the shirt is made. 10

p. 49, ll. 46-47

The assembly is then sent to the "wet press" where it is thoroughly damped with a solvent consisting of a mixture of 75 per cent. acetone and 25 per cent. methyl alcohol. The press consists of two metal platens which are padded and kept thoroughly wet with solvent. The pressure of the press is about ten pounds per square inch. The treatment lasts from 8 to 15 seconds depending on the nature of the fabric used. The effect of the wet press is to soften the cellulose acetate. It is said that "it swells or jellifies" the cellulose acetate threads. 20

p. 50, ll. 30-37

Immediately after withdrawal from the "wet press," the assembly is transferred to a "hot press" which has one metal face and one platen which is padded. This press is steam-heated; its pressure is about ten to twenty pounds per square inch. Its temperature is about 250° F. The collars remain in the hot press about 20 seconds.

p. 51, l. 10

The collars are then ready to be attached to the shirt band. Before this is done they are ironed out as in the final laundry operation of ordinary collars.

p. 406, ll. 43-46

The Appellants contend that the above facts establish that the Respondents infringe the patent in suit. In the terms of the claims of the patent the process has produced "a composite sheet material" by "subjecting a plurality of "associated fabrics" (namely, the three plies) "at least one of which contains "a thermoplastic derivative of cellulose" (namely, cellulose acetate) "to heat "and pressure" in the hot press "thereby softening the said derivative and "uniting the said fabrics." 30

Further, in carrying out the process, as contemplated by the patent, the Respondents make use of a softening agent or solvent, namely, an acetone-alcohol mixture, in order to assist the softening of the cellulose acetate.

32.—The Respondents denied infringement and contended that their process can be distinguished from the process of the patent in suit in a number of respects :— 40

(A) THE EFFECT OF THE HEAT.

p. 78, ll. 19-20

The Respondents contended that in their process the effect of the heat is not to soften the cellulose acetate but to harden it and to drive off whatever solvent may remain.

The Respondents' witnesses stated that the collars would have proper adhesion if left to dry after going through the "wet press" without the application of any heat and that the "hot press" serves to drive off the solvent and to give to the collars a smooth finish and is thus practically an ordinary laundry press. p. 50, l. 25
p. 50, l. 31

The Appellants submit that this contention (although contrary to the facts) even if established would not avoid infringement, as adhesion is caused by cellulose acetate threads woven into the fabric and the softening agent, heat and pressure would still all have played a part in uniting the associated fabrics. The Appellants submit that in any event the purpose with which the heat and pressure is applied is immaterial. 10

The Appellants contend, however, that the effect of the solvent and the heat upon the cellulose acetate in the Respondents' process is just as described in the Specification. The Respondents' witnesses admitted that the solvent "swells or jellifies" the cellulose acetate threads. The effect of putting the collars, still wet with solvent, in the hot press is, in the Appellants' contention, to still further increase the thermoplasticity of the cellulose acetate. Then, when the heat gradually evaporates the solvent the cellulose acetate becomes less plastic and hardens. The pressing operation, which according to the Respondents' witnesses is continued after the evaporation of the solvent, ensures proper adhesion under the action of heat and pressure. 20

The Appellants' contention in this respect is supported by Exhibits "Z-5a," 17 and 28.

(B) PERMEABILITY.

The Respondents contended that in their process there is no closing of the pores or interstices of the fabrics as a result of the spreading of the cellulose acetate as described in the Specification of the patent in suit, and that the composite material has greater permeability after the uniting of the fabrics than before it.

