example, the case of a patent granted for a composition of matter." It is immediately after this that Mr. Taché adds, referring to such cases, "every one of which must stand on its own merits."

The other and last allegation of the disputants is that the patentees have refused to sell their invention after two years of the existence of their patent, namely, to the inhabitants of Port Perry in 1882, to Messrs. Lohnes and McKenzie in 1884, to others, and generally refused to sell in order to monopolize the control of telephonic operations throughout Canada, and derive, from their invention, more than what they were entitled to for the use thereof.

A question has been raised on the meaning of the words sale and license as applied to patents. One of the learned counsel was under a misapprehension about the signification of the words used by Mr. Taché in his decision—"license the right of using on reasonable terms." In this sentence the word license is employed in its broad technical sense in patent science; it does not mean a lease upon payment of a rental, but the absolute transfer of a property, which becomes vested in the licensee or purchaser *quoad* the result suggested by the nature of the invention and the extent of the purchase in point of number. Of course, if one or many of the public prefer to lease and agree to do so, there is no disability created by the law to prevent them from entering into such a contract.

There are, in the nature of things, three sorts of contracts in relation to patents:—1st. The license to use, or by the purchaser furnishing himself with the means to use. 2nd. The sale of the means to use the invention. 3rd. The assignment of the whole or portion of the patentee's privileges. As tersely expressed by Judge Hall, in *Pitts* v. *Hall* (2 Blatchford, 229): "A license, or assignment, or sale of a machine is a transfer, *pro tanto*, of the property secured by the patent."

In all these cases, however, it must be borne in mind that our Patent Act differs essentially from the English and present American laws. Our patentees are bound to license, that is, to sell the use of their invention, and bound to see that their invention is not imported after twelve months, and that it be manufactured in Canada after two years, because connivance in an importation is equal to importing or causing to be imported. On the contrary, the English and American patentees are at liberty to import, and at liberty to entirely withhold from the public use, their inventions, if they choose to do so; therefore, they can select their own conditions in a contract, in the nature of which they are bound of course when entered upon; but into which they are not forced by law.

The instances of refusal to sell which were the subject of evidence in this case are several, but, with the exception of three, they are mixed, or seem to be mixed, with demands to use poles, wires, communication with lines and exchanges, which, naturally, the patentees are not bound to furnish. The three clear instances of refusal are: 1st, The case of Mr. Bate, of Ottawa, commenced in April, 1883; 2nd, The case of Mr. Dickson, of Montreal, commenced in November, 1883; 3rd, The case of Mr. Richard Dinnis, of Toronto, commenced in March, 1884. The correspondence is completed and certified by statutory declarations.

In the case of Mr. Bate, he wrote on the 14th April, 1883, to the Bell Telephone Company of Canada asking them to give him their lowest prices for three telephones, including transmitters, for a private line. He was answered by Mr. McFarlane that their agent at Ottawa was directed to call on Mr. Bate. Mr. Bate wrote a second letter to the company to explain that he wanted to purchase and not to rent the instruments. Mr. Sise, in answering this second letter, intimated to Mr. Bate the following: "We do not sell telephones, but we rent them."

In the case of Mr. Dickson, a protracted correspondence took place, first opened with Mr. Scott, agent of the company, to be continued with Mr. Sise, in which Mr. Dickson insisted on his right to get the instruments as his property, according to law, and Mr. Scott and Mr. Sise declined to sell, but offered to lease or rent. To close the correspondence, Mr. Dickson informed the company that being thus denied the purchase of the instruments, he had decided to have them constructed himself for his own use; to which threat Mr. Sise answered that they could not consent to an unconditional transfer, but would sell a Bell telephone for thirty dollars, subject to the stipulation "that it is to be used only between certain specified points."

In the case of Mr. Richard Dinnis, he wanted to purchase three sets of telephones to connect his office, his residence and his factory, and asked to be informed of the cost. Mr. Sise answered him that they had never sold these instruments, but that he (Mr. Dinnis) could have three sets rented at the rate of $20 per annum, he (Mr. Dinnis) building his own line; but that he would sell the instruments to him for $100 per set to be used only for the purpose stated by Mr. Dinnis. Mr. Sise refers Mr. Dinnis to Mr. Neilson, agent of the company at Toronto, for further information. Mr. R. Dinnis, in an interview with Mr. Neilson accompanied by Mr. Arthur Dinnis, both of whom render an account of the interview by statutory declarations, tried to get information from Mr. Neilson about prices, and asked if he could get the instruments at a more reasonable price and uncon-