PATENTS IN DANGER.

A DECISION injuriously affecting an incalculable amount of property has been rendered this week in the Superior Court here. The subject-matter of dispute is that in January, 1877, a patent of invention issued from the office of the Commissioner of Patents for Canada granting to JOHN JONES BATE the exclusive right of manufacturing and vending an invention or system of ventilation and refrigeration for five years from that date; on the 12th of December, 1881, the patent was extended for another five years; and on the 13th of December it was further extended for five years more. When granted no model had been deposited with the Commissioner. who had not dispensed with that requirement, and who refused to deliver the patent to the applicant until the model had been received. The model was sent in on the 18th of June, 1878, more than a year and five months after the granting. issue and registration of the patent. We gather from the newspaper report of the case, from which source alone we derive such knowledge as we possess of the matter, that subsequently the Commissioner of Patents declares the patent which he himself has issued as invalid, on the ground that no model had been furnished as required by the statute. This view has so far just prevailed and the patent is cancelled. Such an enormous amount of money, however, is vested in this kind of property in Canada that it is impossible that the judgment will be allowed to remain unchallenged. There is no likelihood of its soundness being generally accepted at this stage, and no decision but that of the highest tribunal can now put the matter at rest. The law declares that before a patent can be obtained a model shall be deposited. In this case, however, the Commissioner of Patents, with a full knowledge that such requirement has not been complied with, issues the patent, and subsequently, by the legal proceedings in question, according to Tuesday's report, complains of his own *laches*. The statute forbids its emanation, but does not make such issue a cause of cancellation. On the contrary, the conditions necessary to such nullification are distinctly and specifically laid down by the Act itself, and this is not one of them. Those are two among other strong points for the defence, but it may well be asked why this particular case was selected to test an important question of law? Whether the patent under consideration is valuable or worthless is a point on which we know nothing and are indifferent about. It is, however, a matter within common knowledge that, while the Patent-Office has issued many patents without a model having been deposited this is the first instance on record where it has thus challenged the imperfectness of its own work—its own failure, in fact, to comply with its own regulations and with the express terms of the statute. Will the Department now, as in fairness it should do, institute similar proceedings against the other holders of patents who have acquired them under identical circumstances? This recent course on the part of the Government becomes all the more inexplicable when it is remembered that a model neither adds to nor detracts from the value of an invention. Its deposit, when allowed at all, is simply for the convenience of the Department itself, and often at very great cost to the inventor. It is true that it aids an interested visitor to the Model Room, but it does not aid—or at all events should not—the officers of the Department. In England and other countries the production of a model at all is imperatively forbidden. In the United States one is only asked for in exceptional instances. Given capable examiners, and models become merely an incumbrance and a nuisance. This, however, while in itself a point of no legal importance, adds largely to the surprise that such proceedings should have been taken at all on such grounds. It has inspired immediate and wide distrust among those who have invested largely in this sort of property, no doubt to an aggregate of millions. It has thrown, too, excusable misgivings as to the value of an official examination which inferentially appears to be powerless without a model. Worst of all, it will, we fear, be found to have checked the progress of invention altogether while any legal doubt remains over the point just raised. It is to be hoped, therefore, that the late decision will be appealed against, though the battle is always an uneven one when the contestants are the Government on one side and a private individual on the other.

BUSINESS FAILURES—THE OLD STORY.

FAILURES and rumors of failures are once more rife, and in Toronto the important house of WHITE & CO., lace merchants, has again suspended business. The cause is given in the old stereotyped words—"The "failure is said to have been the result of "giving credit rather freely and of having "over-bought." It is more than probable that if the insolvency statistics of an entire year were closely dissected it would be found that fully five-sixths of all the failures during that period were immediately due to identically the same two agencies—too much laxity in extending credit and the making of too heavy purchases of stock. The fatal effects arising from these two special follies have been demonstrated on a vast scale over and over again. The commercial papers have pointed out their dangers repeatedly, and Bank Presidents have exhorted their discontinuance year after year. To what extent these have acted beneficially there are of course no records to show, but that such exhortations have gone largely unheeded the perennial crop of new failures plainly shows. It is disheartening to see that so much costly experience is thrown away, and that this form of commercial folly is constantly repeating itself. But if ever widespread caution was necessary it is emphatically so to-day, for, though the outlook is not exactly threatening at present, a very little more distrust could easily be the means of producing a widespread catastrophe.

REPORT OF THE UNION BANK OF LOWER CANADA.

WHEN it is remembered that the Ancient City of Quebec has been for some time past suffering from local trade depression, the Report of the Union Bank shows a far better financial statement than might have been expected; in fact, it is cheering compared to the gloomy anticipations of a few croakers. Then, again, the men at the helm are well known for honesty of purpose. The man doesn't exist that can impugn the word of its President, Mr. ANDREW THOMSON; and the Hon. THOMAS MCGREEVY was never known to desert a friend or a ship in trying times, and the other Directors, including the recent appointment of E. J. HALE, Esq., are equal to all occasions where the Bank's interests are at stake. The Cashier, too, has not been idle. When the Hudson's Bay Company issued their great paper on the "Hudson's Bay and Great North-West," and scattered it by the hundred thousand in Great Britain, we saw in Warwickshire, England, a card of the Union Bank in that issue, showing farmers and others how to invest their money and how to deposit them with the branches of the Union Bank at Winnipeg and elsewhere. This investment, we understand, has paid well. The Bank received, and is still receiving, large amounts on deposit at Winnipeg and its various branches through this medium, from farmers emigrating. The Agency at Montreal must have been by no means a small factor in the profits of the Bank, its stream of customers keeping the Manager here constantly busy.

The Report, it is true, does not compare with the Dominion, Imperial, Toronto, and other banks in the West. The means that make these banks so envied do not exist in Quebec. Lumber is its principal commercial staple. The banks in Quebec, therefore, are affected more or less by its fluctuations. Take it altogether, there is a cheerful ring as to the future about this Report, which we hope will be realised in the interest of the shareholders. The President's remarks are well worth repeating. Mr. THOMSON said: "The profits have exceeded those of the previous year by $33,000, making an average increase of profits for the past four years of over $20,000. This important improvement in the earnings is due in a great measure to the prosperous state of trade, as shown by the increased circulation and deposits, but still more to the improved character of the assets from sales of real estate and settlement of outstanding claims; some of these assets yielding but little profit, others being only sources of expense. The earnings of next year will be increased to at least the same