

the case cited the patent covered a compound of nitro-glycerine and absorbent matter, of which infusorial earth was stated to be the preferred variety. The absorbent matter, when mixed with three times its weight in nitro-glycerine, absorbed the whole, and still retained the form of a powder. This compound made dynamite. The defendant's compound consisted of nitro-glycerine and mica scales mixed in nearly equal proportions, the mica scales not absorbing the nitro-glycerine, but merely holding it in suspension upon their surfaces. This compound was called mica powder. Its use at the Hoosac Tunnel demonstrated its superiority over dynamite, in point of efficiency, economy, and safety; and there is evidently a difference between a powder which absorbs a liquid as in minute capillary tubes, and one which does not absorb, but which carries a liquid upon the surfaces of its particles. But notwithstanding these differences, Judge SHEPLEY, in an accomplished opinion, held the mica powder to infringe the dynamite patent. So also, in a later case on the same patent,<sup>136</sup> the same judge held a certain gunpowder to be an equivalent of the infusorial earth, because it performed every function of the latter substance, though it also performed the additional function, at the time of the explosion of the compound, of co-operating with the nitro-glycerine in rending the rock, instead of remaining, like infusorial earth, an inert substance. The doctrine which results from this case is that one ingredient is an equivalent of another in the composition of matter, if it performs the same function, even though it also performs another function, which that other is wholly incompetent to accomplish.

§ 372. When a patent expressly states that the composi-

<sup>136</sup> Atlantic Giant Powder Co. v. Goodyear, 3 Bann. & Ard. 161, 1877.

tion of matter which it covers, does not include a specified ingredient of similar compositions, the substitution of that ingredient for one of those covered by the patent, is enough to avoid infringement, even though the two ingredients perform that same function in that composition of matter. But this does not amount to saying that the two things are not equivalents. It merely amounts to the doctrine that a patentee may disclaim a particular equivalent if he chooses.<sup>137</sup> And where a particular equivalent is disclaimed, that disclaimer is binding even if it was unnecessary.<sup>138</sup>

§ 373. Changes of the proportions of the ingredients of a composition of matter will not avoid infringement of a patent for such a composition, where those changes do not affect its essential character in any way more important than to increase its bulk more than they increase its cost.<sup>139</sup>

But changes in proportion, which change the operative character of a composition of matter, together with changes in its mode of manufacture, may sometimes amount to enough to avert any charge of infringement of a patent on the original composition.<sup>140</sup>

§ 375. A design patent is infringed by any design which, to general observers interested in the subject, or to purchasers of things of similar design, has the same appearance as that of the design covered by the patent,<sup>141</sup>

<sup>137</sup> *Byam v. Farr*, 1 Curtis, 260, 1852.

<sup>138</sup> *Cartridge Co. v. Cartridge Co.*, 112 U. S. 624, 1884.

<sup>139</sup> *Eastman v. Hinckel*, 5 Bann. & Ard. 1, 1879.

<sup>140</sup> *Atlantic Dynamite Co. v. Climax Powder Mfg. Co.*, 72 F. R. 935, 1895.

<sup>141</sup> *Gorham v. White*, 14 Wallace, 528, 1871; *Perry v. Starrett*, 3 Bann. & Ard. 485, 1878; *Dryfoos v. Friedman*, 18 F. R. 824, 1884; *Tomkinson v. Mfg. Co.*, 23 F. R. 895, 1884; *Redway v. Ohio Stove Co.*, 38 F. R. 584, 1889; *Sutro Bros. Braid Co. v. Schloss*, 44 F. R. 357, 1890; *Macbeth v.*

and to this end the two articles may be compared as they appear when in use;<sup>141<sup>a</sup></sup> but a design patent is not infringed by anything which does not present the appearance which distinguishes the design claimed in the patent, from the prior art.<sup>142</sup> For design patents cover appearances only, and not uses.<sup>143</sup> Appearances of designs are to be judged by synthetic observation, rather than by analytic inspection. The fact that an analysis of two forms of design discloses differences between them, is insufficient to show lack of that substantial identity of appearance, which constitutes infringement. The test is not whether an ordinary purchaser might be deceived into buying one article for another, but it is the sameness of æsthetic effect on the eye.<sup>144</sup> Such a question of identity is to be decided on the basis of the opinions of average observers, and not upon the basis of the opinions of experts.<sup>145</sup> It matters not to what articles the patentee applies his design or in what channels of trade it goes, or to what material he applies it. If the defendant uses the design,

Gillinder, 54 F. R. 172, 1891; Smith *v.* Stewart, 55 F. R. 483, 1893; Graff, Washbourne & Dunn *v.* Webster, 195 F. R. 522, 1912; Macbeth-Evans Glass Co. *v.* Rosenbaum Co., 199 F. R. 154, 1912; Bush & Lane Piano Co. *v.* Becker Bros., 209 F. R. 233, 1913; Mygatt *v.* Schaffer, 218 F. R. 827, 1914; Ashley *v.* Weeks-Numan Co., 220 F. R. 899, 1915; Grelle *v.* City of Eugene, 221 F. R. 68, 1915.

<sup>141<sup>a</sup></sup> Bolte & Weyer Co. *v.* Knight Light Co., 180 F. R. 412, 1910.

<sup>142</sup> New York Belting Co. *v.* New Jersey Rubber Co., 53 F. R. 815, 1893; Byram *v.* Friedberger, 87 F. R. 559, 1897; Bevin Bros. Mfg. Co. *v.* Starr Bros. Bell Co., 114 F. R. 362, 1902; Kruttschnitt *v.* Simmons, 118 F. R. 851, 1902.

<sup>143</sup> Royal Metal Mfg. Co. *v.* Art Metal Works, 121 F. R. 128, 1903.

<sup>144</sup> Bolte & Weyer Co. *v.* Knight Light Co., 180 F. R. 412, 1910.

<sup>145</sup> Bolte & Weyer Co. *v.* Knight Light Co., 180 F. R. 412, 1910.

at least in a non-analogous manner, he is liable for infringement.<sup>146</sup>

§ 376. The comparative utility of the plaintiff's and the defendant's process, machine, manufacture, or composition of matter, is not alone a criterion of infringement.<sup>147</sup> No man is permitted to evade a patent by simply constructing the patented thing so imperfectly that its utility is diminished.<sup>148</sup> On the other hand, a defendant's machine may be better than that covered by the patent in suit and may be an improvement upon it; if that superiority resulted from some addition to the latter, it will have no tendency to avoid infringement,<sup>149</sup> and it matters not that the addition or improvement is patentable or patented.<sup>150</sup> On the other hand, the superiority of the defendant's machine may be due to the fact that he has discovered an entirely different mode of construction and operation in which event it does not infringe.<sup>151</sup>

<sup>146</sup> *Dominick & Haff v. R. Wallace & Sons Mfg. Co.*, 209 F. R. 223, 1913.

<sup>147</sup> *Crown Cork & Seal Co. v. Aluminum Stopper Co.*, 108 F. R. 848, 1901.

<sup>148</sup> *Chicago Fruit House Co. v. Busch*, 2 Bissell, 472, 1871; *Roberts v. Harnden*, 2 Cliff. 506, 1865; *Whitely v. Fadner*, 73 F. R. 486, 1895.

<sup>149</sup> *Pitts v. Wemple*, 1 Bissell, 87, 1855; *Carter v. Baker*, 1 Sawyer, 512, 1871; *American Deliniter Co. v. American Machinery & Const. Co.*, 128 F. R. 709, 1904; *Eck v. Kutz*, 132 F. R. 758, 1904; *Voightmann v. Weis & Ridge Cornice Co.*, 133 F. R. 298, 1904;

*Ries v. Barth Mfg. Co.*, 136 F. R. 850, 1905; *General Electric Co. v. Morgan-Gardner Electric Co.*, 159 F. R. 951, 1907; *International Time Recording Co. v. W. H. Bundy Recording Co.*, 159 F. R. 464, 1908; *Standard Paint Co. v. Bird*, 175 F. R. 346, 1910; *Stockland v. Russell Grader Mfg. Co.*, 222 F. R. 906, 1915; *Yancey v. Enright*, 230 F. R. 641, 1916.

See Section 347.

<sup>150</sup> *Benjamin Electric Mfg. Co. v. Dale Co.*, 158 F. R. 617, 1907.

See Section 362a.

<sup>151</sup> *Duncan v. Cincinnati Butchers' Supply Co.*, 171 F. R. 656, 1909.

In other words, the defendant's machine may be of a different species and of course cannot infringe a patent of a different species than itself although it might infringe the genus patent of which both are species.

But comparative utility is relevant to questions of infringement, when its consideration is coupled with the consideration of comparative character.<sup>152</sup> An invention, which was never useful enough to be used in any productive business, cannot be dragged across the road which leads toward success, and thus be made to prevent the progress of a useful art along that road.<sup>153</sup> An invention which succeeds, is not to be suppressed by means of a patent on an invention which failed, and can never succeed.<sup>154</sup>

§ 377. To constitute an infringement of a patent, it is not necessary that the infringer should have known of the existence of the patent at the time he infringed it; <sup>155</sup> or, knowing of its existence, it is not necessary that he should have known his doings to constitute an infringement.<sup>156</sup> And infringement is not averted by the fact that the infringer contrived his own process, machine, manufacture, or composition of matter, as the case may be, without any knowledge of the patent infringed thereby.<sup>157</sup>

<sup>152</sup> Goodyear Shoe Mach. Co. v. Spaulding, 101 F. R. 994, 1900.

<sup>153</sup> General Electric Co. v. Winsted Gas Co., 110 F. R. 963, 1901; Severy Process Co. v. Harper & Bros., 113 F. R. 584, 1902.

<sup>154</sup> Westinghouse Air-Brake Co. v. New York Air-Brake Co., 112 F. R. 428, 1901.

<sup>155</sup> Parker v. Haworth, 4 McLean, 373, 1848; Matthews v.

Skates, 1 Fisher, 608, 1860; National Car Brake Shoe Co. v. Mfg. Co., 19 F. R. 520, 1884; Royer v. Coupe, 29 F. R. 361, 1886; Bate Refrigerating Co. v. Gillett, 31 F. R. 815, 1887.

<sup>156</sup> Parker v. Hulme, 1 Fisher, 54, 1849; Norton v. Automatic Can Co., 57 F. R. 933, 1893.

<sup>157</sup> United States v. Berdan Fire Arms Co., 156 U. S. 566, 1895.

## CHAPTER XVII

### COURTS, PARTIES AND CAUSES

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§ 378. THE foregoing part of this text-book treats of the rights of inventors and patentees, and of their assignees, grantees, licensees, and legal representatives; and also treats of the wrongs which are committed when those rights are infringed. The remaining part explains the remedies which may be invoked, sometimes to prevent, and sometimes to repair such wrongs of infringement. The present chapter is devoted to the courts which may originally administer those remedies; and to the parties who may invoke them, and against whom they may be invoked; and to the causes of action which justify patent litigation between those parties in those courts.

§ 379. The Circuit Courts of the United States, before they were abolished, had original jurisdiction, regardless of the amount involved, of all suits at law or in equity, arising under the patent laws of the United States.<sup>1</sup> By the Judiciary Act of March 3, 1911, 36 Statutes 1100, known as the Judicial Code, this jurisdiction was vested

<sup>1</sup> Revised Statutes, Section 629; *Miller-Magee Co. v. Carpenter*, 34 F. R. 434, 1888.

in the District Courts.<sup>1a</sup> The same jurisdiction belongs to the District Courts of the Territories of the United States,<sup>2</sup> and to the Supreme Court of the District of Columbia.<sup>3</sup>

This jurisdiction is independent of all State statutes; and therefore a corporation of any State may begin and prosecute an action arising under the patent laws, in any proper Federal court, without complying with any State statute which may require foreign corporations to file copies of their respective charters in some State custody, before beginning any suit in any court of that State.<sup>4</sup>

Not every suit arises under the patent laws, which relates to letters patent for inventions; for some suits relate to letters patent for inventions, though they arise out of contracts between private parties. An action at law which seeks a judgment for damages, or an action in equity which seeks a decree for an injunction and a money recovery, on account of an alleged infringement of a patent, is an action arising under the patent laws of the United States.<sup>5</sup>

An action on a judgment obtained in a patent case is not, however, a suit arising under the patent laws, even though it is brought against directors of an insolvent corporation to make them liable for a judgment obtained in an infringement suit against the corporation.<sup>6</sup>

§ 380. Whether State courts have any jurisdiction of actions for infringements of patents was a question which,

<sup>1a</sup> Judicial Code, Sections 289 to 296.

<sup>2</sup> Revised Statutes, Section 1910, and Section 1911, as amended June 29, 1876, 19 Statutes at Large, Ch. 154, p. 62.

<sup>3</sup> Sections 760 and 764 of the Revised Statutes relating to the

District of Columbia; *Cochrane v. Deener*, 94 U. S. 782, 1876.

<sup>4</sup> *Columbia Wire Co. v. Freeman Wire Co.*, 71 F. R. 302, 1895.

<sup>5</sup> *Victor Talking Mach. Co. v. The Fair*, 123 F. R. 424, 1903.

<sup>6</sup> *H. C. Cook Co. v. Beecher*, 217 U. S. 497, 1910.



under the Revised Statutes of 1874, was clearly answerable in the negative.<sup>7</sup> But in 1875 Congress enacted a statute which provided: "That the Circuit Courts of the United States shall have original cognizance, concurrent with the courts of the several States, of all suits of a civil nature at common law or in equity, where the matter in dispute exceeds, exclusive of costs, the sum or value of five hundred dollars, and arising under the Constitution or laws of the United States."<sup>8</sup> This statute of 1875 appeared to assume that, in the absence of congressional prohibition, the State courts would inherently have concurrent jurisdiction with the Federal courts of all suits of a civil nature, at common law or in equity, arising under the Constitution or laws of the United States; and it seemed to remove the prohibition contained in the Revised Statutes. Accordingly, in the first and second editions of this book, Sections 381 to 387 were devoted to the great question whether, in the absence of congressional prohibition, State courts would have jurisdiction of civil actions arising under the Constitution or laws of the United States. In those sections it was shown that ALEXANDER HAMILTON and Justice WASHINGTON held the affirmative of that question, while Justice STORY, Chancellor KENT, and Justice FIELD held the negative; and that the Supreme Court had never decided the question; but that the strongest relevant reasons supported the negative opinion. But, independent of that great question, the Supreme Court has now decided that the statute of 1875, as amended in 1887 and 1888, does not affect the jurisdiction, granted by earlier statutes, of any court of the United States over specified cases arising under the Constitution and laws of the United States; and therefore the later

<sup>7</sup> Revised Statutes, Section 711.      <sup>8</sup> 18 Statutes at Large, Part 3, Ch. 137, Section 1, p. 470.

statute does not apply to any case arising under the patent laws of the United States.<sup>9</sup> Thus it is now established that State courts have no jurisdiction of such cases. And it accordingly has been so said by several Federal judges,<sup>10</sup> and by several State courts.<sup>11</sup>

§ 388. Actions brought to enforce contracts between private parties, relevant to patent rights, are not actions arising under the patent laws of the United States; and therefore are not cognizable as such in the United States courts.<sup>12</sup> And actions to set aside such contracts fall in the same category.<sup>13</sup> This doctrine, however, was severely strained in the Supreme Court decision in the case of *New Marshall Engine Co. v. Marshall Engine Co.*,<sup>13a</sup> a case in which the bill was brought in a State court on a contract to assign a certain patent and "all improvements thereon and renewals of the same." The patent specifically designated was assigned in compliance with the contract and

<sup>9</sup> *In re Hohorst*, 150 U. S. 661, 1893.

<sup>10</sup> *White v. Rankin*, 144 U. S. 636, 1892; *In re Keasbey & Mattison Co.*, 160 U. S. 230, 1895; *Pratt v. Paris Gas Light & Coke Co.*, 168 U. S. 259, 1897; *Myers v. Cunningham*, 44 F. R. 347, 1890; *Elgin Wind Power & Pump Co. v. Nichols*, 65 F. R. 217, 1895; *Hupfeld v. Automaton Piano Co.*, 66 F. R. 789, 1895.

<sup>11</sup> *Continental Store Service Co. v. Clark*, 100 N. Y. 370, 1886; *Waterman v. Shipman*, 130 N. Y. 308, 1891; *Havana Press Drill Co. v. Ashurst*, 148 Ill. 137, 1893.

<sup>12</sup> *Brown v. Shannon*, 20 Howard, 56, 1857; *Albright v. Teas*, 106 U. S. 613, 1882; *Dale Tile*

*Mfg. Co. v. Hyatt*, 125 U. S. 46, 1888; *Marsh v. Nichols*, 140 U. S. 344, 1891; *Pratt v. Paris Gas Light & Coke Co.*, 168 U. S. 260, 1897; *Staadard Sewing Mach. Co. v. Leslie*, 118 F. R. 557, 1902; *Victor Talking Mach. Co. v. The Fair*, 123 F. R. 424, 1903; *New Marshall Co. v. Marshall Engine Co.*, 223 U. S. 473, 1912; *Briggs v. United Shoe Co.*, 239 U. S. 48, 1915.

<sup>13</sup> *Wilson v. Sandford*, 10 Howard, 101, 1850; *Wade v. Lawder*, 165 U. S. 624, 1897; *Standard Dental Mfg. Co. v. National Tooth Co.*, 95 F. R. 291, 1899.

<sup>13a</sup> *New Marshall Engine Co. v. Marshall Engine Company*, 223 U. S. 473, 1912.

thereafter the inventor invented what was alleged in the bill to be an improvement on the patent assigned. In addition the bill prayed that the defendants should be enjoined from manufacturing or selling machines covered by the improvement patent. The defendant moved to dismiss the bill because "it presents questions involving an inquiry as to the construction and scope of the patents therein mentioned, of which questions the Federal Courts have exclusive jurisdiction." Justice LAMAR who delivered the opinion said in part as follows:

"The complainant did not by its bill in the State Court raise any question as to the validity or construction of the patent, nor did it make any claim for damages for infringement. . . . The Patent 725,349 was an improvement thereon (on the original patent) as on the face of the application and letters patent it appeared to be, then the complainant was entitled to a decree requiring Marshall to make conveyance which could be properly recorded for the protection of the true owner.

"It is, however, urged that the State Court was ousted of the jurisdiction to enter a decree for specific performance because the bill went further and prayed that the defendants and each of them should be enjoined from manufacturing and selling machines covered by Patent 725,349. It is claimed that this was, in effect, an application and decree for injunction against infringement and could only be granted by a Federal Court.

"But the allegations of the complainant's bill did not involve any construction of the meaning or effect of Patent 725,349 nor does it charge that the manufacture or sale of engines by the defendants would be an infringement of the patent or of any right of the complainant if in fact, patent 725,349 belonged to the New Marshall Engine Co. The injunction was asked for only as an in-

eident of a finding that the title was vested in the complainant.”