In support of this contention the Respondents produced certain samples (Exhibits 13, 14, 15 and 17) and enlarged stereoscopic photographs (Exhibits 16 and 18) in order to show the condition of the cellulose acetate threads after being subjected to the process. Dr. Esselen gave evidence as to a permeability test with water vapour which showed, it was submitted, increased permeability of the material after processing. 30 p. 67, l. 22, to p. 68, l. 21

The samples and photographs produced by the Respondents all showed material that had been broken apart, and thus the position of the cellulose acetate threads as they were in the material had been disturbed. In the Appellants' contention, however, these samples and photographs do not support the Respondents' contention. 40

Respondents' witnesses admitted that the application of pressure in the course of the process produced a squeezing effect on the cellulose acetate threads which spread, at least to some extent, into the pores and interstices of the associated fabrics. Further, Theodore Loew for the Respondents stated in cross-examination that he did not mean that the collar was more porous when coming out of the hot press than when introduced into it, but rather that the p. 58, ll. 20-38, p. 109, ll. 5-17, p. 141, ll. 27-30
p. 58, ll. 42-47

RECORD

pp. 165-187

p. 234, ll. 7-14

collar was more porous after going through the hot press than if allowed to dry after going into the wet press and without going into the hot press at all.

The evidence of Herbert Platt for the Appellants was based on actual tests, and was to the effect that the final product had less permeability than that of the initial fabrics.

Dr. Esselen's test with water vapour was criticised by Charles W. Levinson, a witness for the Appellants, on the ground that water vapour is not a liquid, and also that a distinction must be drawn between permeability to water vapour and permeability to gas.

The Appellants contend that the Respondents have failed to establish this alleged distinction; but that in any case as the claims of the patent in suit are not limited in respect of the permeability of the product, the matter is irrelevant to the issue of infringement. 10

(C) ACETONE-ALCOHOL.

The Respondents contended that their acetone-alcohol mixture, being a volatile solvent, does not come within the claims of the patent in suit.

In the Appellants' contention the effect of the use of this mixture is to soften the cellulose acetate yarns and as such it falls within the class of substances designated by the Specification "plasticising or softening agents or solvents," the purpose of which is to increase the melting or softening effect of heat upon the thermoplastic derivative. 20

33.—The Trial Judge dealt with the question of infringement as follows:—

"There remains for decision the question of infringement. The Plaintiff claims that it does not infringe Dreyfus, in the making of its collars. First, it is said, the Plaintiff does not make a composite fabric, and that its collar is not a composite fabric. Then it is claimed that the Plaintiff does not make use of a fabric containing thermoplastic yarns of cellulose acetate, that is to say, that the cellulose acetate yarns in the intermediate ply of its collar is not thermoplastic at all. Next it is claimed that if the yarns of cellulose acetate in the intermediate ply has thermoplastic qualities, no reliance is placed upon heat and pressure whereas, it is said, Dreyfus depends exclusively upon the thermoplastic qualities of cellulose acetate yarns and the bringing about of adhesion by heat and pressure. And finally it is claimed that the collar made by the Plaintiff is even more permeable or porous than it was before being processed. I have described the Plaintiff's process, and in doing so I relied on the evidence of one of its own witnesses. From that evidence, and other evidence, I should think it is beyond controversy that the intermediate ply which the Plaintiff employs in the making of its collars contains a predetermined quantity of thermoplastic yarns of cellulose acetate to the square inch, and that heat and pressure is used and relied upon to make a merchantable collar. Neither do I think it has been established by the evidence that the Plaintiff's collar is more porous after it is completed than it was before going through the process described, and I doubt if it can be 40

p. 403, l. 30, p. 404, l. 6, p. 404, l. 22, p. 404, l. 32, p. 404, l. 38, p. 405, l. 15, p. 405, l. 25, p. 405, l. 39, p. 406, l. 27

p. 302, l. 27 to p. 303, l. 12

10 “ established. It seems to me the Plaintiff in the practical sense,
 “ uses precisely the process described in Dreyfus in making collars and
 “ that is done by uniting three pieces of fabric in the manner already
 “ described. The collar is a composite fabric. That there are slight
 “ differences between the process described in Dreyfus and that
 “ followed by the Plaintiff is not of importance. For example, one of
 “ the platens in the press used by St. Hilaire Limited is padded, but,
 “ as explained by the witness Loew, that was necessary because the
 “ edges of the collar are thicker than the body or central portions,
 “ and if the platens were both faced with metal the pressure would be
 “ concentrated upon the edges and the other parts of the collar would
 “ not receive the necessary pressure. The process which Dreyfus
 “ describes and that employed by St. Hilaire Limited are substantially
 “ the same. I am of the opinion therefore that there is infringement of
 “ Dreyfus by the Plaintiff.”

