

that paragraph he says that the defendant company "through their agent the defendant, M. E. Weaver, falsely and fraudulently represented to him that the defendant company was the holder of patents for Canada for a certain automatic truck and for a carrier system, whereas the said company and the said Weaver well knew that the defendant company had only a limited right to operate under said alleged patents in the Province of Ontario."

I think a perusal of the agreement and prospectus shews that it was only with respect to rights in Ontario under alleged patents that any representations can be held or be said to have been made to the plaintiff. It is plain, however, that the sale of the stock was made on the basis of there being existing patents for Canada as to which the defendant company had acquired rights in Ontario.

Weaver admits that he thought the Canadian patents were purchased and being dealt with. I have already referred to one extract from the prospectus which speaks of the Automatic Limited as "holders of the Canadian patent" under the alleged sale and transfer of rights thereunder to the defendant company for the Province of Ontario.

At page 3 of the prospectus there is this statement: "The Canadian Automatic Transportation Co. Limited, has been formed for the purpose of manufacturing, building and operating, in the Province of Ontario, under the valuable patents of the W. C. Carr system of transportation, and leasing rights in connection therewith to subsidiary companies."

At p. 23, there is this reference: "The Automatic Electric Limited, was formed to hold the W. C. Carr Canadian patents, and obtain any subsequent patents without expense to this Company, as is usual in companies of this kind."

In the extract quoted from page 23 of the prospectus, reference is made to the agreement dated 9th of March, 1909, and in the extract already quoted therefrom, there appears the statement in the first recital that the Automatic Electric Limited, the licensor, "is the owner of certain letters patent of the Dominion of Canada, dated the 24th day of December, 1907, granting a patent under No. 109300, &c."

When the prospectus was issued on the 1st of April, 1910, what was the fact about said Canadian patent which