But a majority of the Supreme Court has gone further than any of the rules above stated, and in spite of a vigorous dissent from the minority, has held another doctrine which is as follows: Where a complainant files a bill, in which he states a patent right, and states its use by the defendant; and, in a charging part, recites the particulars of an alleged license claimed by the defendant to be a justification of that use, and avers that there is no such license in existence, and prays for an injunction and an account of infringer's profits; and where the defendant files an answer, admitting the patent right, and admitting the use, and defending only on the ground of the alleged license; then the action is not one arising under the patent laws of the United States.<sup>14</sup> But there is no warrant for pressing that conclusion any further than it necessarily goes; no warrant for applying its doctrine to any case which lacks any of the elements upon which it was based. And neither the Supreme Court nor the other Federal tribunals have shown a disposition so to do.<sup>15</sup>

Where a complainant files a bill in which he states a patent right, and states its use by the defendant, and says nothing about any contract or license, and prays for an injunction and an account of infringer's profits; and where the defendant thereupon files an answer in which he does not traverse any part of the bill, but pleads, by way of confession and avoidance, that he has a license which covers his use of the patent, it will not do to apply the rule in *Hartell v. Tilghman*. If that rule were applied to such a case, it would result in a dismissal of the bill for

<sup>14</sup> *Hartell v. Tilghman*, 99 U. S. 547, 1878. *Wood-Morrison Co.*, 102 F. R. 955, 1900; *Leslie Co. v. William*

<sup>15</sup> *Atherton Mach. Co. v. At-* *Mann Co.*, 157 F. R. 236, 1907.

want of jurisdiction. Then if the complainant should file a new bill in a State court, precisely like the other, and if the defendant should thereupon file an answer saying nothing about any license, but denying the validity of the patent, that suit would also have to be dismissed, because it would present no controversy except one touching the validity of a patent for an invention. Any infringer of a patent could thus defeat every suit based on his infringement, by simply making one defence in one court and another defence in another court, no matter how fictitious both of those defences might be. A consequence so unjust could not be tolerated; and the law is now settled that where a plaintiff decides to sue a defendant as a naked infringer, the Federal courts have jurisdiction, and that such jurisdiction cannot be ousted by any answer which the defendant may interpose.<sup>16</sup>

§ 389. Actions for infringement of patents, being transitory in their nature, could formerly be brought in any district in which the defendant was an inhabitant or should be found.<sup>17</sup> But a statute of March 3, 1897, re-enacted by Act of March 3, 1911, c. 231, § 48 (36 Stat. 1100), restricts such suits to the district of which the defendant is an inhabitant, or to any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement, and have a regular and

<sup>16</sup> *White v. Rankin*, 144 U. S. 628, 1892; *Excelsior Wooden Pipe Co. v. Pacific Bridge Co.*, 185 U. S. 282, 1902; *Elgin Wind Power & Pump Co. v. Nichols*, 65 F. R. 217, 1895; *Everett v. Haulenbeck*, 68 F. R. 911, 1895; *Young Reversible Lock-Nut Co. v. Young Lock-Nut Co.*, 72 F. R. 62, 1896; *Pacific Contracting Co. v. Union*

*Paving Co.*, 80 F. R. 737, 1897; *Atherton Mach. Co. v. Atwood-Morrison Co.*, 102 F. R. 949, 1900; *Clancy v. Troy Belting & Supply Co.*, 157 F. R. 554, 1907; *The Fair v. Kohler Die Co.*, 228 U. S. 22, 1913.

<sup>17</sup> 18 Statutes at Large, Part 3, Ch. 137, Section 1, p. 470.

established place of business.<sup>18</sup> These restrictions on jurisdiction are, however, merely a personal privilege and are waived by a general appearance.<sup>19</sup> Further, the statute applies not only to defendants who are inhabitants of some district within the United States but also to non-resident aliens, who may be served by substituted service on their agents in the United States whether the alien is a person, partnership, or corporation.<sup>20</sup> In addition aliens may be sued in any district in which they are found.<sup>21</sup>

The general appearance, however, is limited in its application by the scope of the action in which the general appearance is filed, and such an appearance does not warrant the court in allowing an amendment which sets up a new, different or distinct cause of action from that set up in the original bill; as for instance a cause of action on which the defendant could not originally have been sued in the jurisdiction where the suit was commenced.<sup>22</sup>

Section 740 of the Revised Statutes, providing that where there are two or more defendants residing in different Federal districts of the same State, the suit may be brought in either district and jurisdiction of all defendants obtained by the issuance and service of duplicate subpoenas, does not apply to suits for infringement of patents, and where there are two or more joint defendants living in different districts of the same State, each

<sup>18</sup> 29 Statutes at Large, Ch. 395, p. 695; *Bowers v. Atlantic G. & P. Co.*, 104 F. R. 889, 1900.

<sup>19</sup> *U. S. Consolidated, etc., Co. v. Phoenix, etc., Raisin Co.*, 124 F. R. 234, 1903; *United States Expansion Bolt Co. v. H. G. Kroucke Hardware Co.*, 216 F. R. 186, 1914.

<sup>20</sup> *Smith v. Farbenfabriken of*

*Elberfeld Co.*, 203 F. R. 476, 1913.

<sup>21</sup> *United Shoe Mach. Co. v. Duplessis, etc., Co.*, 133 F. R. 930, 1904.

<sup>22</sup> *Western Wheeled Scraper Co. v. Gahagan*, 152 F. R. 648, 1907. (Note: while the principle of law stated is undeniably correct, query as to its application to the facts in the particular case.)

defendant must be within the scope of the provisions of the Act of March 3, 1897, above noted.<sup>23</sup>

Where the jurisdiction is not based on habitation, the existence of a regular and established place of business in the district, at the time the suit is begun, is necessary to the jurisdiction; though the infringement in the district may have ceased at that time.<sup>24</sup> Where a manufacturing corporation makes infringing articles in the State where it is organized and exists, and sends those articles to another State to be there sold by another corporation as its agent, and where those articles are thus sold; the place of business of the selling corporation is a regular and established place of business of the manufacturing corporation.<sup>25</sup> But a space occupied by an exhibitor, in an exposition, for the purpose of showing articles to the public, is not a regular and established place of business, within the meaning of the statute.<sup>26</sup>

Where a manufacturing corporation maintains an agency for the preliminary negotiation of sales of infringing articles, it has a regular and established place of business; but if that preliminary negotiation is not followed by any sale or subsequent use of an infringing article, in the district where that agency is maintained, the District Court for that district has no jurisdiction of that corporation, on account of that agency.<sup>27</sup> But if that preliminary

<sup>23</sup> *Cheatham Electric Switching Device Co. v. Transit Development Co.*, 191 F. R. 727, 1911.

<sup>24</sup> *Feder v. A. B. Fiedler & Sons*, 116 F. R. 378, 1902; *Underwood Typewriter Co. v. Fox Typewriter Co.*, 158 F. R. 476, 1907.

<sup>25</sup> *Thomson-Houston Electric Co. v. Bullock Electric Co.*, 101

F. R. 588, 1900; *Smith v. Farbenfabriken of Elberfeld Co.*, 203 F. R. 476, 1913.

<sup>26</sup> *L. E. Waterman Co. v. Parker Pen Co.*, 100 F. R. 544, 1900.

<sup>27</sup> *Westinghouse Electric & Mfg. Co. v. Stanley Electric Mfg. Co.*, 116 F. R. 641, 1902; *United Autographic Register Co. v. Egry*

negotiation is followed by a sale of an infringing article outside of that district, for subsequent use inside of that district, the District Court for that district has jurisdiction of that manufacturing corporation, on the ground that it not only has a regular and established place of business in the district, but also is chargeable with contributing to the infringing use of the article in the district, after having sold it for that purpose, though the sale was consummated outside of the district.<sup>28</sup>

In *W. S. Tyler Co. against Ludlow-Saylor Wire Co.*,<sup>281</sup> the Supreme Court held that where a manufacturing company of another State than that where the suit is brought employs a representative in the State of suit, paying him a small salary, commissions on sales and traveling expenses, the duty of the representative being merely to solicit orders and forward them when received, to the home office for execution, does not have a regular and established place of business in the district of suit. The court said: "Guerin received and forwarded and his principal accepted orders for goods which were thereafter manufactured and shipped by express to the purchaser in New York City. This sale was consummated at St. Louis and did not constitute an infringement of appellant's patent within the district where suit was brought." The determining elements in the case are considered to be that the "agent" was also employed by another corpora-

Register Co., 219 F. R. 637, 1915; *Tyler Co. v. Ludlow-Saylor Wire Co.*, 236 U. S. 723, 1915; *United States Envelope Co. v. Transo Paper Co.*, 229 F. R. 576, 1916.

<sup>28</sup> *Westinghouse Electric & Mfg. Co. v. Stanley Electric Mfg. Co.*, 121 F. R. 101, 1903. See *Chadeloid Chemical Co. v. Chi-*

*cago Wood Finishing Co.*, 180 F. R. 770, 1910, where the phrase in question is given a liberal interpretation; *Edison v. Allis-Chalmers Co.*, 191 F. R. 837, 1911.

<sup>281</sup> *W. S. Tyler Co. v. Ludlow-Saylor Wire Co.*, 236 U. S. 723, 1915.



tion than the defendant to solicit orders to be executed at the home office of the latter, and that he shared his office expenses with the other corporation.<sup>28b</sup>

The provision of the Act of March 3, 1897, c. 395 (29 Stat. 695), that where the suit is brought in a district where the defendant has a "regular and established place of business" service of process "may be made by service upon the agent or agents engaged in conducting such business" is permissive only, and where the defendant is a corporation service may be made on the corporation itself if it be found within the district of suit.<sup>29</sup>

Where a defendant intends to deny habitation, or the existence of a regular and established place of business, in the district in which a suit has been begun, the proper practice is a special appearance for the purpose, and a motion to set aside whatever service of process may have been made, upon any person as assumed representative of the defendant.<sup>30</sup> Where a defendant intends to deny any infringement within the district in which a suit has been begun; that denial may be made by motion to dismiss, unless such infringement is asserted in the bill. And where such infringement is asserted in the bill, that denial may be made by special matter in the answer.<sup>30a</sup> If made by special matter in the answer, then the issue of fact must be settled by evidence. If that denial is made in an answer, it may be presented to the court by a motion to dismiss the bill for want of jurisdiction, after the complainant has taken his evidence in chief, and has

<sup>28b</sup> *United States Envelope Co. v. Transo Paper Co.*, 229 F. R. 576, 1916.

<sup>29</sup> *National Electric Signalling Co. v. Telefunken Wireless Telegraph Co.*, 194 F. R. 893, 1912.

<sup>30</sup> *Interior Construction Co. v.*

*Gibney*, 160 U. S. 219, 1895; *L. E. Waterman Co. v. Parker Pen Co.*, 100 F. R. 544, 1900; *United States Seeded Raisin Co. v. Phoenix Seeding Co.*, 124 F. R. 234, 1903.

<sup>30a</sup> Equity Rule 29.

omitted or failed to prove infringement as having occurred in the district where the suit is pending.<sup>31</sup> For purposes of jurisdiction of a non-resident the infringement must be actual and not merely threatened.<sup>32</sup> A voluntary general appearance by the defendant does not relieve the plaintiff from proving the jurisdictional facts if the allegations concerning them are denied.<sup>33</sup>

§ 390. Where a district contains more than one division, every action for infringement of a patent, which is brought in that district on the ground of the habitation of the defendant therein, must be brought in the division where he resides; and where there are two or more defendants residing in different divisions of a district, such an action, if brought against them in that district, on the ground of their habitation therein, must be brought in one of those divisions.

§ 391. The Court of Claims is the tribunal which has jurisdiction of all actions brought by owners of patent rights against the government of the United States, for compensation for the use by the Government of patents and patent rights owned by individuals.<sup>34</sup> Such suits are subject to a six-year statute of limitations and in the absence of an established royalty the claimant is entitled to recover what a reasonable royalty for an express license would have been.<sup>35</sup> But it is held that no implied contract arises where the patentee is an officer of the United States Government making the patent invention in the course of his official duty at the expense of the Govern-

<sup>31</sup> *Streat v. American Rubber Co.*, 115 F. R. 634, 1902.

<sup>32</sup> *Gray v. Grinberg*, 147 F. R. 732, 1906.

<sup>33</sup> *Gray v. Grinberg*, 159 F. R. 138, 1908.

<sup>34</sup> *United States v. Burns*, 12 Wallace, 246, 1870; *United States v. Palmer*, 128 U. S. 269, 1888; Act June 25, 1910, 36 Stat. 851.

<sup>35</sup> *United States v. Berdan Fire Arms Co.*, 156 U. S. 569, 1895.

ment and for the public service.<sup>36</sup> It has been held that this protection, at least as far as a suit for an injunction is concerned, extends to an owner of a hotel who has purchased infringing mail chutes and established them in his hotel and hence are by the general Act of Congress, under the care and custody of the United States.<sup>37</sup> Presumably this holding applies only to the particular chutes already supplied to the Government and an injunction might issue against supplying more,<sup>38</sup> at least in the absence of the statute passed in 1910 permitting certain suits against the Federal Government to be brought in the Court of Claims.<sup>39</sup>

§ 392. What remedy a patentee has when the Government makes or uses specimens of the patented invention without his consent is a question which was long debated. The United States cannot be sued except where it has consented thereto by a statute. This question was, however, set at rest by the passage of the Act of June 25, 1910, 36 Statutes, 851, whereby the Court of Claims was given jurisdiction of suits by owners of patents and licensees for the recovery of reasonable compensation for the use by the Government of the patent owned or licensed.<sup>40</sup>

§ 393. Prior to the Act mentioned in the preceding section there was much debate as to the personal liability of an officer of the United States Government who was chargeable with an unauthorized use of a patented inven-

<sup>36</sup> *Solomons v. United States*, 22 Court of Claims, 342, 1887; *Davis v. United States*, 23 Court of Claims, 334, 1888.

<sup>37</sup> *Cutler v. Maryland Hotel Co.*, 168 F. R. 931, 1909.

<sup>38</sup> *International Curtis Marine Turbine Co. v. William Cramp &*

*Sons Ship & Engine Co.*, 211 F. R. 124, 1914.

<sup>39</sup> Act June 25, 1910, c. 423 (36 Stat. 851).

See Section 157.

<sup>40</sup> See *Schillinger v. United States*, 155 U. S. 169, 1894, decided before the Act of June 25, 1910.

tion for the benefit of the Government. This question is considered more fully in Section 157 of this book. In brief, however, it may be stated that it is no longer the law that an action will lie against agents of the Government under such circumstances.<sup>41</sup>

§ 394. The plaintiff or complainant in an action based on an infringement of a patent may be the patentee, or the sole assignee of that patent; or any grantee under a patent may sue alone, for any infringement committed within his territory.<sup>42</sup> And the owner of an equitable title to the patent may sue in equity if the defendant is the patentee or his assignee.<sup>43</sup> And the plaintiff or complainant may be a partnership, as well as a person or a corporation; and may sue in the partnership name, though that name is an artificial one, quite unlike the names of the partners.<sup>44</sup>

It is not necessary for the plaintiff, in an action at law, to own any present interest in the patent at the time he brings his action. It is enough if he was the patentee, assignee, or grantee of the rights infringed, at the time the infringement sued upon was committed.<sup>45</sup> But this rule does not generally apply to actions in equity, for such actions are generally dependent upon an injunction, and no injunction can be granted to restrain future infringements of a patent, on the suit of a person who has no interest in the patent threatened to be infringed.<sup>46</sup> Though

<sup>41</sup> *Crozier v. Krupp*, 224 U. S. 290, 1912.

<sup>42</sup> Revised Statutes, Section 4919; *Wilson v. Rousseau*, 4 Howard, 646, 1846; *Stein v. Goddard*, 1 McAlister, 82, 1856; *Seibert Oil Cup Co. v. Beggs*, 32 F. R. 790, 1887.

<sup>43</sup> *Prest-O-Lite Co. v. Avery*

*Portable Lighting Co.*, 164 F. R. 60, 1908.

<sup>44</sup> *Fruit Cleaning Co. v. Fresno Home Packing Co.*, 94 F. R. 847, 1899.

<sup>45</sup> *Moore v. Marsh*, 7 Wallace, 515, 1868.

<sup>46</sup> *Waterman v. Mackenzie*, 138 U. S. 255, 1891.

where a complainant owns a patent infringed, when he files his bill for an injunction and a money recovery, jurisdiction will not lapse when he assigns the future of his patent.<sup>47</sup>

§ 395. Actions at law brought by assignees or grantees, for infringements committed prior to the time they obtained title, must, according to the common law, be brought in the name of the person who held the legal title to the patent right when and where it was infringed by the defendant. This rule was not abrogated by the statute which permits suits to be brought by assignees; because the assignees which are contemplated by that statute, are assignees of patents and not assignees of rights of action under patents.<sup>48</sup> No cause of action for damages against an infringer lies in favor of an assignee of a mere claim for damages for infringement. Such an assignee is not a "party interested, either as patentee, assignee or grantee."<sup>49</sup> Nor may such an assignee, or at any rate one who has merely the right to share in moneys collected from infringement, be a party to a suit in equity for an injunction,<sup>50</sup> unless as owner of the patent who was granted an exclusive license but who has reserved an interest in damages to be recovered from infringers and also has the right to cancel the license under certain conditions. The latter right is held to entitle him to bring such a suit, even if the former would not be sufficient.<sup>51</sup>

An action in equity, if maintainable at all in such a case, may be brought in the name of the assignee; and such an

<sup>47</sup> *New York Belting Co. v. New Jersey Rubber Co.*, 47 F. R. 505, 1891.

<sup>48</sup> *Moore v. Marsh*, 7 Wallace, 515, 1868; *Armstrong, Whitworth & Co. v. Norton*, 15 App. D. C. 232, 1899.

<sup>49</sup> *Webb v. Goldsmith*, 127 F. R. 572, 1904; Revised Statutes, Section 4919.

<sup>50</sup> *Kaiser v. General Phonograph Supply Co.*, 171 F. R. 432, 1909.

<sup>51</sup> *Kaiser v. General Phonograph Supply Co.*, 171 F. R. 432, 1909.

action will be maintainable where the suit is based on infringements and threatened infringements, committed after the complainant obtained title, as well as upon infringements committed before that event.<sup>52</sup> An action in equity will also be maintainable in such a case, if the assignor of the right of action was a corporation, and has been dissolved or has expired;<sup>53</sup> or if for any reason it is impossible for the assignee of the right of action to sue in the name of the assignor.<sup>54</sup>

Where the assignor is dead at the time the assignee desires to bring an action at law, and where no legal representative of the assignor exists, or is likely to exist unless the appointment of one is obtained for the special purpose of using his name as nominal plaintiff in the assignee's suit, it would seem no great stretch of equity jurisdiction to allow the assignee to file a bill in his own name, and thus avoid the useless and expensive circuitry of compelling him first to secure the appointment of an administrator, and then to bring an action at law in the name of the latter. No principle adverse to such a proceeding was perceived by Chief Justice MARSHALL, when, in a similar case of expensive circuitry at law, the more direct and less expensive methods of equity were invoked before him.<sup>55</sup>

§ 396. Where a patentee, assignee, or grantee, who was entitled to sue for an infringement of a patent, died before beginning an action thereon, such an action may be

<sup>52</sup> *Dibble v. Augur*, 7 Blatch. 86, 1869; *Henry v. Stove Co.*, 2 Bann. & Ard. 224, 1876; *Gordon v. Anthony*, 16 Blatch. 234, 1879; *Merriam v. Smith*, 11 F. R. 589, 1882; *Shaw v. Lead Co.*, 11 F. R. 715, 1882; *Consolidated Oil Well*

*Packer Co. v. Eaton*, 12 F. R. 870, 1882.

<sup>53</sup> *Lenox v. Roberts*, 2 Wheaton, 373, 1817.

<sup>54</sup> *Hayward v. Andrews*, 106 U. S. 675, 1882.