The Supreme Court did not deal with this matter in their Judgment.

The Appellants contend that the Judgment of the Trial Judge in this respect is correct.

REJECTION OF EVIDENCE.

20 34.—The Respondents contended that they had suffered grave injustice pp. 10-48
 at the trial through the disallowal of certain questions put on their behalf on
 discovery to Dr. Camille Dreyfus, the inventor of the patent in suit, and the
 President of the Appellants ; and through the refusal of the Trial Judge to order
 Dr. Camille Dreyfus to attend again for examination to answer the questions
 which had been previously disallowed.

The Appellants contend that the said questions were properly disallowed,
 and that the Trial Judge properly refused to order Dr. Camille Dreyfus to attend
 again for examination to answer the questions which had been previously
 disallowed.

30 In particular the Appellants contend that the Respondents' were not
 entitled to insist that Dr. Camille Dreyfus should answer questions as to the
 commercial exploitation of the invention outside Canada.

APPELLANTS' DISCLAIMER.

35.—The Judgment of the Supreme Court allowing the Respondents' Appeal p. 374
 from the Judgment of the President of the Exchequer Court of Canada, and
 declaring the patent in suit invalid was delivered on 19th March, 1937.

40 Before the said Judgment was drawn and entered the Appellants on p. 387
 31st March, 1937, filed a Disclaimer with the Commissioner of Patents in the
 Canadian Patent Office under the provisions of Section 50 of the Canadian Patent
 Act, 1935, restricting in terms the scope of the claims of the patent in suit by
 expressly disclaiming the use of a fabric containing a derivative of cellulose,
 except where such derivative of cellulose is in the form of yarns, filaments or
 fibres.

p. 388

On 27th April, 1937, the Appellants moved the Supreme Court for an Order directing a re-hearing of the Appeal:—

p. 389, ll. 9-13

“ In order to meet the new conditions that have arisen since the
“ delivery of the Judgment and to provide in the formal Judgment of
“ the Court for the filing already made of the said Disclaimer, the
“ whole upon such terms and conditions as to this Honourable Court
“ may seem just.”

p. 390, l. 34 to
p. 391, l. 6

On the hearing of this Application, leave was given to the Appellants to move that in lieu of a re-hearing of the Appeal the Judgment of the Court should be varied by directing a reference back to the Exchequer Court to determine whether effect ought to be given to the Disclaimer, and whether relief ought to be given under Sub-section (2) of Section 53 of the Canadian Patent Act, 1935. 10

pp. 390 & 391

The Application was accordingly heard and was dismissed by the Court on the ground that the claim for relief by way of Disclaimer was made too late. Their Lordships, without entering upon an examination of the relevant provisions of the Canadian Patent Act, 1935, affecting disclaimers, assumed that such provisions would have afforded relief had they been taken advantage of at an earlier stage.

The following extracts appear to summarise the basis of the Judgment of 1st June, 1937, dismissing the Application:-- 20

p. 392, ll. 38-40

“ We have fully considered the Application of the Respondents
“ and have come to the conclusion that neither a re-hearing of the
“ Appeal nor a reference back to the Exchequer Court can properly
“ be directed . . .

p. 393, ll. 32-36

“ This Court, in disposing of the Appeal, did not find it necessary
“ to consider the issue of infringement, or any of the grounds upon
“ which the Appellants attacked the validity of the patent other than
“ those indicated in paragraphs 1 (A) and 1 (B). Upon these grounds,
“ and these grounds alone, we allowed the Appeal and held the patent
“ void . . .

