

them creates benefits out of all proportion to the small sum we pay for the articles. But, people will say, it is against the public interest that a man should pay twenty-five cents for something which can be manufactured at a cost of only two cents. For instance, hon. members probably know the circumstances under which Gillette blades first came on the market and how that patent was first presented to the public, the prices that were charged and the obstacles the company had to overcome. The actual cost of production of that article bore no relation to the price which had to be paid for it, and of course there were people who contended that it was not in the public interest that they should pay so high a price. Putting the problem on that ground, it involves a difficulty; but when one remembers that we have an international code dealing with patents, it seems to me that we are certainly striking a blow at the integrity of our country with respect to these matters, because we did become a party to the convention. It was not the late government that did it, but the previous government. Where was the convention held? The Hague?

Mr. CAHAN: The last one was at the Hague in November, 1925.

Mr. BENNETT: I think that covers the whole field. To make this the subject matter of a possible violation of the law of combines is to negative the very idea of a patent.

Mr. MACKENZIE KING: May I ask my right hon. friend a question on this patent matter? My recollection is not very clear, because what I am referring to now goes back some thirty years. But as I remember the matter, in the case of the United Shoe Machinery Company, which held a patent for certain machinery used in the making of shoes—

Mr. BENNETT: Goodyear Welts.

Mr. MACKENZIE KING: —it was discovered that the company would not sell that particular device to any concerns unless they bought other machinery from the same company. Now would my right hon. friend say—

Mr. CAHAN: Under our present patent law that would be impossible.

Mr. MACKENZIE KING: That was the case at the time the action was brought against that company, because they were abusing their patent in that way.

Mr. CAHAN: We have amended our patent law to overcome that, absolutely.

Mr. MACKENZIE KING: The case was investigated under the original combines act.

It was found that the combines act served to remedy the condition complained of. It may be that out of the remedy at that time the patent law itself has been improved and the possibility of a further like condition removed. But what I was asking the leader of the opposition was whether in his opinion, in an instance of that kind, there was a right use of the patent.

Mr. BENNETT: I can answer that at once; it would not be. The right hon. gentleman is dealing with facts within his own knowledge, and I recall the Goodyear Welt case, which ultimately went to the supreme court of the United States. I would answer the question at once in the negative; I would not consider it proper that a patent should be utilized for the purpose indicated; but our law has already remedied that situation. We have made the necessary improvements by reason of the action that was taken, and there is a general recognition of that fact to-day.

While the convention does not go into details it does deal with what I might call the general acceptance of patents throughout the civilized world. We passed our statute in 1935. The Prime Minister will no doubt recall that when that act was before the house a long argument took place on the question of patents not being used by the owners. The relevant sections of our statute, which are found in the patent acts of all countries, ensure that patented goods will be manufactured in this country; and there are also provisions to deal with any case in which the consumer is being rooked, to use the ordinary colloquial language of the day. The patent can then be cancelled under conditions provided for in the statute itself. The difficulty to which the Prime Minister refers was at one time a real one but it no longer exists, having been already met by legislation. I do think that to insert in the combines act a provision dealing with the patent situation is, to say the least, anomalous and creates a state of affairs which, in my opinion, cannot but be injurious to our own position and the development of our industrial life.

Mr. GLEN: Could the monopoly established by a patent continue to exist if the owner, in conjunction with someone else also owning a patent, operated it to the detriment of the public interest?

Mr. BENNETT: All patents operate to the detriment of the public interest—

Mr. GLEN: I mean, so as to bring it under the act.

Mr. BENNETT: Then you have a conspiracy, and that is covered by the criminal