<sup>55</sup> *Riddle v. Mandeville*, 5 Cranch, 329, 1809.

brought by his executor or administrator,<sup>56</sup> upon his fulfilling the conditions and giving the guarantees of fidelity and solvency required by the law of the State wherein the court is established in which the action is proposed to be brought.<sup>57</sup> But it is not certain that, when beginning a patent action in a Federal court in a State other than that of his appointment, an executor or administrator must conform to the conditions, or give the guarantees, prescribed by the local laws.<sup>58</sup> Whether the various State laws, relevant to foreign executors or administrators suing in State courts, are binding in such cases as these, is a point upon which there appears to be a conflict of authority. The cases last cited appear to support the negative of the question, while those cited just before seem to sustain the affirmative view. It is possible that a distinction may be drawn on this point between actions based on patents and actions arising out of local law and brought into Federal courts on grounds of diverse citizenship. If that distinction is found to be important, it may lead to a decision that executors and administrators may begin and prosecute patent cases in Federal courts in States other than that of their appointment, without any regard to the probate or other analogous laws of those States. If it is held otherwise, then the laws of the States relevant to the conditions upon which foreign executors or administrators are permitted to sue in their courts, will require the attention of the practitioner in such cases. In some States those conditions amount to local probate,

<sup>56</sup> *May v. County of Logan*, 30 F. R. 253, 1887.

<sup>57</sup> *Rubber Co. v. Goodyear*, 9 Wallace, 791, 1869; *Wilkins v. Ellett*, 108 U. S. 256, 1882; *Picquet v. Swan*, 3 Mason, 472, 1824.

<sup>58</sup> *Hodge v. Railroad Cos.*, 4 Fisher, 162, 1870; *Northwestern Fire Extinguisher Co. v. Philadelphia Fire Extinguisher Co.*, 1 Bann. & Ard. 177, 1874.

and in others they amount to no more than the giving of a bond for costs. But whether onerous or easy, and whether necessary or unnecessary to be regarded in patent cases, an omission to regard them cannot be availed of by a defendant, unless availed of in his pleadings.<sup>59</sup>

§ 397. Where an executor or administrator of a deceased patentee, or assignee or grantee of a patent right, assigns that right to another, or assigns to another a right of action for its infringement, that other can sue thereon in any State, without any proceedings in the nature of local probate, provided he can sue in his own name.<sup>60</sup> Whether he can sue in his own name will depend upon whether he is entitled to an injunction; or if not entitled to an injunction, it will depend upon whether equity can take jurisdiction on some other ground; or if not entitled to sue in equity at all, it will depend upon whether the laws of the particular State authorize assignees of rights of action to bring actions at law in their own respective names.<sup>61</sup>

§ 398. Patentees and other persons entitled to bring actions for infringements of patents may appoint attorneys in fact to bring those actions in the names of the appointers; but not in the names of the attorneys in fact.<sup>62</sup>

§ 399. Owners in common of patent rights must sue jointly for their infringement, or the defendant may plead in abatement or demur,<sup>63</sup> or in suit in equity, move to dismiss. This rule applies where a patentee has assigned an

<sup>59</sup> *Rubber Co. v. Goodyear*, 9 Wallace, 791, 1869.

<sup>60</sup> *Harper v. Butler*, 2 Peters, 238, 1829; *Trecothick v. Austin*, 4 Mason, 36, 1825; *Leake v. Gilchrist*, 2 Devereaux (N. C.), 73, 1829; *Peterson v. Chemical Bank*, 32 N. Y. 21, 1865; *Riddick v. Moore*, 65 N. C. 382, 1871;

*May v. County of Logan*, 30 F. R. 253, 1887.

<sup>61</sup> *May v. County of Logan*, 30 F. R. 253, 1887.

<sup>62</sup> *Goldsmith v. Collar Co.*, 18 Blatch. 82, 1880.

<sup>63</sup> *Van Orden v. Nashville*, 67 F. R. 332, 1895; *Postal Tel. Cable Co. v. Netter*, 102 F. R. 691, 1900.



undivided part of his patent,<sup>64</sup> and also to cases where the owner of the patent has granted an undivided interest therein, in that part of the territory of the United States wherein the infringement sued upon was committed. In the first of these cases the action must be brought by the patentee and assignee jointly; and in the other case it must be jointly brought by the owner of the patent and his grantee. Indeed, the rule necessarily applies to every case where a plurality of persons own the undivided interest in a patent right, whether in the whole, or only in a part of the territory of the United States. And it has been held in one case, that the owner of a patent right in a part of the territory of the United States, may join with the owner of the same patent right in another part of that territory, in suing for infringement of the patent in the territory of the latter, on the ground that all the owners of territorial rights under the patent are interested in having it sustained.<sup>65</sup> But there is no occasion for a person who has only an interest in the proceeds of a patent, without having any title in the patent itself, to join in a suit for its infringement.<sup>66</sup>

§ 400. Licensees under patents cannot bring actions for their infringement.<sup>67</sup> Where a person has received an exclusive license to use or to sell a patented invention within

<sup>64</sup> *Moore v. Marsh*, 7 Wallace, 515, 1868; *Waterman v. Mackenzie*, 138 U. S. 255, 1891; *Dick v. Struthers*, 25 F. R. 104, 1885.

<sup>65</sup> *Otis Mfg. Co. v. Crane Mfg. Co.*, 27 F. R. 558, 1886.

<sup>66</sup> *Bogart v. Hinds*, 25 F. R. 485, 1885.

<sup>67</sup> *Gayler v. Wilder*, 10 Howard, 477, 1850; *Paper-Bag Cases*, 105 U. S. 766, 1881; *Blanchard v. El-*

*dridge*, 1 Wallace, Jr., 337, 1849; *Potter v. Holland*, 4 Blatch. 206, 1858; *Sanford v. Messer*, 1 Holmes, 149, 1872; *Nelson v. McMann*, 4 Bann. & Ard. 203, 1879; *Gamewell Telegraph Co. v. Brooklyn*, 14 F. R. 255, 1882; *Ingalls v. Tice*, 14 F. R. 297, 1882; *Wilson v. Chickering*, 14 F. R. 917, 1883; *De Forest v. Collins Wireless Telephone Co.*, 174 F. R. 821, 1909.

a specified territory, all actions at law against persons who, without right, have done anything covered by the license, must be brought in the name of the owner of the patent right, but generally for the use of the licensee;<sup>68</sup> and all actions in equity must be brought by the owner of the patent right and the exclusive licensees suing together as joint complainants;<sup>69</sup> even where the license is oral,<sup>70</sup> or is an incident of a partnership.<sup>71</sup>

But the holder of a license less than exclusive must not join in an action in equity for an infringement of the patent under which he is licensed,<sup>72</sup> even where the infringement consisted in making and selling one form of the patented invention, which the licensee was exclusively licensed to make and sell.<sup>73</sup> And an exclusive licensee who has assigned his license, must not join in an action in equity for an infringement of the patent, even against a defendant who infringed before the license was assigned; for such a person is not entitled to pray for an injunction, and therefore is not entitled to invoke a court of equity to decree a money recovery for past infringement.

Actions at law brought in the name of the owner of a patent right, but actually begun by an exclusive licensee, may be maintained by the latter, even against the will

<sup>68</sup> *Littlefield v. Perry*, 21 Wallace, 223, 1874; *Goodyear v. McBurney*, 3 Blatch. 32, 1853; *New York Filtration Co. v. City of Sullivan*, 111 F. R. 181, 1901.

<sup>69</sup> *Waterman v. Mackenzie*, 138 U. S. 255, 1891; *Hammond v. Hunt*, 4 Bann. & Ard. 113, 1879; *Huber v. Sanitary Depot*, 34 F. R. 752, 1888; *Bredin v. Solmson*, 145 F. R. 944, 1906. See *Havens v.*

*W. R. Ostrander & Co.*, 190 F. R. 199, 1911.

<sup>70</sup> *Sharpless v. Moseley & Stoddard Mfg. Co.*, 75 F. R. 595, 1896.

<sup>71</sup> *Chisholm v. Johnson*, 106 F. R. 213, 1901.

<sup>72</sup> *Blair v. Lippincott Glass Co.*, 52 F. R. 226, 1892; *American Graphophone Co. v. Walcutt*, 87 F. R. 557, 1898.

<sup>73</sup> *Pope Mfg. Co. v. Clark*, 46 F. R. 792, 1891.

of the nominal plaintiff.<sup>74</sup> And where an exclusive licensee brings an action in equity in the name of himself and the owner of the patent right, that action may be maintained without the co-operation and even against the objection of the latter.<sup>75</sup> The fact that the owner has been enjoined in another circuit from maintaining suits for infringement on the patent in suit does not relieve the owner from such liability to be joined as plaintiff.<sup>76</sup>

Where the owner of a patent is himself an infringer of a licensee's exclusive right to use or to sell the invention covered thereby, no action at law can remedy the wrong. The licensee cannot bring such an action in his own name in that case, any more than in another; and he cannot sue in the name of the wrongdoer, for he would thus make the latter both plaintiff and defendant. Such a state of facts constitutes such an impediment to an action at law as authorizes the licensee to sue the owner of a patent or one who purchased the patent with knowledge of the license in a court of equity.<sup>77</sup> And a stranger to the title who joined in the infringement, may be joined with the owner as a defendant.<sup>78</sup>

<sup>74</sup> *Goodyear v. Bishop*, 4 Blatch. 438, 1860.

<sup>75</sup> *Brush-Swan Electric Light Co. v. Electric Co.*, 48 F. R. 224, 1891; *Brush Electric Co. v. Electric Co. of San José*, 49 F. R. 73, 1892; *Brush Electric Co. v. California Electric Co.*, 52 F. R. 945, 1892; *Excelsior Wooden-Pipe Co. v. Allen*, 104 F. R. 553, 1900; *Chisholm v. Johnson*, 106 F. R. 212, 1901; *Excelsior Wooden-Pipe Co. v. City of Seattle*, 117 F. R. 140, 1902; *Hurd v. James Gould Co.*, 203 F. R. 998, 1913.

<sup>76</sup> *Hurd v. James Gould Co.*, 203 F. R. 998, 1913.

<sup>77</sup> *Littlefield v. Perry*, 21 Wall. 223, 1874; *Root v. Railway Co.*, 105 U. S. 216, 1881; *Rapp v. Kelling*, 41 F. R. 792, 1890; *Adriance v. McCormick Mach. Co.*, 55 F. R. 290, 1893; 56 F. R. 918, 1893; *Smith v. Ridgely*, 103 F. R. 876, 1900; *New York Phonograph Co. v. National Phonograph Co.*, 144 F. R. 404, 1906.

<sup>78</sup> *Waterman v. Shipman*, 55 F. R. 986, 1893.

Where an exclusive licensee, who pays royalties in proportion to the extent of his use or his sales of the patented invention, allows infringers to use or to sell that invention without interference from him, the owner of the patent right may sue those infringers in his own name and for his own use.<sup>79</sup>

§ 401. The defendant in an action for an infringement of a patent may be a natural person, or a partnership. A private corporation may also be held liable as defendant in such an action.<sup>80</sup> And a receiver, appointed by a State court for an infringing corporation, may be sued for its infringement or for his own infringement as receiver, without the consent of the State court which appointed him.<sup>81</sup> And so with trustees in bankruptcy and assignees for the benefit of creditors.<sup>82</sup> Among public corporations, the liability of a city for infringing a patent has been affirmed,<sup>83</sup> and that of a county has sometimes been affirmed and sometimes denied.<sup>84</sup> It follows of course that an individual cannot escape liability for infringement by showing that the infringing articles were supplied under contract to a city even though the infringing articles were

<sup>79</sup> *Still v. Reading*, 20 O. G. 1026, 1881.

<sup>80</sup> *York & Maryland Line Railroad Co. v. Winans*, 17 Howard, 30, 1854.

<sup>81</sup> *Hupfeld v. Automaton Piano Co.*, 66 F. R. 789, 1895; *Union Switch & Signal Co. v. Philadelphia & Reading Railroad Co.*, 69 F. R. 833, 1895.

<sup>82</sup> *United Wireless Telegraph Co. v. National Electric Signalling Co.*, 198 F. R. 385, 1912; *Amer-*

*ican Graphophone Co. v. Pickard*, 201 F. R. 546, 1912.

<sup>83</sup> *Bliss v. Brooklyn*, 4 Fisher, 596, 1871; *Asbestine Mfg. Co. v. Hepp*, 39 F. R. 326, 1889; *City of Akron v. Bone*, 221 F. R. 944, 1915.

<sup>84</sup> *Jacobs v. Hamilton County*, 4 Fisher, 81, 1862; *May v. County of Mercer*, 30 F. R. 246, 1887; *May v. County of Juneau*, 30 F. R. 241, 1887; *May v. County of Logan*, 30 F. R. 260, 1887; *May v. County of Ralls*, 31 F. R. 473, 1887.

specified in the call for bids.<sup>85</sup> If any distinction exists between a city and a county, it is founded on the fact that cities are created and exist mainly for the special use of the people who compose them; while counties are subdivisions of States, made for the purposes of political organization, and civil and judicial administration.<sup>86</sup> The same reasons, if valid, would indicate that organized villages are generally liable for infringements, while ordinary townships are not. The general rule on the subject would then appear to be that cities and villages are liable for infringements of patents, unless the charters or statutes which created or which regulate them, otherwise require or provide, while counties and townships are not so liable unless they are made so by the legislative power which called them into being.<sup>87</sup> School districts probably fall in the same category as townships in respect to this sort of liability.<sup>88</sup> No State can be sued for any infringement of a patent without its statutory consent.<sup>89</sup> And it has been held that a State officer is not responsible for any infringement of a patent which occurs in any State work conducted by him, where he did not direct the infringement to be committed, and did not know the fact of infringement till after it was done.<sup>90</sup>

§ 402. Natural persons cannot escape liability for their infringements of patents on the ground that they are

<sup>85</sup> Consolidated Contract Co. v. Hassan Paving Co., 227 F. R. 436, 1915.

<sup>86</sup> Ward v. County of Hartford, 12 Connecticut, 406, 1838; Commissioners of Hamilton County v. Mighels, 7 Ohio State, 118, 1857.

<sup>87</sup> May v. County of Buchanan,

29 F. R. 473, 1886; May v. County of Cass, 30 F. R. 762, 1887.

<sup>88</sup> Wilson v. School District, 32 New Hampshire, 118, 1855.

<sup>89</sup> Eleventh Amendment to the Constitution of the United States; Hans v. Louisiana, 134 U. S. 17, 1890.

<sup>90</sup> Standard Fireproofing Co. v. Toole, 122 F. R. 652, 1903.

minors or married women.<sup>91</sup> A minor is not less liable to an action because the act of infringement was done at the command of his father;<sup>92</sup> but if a married woman commits an infringement in the presence of her husband, she is not liable to an action therefor, unless it can be shown that she did it without his influence or consent.<sup>93</sup> In the absence of such evidence, the husband is alone liable for the torts of the wife which are committed in his presence;<sup>94</sup> or under his direction;<sup>95</sup> and for the infringements which are committed jointly by both.<sup>96</sup>

§ 403. An agent or salesman who sells or leases specimens of a patented thing, is liable as an infringer for so doing.<sup>97</sup> The foreman of a factory is liable for infringements done under his supervision.<sup>98</sup> And any employed person who has derived a distinct and independent benefit from infringing a patent under the direction of his employer, is himself liable to an action based on that infringement.<sup>99</sup> But a mechanic who, when working for wages, makes or uses a patented thing, or uses a patented process, at the command of his employer, is not liable to an action at law, on that account,<sup>100</sup> though he may doubtless be restrained by an injunction from continuing such making

<sup>91</sup> Cooley on Torts, Chapter IV.

<sup>92</sup> *Humphreys v. Douglass*, 10 Vermont, 71, 1838; *Scott v. Watson*, 46 Maine, 362, 1859.

<sup>93</sup> Bishop's Law of Married Women, Volume 2, Section 258.

<sup>94</sup> Bishop's Law of Married Women, Volume 1, Section 43.

<sup>95</sup> *American Bell Telephone Co. v. Cushman*, 57 F. R. 844, 1893.

<sup>96</sup> *Green v. Austin*, 22 O. G. 683, 1882.

<sup>97</sup> *Potter v. Crowell*, 3 Fisher, 112, 1866; *Maltby v. Bobo*, 14

*Blatch*, 53, 1876; *Steiger v. Heidelberg*, 4 F. R. 455, 1880; *Cramer v. Fry*, 68 F. R. 207, 1895; *Graham v. Earl*, 82 F. R. 743, 1897.

<sup>98</sup> *Cahoone Mfg. Co. v. Harness Co.*, 45 F. R. 584, 1891.

<sup>99</sup> *Palmer v. Landphere*, 99 F. R. 568, 1900; and 118 F. R. 52, 1902.

<sup>100</sup> *Delano v. Scott*, Gilpin, 498, 1834; *United Nickel Co. v. Worthington*, 13 F. R. 392, 1882; *Young v. Foerster*, 37 F. R. 203, 1889; *Graham v. Earl*, 82 F. R. 742, 1897.

or using;<sup>101</sup> provided his employer is also subject to be thus restrained.<sup>102</sup> A decree for an account of profits would not be proper in such a case, because a mechanic cannot be said to make any profits from such an infringement. Nor would a decree for damages be any more proper in an action in equity, than would a judgment for damages in an action at law.

While it cannot be so stated as a matter of law, it has been remarked that the class of persons described in the foregoing paragraph, when sued for infringement by their former employers, are not entitled to be indulged in presumptions of fact to which they are not entitled by rule of law.<sup>103</sup>

§ 404. Whoever directs or requests another to infringe a patent, is himself liable to an action for the resulting infringement, on the principle that what one does by another he does by himself.<sup>104</sup> So, also, if an infringement is committed by A. B. for the benefit of C. D., but without the knowledge or authority of the latter, the latter will still be liable as an infringer, if he approves the tort after its commission.<sup>105</sup> An infringement which is committed by an employee in the regular course of his employer's business will also render the latter liable to an action, even if the employer forbade the acts which constituted the infringement,<sup>106</sup> or even if the em-

<sup>101</sup> *Goodyear v. Mullee*, 5 Blatch. 437, 1867; *Regent Mfg. Co. v. Penn. Electrical & Mfg. Co.*, 121 F. R. 80, 1902.

<sup>102</sup> *Boston Lasting-Mach. Co. v. Woodward*, 82 F. R. 98, 1897.

<sup>103</sup> *Brunswick Refrigerating Co. v. Wolf, Sayer & Heller*, 222 F. R. 916, 1915; *Spirella Co. v. Unbone Corset Co.*, 180 F. R. 470, 1910.

<sup>104</sup> *Green v. Gardner*, 22 O. G. 683, 1882; *Chisholm v. Johnson*, 106 F. R. 207, 1901.

<sup>105</sup> See *Judson v. Cook*, 11 Barbour (N. Y.), 642, 1852; *Allred v. Bray*, 41 Missouri, 484, 1867.

<sup>106</sup> See *Philadelphia & Reading Railroad Co. v. Derby*, 14 Howard, 468, 1852.

ployer did not know that such was the character of those acts.<sup>107</sup>

§ 405. It is a general principle of law, that whoever does an act which naturally causes another to commit a tort, is himself liable to an action therefor.<sup>108</sup> For example, if A. B. unlawfully makes a specimen of a patented thing, and sells it to C. D., a man whose business it is to use things of that class, there is no injustice in holding the former responsible, not only for his own illegal making and selling, but also for the illegal using committed by the latter, for that making and selling naturally resulted in that using. On the other hand, if E. F., a merchant, gives G. H., a manufacturer, an order for a quantity of articles which may be made either with or without a particular patented process or machine, and if G. H. makes those articles with that machine or process, it is clear that E. F. is not liable for that unlawful making.<sup>109</sup> But where the articles can be made only by infringing a patent, any merchant who causes them to be made for him is liable to an injunction restraining him from a continuation of his conduct.<sup>110</sup> And a person who makes plans for infringing machinery, or other subject of a patent, and obtains bids for its manufacture, and receives compensation for work in its erection, is liable as infringer of the patent on the structure thus produced.<sup>111</sup>

§ 406. Where several persons co-operate in any infringe-

<sup>107</sup> *Wooster v. Marks*, 17 Blatch. 368, 1879; *McKnight v. McNiece*, 64 F. R. 116, 1894.