p. 395, ll. 34-41

“ Assuming, then, that in the Action out of which this Appeal
“ arises (in which the Respondents by their statement of Defence
“ ask for a Declaration that their patent, as it stood before the filing
“ of the Disclaimer, was a valid patent) it would have been competent
“ to make a Declaration in the sense of Section 53 (2) or in the sense
“ of Section 50 (5), it is, of course, quite indisputable that no such
“ Declaration could be made in this Action, first, until all the grounds
“ of invalidity advanced by the Appellants had been considered and
“ rejected; or, second, without disposing of the issues relating to
“ infringement had been disposed of . . . 30

p. 396, ll. 11-17

“ Now, as will appear from what has already been said, this
“ Court did not find it necessary to pronounce upon the questions
“ whether the Specification did disclose any invention for which the
“ patentee, under claims properly framed, would be entitled to
“ protection. Counsel for the Respondents did on this Application
“ refer to some expressions in the Reasons for Judgment which, he
“ suggested, pointed to an intention to pronounce, a decision upon that 40

“ issue ; but this Court did not intend to pass on the question, and
 “ did not in fact decide it . . .

“ It is plain, therefore, that we could not give the direction the p. 396, ll. 30-37
 “ Respondents ask for (without disregarding the legal rights of the
 “ Appellants) unless we are prepared to re-hear the Appeal and enter
 “ upon a full examination of all the grounds of Appeal advanced by
 “ the Appellants (except those upon which our Judgment in the
 “ Appeal is based), including the issue of subject-matter, as well as the
 “ determination of the issue raised by the allegation now for the first
 10 “ time submitted by the Respondents, namely, that the excessive
 “ scope of the claims is due to ‘inadvertence’ or ‘involuntary
 “ ‘error’ . . .

“ It may be observed that, as regards excessive scope of the p. 396, l. 47 to
 “ claims due to the absence of reference in them to the essence of the p. 397, l. 8
 “ invention (the presence of cellulose derivative in the form of yarns,
 “ filaments or fibres woven into a fabric) the evidence now in the
 “ record presents facts casting upon the Respondents a burden of
 “ explanation by no means trivial. The limiting words, for example,
 20 “ which the Respondents have sought to introduce by their Disclaimer
 “ are, in effect, found in the English Patent and the United States
 “ Patent, and there is no suggestion of a reason why they were omitted
 “ from the Canadian Patent, nor is there anything pointing to
 “ a satisfactory explanation of the terms of the Licenses granted by
 “ the Respondents.

“ Our attention has, moreover, been called to the successful p. 397, ll. 9-17
 “ efforts of the Respondents in resisting Discovery in relation to
 “ matters which *prima facie* might appear to be not without bearing
 “ upon this issue, as well as upon the issues of misrepresentation,
 “ anticipation and subject-matter (the learned Judge assumed that
 30 “ experiment had been necessary, notwithstanding his Order sustaining
 “ a refusal to answer questions concerning the Respondents’
 “ investigations on the examination for Discovery). If we had been
 “ disposed to allow a re-hearing, it might have been necessary to
 “ exact, as a condition, that complete Discovery should be made . . .

“ If the Respondents, instead of asking *simpliciter* by their p. 397, ll. 36-43
 “ Statement of Defence for a Declaration that the patent was valid,
 “ had asked for a Declaration under Section 53 (2) in the event of the
 “ Court holding the claims to be too broad, the issue of *bona fides*
 40 “ would have been raised and the litigation would have proceeded
 “ with full knowledge of all parties that the Respondents intended
 “ to pray for relief under that section ; the same result might possibly
 “ have been reached by filing a Disclaimer and praying, in
 “ the Statement of Defence, a Declaration in the sense of Section
 “ 50 (5) . . .

“ We think that by their conduct they have definitely elected p. 398, ll. 24-27
 “ against taking the position which they are now endeavouring to
 “ take ; and, however that may be, we are satisfied that, on grounds
 “ both of justice and convenience, the Application should fail.”

36.—The Appellants contend that inasmuch as they consistently maintained throughout the case that the claims of the patent in suit did not extend to the use of a cellulose derivative otherwise than in the form of yarns or threads in accordance with the Specification, and such construction was upheld by the Trial Judge, it was not until the Judgment of the Supreme Court was delivered that any necessity arose for a Disclaimer.

