

United States for use in the lamps. The employees were instructed not to sell the lamps to any who did not use the Edison dynamos or plant, and they accordingly did not so sell them, and refused to sell to any not using the Edison plant; that it was the policy of the Company to do this, as the sale of the plant was more profitable than the sale of the lamps, the proportion being that where 800 lights were installed, the total price was \$12,000, while the cost of the lamps at \$1 each, was only \$800, and this had practically the effect of creating a monopoly for the Edison plant. The first sale of lamps in Canada was made to the *Canada Cotton Co.*, at Montreal, in December, 1882. The capital stock of "*The Edison Electric Light Co.*" in November, 1881, was \$720,000 or \$780,000, the par value of the shares being \$100, but they were then quoted and selling at from \$1,000, to \$1,200 per share, or a premium of \$1,000 to \$1,100 above par. In January, 1883, the factory in Montreal was closed, and the business transferred to Hamilton, and there increased and more men employed, but there was no change in the manner of getting out the lamps; the same articles were imported, but in larger quantities, the same steps of assembling all the parts and putting them together to complete the lamp, were gone through at Hamilton, as in Montreal; at this time there were about 3,800 lamps in use in Canada, and the annual output was from 8,000 to 10,000 lamps, and was gradually increasing; the proportionate cost of labor bestowed in the United States on the articles sent into Canada, to be used in the making of the lamps, is \$32.50 on every 100 lamps made; while the proportion of the cost of labor bestowed on the lamps in Canada, after the importation of the articles composing it, is \$21.80 per \$100 worth of lamps made.

The respondents admitted the importation of the glass bulbs, the glass tubing, the platinum and copper wires, and the carbon filament, and that the importation continues still, and the evidence they adduced went to show, that these were all raw material; that they were all ordinary articles of commerce, and could be used for any other purpose besides incandescent lamps; that the carbon

filaments as imported, were only partly manufactured in the United States, and the carbonization was completed in the Canadian factory, by the passing of an electric current through them while a high vacuum was maintained in the lamp bulbs, thereby reducing them to a pure carbon, and that this process of final carbonization was necessary to make a serviceable commercial lamp; that the glass bulbs and tubes, after they were imported, passed through several processes in the factory in Canada to render them fit for use in the lamp; that the platinum was obtained in the United States, and before being sent into Canada for use in the lamps was re-melted from the crude material, and then drawn out into wire, and slightly alloyed with iridium, so as to make it a little harder; and the wire was attached to the carbon and fitted into the glass bulbs in Canada; that if the Company had been compelled to manufacture the carbons in Canada, it would have ruined the business in Canada; that the platinum wire would have cost two hundred fold more in Canada, as it requires a special furnace to prepare it; that the cost of material in the United States, as imported into Canada, would be in the proportion of one-third, and the labor in Canada, two-thirds.

Counsel for the petitioners argued, that the evidence clearly showed, that the patentee and his assignee, had not complied with the provisions of *The Patent Act*; that they did not commence or carry on in Canada, the manufacture of the invention, within the time prescribed by law; and that they had imported it after the time allowed by law, and in addition thereto, had refused to sell the invention, as they were bound by law to do; that they showed bad faith, and no intention to comply with the law from the beginning, as they only started their factory, and began making the lamps on the 14th November, 1881, a few days only before the limit prescribed by *The Patent Act*; then again it is proved, that at this period, when they applied for and obtained an extension of time, within which to manufacture, on the ground or pretension of the large capital necessary to carry on the manufacture, the capital stock of *The Edison Electric Light Co.*,