<sup>108</sup> *Guille v. Swan*, 19 Johnson (N. Y.), 381, 1822; *Brooks v. Ashburn*, 9 Georgia, 297, 1851; *Lewis v. Johns*, 34 California, 629, 1868; *Smith v. Felt*, 50 Barbour (N. Y.), 612, 1868.

<sup>109</sup> *Keplinger v. De Young*, 10 Wheaton, 358, 1825; *Brown v. District of Columbia*, 3 Mackey, 502, 1884.

<sup>110</sup> *Welsbach Light Co. v. Freeman*, 100 F. R. 298, 1900.

<sup>111</sup> *Risdon Iron & Locomotive Works v. Trent*, 92 F. R. 390, 1899.



ment, all those persons are liable therefor as contributors thereto.<sup>112</sup> In that, as in all cases of torts for which several persons are liable, all may be sued jointly, or any of them may be sued alone.<sup>113</sup> But where a patentee sues one of several joint infringers collusively, for the purpose of getting a mutual advantage over another joint infringer, the court, on learning the facts, will dismiss the case.<sup>114</sup>

So, also, an action may be brought against several joint defendants, and sustained against such of them as the evidence shows to be liable, even though not sustained against all.<sup>115</sup> Separate acts of infringement of the individual defendants cannot, however, form the basis of recovery in such suit.<sup>116</sup> Where an action at law is sustained against several joint infringers, the judgment will be entered against all, regardless of whether the benefits of the infringement were confined to part of them, or extended to the whole; <sup>117</sup> though only one payment can be enforced; <sup>118</sup> and a decree for profits, in an action in equity, will be entered only against those of the defendants who are proved to have actually realized profits from the infringement.<sup>119</sup>

§ 407. Contributory infringement is intentional aid or co-operation in transactions, which collectively constitute complete infringement. For example: where a

<sup>112</sup> *Chisholm v. Johnson*, 106 F. R. 209, 1901.

<sup>113</sup> *Jennings v. Dolan*, 29 F. R. 862, 1887; *Bray v. Denning*, 56 F. R. 1019, 1893; *Columbia Wire Co. v. Freeman Wire Co.*, 71 F. R. 306, 1895; *Bowers Dredging Co. v. New York Dredging Co.*, 77 F. R. 983, 1896.

<sup>114</sup> *Ring Refrigerator Co. v. St. Louis Ice Mfg. Co.*, 67 F. R. 535, 1895.

<sup>115</sup> *Reutgen v. Kanowrs*, 1 Washington, 172, 1804.

<sup>116</sup> *Edison v. Allis-Chalmers Co.*, 191 F. R. 837, 1911; *contra*, *Stebler v. Riverside Ass'n*, 214 F. R. 550, 1914.

<sup>117</sup> *Cooley on Torts*, p. 136.

<sup>118</sup> *Jennings v. Dolan*, 29 F. R. 862, 1887.

<sup>119</sup> *Elizabeth v. Pavement Co.*, 97 U. S. 140, 1877; *Featherstone v. Cycle Co.*, 53 F. R. 110, 1892.

person furnishes one part of a patented combination, intending that it shall be assembled with the other parts thereof, and that the complete combination shall be used or sold; that person is liable to an action, as infringer of the patent on the complete combination.<sup>120</sup> The part furnished must, however, be an element of the combination.<sup>121</sup> It has been held that where the part is sent to a foreign country there to be incorporated in the remainder of the combination which had been made in the United States, the sender is not guilty of contributory infringement.<sup>122</sup> Where a person furnishes a machine which is useful only for the purpose of making a patented article, intending that it shall be thus used, that person is himself liable for any infringement which is afterward committed, in the manufacture of that article with that machine.<sup>123</sup> So also, a person is chargeable with contributory infringement of a patent on a machine, where he

<sup>120</sup> *Wallace v. Holmes*, 9 Blatch. 73, 1871; *Schneider v. Pountney*, 21 F. R. 403, 1884; *Travers v. Beyer*, 26 F. R. 450, 1886; *Stearns v. Phillips*, 43 F. R. 795, 1890; *Thomson-Houston Electric Co. v. Kelsey Electric Railway Specialty Co.*, 72 F. R. 1016, 1896; and 75 F. R. 1005, 1896; *American Graphophone Co. v. Amet*, 74 F. R. 791, 1896; *Thomson-Houston Co. v. Ohio Brass Co.*, 80 F. R. 721, 1897; *Red Jacket Mfg. Co. v. Davis*, 82 F. R. 432, 1897; *American Graphophone Co. v. Leeds*, 87 F. R. 874, 1898; *Wilkins Shoe-Button Fastener Co. v. Webb*, 89 F. R. 996, 1898; *Canda v. Michigan Malleable Iron Co.*, 124 F. R. 486, 1903;

*Standard Computing Scale Co. v. Computing Scale Co.*, 126 F. R. 639, 1903; *Heckin Co. v. Baker*, 138 F. R. 63, 1905; *Rumford Chemical Works v. Hygiene Chemical Co.*, 159 F. R. 436, 1908; *General Electric Co. v. Sutter*, 186 F. R. 637, 1911; *New York Scaffolding Co. v. Whitney*, 224 F. R. 452, 1915; *Safety Car Heating, etc., Co. v. Gould Coupler Co.*, 229 F. R. 429, 1916.

<sup>121</sup> *National Malleable Castings Co. v. T. H. Symington Co.*, 230 F. R. 821, 1916.

<sup>122</sup> *Bullock Electric, etc., Co. v. Westinghouse, etc., Co.*, 129 F. R. 105, 1904.

<sup>123</sup> *American Graphophone Co. v. Hawthorne*, 92 F. R. 516, 1899.

furnishes articles for that machine to operate upon, intending that the machine shall be used by operating on those articles.<sup>124</sup> Furthermore, where a person furnishes a machine, composition of matter or other article, which is particularly adapted to be used in performing a patented process, and which the person furnishing the same, intends shall be thus used, that person is liable as a contributory infringer, for any infringement which afterward occurs in accordance with his intention.<sup>125</sup> But where the machine or other property thus furnished, is useful for some other purpose than to be a part of a patented combination, or to make a patented article, or to be operated upon by a patented machine, or to be used in performing a patented process, and where he who furnishes the property, does not intend or know, when furnishing the same, that it is to be thus used, he incurs no liability to an action for infringement.<sup>126</sup> But if he knew or intended that the property furnished by him was to be used in either of the infringing ways, he cannot defeat an action for infringement, by showing that the furnished property could have been used in some non-infringing

<sup>124</sup> *Heaton-Peninsular Button-Fastener Co. v. Eureka Specialty Co.*, 77 F. R. 288, 1896; *Tubular Rivet & Stud Co. v. O'Brien*, 93 F. R. 200, 1898.

<sup>125</sup> *Rumford Chemical Works v. Hecker*, 2 Bann. & Ard. 363, 1876; *Willis v. McCullen*, 29 F. R. 641, 1886; *Alabastine Co. v. Payne*, 27 F. R. 560, 1886; *Celluloid Mfg. Co. v. Zylonite Co.*, 30 F. R. 437, 1887; *Boyd v. Cherry*, 50 F. R. 282, 1883; *New York Filter Co. v. Jackson*, 91 F. R. 425, 1898; *German-American Filter Co. v.*

*Loew Filter Co.*, 103 F. R. 303, 1900; *John R. Williams Co. v. Miller, DuBrul & Peters Co.*, 107 F. R. 290, 1901; *Loew Filter Co. v. German-American Filter Co.*, 107 F. R. 949, 1901.

<sup>126</sup> *Maynard v. Pawling*, 5 Bann. & Ard. 551, 1880; *Millner v. Schofield*, 4 Hughes, 261, 1881; *Snyder v. Bunnell*, 29 F. R. 47, 1886; *Geis v. Kimber*, 36 F. R. 109, 1888; *Edison Electric Light Co. v. Peninsular Light, Power & Heat Co.*, 95 F. R. 673, 1899.

way.<sup>127</sup> In the absence of specific proof of knowledge or intent, the fact that the property furnished could be used with an article or machine which in itself could not be an infringement and that there are many such articles or machines in use is sufficient to absolve one who supplies such property from the charge of infringement.<sup>128</sup> Also if the invention consists merely of a new arrangement of old parts, one who sells the old parts is not chargeable with infringement unless they were sold with the knowledge that they were intended to be used in making up the combination.<sup>129</sup>

The rules regulating the rights of substitution or "re-supply" of an element of a patented combination when the element is of such a nature that it must be renewed or replaced from time to time and is something upon which the remaining elements operate, has received thorough consideration by the Supreme Court in the case of *Leeds & Catlin v. Victor Talking Machine Co.*<sup>129a</sup> In the opinion, Mr. Justice McKenna said that the rule of *Wilson v. Simpson*,<sup>129b</sup> permitted "the re-supply of the effective ultimate tool of the invention which is liable to be often worn out or to become inoperative for its intended effect, which the inventor contemplated would have to be frequently replaced anew, during the time that the machine as a whole might last." The parts which the defendant claimed to be entitled to supply in the *Leeds & Catlin* case were ordinary unpatented disc phonograph records,

<sup>127</sup> *Saxe v. Hammond*, 1 Holmes, 456, 1875; *Bowker v. Dows*, 3 Bann. & Ard. 518, 1878; *Imperial Chemical Mfg. Co. v. Stein*, 69 F. R. 617, 1895.

<sup>128</sup> *Sheridan-Clayton Paper Co. v. United States Envelope Co.*, 232 F. R. 153, 1916.

<sup>129</sup> *Johnson v. Foos Mfg. Co.*, 141 F. R. 73, 1905.

<sup>129a</sup> *Leeds & Catlin v. Victor Talking Machine Co.*, 213 U. S. 325, 1909.

<sup>129b</sup> *Wilson v. Simpson*, 9 How. 109, 1849.

which, however, constitute an element of the patented machine as a whole. In respect to these the court said: "But there is no pretense in the case at bar of mending broken or worn-out records or of repairing or replacing the 'operative ultimate tool of the invention' which has deteriorated by use. The sales of petitioner as found by the courts below and as established by the evidence, were not to furnish new records identical with those originally offered by the Victor Co., but, to use the language of Judge LACOMBE in the Circuit Court, 'more frequently to increase the repertoire of tunes than as substituted for certain worn-out records.'

"The right of substitution or 're-supply' of an element depends upon the same test. The license granted to a purchaser of a patented invention is to preserve its fitness for use so far as it may be affected by wear or breakage. Beyond this there is no license." The true test seems to be whether or not the element supplied is consumed in the ordinary use of the machine.<sup>129c</sup>

Persons who contribute money for the purpose of supporting others in infringing a patent, are also liable as infringers.<sup>130</sup> Where an infringer makes a voluntary assignment for the benefit of creditors, and the assignee continues the infringement, both may be sued jointly for the infringement committed before, and also that committed after the assignment.<sup>131</sup> And a corporation and its receiver may be joined as defendants, for infringements begun by the company and continued by the receiver.<sup>132</sup>

Where the owner of a patent on something which in-

<sup>129c</sup> *Williams v. Barnes*, 234 F. R. 339, 1916.

<sup>130</sup> *Bate Refrigerating Co. v. Gillett*, 30 F. R. 684, 1887.

<sup>131</sup> *Gordon v. Harvester Works*, 23 F. R. 147, 1885.

<sup>132</sup> *Union Switch & Signal Co. v. Philadelphia & Reading Railroad Co.*, 69 F. R. 834, 1895.

fringes an older patent, licenses another to use his device, and furnishes to his licensee, plans and drawings for making his device, and requiring, to that end, the making of the device of the prior patent, without procuring or intending to procure the consent of its owner, that licensor is a joint infringer with his licensee of the prior patent.<sup>133</sup> Where one man owns and others operate an infringing machine, all are jointly liable to an action therefor.<sup>134</sup> And where one who has contracted to erect a building, lets a portion of the work to a subcontractor, and in the prosecution of their respective parts, each of them infringes a patent of another, both of them are liable as joint infringers.<sup>135</sup>

Where one of several joint infringers is sued for their infringement, the other one or ones may be admitted as joint defendant or defendants to help defend the suit.<sup>136</sup> The bill, however, in such cases should declare only on the joint infringement and not on individual infringements of the respective defendants, for in the latter case it will be demurrable for multifariousness.<sup>137</sup>

And while the maker, the seller and the user of a patented machine, manufacture, or other article, are not joint infringers of the patent thereon,<sup>138</sup> the maker will be bound by an injunction obtained in the suit against the dealer which the former has openly and avowedly supported even though he was not a party to the record.<sup>139</sup>

<sup>133</sup> *Toppan v. Tiffany Car Co.*, 39 F. R. 420, 1889.

<sup>134</sup> *Woodworth v. Edwards*, 3 Woodbury & Minot, 121, 1847.

<sup>135</sup> *Jackson v. Nagle*, 47 F. R. 703, 1891.

<sup>136</sup> *Curran v. Car Co.*, 32 F. R. 835, 1887; *Standard Oil Co. v. Southern Pacific Co.*, 54 F. R.

521, 1893; *Ring Refrigerator Co. v. St. Louis Ice Mfg. Co.*, 67 F. R. 540, 1895.

<sup>137</sup> *Jewell v. City of Philadelphia*, 186 F. R. 639, 1911.

<sup>138</sup> *Consolidated Car Heating Co. v. American Electric Heating Corp.*, 82 F. R. 998, 1897.

<sup>139</sup> *Eagle Mfg. Co. v. Miller*, 41

The maker may, however, be admitted by the court to defend as a party to the record a suit against the seller, or a suit against the user, and the seller may be admitted in the same way to defend the user, when the user is sued for using the article sold to him.<sup>110</sup> And it follows that if pending the suit the plaintiff does anything that would terminate it, as, for instance, purchases all the business and good-will of the defendant's business, the manufacturer who has already intervened may dismiss the suit or else assume the defence, in which latter event the suit would be tried on its merits notwithstanding the absence of the original defendant.<sup>141</sup>

Although the maker has openly and avowedly taken care of the defence of the suit he may not on application of the plaintiff be made a party to the record, whether or not he could originally have been sued in the district of suit.<sup>112</sup> But where pending suit a defendant corporation transfers all its assets and good-will to another corporation the transferee may be brought into the suit by supplemental bill and subjected to the injunction order and accounting,<sup>113</sup> at least if the latter had openly and avowedly defended the original suit.<sup>144</sup> Such a trans-

F. R. 351, 1890; *Dicks Press Guard Mfg. Co. v. Bowen*, 229 F. R. 193, 1916.

See Section 696.

<sup>110</sup> *Consolidated Rubber Tire Co. v. Finley Rubber Tire Co.*, 119 F. R. 705, 1902; *United States Expansion Bolt Co. v. H. G. Kroucke Hardware Co.*, 216 F. R. 186, 1914.

<sup>111</sup> *Irving-Pitt Mfg. Co. v. Twinlock Co.*, 220 F. R. 325, 1914.

<sup>112</sup> *Bidwell v. Toledo Consoli-*

*dated, etc., Ry.*, 72 F. R. 10, 1896; *Parsons Non-Skid Co. v. E. J. Willis*, 176 F. R. 176, 1909; but see *Dicks Press Guard Mfg. Co. v. Bowen*, 229 F. R. 193, 1916, and *Western Tel. Mfg. Co. v. American Electric Telephone Co.*, 137 F. R. 603, 1905.

<sup>113</sup> *Young v. Herman*, 232 F. R. 361, 1916; *Western Tel. Mfg. Co. v. Am. Electric Co.*, 141 F. R. 998, 1905.

See Section 625.

<sup>114</sup> *Western Telephone Mfg.*

ferree is not, however, bound by the findings of law or fact on which a decree fixing profits against the transferor was based, as the respective liabilities are separable and relate only to the respective periods of ownership.<sup>145</sup>

§ 408. A partnership is liable to an action for an infringement committed in the regular course of the partnership business, by one or more of the partners, or under his or their orders; and also for any infringement committed outside of that regular course of business, if it was previously authorized or afterward adopted as the act of the partnership by all the partners. But no partnership is liable for any infringement committed outside of the regular course of the partnership business, unless it was so authorized or adopted.<sup>146</sup> A person who is employed as manager of a partnership, and in that capacity infringes a patent, is a joint infringer with the partners.<sup>147</sup>

Likewise is the case with a joint-stock association. Each member may be held as an infringer for acts of infringement committed by the association.<sup>148</sup>

§ 409. Private corporations are responsible for infringement, committed, authorized, or ratified by them, under substantially the same rules as those which govern the similar responsibility of natural persons. It was formerly supposed that corporations could not be held liable for torts, because torts are never authorized by corporate charters, and are therefore *ultra vires*. But this idea was soon found to produce gross injustice in its practical operation; and was therefore abandoned by the courts.<sup>149</sup>

Co. v. American Electric Telephone Co., 137 F. R. 603, 1905.

<sup>145</sup> Young v. Herman, 232 F. R. 361, 1916.

<sup>146</sup> See Story on Partnership, Sections 166 and 168.

<sup>147</sup> Featherstone v. Cycle Co.,

53 F. R. 110, 1892; Trent v. Risdon Iron & Locomotive Works, 102 F. R. 635, 1900.

<sup>148</sup> National Casket Co. v. Stolts, 135 F. R. 534, 1905.

<sup>149</sup> Baltimore & Potomac Railroad Co. v. Fifth Baptist Church,



The law is, that every private corporation is liable for all the torts which were authorized by that corporation, and for all torts done in pursuance of any authority to act on its behalf, on the subject to which the torts relate, and for all torts ratified by the corporation after they are committed.<sup>150</sup> And in deciding upon this liability, the courts consider corporate officers, agents, and servants as possessing a large discretion, and they accordingly hold the corporation liable for all their acts within the most extensive range of the corporate powers.<sup>151</sup> The agent of a corporation in committing an infringement may be another corporation; and the relation of agency exists and binds the principal, where the agent infringes a patent in authorized pursuance of the business which the principal was chartered to transact.<sup>152</sup> And a corporation organized for the purpose of conducting a particular business, alleged to infringe a particular patent, may be sued on that patent, without waiting for the infringement to begin.<sup>153</sup> Unless their charters otherwise provide, public corporations which are liable at all for infringements of patents, are doubtless liable under the same circumstances and to the same extent as private corporations are.<sup>154</sup>

§ 410. Under what circumstances and to what extent an officer, director, or stockholder of a corporation is personally liable for infringements committed by it, is a compound question, the analysis of which is complicated. There are three kinds of liability for infringements of patents. These are, liability to an injunction; liability

108 U. S. 330, 1882; Salt Lake City v. Hollister, 118 U. S. 256, 1886.

<sup>150</sup> May v. County of Mercer, 30 F. R. 248, 1887.

<sup>151</sup> See Cooley on Torts, p. 119.

<sup>152</sup> York & Maryland Line Rail-

road Co. v. Winans, 17 Howard, 38, 1854.

<sup>153</sup> National Mechanical Directory Co. v. Polk, 121 F. R. 746, 1903.