They further contend that there was no obligation on their part to amend their Pleadings in order to allege their right to a Disclaimer; and that such a course would, in fact, have been inconsistent with their position on the construction of the claims. Until a judicial decision interpreting the claims broadly as extending beyond the construction reasonably put upon by them by the Appellants, the latter, it is submitted, could not be expected to raise (perhaps prematurely) their right to a disclaimer. The decision of the Supreme Court was the first and only judicial pronouncement that the claims should be interpreted broadly without limitation resulting from the body of the Specification. The Appellants submit that by filing a Disclaimer immediately following such pronouncement they did so in proper time and they cannot be deemed to have elected against availing themselves of their right to a Disclaimer.

Further, the Appellants contend that inasmuch as the Judgment of the Supreme Court of 1st June, 1937, is based upon a construction of the claims of the patent in suit, which was arrived at by construing the claims of the corresponding British or United States patents, and/or was based upon a consideration of the fact that the Appellants successfully resisted Discovery before the Exchequer Court of Canada, particularly as regards the commercial exploitation of the invention outside Canada, the said Judgment is erroneous.

Sub-section (3) of Section 50 of the Canadian Patent Act, 1935, is the counterpart of Sub-section (3) of Section 28 of the Canadian Patent Act, 1923, which in turn is identical with the last sentence of Section 4917 of the Revised Statutes of the United States. While there does not appear to be any Canadian Decision on the interpretation of Sub-section (3) of Section 50 of the Canadian Patent Act, 1935, there are a number of Decisions of the United States Courts, particularly of the United States Supreme Court, on Section 4917 of the Revised Statutes of the United States. These Decisions, it is submitted, clearly establish that the effect of delaying a Disclaimer until after the commencement of an Action goes only to the recovery of costs.

It is accordingly contended by the Appellants that on a correct construction of the Canadian Patent Act, 1935, they were entitled to disclaim as they did, in order to restrict the scope of the claims of their patent, following the delivery of the Judgment of the Supreme Court, that they are entitled to relief under Section 53 of the Canadian Patent Act, 1935, and that the Court upon the Appellants' Application should have given effect to such Disclaimer.

37.—The Appellants therefore humbly submit that both the Judgments of the Supreme Court are erroneous and that the Judgment of the President of the Exchequer Court is correct and that both the Orders of the Supreme Court should be reversed and that Letters Patent No. 265960 should be declared to be valid and to have been infringed by the Respondents, or that in the event of the claims of the said letters patent being found to include more than the

invention disclosed in the Specification and to cover what was old that effect should be given to the Appellants' Disclaimer and the Appellants be granted relief under Section 53 of the Canadian Patent Act, 1935, for the following, among other

REASONS.

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- (1) Because the claims of Letters Patent No. 265960 of 1926 are confined to the use of derivatives of cellulose in the form of yarns or threads woven into one of the fabrics to be united.
 - (2) Because the claims of the said letters patent, even if construed broadly as in the Judgment of the Supreme Court, are not anticipated by Van Heusen (United States Patent No. 1479565—1924), Green (British Patent No. 9879—1889) or Dreyfus (British Patent No. 173021—1921).
 - (3) Because the invention the subject of the said letters patent was novel at the date thereof, and was proper subject-matter for letters patent and its utility has never been questioned by the Respondents.
 - (4) Because the Specification of the said letters patent fully describes and ascertains the invention and the manner in which it is to be performed.

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 - (5) Because the said letters patent are valid.
 - (6) Because the evidence clearly establishes that the Respondents have infringed the said letters patent.
 - (7) Because in any event the Appellants' Disclaimer has been lawfully made under Section 50 of the Canadian Patent Act, 1935.
 - (8) Because in any event the Appellants are entitled to relief under Section 53 of the Canadian Patent Act, 1935.
 - (9) Because the Judgment of the President of the Exchequer Court is correct.

WALTER MONCKTON.
E. J. C. NEEP.

In the Privy Council.

No. 21 of 1938.

ON APPEAL FROM THE SUPREME COURT OF
CANADA (OTTAWA).

BETWEEN

CANADIAN CELANESE LIMITED

(Defendants) Appellants

AND

THE B. V. D. COMPANY

(Plaintiffs) Respondents.

CASE FOR THE APPELLANTS.

FAITHFULL, OWEN & FRASER,
St. Michael's Alley,
Cornhill, E.C.3.