<sup>154</sup> May v. County of Mercer, 30 F. R. 248, 1887.

to a recovery of infringer's profits; and liability to a recovery of patentee's damages.

The liability to an injunction can be enforced against every person connected with a corporation, without making any person a defendant to the action in equity which seeks to enforce that liability; because a decree for an injunction against a corporation, can properly be made to equally restrain all the officers, directors and stockholders of that corporation from doing whatever the decree forbids the corporation to do.<sup>155</sup> And the injunction will extend to them even though they enter the employ of another who was not a party to the suit.<sup>156</sup> Therefore, a patentee can have no motive to sue such officer, director or stockholder, for an injunction; except to impose on him the burden of the expenses and costs of patent litigation. That motive is not one which is apt to move a court of equity into action, and therefore many such courts have dismissed such representatives of corporations from suits, which sought to make them defendants to prayers for injunctions.<sup>157</sup>

<sup>155</sup> *Howard v. St. Paul Plow-Works*, 35 F. R. 747, 1888; *Boston Woven Hose Co. v. Star Rubber Co.*, 40 F. R. 167, 1889; *Mergenthaler Linotype Co. v. Ridder*, 65 F. R. 853, 1895; *Donaldson v. Roksament Stone Co.*, 176 F. R. 386, 1910.

<sup>156</sup> *Campbell v. Magnet Light Co.*, 175 F. R. 117, 1909; but see *E. W. Bliss Co. v. Atlantic Handle Co.*, 212 F. R. 190, 1913.

<sup>157</sup> *Howard v. St. Paul Plow-Works*, 35 F. R. 744, 1888; *Boston Woven Hose Co. v. Starr Rubber Co.*, 40 F. R. 167, 1889; *Mergen-*

*thaler Linotype Co. v. Ridder*, 65 F. R. 854, 1895; *Consolidated Brake-Shoe Co. v. Chicago, P. & St. L. Ry. Co.*, 69 F. R. 412, 1895; *Bowers v. Atlantic Gulf & Pacific Co.*, 104 F. R. 888, 1900; *Loomis-Manning Filter Co. v. Manhattan Filter Co.*, 117 F. R. 325, 1902; *Farmers' Mfg. Co. v. Spruks Mfg. Co.*, 119 F. R. 594, 1902; *Greene v. Buckley*, 120 F. R. 955, 1902; *Hutter v. DeQ. Bottle Stopper Co.*, 128 F. R. 283, 1904 (collates authorities); *Glucose Sugar Refining Co. v. St. Louis Syrup Co.*, 135 F. R. 540, 1905; *Cazier v.*

This doctrine, however, does not go to the extent of protecting an individual who is using the corporation merely as a shield to protect him in his infringement, and in such cases he may be sued without joining the corporation.<sup>158</sup> On the same principle an officer of a corporation may not resign his office pending a suit against the corporation for infringement and then continue the manufacture of the article in controversy, as he is bound by the decree and is punishable for violation of the injunction.<sup>159</sup> Likewise in the case of one who with knowledge that others have been enjoined, takes over their business and continues it to their profit, whether he was actually employed by them or not.<sup>160</sup>

It has even been held that a corporation which owns the majority of the stock of a subsidiary corporation and utilizes the latter as one of its manufacturing departments is directly liable to an owner of a patent where the patent has been infringed by the subsidiary corporation in the course of the business of the main corporation.<sup>161</sup>

No person is liable to a recovery of infringer's profits, except such profits as were made by himself; though the profits made by a joint infringer with him, may have been

Mackie-Lovejoy Mfg. Co., 138 F. R. 654, 1905.

*Contra*, in cases in which the officer is personally active in carrying on the infringement: Simplex Electric Heating Co. v. Leonard, 147 F. R. 744, 1906; Whiting Safety Catch Co. v. Western Wheeled Scraper Co., 148 F. R. 396, 1905; Weston Electrical Inst. Co. v. Empire Electrical Inst. Co. (discussing authorities), 166 F. R. 867, 1909.

<sup>158</sup> *Calculagraph Co. v. Wilson*, 132 F. R. 20, 1904; *Crown Cork & Seal Co. v. Brooklyn Bottle Stopper Co.*, 190 F. R. 323, 1911.

<sup>159</sup> *Janney v. Pancoast, etc.*, Co., 124 F. R. 972, 1903.

<sup>160</sup> *Diamond Drill & Mach. Co. v. Kelley Bros.*, 132 F. R. 978, 1904.

See Sections 108, 109.

<sup>161</sup> *Westinghouse Electric & Mfg. Co. v. Allis-Chalmers Co.*, 176 F. R. 362, 1910.

much larger than any made by him.<sup>162</sup> Where a person has no connection with a corporation, except as an officer, director or stockholder, he makes no profit from any infringement committed by that corporation; except such as he may receive in dividends or in salary. As long as a corporation is solvent enough to pay over to a patentee, all the profits which it made from its infringement of the patent of that patentee, there is no good reason for a court of equity to go further in search of money for that purpose. There is, therefore, no good reason for such a court taking jurisdiction of any officer, director, or stockholder of the corporation, with a view of tracing into his hands, the money needed to satisfy the patentee's claim for infringer's profits. It follows that an officer, director, or stockholder in a corporation is not liable to a recovery of infringer's profits, on account of any infringement committed by the corporation; except where the corporation is so insolvent as to be unable to itself respond to an execution for the amount of those profits.<sup>162a</sup> And even in that exceptional case, no person is liable to a recovery of infringer's profits, out of money received by him, as a fair compensation for services rendered to the corporation. But in the exceptional case, dividends can be reached in the hands of stockholders, and subjected to the payment of the infringer's profits; because a court of equity will pursue the money of a corporation into whosoever possession it may be transferred, when that pursuit is neces-

<sup>162</sup> *Elizabeth v. Pavement Co.*, 97 U. S. 140, 1877.

<sup>162a</sup> *Boston Woven Hose Co. v. Star Rubber Co.*, 40 F. R. 167, 1889; *Mergenthaler Linotype Co. v. Ridder*, 65 F. R. 854, 1895; *Western Electric Co. v. Home Telephone Co.*, 85 F. R. 661, 1898;

*Bowers v. Atlantic, Gulf & Pacific Co.*, 104 F. R. 888, 1900; *Loomis-Manning Filter Co. v. Manhattan Filter Co.*, 117 F. R. 325, 1902; *Greene v. Buckley*, 120 F. R. 955, 1902; *Panzl v. Battle Island Paper, etc., Co.*, 132 F. R. 607, 1904.

sary to reach means for paying the corporate obligations.<sup>163</sup>

§ 410a. The liability to a recovery of patentee's damages, depends upon different reasons from those which negative or condition the liability to a recovery of infringer's profits; where those damages or those profits are sought to be recovered from an officer, director, or stockholder of an infringing corporation. Judge JOHN LOWELL, in 1882, held that an action at law cannot be maintained against the officers, directors, or shareholders of a corporation which infringes a patent, even where such persons personally conducted the business which constituted the infringement.<sup>164</sup> But that decision was expressly overruled, in respect of the liability of directors, in 1899, by Judge FRANCIS C. LOWELL, when writing the opinion of the majority of the Circuit Court of Appeals for the first circuit.<sup>165</sup> Still, one of the three judges who heard that case, dissented from the decision of the majority; and the case did not deal with the liability of officers or stockholders. The compound question of the liability of officers, directors, and stockholders in such cases is important. Upon it may sometimes depend the just reward of a meritorious inventor, and the just retribution of a willful infringer. A full explanation of the subject, is therefore presented, in the next five sections of this book.

§ 411. Wrongs are divisible, in one aspect, into two classes: wrongs of commission and wrongs of omission. Where an officer, director, or stockholder of a corporation

<sup>163</sup> *Mumma v. Potomac Co.*, 8 Peters, 286, 1834; *Curran v. Arkansas*, 15 Howard, 311, 1853; *Railroad Co. v. Howard*, 7 Wallace, 409, 1868; *Weston Electrical*

*Inst. Co. v. Empire Electrical Inst. Co.*, 166 F. R. 867, 1909.

<sup>164</sup> *United Nickel Co. v. Worthington*, 13 F. R. 393, 1882.

<sup>165</sup> *National Cash Register Co. v. Leland*, 94 F. R. 514, 1899.

is engaged in managing its business, and as a part of that business manages and directs the infringement of a patent, that person is chargeable with a wrong of commission. Where such a person has power to prevent his corporation from infringing a patent, and omits to exercise that power, and where the corporation therefore infringes that patent, then that person is chargeable with a wrong of omission. Where a person is an officer, director, or stockholder of a corporation, but has no personal power to cause it to infringe a particular patent, nor to restrain it from so doing, that person is chargeable with no wrong of either sort.

§ 412. Stockholders seldom have any power, merely as stockholders, to control the action of their corporation in such a matter of detail as the infringement of a particular patent. Unless it can be shown that the stockholder whom it is sought to hold liable in a particular case, did possess power of that kind, it is clear that the common law will not compel him to respond in damages for any infringement with which he was not personally connected. If the law were otherwise, a man could lawfully be made to suffer for wrongs which he did not commit, and could not prevent, and from which he received no advantage. Indeed, it is the general rule of the common law that mere stockholders in a corporation are not liable for its debts,<sup>166</sup> and if not liable for its debts, they surely ought not to be liable for its torts.

§ 413. The officers of a corporation are the persons who are charged with the superintendence and control of its transactions. It is doubtless their duty to refrain from directing infringements to be committed; and also to prevent the agents and servants of their corporations from committing infringements of patents when prosecuting the corporate business. If such an officer directs and causes

<sup>166</sup> *Shaw v. Boylan*, 16 Indiana, 386, 1861.

a specific thing to be done, which turns out to constitute an infringement, it is doubtless difficult to see why he should be permitted to shift all the responsibility for the tort upon the intangible corporation, that is to say, upon the innocent stockholders as a body.

If an agent or a servant of a corporation commits an infringement in the course of the corporate business, the officers whose function it is to control that agent or that servant are chargeable with a wrong of omission. They are guilty of *non-feasance* in the performance of their official duties. If their omission to prevent the infringement is the result of gross inattention on their part, they are liable to the corporation for any loss it may incur on account of the infringement; but it is otherwise if the omission resulted from an error of judgment.<sup>167</sup> Whether such an officer is liable at common law to the owners of the patent infringed, seems to depend upon other considerations.

If an officer, in pursuance of his general authority, directs a servant of a corporation to make a machine for a particular purpose, which machine may be made so as to infringe a patent, or may be made so as not to have that effect, it seems that the officer is bound to see that it is not made so as to infringe, and that if the servant makes it in that way, the officer is liable to the patentee.<sup>168</sup> But if a servant of a corporation, without any special orders to do so, makes or uses or sells a thing which turns out to be an infringement of a patent, it seems that no superior officer is personally liable therefor at common law.<sup>169</sup> It appears reasonable that officers of corporations should

<sup>167</sup> *Spering's Appeal*, 71 Pennsylvania State, 11, 1872.

<sup>168</sup> See *Hewett v. Swift*, 3 Allen (Mass.), 425, 1862.

<sup>169</sup> See *Bath v. Caton*, 37 Michigan, 202, 1877.

be bound to see that whatever they cause to be done is done lawfully; but it would perhaps not be ordinarily right to make them personally responsible to strangers for acts spontaneously committed by their subordinates.

§ 414. Directors of corporations, unlike other officers, act only in a collective capacity. Where an entire board of directors unanimously order a particular thing to be done which will constitute an infringement of a patent, and where that thing is accordingly done by the corporation's agents or servants, there seems to be no reason why those directors should not be held personally liable to an action for that infringement. If the corporation is alone liable in such a case, then crafty and dishonest men may often manage to divide the spoils of infringement, and leave nothing but an insolvent or dormant corporation to be sued by the patentee. It would evidently be a reproach to our laws if such a scheme could be made to work. Whoever attempts to defend the legal safety of such a mode of reaping the harvest of another, should have his attention called to the following sentence, written by Justice CAMPBELL, and approved by the Supreme Court, and worthy to be quoted in every law-book, and remembered by every man: "It is certainly true that the law will strip a corporation or individual of every disguise, and enforce a responsibility according to the very right, in despite of their artifices."<sup>170</sup>

Where the action of a board of directors in ordering an infringement, results from the votes of a majority only, the relations of the minority voters to the resulting infringement must be different from that of the others. The members of the minority ought not, in such a case, to be held liable for the action of the board, or for its results,

<sup>170</sup> York & Maryland Line Railroad Co. v. Winans, 17 Howard, 40, 1854.



unless they afterward adopt it by ratification. Where an infringement is ordered by a quorum of a board of directors, in the absence of the residue, the residue will be free from common-law liability for the wrong, unless they afterward ratify it, or unless they are chargeable with such gross non-attendance upon the meetings of the board as justly causes them to be held responsible for whatever is done by their colleagues in their absence. The mere fact of being a director in a corporation is not sufficient to render a person liable at common law for any tort committed by that corporation or its managers or agents.<sup>171</sup>

§ 415. But there is a statutory liability in such cases as those which we are considering. Most of the States have statutes which provide that, under various circumstances therein specified, the officers, directors, or stockholders of a corporation shall be personally liable for its debts or liabilities. Section 721 of the Revised Statutes of the United States provides that: "The laws of the several States, except where the Constitution, treaties, or statutes of the United States otherwise require or provide, shall be regarded as rules of decision in trials at common law, in cases where they apply." Under this section of the Revised Statutes, these laws of the States will probably have the same effect in a patent suit in a United States court, that they would have in any action of trespass on the case in a State court.<sup>172</sup> Such of the

<sup>171</sup> *Arthur v. Griswold*, 55 New York, 406, 1874.

<sup>172</sup> *McCluny v. Silliman*, 3 Peters, 270, 1830; *McNeil v. Holbrook*, 12 Peters, 84, 1838; *Vance v. Campbell*, 1 Black, 427, 1861; *Hausknecht v. Claypool*, 1 Black, 431, 1861; *Wright v. Bales*, 2

Black, 535, 1862; *Leffingwell v. Warren*, 2 Black, 599, 1862; *Hanger v. Abbott*, 6 Wallace, 537, 1867; *Campbell v. Haverhill*, 155 U. S. 614, 1895; *Parker v. Hall*, 2 Fisher, 62, 1857; *Parker v. Hawk*, 2 Fisher, 58, 1857; *Rich v. Ricketts*, 7 Blatch. 230, 1870; *Hayden*

State statutes referred to as make stockholders, officers, or directors responsible for the "liabilities" of their corporations are clearly broad enough to cover liabilities arising out of infringement of patents. Indeed Justice STORY decided that such liabilities were covered by the word "debts" in such a statute.<sup>173</sup> In most of the States the statutory, individual liability of officers, directors, and stockholders of corporations is more limited than it was in Massachusetts when Justice STORY made that decision. It is outside the scope of this text-book to set forth the details of the State statutes which bear upon the point. It will frequently happen that the controlling legislative edicts, which relate to the matter, will be found in the special charters of particular corporations, rather than in the general statutes of the several States. The general principle which runs through all such laws seems to be that where a corporation is so managed that it cannot be made to respond to lawful claims based on its contracts or torts, those officers or directors who caused that inability, or those officers, directors, or stockholders who profited thereby, shall be made to respond in its place.

§ 416. A consolidated corporation is liable to actions in equity for infringements committed before the consolidation, by each of its constituents, if the property and franchises which the consolidated corporation acquired from that constituent were of sufficient value, over and above all paramount claims, to equal the profits or damages sought to be recovered in such actions.<sup>174</sup> This proposition results from the fact that equity regards

*v. Oriental Mills*, 15 F. R. 605, 1883.

<sup>173</sup> *Carver v. Mfg. Co.*, 2 Story, 448, 1843.

<sup>174</sup> *Sayles v. The Lake Shore & Michigan Southern Railway Co.*, Manuscript, 1878.

the property of a corporation as held in trust for the payment of its debts, and recognizes the right of creditors to pursue that property into whosoever possession it may be transferred, unless it has passed into the hands of a *bona fide* purchaser.<sup>175</sup>

The liability of consolidated corporations to actions at law, for infringements committed by their constituent corporations, before the consolidation, is a matter which does not rest on common-law principles, so much as upon the statutes of the States wherein those consolidated corporations came into being, or upon the private Acts which authorized the consolidations, or upon the charters of the constituent or of the consolidated companies. Whenever occasion arises to hold a consolidated corporation liable to an action at law for such a cause, a proper authority for so doing can probably always be found in one or another of these sources.

§ 417. A plurality of patents may be sued upon in one action, where the inventions covered by those patents are embodied in one infringing process, machine, manufacture, or composition of matter; <sup>176</sup> but not otherwise.<sup>177</sup>

<sup>175</sup> *Mumma v. Potomac Co.*, 8 Peters, 286, 1834; *Curran v. Arkansas*, 15 Howard, 311, 1853; *Railroad Co. v. Howard*, 7 Wallace, 409, 1868.

<sup>176</sup> *Seymour v. Osborne*, 11 Wallace, 516, 1870; *Bates v. Coe*, 98

U. S. 48, 1878; *Nourse v. Allen*, 3 Fisher, 63, 1859; *Gillespie v. Cummings*, 3 Sawyer, 259, 1874; *Horman Patent Mfg. Co. v. Railroad Co.*, 15 Blatch. 444, 1879; *Game-well Fire-Alarm Telegraph Co. v. Chillicothe*, 7 F. R. 351, 1881;

<sup>177</sup> *Nellis v. McLanahan*, 6 Fisher, 286, 1873; *Hayes v. Dayton*, 8 F. R. 702, 1880; *Barney v. Peck*, 16 F. R. 413, 1883; *Hayes v. Bickelhaupt*, 23 F. R. 184, 1885; *Huber v. Sanitary Depot*, 34 F. R. 752, 1888;

*Union Switch & Signal Co. v. Philadelphia & Reading Railroad Co.*, 68 F. R. 913, 1895; *Louden Mach. Co. v. Montgomery Ward & Co.*, 96 F. R. 232, 1899; *Russell v. Winchester Arms Co.*, 97 F. R. 634, 1899.

The devices of the various patents sued upon may even be distinct, but if by using them all in a single structure they contribute to a common purpose they may be joined in one bill.<sup>178</sup>

This principle goes to the extent of permitting a patent for a machine to be joined with a patent for the product of the machine, when the alleged infringement consists of the product.<sup>179</sup>

An apparent exception to the general rule prohibiting the joining in one suit of causes of action on a plurality of unrelated patents exists when the defendant has taken a license under a number of patents and has expressly agreed not to infringe any of them, in which event, instead of bringing a number of separate actions at law, a single suit may be brought in equity to enforce the provisions of the agreement as to all the patents.<sup>180</sup>

But any action based on alleged infringement, in one process or thing, of a plurality of patents, may be sustained by evidence that one of those patents was so infringed, though the others were not;<sup>181</sup> and an action brought for

*Nellis v. Mfg. Co.*, 13 F. R. 451, 1882; *Lilliendahl v. Detweller*, 18 F. R. 177, 1883; *Consolidated Electric Light Co. v. Electric Light Co.*, 20 F. R. 502, 1884; *Griffith v. Segar*, 29 F. R. 707, 1887; *Diamond Match Co. v. Ohio Match Co.*, 80 F. R. 117, 1897; *Wilkins Shoe-Button Fastener Co. v. Webb*, 89 F. R. 992, 1898; *Continental Gin Co. v. F. H. Lummus Sons' Co.*, 110 F. R. 390, 1901; *Edison Phonograph Co. v. Victor Talking Mach. Co.*, 120 F. R. 305, 1903; *Electric Goods Mfg. Co. v. Benjamin*

*Electric Mfg. Co.*, 169 F. R. 832, 1909; *Robinson v. Chicago Rys. Co.*, 174 F. R. 40, 1909; *Luten v. Dover Construction Co.*, 189 F. R. 405, 1911.

<sup>178</sup> *Rose Mfg. Co. v. E. A. Whitehouse Mfg. Co.*, 193 F. R. 69, 1911.

<sup>179</sup> *Adrian Wire Fence Co. v. Jackson Fence Co.*, 190 F. R. 195, 1911.

<sup>180</sup> *Reece Folding Machine Co. v. Earl & Wilson*, 205 F. R. 539, 1913.

<sup>181</sup> *Matthews v. Mfg. Co.*, 18 Blatch. 86, 1880; *Green v. City of*

alleged unlawful making, using, and selling may be sustained by evidence of either of those three sorts of infringement.<sup>182</sup> So also, an action may be based on infringement committed during the first term, and on infringement committed during an extended term, of any patent, and may be sustained on proof of either or both of those infringements. And several actions may be based on several infringements of the same patent, committed at different times by the same infringer.<sup>183</sup> It has also been held that one action will lie for an infringement of a patent and an infringement of a trade-mark, where the trade-mark and the patent were both infringed together,<sup>184</sup> and also that a bill will lie for both infringement of patent and unfair competition by the infringement, and furthermore that the Federal court has jurisdiction of the cause of action for unfair competition even though the parties are citizens of the same State, if the acts of infringement constitute the acts of unfair competition.<sup>185</sup>

A bill by the equitable owner of a patent against the holder of the legal title, to compel a transfer of the patent and for infringement of the same patent is not multifarious.<sup>186</sup>

Lynn, 81 F. R. 387, 1897; *Chisholm v. Johnson*, 106 F. R. 211, 1901.

<sup>182</sup> *Locomotive Truck Co. v. Railway Co.*, 10 Blatch. 293, 1872.

<sup>183</sup> *Roemer v. Neumann*, 23 F. R. 447, 1885.

<sup>184</sup> *Jaros Underwear Co. v.*

*Fleece Underwear Co.*, 60 F. R. 622, 1894.

<sup>185</sup> *T. B. Woods Sons' Co. v. Valley Iron Works*, 166 F. R. 770, 1909; *Onondaga Indian Wigwam Co. v. Ka-noo-no Indian Mfg. Co.*, 182 F. R. 832, 1910.

<sup>186</sup> *Prest-O-Lite Co. v. Avery Portable Lighting Co.*, 164 F. R. 60, 1908.

## CHAPTER XVIII

### ACTIONS AT LAW

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§ 421. One section of the Revised Statutes provides that "Damages for the infringement of any patent may be recovered by action on the case."<sup>1</sup> Another section pro-

<sup>1</sup> Revised Statutes, Section 4919.



vides that "The practice, pleadings, and forms and modes of proceeding in civil causes, other than equity and admiralty causes, in the circuit and district courts, shall conform, as near as may be, to the practice, pleadings, and forms and modes of proceeding existing at the time in like causes in the courts of record of the State, within which such circuit or district courts are held, any rule of court to the contrary notwithstanding."<sup>2</sup> Both these apparently inconsistent provisions are contained in the same enactment. They must therefore be construed together; and effect must be given to both. This result is reached by following Section 4919 as far as it necessarily goes, and by conforming in other respects to Section 914.<sup>3</sup> With this view, it has been held that the complaints and petitions which are prescribed for civil actions by the codes of sundry of the States, may be used in bringing actions on the case for infringements of patents in Federal courts sitting in those States, respectively;<sup>4</sup> and indeed, in one case, it has been held that the forms of pleading and procedure in such an action in a Federal court should be the same as those employed in civil actions in the State courts of the State in which that Federal court is located.<sup>5</sup> But in a later case, it has been decided, that the pleadings in an action at law, for infringement of a patent, should conform to the common law, even in a code State;<sup>6</sup> and inasmuch as many of the States still employ common-law actions and pleadings in their own courts, it is necessary for pleaders to accurately know the proper characteristics

<sup>2</sup> Revised Statutes, Section 914.

<sup>3</sup> *Cottier v. Stimson*, 18 F. R. 690, 1883.

<sup>4</sup> *May v. County of Mercer*, 30 F. R. 250, 1887.

<sup>5</sup> *Celluloid Mfg. Co. v. Zylonite Co.*, 34 F. R. 744, 1888.

<sup>6</sup> *Myers v. Cunningham*, 44 F. R. 349, 1890.

of a declaration, in an action of trespass on the case, for the infringement of a patent.

§ 421a. An action at law lies for damages against one who fraudulently procures a patent for an invention which in fact was made by another.<sup>7</sup>

§ 422. The proper parts of such a declaration are the following: 1. The title of the court. 2. The title of the term. 3. The venue. 4. The commencement. 5. The statement of the right of action. 6. The conclusion.

The true title of the United States District Court established in Connecticut is "District Court of the United States for the District of Connecticut," and the title of the district court which is established in any other district is the same, except as to the name of the district.<sup>8</sup>

The proper term of the court in which to entitle the declaration, is the term at which the appearance of the defendant is due.<sup>9</sup> It is unnecessary to entitle a declaration in the name of the case in which it is filed; though it is convenient to indorse that name on the back of the declaration, for the purpose of enabling the document to be readily found in a file.

The venue should be laid in the district, and division if any, where the action is commenced, regardless of the district or districts wherein the infringement was committed.<sup>10</sup>

The commencement contains a statement of the names of the parties to the action, and of the capacity in which they respectively sue or are sued, if it is other than a natural personal capacity. Though it is probably unnecessary, it is undoubtedly prudent to state the nation of which

<sup>7</sup> *Le Brocque v. Childs*, 158 F. R. 412, 1908.

<sup>8</sup> Judicial Code, Section 1.

<sup>9</sup> 1 Chitty on Pleading, 15th American Edition, p. 263.

<sup>10</sup> *McKenna v. Fisk*, 1 Howard, 248, 1843.

the parties are respectively citizens, and if that nation is the United States, to allege also the particular State of which the parties are citizens respectively. Where either party is a corporation, that fact must be stated, and the name of the State or other sovereignty wherein it was created and exists should also be alleged. The commencement properly closes with a brief recital that the form of action is that of trespass on the case.

§ 423. The statement of the right of action should contain the name and residence and citizenship of the inventor, upon whose application the patent, on which the action is based, was granted.

§ 424. The novelty and the utility of the invention must be put in issue by proper averments in the declaration;<sup>11</sup> which averments include not only the general statement that the invention was new and useful, but also those details of the elements of novelty which are defined by the statute,<sup>12</sup> and which consist in actual newness in this country, and technical novelty throughout the world. But it is not necessary to state the particular time at which the invention was made, so that it appears to have been made before the application for the patent was filed.<sup>13</sup>

§ 425. The statement of the right of action must also aver that the invention was not in public use or on sale in this country for more than two years before the inven-

<sup>11</sup> *Coop v. Development Institute*, 47 F. R. 900, 1891; *Overman Wheel Co. v. Elliott Cycle Co.*, 49 F. R. 859, 1892; *Goebel v. Supply Co.*, 55 F. R. 827, 1893; *Ross v. Ft. Wayne*, 58 F. R. 407, 1893.

<sup>12</sup> Revised Statutes, Section 4886, as amended March 3, 1897, Chapter 391, Section 1, 29 Stat.

692; *Diamond Match Co. v. Ohio Match Co.*, 80 F. R. 117, 1897; *Rubber-Tire Wheel Co. v. Davie*, 100 F. R. 85, 1900; *Elliott & Hatch Book-Typewriter Co. v. Fisher Typewriter Co.*, 109 F. R. 330, 1901.

<sup>13</sup> *Wilder v. McCormick*, 2 Blatch. 31, 1846.

tor's application for the patent.<sup>14</sup> And where a declaration is based on a patent which was applied for after 1897, the statement of the right of action must likewise aver that the invention was not patented or described in any printed publication, more than two years prior to the application for that patent.<sup>15</sup>

§ 426. If the patentee is neither a party to the action, nor the inventor of the thing or process covered by the patent, it is natural and proper to separately state his name in order to fully and surely identify the patent. It is well also to state his residence and his citizenship, though there is no requirement of law on either of these points.

§ 427. It is not necessary to state in a declaration the particulars of the application for the letters patent, nor the particulars of the proceedings of the Patent Office in considering that application;<sup>16</sup> nor to make any statement about any application, except that the letters patent were granted upon the application of the inventor named in the declaration.<sup>17</sup>

§ 428. The declaration may indicate the letters patent in the language of the grant, and make profert thereof; and if that is done, it is not necessary to set out the speci-

<sup>14</sup> Revised Statutes, Section 4886; *Gandy v. Belting Co.*, 143 U. S. 592, 1892; *Gray v. James*, 1 Peters' Circuit Court Reports, 482, 1817; *Blessing v. Copper Works*, 34 F. R. 754, 1888; *Nathan Mfg. Co. v. Craig*, 47 F. R. 522, 1891; *Consolidated Brake-Shoe Co. v. Detroit Spring Co.*, 47 F. R. 895, 1890, *Hayes-Young, etc., Co. v. St. Louis Transit Co.*, 137 F. R. 80, 1905.

<sup>15</sup> Revised Statutes, Section 4886, as amended March 3, 1897; 29 Statutes at Large, p. 692, Ch. 391, Section 1; *Rubber-Tire Wheel Co. v. Davie*, 100 F. R. 85, 1900.

<sup>16</sup> *Cutting v. Myers*, 4 Washington, 221, 1818.

<sup>17</sup> *Wilder v. McCormick*, 2 Blatch. 31, 1846; *Luten v. Dover Construction Co.*, 189 F. R. 405, 1911.

fication either verbatim or substantially; <sup>18</sup> for the profert imports the patent, by implication into the declaration.<sup>19</sup>

Where a declaration is based on a patent which was granted before April 11, 1902, the declaration must state that the letters patent were issued in the name of the United States of America, under the seal of the Patent Office, and were signed by the Secretary of the Interior, or an Assistant Secretary of the Interior, as the case may be, and countersigned by the Commissioner of Patents, and that they were delivered to the patentee.<sup>20</sup> And where a declaration is based on a patent granted after April 11, 1902, the declaration must state that the letters patent were issued in the name of the United States of America, under the seal of the Patent Office, and were signed by the Commissioner of Patents.<sup>21</sup>

Inasmuch as patents are granted for various spaces of time, it is necessary to state the particular term for which the letters patent in suit were issued. It is necessary also to plead the legal effect of the patent, by saying that it did grant to the patentee, his heirs or assigns, the exclusive right to make, use and vend the invention covered thereby, throughout the United States and the Territories thereof.<sup>22</sup>

§ 429. Where the patent upon which the action is based is a reissue, the original letters patent should be set forth precisely as though no surrender and reissue had occurred; and in addition thereto, it is proper to state the particular kind of defect which made the original a proper subject of a reissue; and to state also that such defect arose from

<sup>18</sup> *Cutting v. Myers*, 4 Washington, 223, 1818.

<sup>19</sup> *Graham v. Earl*, 82 F. R. 737, 1897; *Dyer v. Cryder*, 153 F. R. 767, 1907.

<sup>20</sup> Revised Statutes, Section 4883; 25 Statutes at Large, Ch. 15,

p. 40; *Cutting v. Myers*, 4 Washington, 222, 1818.

<sup>21</sup> 32 Statutes at Large, Part I, page 95, Ch. 417.

<sup>22</sup> Revised Statutes, Section 4884.

inadvertence, accident, or mistake, as the case may be, and without any fraudulent or deceptive intention; and to state that the original patent was surrendered, and who surrendered it; and to state that the Commissioner of Patents caused a new patent to be issued for the same invention; and to state finally the name of the person to whom such new patent was granted. These particulars lie at the foundation of the right of the grantee of a reissue patent to receive such a grant; and although the reissue is *prima facie* evidence that the truth on all these points is favorable to the validity of the patent, it is none the less proper to put those facts in issue by proper pleading. And it is hardly prudent to venture a case on a more indefinite form of pleading; though a more indefinite form of pleading has once been held sufficient in such a case.<sup>23</sup>

§ 430. Where a disclaimer has been filed, that fact ought to be stated in the declaration, and its legal effect ought to be indicated, because disclaimers constitute amendments of original patents, and operate to vary their scope.<sup>24</sup> In such a case also, the declaration ought to state that the disclaimer was filed without unreasonable delay, because that fact is necessary to the right of a patentee to maintain a suit on a patent which required a disclaimer.<sup>25</sup>

§ 431. Where the patent in suit has been extended by a special Act of Congress, and where the suit is partly or wholly based on such extension, the declaration must state the legal effect of the Act of extension, and it must specially show the particular space of time covered thereby.

§ 432. Where the plaintiff is an assignee or grantee of

<sup>23</sup> *Spaeth v. Barney*, 22 F. R. 828, 1885.

<sup>25</sup> Revised Statutes, Section 4922.

<sup>24</sup> Revised Statutes, Section 4917.

the patentee, it is safer to set forth all the mesne assignments or grants down to him, than merely to state that the exclusive right which was infringed by the defendant, came to the plaintiff by assignment or by grant. And a declaration must not only state how and when the plaintiff became the owner of the patent right, but must also allege ownership during the time of the infringement upon which the declaration is based. Title papers should be set forth by their legal effect, and not be copied bodily in the declaration.

§ 433. No profert need be made in any declaration, of any assignment or grant of any interest under letters patent. But where the title papers of a plaintiff include letters testamentary or letters of administration, he must make profert of those documents. If profert is made of any document of which it is not necessary, it will be treated as surplusage, and will not entitle the defendant to oyer.

§ 433a. The declaration must state, either that no person ever made or sold the patented article under the authority of the patent; or that such of the patented articles as were thus made or sold, had the word "patented," together with the day and year the patent was granted, fixed thereon, or when, from the character of the article, this could not be done, then to the package wherein one or more of them was enclosed; or otherwise that the defendant was duly notified that his doings were an infringement of the patent, and continued, after such notice, to infringe.<sup>26</sup>

§ 434. The statement of infringement should allege that the defendant, without any license, did make, or that he did use, or that he did sell, the subject of whatever claim or claims of the patent the plaintiff intends to prosecute

<sup>26</sup> *Dunlap v. Schofield*, 152 U. S. 244, 1894.

at the trial; and that the infringement occurred within the territory covered by the plaintiff's title to the patent, and within the time during which the plaintiff held the title within that territory, and contrary to the statutes of the United States, in such cases made and provided.

While an allegation of either making, using, or selling will be sufficient in a declaration to show a cause of action, no allegation of any one of these kinds of infringement will support evidence of either of the others. A declaration ought therefore to allege as many of them as the plaintiff has any expectation of being able to prove.

§ 435. The time of the infringement is properly stated, by alleging that it occurred on a specified day, and on divers other days between that day and some later specified date; and no plaintiff will be permitted to prove infringement outside of the space of time which he specified in his declaration.<sup>27</sup> It is, however, held that it is not necessary for plaintiff to plead the six-year statutory period within which infringement must be shown to have taken place in order to justify a recovery <sup>27a</sup> since although the statute does not create a true statute of limitations but on the contrary creates a condition of the right of recovery, nevertheless the fact that no infringements have taken place within the statutory period is a matter of defence. Furthermore, the defendant need not specially plead the restriction but may avail himself of it if it appears in the plaintiff's case that no infringements have taken place within that period, or the defendant may prove the facts on his own behalf.<sup>28</sup> This rule, of course, applies equally well to appeals in equity when an account-

<sup>27</sup> *Eastman v. Bodfish*, 1 Story, 530, 1841; *LePage Co. v. Russia Cement Co.*, 51 F. R. 949, 1892.

<sup>27a</sup> Act March 3, 1897, Chap. 391, 29 Statutes, 694.

<sup>28</sup> *Peters v. Hanger*, 134 F. R. 586, 1904.



ing of damages and profits is sought.<sup>29</sup> Repeated infringements may be sued for in one action;<sup>30</sup> but all of the infringements complained of in one declaration must have been committed after the plaintiff obtained the title to the patent, and before the beginning of the action. Where the plaintiff is an assignee, and where he not only has rights of action against the defendant, for infringements committed after the date of his assignment, but also has purchased rights of action against the same party, for infringements committed before such purchase, he must, if he sues at law, bring a separate action for the latter causes, and must bring that action in the name of the person who owned the patent at the time they accrued.

§ 436. The damages incurred by the plaintiff on account of a defendant's infringement must be stated specially, because no particular damage necessarily arises from infringements of patents, and therefore none is implied by the law.<sup>31</sup> The special damages to be alleged in any particular case depend upon the circumstances of that case: depend upon the particular criterion of damages upon which the plaintiff relies. The various measures of damages in patent cases are stated and explained in the nineteenth chapter of this book. One or more of them will be found to be applicable to every case which is likely to arise. From among them, the pleader may select those which he expects to be able to prove to be pertinent, and may then draw his special statement of damages accordingly. Such a special statement is required by the substantial principles of pleading, as well as by its technical rules. Without it, the defendant would not be apprised of all the issues of the case. He would not know, till the

<sup>29</sup> See Section 579.

<sup>31</sup> 1 Chitty on Pleading, 396.

<sup>30</sup> *Wilder v. McCormick*, 2 Blatch. 32, 1846.

day of trial, whether the plaintiff would prove an established royalty, or would prove loss or reduction of his sales, or would prove reduction of his prices, as the criterion of his damages. The defendant would therefore have to go to court provided with witnesses on all these points, or would have to trust his sagacity, and guess which of these points he would be called upon to meet. It was to prevent such inconveniences that written pleadings were originally designed; and for the same purpose, among others, they are still retained in actions in courts.

§ 437. The conclusion of a proper declaration in a patent case alleges that, by force of the statutes of the United States, a right of action has accrued to the plaintiff to recover the actual damages which the declaration specifies, and such additional amount, not exceeding in the whole three times the amount of such actual damages, as the court may see fit to adjudge and order, besides costs. The conclusion ends with the ancient allegation of bringing suit.

§ 438. A declaration, though not drawn in due form, is sufficient for practical purposes, if it contains all that is essential to enable the plaintiff to give evidence of his right, and of its violation by the defendant, and affords to the defendant the opportunity of interposing every defence allowed to him by law.<sup>32</sup> Courts do not encourage merely technical objections to pleadings, and even on special demurrer, will seek to sustain those which, though not technically accurate, are substantially sufficient for the real purposes of pleading.

§ 439. Dilatory pleas in patent actions are not materially different in their nature and operation from corresponding pleas in other common-law cases. It is therefore unnecessary to treat those preliminary defences in this

<sup>32</sup> *Wilder v. McCormick*, 2 Blatch. 37, 1846.

book. Recourse may be had to the standard works on common-law pleading for whatever information the patent pleader may require upon the subject.

§ 440. The defences which are pleadable in bar to an action, are very numerous in the patent law, and most of them are peculiar to this branch of jurisprudence. Where the facts appear to warrant so doing, a defendant may plead: 1. That the matter covered by the letters patent was not a statutory subject of a patent: or 2. That it was not an invention: or 3. That it was not novel at the time of its alleged invention: or 4. That it was not useful at that time: or 5. That the inventor actually abandoned the invention: or 6. That he constructively abandoned it, by not applying for a patent on it, during the time allowed by the statutes for such an application to be made: or 7. That the invention claimed in the original patent is substantially different from any indicated, suggested, or described in the original application therefor: or 8. That the patentee surreptitiously or unjustly obtained the patent for that which was in fact the invention of another, who was using reasonable diligence in adapting and perfecting the same: or 9. That the invention was made by another jointly with the sole applicant: or 10. That it was made by one only of two or more joint applicants: or 11. That for the purpose of deceiving the public, the description and specification filed in the Patent Office was made to cover less than the whole truth relevant to the invention, or was made to cover more than was necessary to produce the desired effect: or 12. That the description of the invention in the specification is not in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same: or 13. That the claims of

the patent are not distinct: or 14. That the patentee unreasonably delayed to enter a needed disclaimer: or 15. That the original patent was surrendered and reissued in the absence of every statutory foundation thereof: or 16. That the claims of the reissue patent in suit are broader than those of the original, and that the reissue was not applied for till a long time had elapsed after the original was granted: or 17. That the reissue patent in suit covers a different invention from any which the original patent shows was intended to be secured thereby: or 18. That the invention claimed in the original patent, is substantially identical with an invention claimed in a prior patent granted on the application of the same inventor: or 19. That the patent was repealed: or 20. That the patent legally expired before the alleged infringement began, or before it ended: or 21. That the patentee made or sold specimens of the invention covered by his patent, without marking them "patented," and without notifying the defendant of his infringement: or 22. That the plaintiff has no title to the patent, or no such title as can enable him to maintain the action: or 23. That the defendant has a license, which authorized part or all of the doings which constitute the alleged infringement: or 24. That the defendant has a release, discharging him from liability on account of part or all of the alleged infringement: or 25. That the defendant is not guilty of any infringement of the patent upon which he is sued: or 26. That the plaintiff is estopped from enforcing any right of action against the defendant: or 27. That the cause of action sued upon, is partly or wholly barred by some statute of limitation: or 28. That the Commissioner of Patents has exceeded his legal authority in granting or reissuing the patent.<sup>33</sup>

§ 441. The first fourteen and the twenty-eighth of these

<sup>33</sup> See Section 148.

defences assail the validity of original patents; and either of them, if successfully maintained, will defeat any such patent, and therefore defeat any action based thereon. All of the fifteen are also applicable to actions based upon reissue patents, for though a defective or insufficient specification, or a defective or insufficient claim, or an excessive claim, can be cured by surrender and reissue,<sup>34</sup> those faults are sometimes retained and sometimes introduced in reissues.

The fifteenth, sixteenth, and seventeenth of these defences assail reissues as reissues. To what extent those defences, if successful, will affect the patent, or the action, are points which are explained in the chapter on reissues.<sup>35</sup>

The eighteenth defence assails the validity of original patents, and it may be applicable to all the claims of such a patent, or it may be applicable to only some of them. And a patent will not be invalidated throughout, by the fact that one or more of its claims, less than all of them, must be invalidated on this ground, any more than where such invalidity arises out of any other reason.

The nineteenth defence, when true, will certainly be a full one to any action based on alleged infringements which were committed after the repeal of the patent. Whether it will be a defence to any infringement committed before that time, will depend upon whether the patent is repealed *ab initio*, or only *in futuro*.

The twentieth defence will be available against any patent which was applied for before 1898, where the defendant can prove that the invention was patented with the knowledge and consent of the inventor in some foreign country before it was patented in the United States,

<sup>34</sup> Revised Statutes, Section 4916.

<sup>35</sup> Sections 221 and 249 of this book.

and that such foreign patent expired before the United States patent purported to terminate. This defence, if successful, will not affect the validity of the patent. It will merely limit its duration to less than seventeen years.<sup>36</sup>

The twenty-first defence, if successful, will bar the action, but it will not affect the patent. Any oral or written notice of infringement, if given to the defendant without stopping his infringement, will oust the defence as to subsequent infringements.<sup>37</sup>

All defences from the twenty-first to the twenty-seventh are without relevancy to the validity of the patent. Either of them may be partly or wholly successful, according to the circumstances of each action, regardless of the success or want of success which may attend the other twenty-one.

§ 442. Such of these defences as can be established from the face of the declaration, or of the letters patent upon which the suit is based, or can be based upon a fact of which the court will take judicial notice, may be made by demurrer; but if so made and overruled, such a defence cannot afterward be made in a plea, without leave of the court.<sup>38</sup>

The ancient rules of common-law pleading would require a special plea for either of the twenty-eight defences which are enumerated in Section 440, save only the defence of non-infringement, and sometimes that of want of title.<sup>39</sup> But a loose and unscientific relaxation of that part of those rules crept at one time into practical pleadings, both in England and America. The abuse was re-

<sup>36</sup> Section 163 of this book.

<sup>38</sup> *Brickill v. Hartford*, 57 F. R.

<sup>37</sup> *New York Pharmaceutical Association v. Tilden*, 14 F. R. 740, 1882; *Allen v. Deacon*, 21 F. R. 122, 1884.

218, 1893.

<sup>39</sup> *Stephen on Pleading*, 160.

formed in England in the fourth year of William the Fourth;<sup>40</sup> but in the United States it has continued, except so far as it has been limited or enlarged by legislation in particular States. But there was never any principle which guided this departure from the ancient law, and therefore no foundation for any science of the subject. Where an authoritative precedent can be found for a particular relaxation, that particular relaxation must be regarded. In the absence of such a precedent, the safe and proper course is to conform to the ancient common-law rules, unless the pleader is willing to risk his defence upon the theory that State statutes relevant to pleadings are binding on Federal courts when trying patent actions of trespass on the case.

§ 443. The patent statute provides that five of the twenty-eight defences may be made under the general issue, accompanied with a certain statutory notice of special matter.<sup>41</sup> Those are the defences which, in Section 440 of this book, are numbered three, five, six, eight, and eleven, respectively. Either of these five defences may also be made under a special plea, instead of under the general issue accompanied by notice, if the defendant so determines.<sup>42</sup> But if any defendant uses both these forms of pleading for any one defence, the court will, on motion, call upon him to select the one which he prefers, and to abandon the other.<sup>43</sup>

§ 444. Notices of special matter must be in writing, and must be served on the plaintiff or his attorney at

<sup>40</sup> Stephen on Pleading, 158.

<sup>41</sup> Revised Statutes, Section 4920, as amended in 29 Statutes at Large, p. 692, Ch. 391, Section 2.

<sup>42</sup> *Evans v. Eaton*, 3 Wheaton, 454, 1818; *Grant v. Raymond*, 6

*Peters*, 218, 1832; *Day v. Car-Spring Co.*, 3 Blatch. 181, 1854; *Henry v. United States*, 22 Court of Claims, 78, 1887.

<sup>43</sup> *Read v. Miller*, 2 Bissell, 16, 1867.

least thirty days before the trial of the case.<sup>44</sup> No such notice requires any order of court as a prerequisite thereto; and depositions taken before the service of such a notice are as admissible under it as if taken afterward.<sup>45</sup> It is not the purpose of the statute to oblige the defendant to give notice of anticipating matter before taking depositions. Its only purpose is to give the plaintiff thirty days before the trial, in which to secure evidence to contradict the testimony of the defendant's witnesses, in case the latter is untrue. Notices of special matter are not required to be filed in court; and if filed they are not examinable by demurrers. Their sufficiency is decided at the time of trial, by admitting or excluding evidence offered thereunder.<sup>46</sup>

Notices of want of novelty must state the names of the prior patentees, and the dates of their patents, where prior patents are relied upon; and where prior knowledge or use is relied upon, such a notice must state the names and residences of the persons alleged to have had the prior knowledge of the thing patented, and where and by whom it was used.<sup>47</sup> Where prior printed publications are relied upon as negating the novelty of the patented invention, the statute does not say how such publications are to be identified in such notices. But the Supreme Court has decided that they must be pointed out with sufficient definiteness to relieve the plaintiff from making an unnecessarily laborious search therefor.<sup>48</sup> In the Supreme Court case just cited, a notice was held to be insufficient, which stated that the patented thing was described in a

<sup>44</sup> Revised Statutes, Section 4920, as amended 29 Stat. 692.

<sup>45</sup> *Teese v. Huntingdon*, 23 Howard, 2, 1859.

<sup>46</sup> *Henry v. United States*, 22 Court of Claims, 79, 1887.

<sup>47</sup> Revised Statutes, Section 4920, as amended 29 Stat. 692.

<sup>48</sup> *Silsby v. Foote*, 14 Howard, 218, 1852; also, *Corrugated Metal Co. v. Pattison*, 197 F. R. 577, 1912.



certain book therein mentioned, but did not state in what part of that book it was so described. Notices of prior knowledge or use are sufficiently specific, when they specify the city in which that knowledge or use existed or occurred, and give the names of persons who had that knowledge, or who engaged in that use, and state in what city those persons reside.<sup>49</sup> That is to say: the word "where" and the word "residence," as those words are used in the statute, refer to cities, villages, or towns, as the case may be, and do not refer to particular houses, factories, or farms. In short, the answer must locate the time and place of such use with such directness and certainty as will enable complainant to go upon the ground and determine what acts are relied upon by the defendant to constitute prior use.<sup>50</sup>

The names of witnesses as such, need not be mentioned in a notice, yet it is often necessary to use as witnesses, persons who are named in the notice as having been engaged in the prior use to be proved, or as having known of the anticipating process or thing. Accordingly where a notice alleges that A. B. used an anticipating machine in a certain city, and that C. D. had knowledge of that prior use, those facts may both be proved by E. F. without mentioning his name in the notice.<sup>51</sup> But if A. B. is the only available person by whom to prove his prior use, or if his testimony on that point is to be taken together with that of others, his name must still be mentioned in the notice: mentioned not as a witness to be called to prove a fact, but as the person who transacted that fact.

Notices need not state the particular time when an

<sup>49</sup> *Wise v. Allis*, 9 Wallace, 737, 1869.

<sup>50</sup> *Corrugated Metal Co. v. Pattison*, 197 F. R. 577, 1912.

<sup>51</sup> *Planing-Machine Co. v. Keith*, 101 U. S. 492, 1879;

*Many v. Jagger*, 1 Blatch. 376, 1848.

anticipating printed publication was published, nor when an anticipating process or thing was known or used;<sup>52</sup> but they must state the dates of all alleged anticipating patents.<sup>53</sup> If a notice does unnecessarily state a particular time, that statement will be regarded as harmless surplusage, and a variance therefrom in the evidence will not render the latter inadmissible.<sup>54</sup>

§ 445. Where any defence to a patent action can be based upon a fact of which the court will take judicial notice without evidence, that defence may be made under the general issue without any special pleading.<sup>55</sup>

§ 446. The first and second defences are those which come within the rule of the last section relevant to judicial notice. The first defence is applicable mainly or only when a "principle" has been patented, as for example by the eighth claim of Morse,<sup>56</sup> or by the anæsthesia patent of Morton and Jackson.<sup>57</sup> The applicability of judicial notice to that defence is perhaps invariable.

But there appears to be no warrant for saying that the second defence need not be pleaded, where a patent is assailed for want of invention, on account of prior facts which must be proved by evidence, in order to be acted upon by courts.<sup>58</sup> Justice requires that the plaintiff be notified beforehand of such a defence, as truly as of the defence of want of novelty; for it may equally be based on facts outside of the patent, and outside of the knowledge of the inventor and of the plaintiff.

<sup>52</sup> Phillips *v.* Page, 24 Howard, 164, 1860.

<sup>53</sup> Revised Statutes, Section 4920.

<sup>54</sup> Phillips *v.* Page, 24 Howard, 164, 1860.

<sup>55</sup> May *v.* Juneau County, 137 U. S. 408, 1890.

<sup>56</sup> O'Reilly *v.* Morse, 15 Howard, 112, 1853.

<sup>57</sup> Morton *v.* Infirmary, 5 Blatch. 116, 1862.

<sup>58</sup> Brickill *v.* Hartford, 57 F. R. 217, 1893; Britton *v.* White Mfg. Co., 61 F. R. 95, 1894.

§ 447. The third defence may be based upon a special plea, instead of on the general issue accompanied by notice; and when that practice is adopted, that plea is the only notice which the plaintiff can claim.<sup>59</sup> It has been held that special pleas, when used instead of notices, must be filed at least thirty days before the term of trial, or the plaintiff will be entitled to a continuance.<sup>60</sup> This holding was so reasonable that it can be supported on the ground that every court has power to make reasonable rules to regulate the time of filing pleas.<sup>61</sup> A special plea which has been stricken out by order of court, cannot operate as a notice, and thus furnish the foundation of a defence which requires a notice in the absence of a special plea.<sup>62</sup> And a plea or notice of want of novelty must state that the anticipating fact occurred before the invention claimed by the patent was made; for it is not enough to state that the anticipating fact occurred before the date of the patent.<sup>63</sup>

§ 448. The fourth defence is not among those which can be made under the general issue accompanied by notice. There is probably no case in which it has been successfully made at law, without being set up in a special plea. In the absence of such precedents, it would be unsafe for a pleader to attempt such an innovation on the rules of the common law.

§ 449. The fifth and sixth defences always require evidence outside of the patent, and outside of the doctrines of judicial notice. They may be made under the general issue accompanied by the statutory notice,<sup>64</sup> or under a

<sup>59</sup> *Evans v. Eaton*, 3 Wheaton, 504, 1818.

<sup>60</sup> *Phillips v. Comstock*, 4 McLean, 525, 1849.

<sup>61</sup> *Packet Co. v. Sickles*, 19 Wallace, 611, 1873.

<sup>62</sup> *Foote v. Silsby*, 1 Blatch. 445, 1849.

<sup>63</sup> *Brickill v. Hartford*, 57 F. R. 219, 1893.

<sup>64</sup> Revised Statutes, Section 4920, as amended 29 Stat. 692.

special plea, but there is no reason to suppose that they can lawfully be made under the general issue alone.

§ 450. The seventh defence is not based on any express statute. Its foundation is the general spirit of the patent laws; and it has been expounded in a number of cases, beginning in the case of *Railway Co. v. Sayles*.<sup>65</sup> Evidence to support it must always be drawn from outside of the patent, and must be regularly introduced into the case. This defence is therefore to be made by a special plea, when it is made at all.

§ 451. The eighth defence may be made either by the general issue accompanied by notice,<sup>66</sup> or by special plea. It applies to cases where another than the patentee preceded him in the first conception of the patented thing, but did not precede him in adapting it to actual use. If that other stopped with that conception, the validity of the patent is not affected thereby, but if he used reasonable diligence in adapting and perfecting the invention so conceived, no subsequent inventor can have a valid patent, surreptitiously or unjustly obtained by him for the same invention. Such a patent is surreptitiously obtained, where the patentee appropriates the idea from the first conceiver, and, exceeding him in speed, reduces the invention to proper form, and secures the patent, while the first conceiver is diligently laboring to adapt the invention to use. Such a patent is unjustly obtained, if it is issued to a subsequent inventor, when the first con-

<sup>65</sup> *Railway Co. v. Sayles*, 97 U. S. 563, 1878; *Consolidated Electric Light Co. v. McKeesport Light Co.*, 40 F. R. 26, 1889; *Beach v. Box Machine Co.*, 63 F. R. 604, 1894; *Michigan Central Railroad Co. v. Car-Heating Co.*, 67 F. R. 126, 1895; *Bowers v.*

*San Francisco Bridge Co.*, 69 F. R. 644, 1895; *Erie Rubber Co. v. American Dunlop Tire Co.*, 70 F. R. 62, 1895; *Hulett v. Long*, 15 App. D. C. 291, 1899.

<sup>66</sup> Revised Statutes, Section 4920, as amended 29 Stat. 692.

ceiver is using due diligence to reduce his invention to practice.<sup>67</sup> Where this defence is pleaded, all its elements must be incorporated in the plea. The allegation of unjust or surreptitious obtaining of the patent, must be accompanied by an allegation that the first conceiver was at the time using reasonable diligence in adapting and perfecting the invention.<sup>68</sup>

§ 452. The ninth and tenth defences are based on the fact that patents can lawfully be granted to no one but the inventors of the things covered thereby, or to those who represent them as assigns or legal representatives.<sup>69</sup> Neither of those defences can ever receive any support from the face of the patent, or from any fact of which any court can take judicial notice. Both depend upon evidence *aliunde*, and either must be interposed in a special plea, for the statute does not include either among those defences which may be made under the general issue accompanied by notice.<sup>70</sup>

§ 453. The eleventh defence may be set up under the general issue accompanied by notice,<sup>71</sup> or in a special plea; and in either way, this defence must be stated with particularity.<sup>72</sup> Even where a patent does contain too much or too little, this defence does not apply, unless the fault was intended, and was intended to deceive the public.<sup>73</sup> But those intentions will be implied from proof of the

<sup>67</sup> *Yates v. Huson*, 8 App. D. C. 93, 1896.

<sup>68</sup> *Agawam Co. v. Jordan*, 7 Wallace, 583, 1868.

<sup>69</sup> Sections 50 and 51 of this book.

<sup>70</sup> *Butler v. Bainbridge*, 29 F. R. 143, 1886.

<sup>71</sup> Revised Statutes, Section 4920, as amended 29 Stat. 692.

<sup>72</sup> *American Sulphite Pulp Co. v. Howland Falls Pulp Co.*, 70 F. R. 992, 1895.

<sup>73</sup> *Hotchkiss v. Oliver*, 5 Denio (N. Y.), 314, 1848; *Celluloid Mfg. Co. v. Russell*, 37 F. R. 679, 1889; *Burke Electric Co. v. Independent Pneumatic Tool Co.*, 232 F. R. 145, 1916.

fact that the inventor knew the true importance of what he wrongly omitted from his specification, or wrongly inserted therein.<sup>74</sup>

§ 454. The twelfth defence is somewhat similar to the first member of the eleventh; but unlike that, it cannot be based on the general issue accompanied by notice; and it does not require the element of intention to deceive. It is based upon that provision of the statute which makes a full clear, concise, and exact description of the invention a prerequisite to the jurisdiction of the Commissioner to grant a patent.<sup>75</sup> If a patent falls below the statutory requirement in that respect, that patent is void.<sup>76</sup> Whether a given patent does so fall is a question of evidence and not of construction.<sup>77</sup> Therefore this defence cannot be made by demurrer.<sup>78</sup> This defence must be interposed in a special plea; for neither the statute nor any precedent contemplates its being based on the general issue, either with or without notice; and still less does any rule of law provide for its being made on the trial of an action without being pleaded at all.

§ 455. The thirteenth defence is based on the statute which requires that, before any inventor shall receive a patent for his invention, he shall particularly point out, and distinctly claim, the part, improvement or combination which he claims as his invention.<sup>79</sup> It is a defence of decided merit, aimed by the policy of the law at nebulous

<sup>74</sup> *Electric Boot & Shoe Finishing Co. v. Little*, 75 F. R. 276, 1896.

<sup>75</sup> Revised Statutes, Section 4888.

<sup>76</sup> *O'Reilly v. Morse*, 15 Howard, 62, 1853; *Pacific Cable Ry. Co. v. Butte City Ry. Co.*, 58 F. R. 422, 1893; *National Chemical & Fer-*

*tilizer Co. v. Swift & Co.*, 100 F. R. 451, 1900.

<sup>77</sup> *Loom Co. v. Higgins*, 105 U. S. 580, 1881.

<sup>78</sup> *Chase v. Fillebrown*, 58 F. R. 376, 1893.

<sup>79</sup> Revised Statutes, Section 4888.

claims. The courts have not heretofore gone so far in upholding this defence as the statute would justify. Probably the strongest judicial language heretofore used on the subject is that of the Supreme Court in the case of *Carlton v. Bokee*.<sup>80</sup> In that case Justice BRADLEY, in delivering the opinion, said that: "Where a specification, by ambiguity and a needless multiplication of nebulous claims, is calculated to deceive and mislead the public, the patent is void." This defence may be made by demurrer;<sup>81</sup> because the question of the validity of a patent, as against it, is a question of construction of the document, to decide which, a judge will seldom require aid from other evidence than the letters patent themselves. But a special plea is probably the best means of interposing this defence; though there is less meritorious necessity for special pleading to support it, than there is to support any other defence which assails the validity of a patent.

§ 456. The fourteenth defence is based upon the statute which provides that where a new invention and an old one are both claimed in a patent, the patentee may sustain an action on the former, but not unless he disclaims the latter without unreasonable delay.<sup>82</sup> That the old invention was old, and that the delay to disclaim it was unreasonable, are matters of fact depending upon evidence. There is therefore no reason to suppose that this defence can be made in any action at law, without a special plea to give it entrance.

§ 457. The fifteenth defence goes to the jurisdiction of the Commissioner to reissue the patent in suit. In the

<sup>80</sup> *Carlton v. Bokee*, 17 Wallace, 472, 1873.

<sup>81</sup> *Brickill v. Hartford*, 49 F. R. 373, 1892.

<sup>82</sup> Revised Statutes, Section 4922.

chapter on reissues the defence is discussed with some fullness.<sup>83</sup> Whatever doubt may exist relevant to its scope, it is clear that the questions which are involved in its applicability to a particular case, are mainly questions of fact, depending upon evidence *in pais*, and that a special plea is therefore the proper means of bringing it to the attention of the court.

§ 458. The sixteenth defence originated in the year 1882,<sup>84</sup> and though not based on the letter of any statute, it has been many times enforced. The first element in its foundation is a point of comparative construction of the original and the reissue patent. But inasmuch as a plaintiff, suing on a reissue, need not introduce the original in evidence, even that element depends upon proof by the defendant of the contents of the original. The second element is a variable quantity, for the particular length of time between the date of an original and the application for a reissue patent, which will be fatal to a broadened reissue, depends upon the circumstances of each case, and those circumstances can be made known to the court through evidence alone. These considerations point to the propriety of disregarding this defence, in an action at law, unless it is set up in a special plea, and the plaintiff thus notified of what he must meet on the trial.

§ 459. The seventeenth defence depends upon proof of the original patent, and requires at least that amount of evidence to support it. In cases where the question of sameness or difference of invention is a complicated one, courts may require the benefit of evidence on that subject to aid them in deciding the point. In order to give both sides an opportunity to produce such evidence, a special

<sup>83</sup> Section 221 of this book.

<sup>84</sup> *Miller v. Brass Co.*, 104 U. S. 350, 1882.



plea seems necessary; but it has been decided that a general denial of the declaration is enough.<sup>85</sup>

§ 460. The eighteenth defence can be made by a demurrer in a case which is based on the prior patent, as well as on its alleged double;<sup>86</sup> but in other cases it requires a special plea, because it is a defence in confession and avoidance of the declaration.

§ 461. The nineteenth defence will of course require evidence of the record of the court which repealed the patent. But as that record cannot be contradicted by any evidence, and as no repeal could have been had without the knowledge of the plaintiff or his privies, there seems to be no meritorious reason why a special plea should be insisted upon to sustain this defence. But in the absence of a precedent, that will be the safest pleading for the defendant to file.

§ 462. The twentieth defence demands a special plea, where it is based on the expiration of a foreign patent on the same invention as that of the patent in suit; because the evidence to prove the existence and the expiration of the foreign patent, must come from outside the patent in suit, and must generally be supported by expert testimony that the foreign patent produced is really one for the same invention as the patent in suit. Indeed, the defence may fail even then, for it cannot stand against proof that the foreign patent was surreptitiously taken out by another than the United States patentee, and without his knowledge or consent. It would be unjust to allow a plaintiff to be surprised on the trial of an action at law, with proof of a foreign patent for his invention granted to another, after his invention was made, but before the date of his patent. Such a piece of evidence,

<sup>85</sup> Oregon Imp. Co. v. Excelsior Coal Co., 132 U. S. 215, 1889.

<sup>86</sup> Russell v. Kern, 64 F. R. 581, 1894.

if unexplained, might limit the duration of the United States patent, and thus perhaps defeat the suit. It is clear, therefore, that no such issue ought to be sprung upon a plaintiff when before the court. A special plea is requisite to give him notice of a fact apparently so unfavorable.

§ 463. The twenty-first defence can be made under the general issue, for it must be negatived in the declaration.<sup>87</sup>

§ 464. The twenty-second defence can be made under the general issue, where the defendant merely proposes to argue that the plaintiff's evidence does not make out any title, or makes out no such title as enables him to sue in an action at law. But where the defendant attacks the plaintiff's title on the basis of a paramount assignment to another, he ought to plead the defence specially, for otherwise the plaintiff might be surprised on the trial with evidence which, with a little time for preparation, he could perhaps explain away, or perhaps overthrow.

§ 465. The twenty-third and twenty-fourth defences both required to be pleaded specially according to the pleading rules of the ancient common law.<sup>88</sup> But under the relaxation which obtained in England, in the eighteenth century, they could, in ordinary cases, have been proved under the general issue.<sup>89</sup> That relaxation does not, however, deserve to be extended by any process of reasoning by analogy; and it is possible that the courts will hold that it does not apply to patent litigation in the United States.

§ 466. The twenty-fifth defence is one to which the plea of the general issue is, and always was, appropriate, for it is a defence which consists simply in a denial of the

<sup>87</sup> *Dunlap v. Schofield*, 152 U. S. 244, 1894.

<sup>88</sup> Stephen on Pleading, 158.

<sup>89</sup> 1 Chitty on Pleading, 491.

alleged infringement.<sup>90</sup> And even where a proper defence of non-infringement involves evidence of the state of the art, the general issue is a sufficient plea under which to make such a defence, because no notice to the plaintiff is necessary to render such evidence admissible.<sup>91</sup>

§ 467. The twenty-sixth defence is as proper in an action at law as it is in an action in equity.<sup>92</sup> Estoppels in patent cases are like those in other cases, in that they are divisible into three classes: Estoppels by matter of record; by matter of deed; and by matter *in pais*. The principles of estoppel constitute a systematic department of the law, to the delineation and development of which a number of text-writers have devoted careful and thorough consideration. No extensive discussion of the subject is therefore to be expected in this book. Something has already been written about estoppel *in pais*, in connection with the subject of implied licenses.<sup>93</sup> And it may be mentioned here, that a defendant is not estopped from denying the validity of a patent, by the fact that he formerly thought and represented it to be valid,<sup>94</sup> or the fact that he once made an application himself, for a patent on the same invention.<sup>95</sup> And something more may be added in this place, about estoppels by matter of record, and by matter of deed, for the patent precedents contain a few cases in which those doctrines have been applied to

<sup>90</sup> Stephen on Pleading, 160.

<sup>91</sup> *Dunbar v. Myers*, 94 U. S. 198, 1876; *Eachus v. Broomall*, 115 U. S. 434, 1885; *Grier v. Wilt*, 120 U. S. 429, 1886; *Jones v. Cyphers*, 126 F. R. 753, 1903; *Morton v. Llewellyn*, 164 F. R. 693, 1908; *Stevens v. Rodgers Boiler & Burner Co.*, 186 F. R. 631, 1911.

<sup>92</sup> *Dickerson v. Colgrove*, 100 U. S. 584, 1879; *City of Concord v. Norton*, 16 F. R. 477, 1883.

<sup>93</sup> Section 313 of this book.

<sup>94</sup> *De La Vergne Machine Co. v. Featherstone*, 49 F. R. 919, 1892.

<sup>95</sup> *Page v. Buckley*, 67 F. R. 142, 1895.

controversies touching letters patent for inventions. But the investigator will often need to resort to the standard text-books on estoppel, when seeking for the law applicable to such matters, as they may hereafter arise in patent litigation; for the instances in which the doctrines of estoppel have heretofore been applied to patent cases are comparatively few. Those doctrines may, however, be deduced from other kinds of causes, and then applied in patent litigation with all their inherent forces.<sup>96</sup>

§ 468. Estoppel by matter of record arises out of the doctrine of *res judicata*; and indeed that sort of estoppel generally and properly passes under the name of that doctrine. It is a requirement of public policy and of private peace, that each particular litigation shall duly come to an end, and that when once ended, it shall not be revived. The law therefore properly requires that things adjudicated shall not again be drawn in question between the same parties, or between any persons whose connection with the adjudication is such that it ought to bind them all.<sup>97</sup> But a person cannot invoke an adjudication, on the ground that he contributed money to or otherwise assisted in the litigation which produced it, unless that fact was known, at the time it occurred, to the party against whom the adjudication is sought to be invoked.<sup>98</sup>

<sup>96</sup> *Duboise v. Railroad Co.*, 5 Fisher, 208, 1871.

<sup>97</sup> *Hubbell v. United States*, 171 U. S. 209, 1898; *Bradley Mfg. Co. v. Eagle Mfg. Co.*, 57 F. R. 985, 1893; *Westinghouse Electric & Mfg. Co. v. Stanley Electric Mfg. Co.*, 117 F. R. 309, 1902.

<sup>98</sup> *Cramer v. Singer Mfg. Co.*, 93 F. R. 636, 1899; *Lane v. Welds*,

99 F. R. 287, 1899; *Hanks Dental Ass'n v. International Tooth Crown Co.*, 122 F. R. 74, 1903; *Penfield v. Potts & Co.*, 126 F. R. 475, 1903; *Sacks v. Kufferle*, 127 F. R. 569, 1904; *Westinghouse Electric & Mfg. Co. v. Jefferson, etc., Co.*, 128 F. R. 751, 1904; *Jefferson Electric, etc., Co. v. Westinghouse Electric, etc., Co.*, 139 F. R. 385, 1905; *Foote v. Par-*

This rule is based on the doctrine of mutuality of estoppel. Nor can a user invoke the doctrine when sued for infringement, even though the article has been held to be an infringement in a suit by the same complainant against the manufacturer who supplied the article to the user.<sup>99</sup> What circumstances will cause a third party assisting in a defence to be bound by a decree cannot be definitely stated. It has been held that mere payment of costs does not cause a manufacturer to be bound by a decree against a dealer where it does not appear that the attorney for the defendant was not under the exclusive control of the dealer.<sup>100</sup>

Interlocutory decrees furnish no foundation for a plea of *res judicata*.<sup>101</sup> And it is only in respect of questions actually litigated and decided in a prior case, that the judgment is conclusive in another action.<sup>102</sup>

A final decree is pleadable, in a subsequent action, notwithstanding the defendant may have new defences to interpose: defences, which he did not deem it necessary to make to the former suit, or did not learn of in time to set them up in the former litigation.<sup>103</sup> And final decrees or judgments are not only binding on the parties to the

sons Non-Skid Co., 196 F. R. 951, 1912.

<sup>99</sup> Eldred *v.* Breitwieser, 132 F. R. 251, 1904.

<sup>100</sup> General Electric Co. *v.* Morgan-Gardner Electro Co., 168 F. R. 52, 1908.

<sup>101</sup> Rumford Chemical Works *v.* Hecker, 2 Bann. & Ard. 359, 1876; Roemer *v.* Neumann, 26 F. R. 332, 1886; Morss *v.* Knapp, 37 F. R. 353, 1889; Harmon *v.* Struthers, 48 F. R. 260, 1891; Brush Electric Co. *v.* Western Electric Co., 76 F. R. 764, 1896;

Stromberg Motor Devices Co. *v.* Zenith Carburetor Co., 220 F. R. 154, 1915.

<sup>102</sup> Bruise *v.* Peck, 54 F. R. 822, 1893; Mack *v.* Levy, 60 F. R. 751, 1894; Norton *v.* Jansen, 81 F. R. 505, 1897.

<sup>103</sup> Duboise *v.* Railroad Co., 5 Fisher, 210, 1871; Gloucester Isinglass Co. *v.* LePage, 30 F. R. 371, 1887; Bradley Mfg. Co. *v.* Eagle Mfg. Co., 57 F. R. 989, 1893; Mack *v.* Levy, 60 F. R. 752, 1894.

actions from which they resulted, but they are also conclusive against or for all persons who purchase interests in the subject-matter of litigation after such decrees or judgments are entered;<sup>104</sup> or even before such entry, if after the beginning of the action which resulted in those judgments or decrees;<sup>105</sup> and also against or for persons who openly assumed the control and expense of the former litigation, even though not parties thereto.<sup>106</sup> So, also, judgments by default, decrees *pro confesso*, and consent decrees are pleadable as *res judicata*, if they are final in their nature, with the same effect as are judgments or decrees which were rendered after long-contested litigations.<sup>107</sup> But final consent decrees are not pleadable against those who merely assume defence of the suit without becoming parties on the record, where the decree was entered without the consent of such parties.<sup>108</sup>

But in order to be binding on either party to a new action, a former judgment or decree must be binding on

<sup>104</sup> Consolidated Fruit Jar Co. v. Whitney, 2 Bann. & Ard. 33, 1875; Pennington v. Hunt, 20 F. R. 195, 1884; Norton v. San Jose Fruit-Packing Co., 79 F. R. 793, 1897; Newton Mfg. Co. v. Wilgus, 90 F. R. 484, 1898.

<sup>105</sup> Carroll v. Goldschmidt, 83 F. R. 509, 1897.

<sup>106</sup> United States Felting Co. v. Asbestos Felting Co., 4 F. R. 816, 1880; American Bell Telephone Co. v. National Telephone Co., 27 F. R. 665, 1886; Eagle Mfg. Co. v. Miller, 41 F. R. 357, 1890; Eagle Mfg. Co. v. Bradley Mfg. Co., 50 F. R. 193, 1891; Bradley Mfg.

Co. v. Eagle Mfg. Co., 57 F. R. 985, 1893; National Folding-Box Co. v. Dayton Paper Novelty Co., 95 F. R. 991, 1899; D'Arcy v. Staples & Hanford Co., 161 F. R. 732, 1908; Gilchrist Co. v. Erie Specialty Co., 231 F. R. 659, 1916.

<sup>107</sup> Bradford v. Bradford, 5 Connecticut, 131, 1823; Davis v. Murphy, 2 Rich. (S. C.) 560, 1846; United States Packing Co. v. Tripp, 31 F. R. 350, 1887; Carroll v. Goldschmidt, 83 F. R. 509, 1897.

<sup>108</sup> Stromberg Motor Devices Co. v. Zenith Carburetor Co., 220 F. R. 154, 1914.

both.<sup>109</sup> No former adjudication is pleadable in favor of either party to a suit, unless it would have been pleadable against him, if it had been rendered the other way.<sup>110</sup> But a decree may be pleadable against a complainant, only on a single point in a subsequent case, though it would have been pleadable against the defendant on all the points in that case, if it had been rendered the other way; because to be rendered the other way, all those points would have to be decided for the complainant, whereas only one of those points might have to be decided against the complainant, in order to necessitate a decree for the defendant.<sup>111</sup> On the other hand, a decree may be pleadable for the complainant, only on the subject of the validity of his patent, and not upon the question of its infringement by the defendant.<sup>112</sup>

§ 469. Estoppel by matter of deed may also arise in patent affairs.<sup>113</sup> Where, for example, the alleged infringer has by contract admitted the validity of the patent and agreed not to infringe in the future,<sup>114</sup> or where an assignor or grantor of a patent right, afterward infringes the right which he conveyed, he is estopped by his conveyance from denying the plaintiff's title,<sup>115</sup> or the validity of the patent, when sued for its infringement,<sup>116</sup> even where the

<sup>109</sup> *Mack v. Levy*, 60 F. R. 752, 1894.

<sup>110</sup> *Ingersoll v. Jewett*, 16 Blatch. 378, 1879; *Dale v. Roosevelt*, 1 Paige (N. Y.), 35, 1828; *Paynes v. Coles*, 1 Munford (Va.), 394, 1810; *Greene v. City of Lynn*, 55 F. R. 522, 1893.

<sup>111</sup> *Steam Gauge & Lantern Co. v. Meyrose*, 27 F. R. 213, 1886.

<sup>112</sup> *Bradley Mfg. Co. v. Eagle Mfg. Co.*, 57 F. R. 988, 1893.

<sup>113</sup> On the question of such an estoppel in favor of purchasers from trustees in bankruptcy, receivers and the like, see Section 290 of this book.

<sup>114</sup> *American Specialty Stamping Co. v. New England Enamelling Co.*, 178 F. R. 106, 1910.

<sup>115</sup> *Woodward v. Lasting Mach. Co.*, 60 F. R. 284, 1894.

<sup>116</sup> *Consolidated Middlings Purifier Co. v. Guilder*, 9 F. R.

invalidity is due to an unlawful reissue obtained after the assignment,<sup>117</sup> and even though the assignee at the time of the assignment knew of the defects which rendered the patent invalid,<sup>118</sup> and even though the assignor had been induced to part with his title on fraudulent representation by the assignee.<sup>119</sup> This is likewise true of strangers who are co-operating with him in the infringement;<sup>120</sup> and also of a corporation which is merely an incorporation of the assignor;<sup>121</sup> or an incorporation of the assignor, and strangers in collusion with him even though some of the minor stockholders are innocent;<sup>122</sup> and also of one who, although he had no interest in the title to the patent nevertheless receives for his own benefit a portion

156, 1881; *Adee v. Thomas*, 41 F. R. 345, 1890; *Corbin Lock Co. v. Yale & Towne Mfg. Co.*, 58 F. R. 565, 1893; *Martin & Hill Cash Carrier Co. v. Martin*, 67 F. R. 787, 1895; *National Conduit Co. v. Connecticut Pipe Mfg. Co.*, 73 F. R. 491, 1896; *Daniel v. Miller*, 81 F. R. 1000, 1897; *Griffith v. Shaw*, 89 F. R. 313, 1898; *Smith v. Ridgely*, 103 F. R. 875, 1900; *Force v. Sawyer-Boss Mfg. Co.*, 111 F. R. 902, 1901; *Consolidated Rubber Tire Co. v. Finley Rubber Tire Co.*, 116 F. R. 629, 1902; *Continental Wire Fence Co. v. Pendergast*, 126 F. R. 381, 1903; *Automatic Switch Co. v. Monitor Mfg. Co.* (discussing question and collating authorities in various circuits), 180 F. R. 983, 1910.

<sup>117</sup> *Burdsall v. Curran*, 31 F. R. 919, 1887.

<sup>118</sup> *Peele Co. v. Raskin*, 194 F. R. 440, 1912.

<sup>119</sup> *Vacuum Engineering Co. v. Dunn*, 209 F. R. 219, 1913.

<sup>120</sup> *Continental Wire Fence Co. v. Pendergast*, 126 F. R. 381, 1903; *Frank v. Bernard*, 131 F. R. 259, 1904; *Climax Lock & Ventilator Co. v. Ajax Hardware Mfg. Co.*, 192 F. R. 126, 1911; *Mellor v. Carroll*, 141 F. R. 992, 1905.

<sup>121</sup> *Siemens Halske Electric Co. v. Duncan Electric Mfg. Co.*, 142 F. R. 157, 1905; *Matthews Gravity Co. v. Lister*, 154 F. R. 490, 1906; *Automatic Switch Co. v. Monitor Mfg. Co.*, 180 F. R. 983, 1910; *Onondago Indian Wigwam Co. v. Ka-Noo-No Indian Mfg. Co.*, 182 F. R. 832, 1910.

<sup>122</sup> *Mellor v. Carroll*, 141 F. R. 992, 1905.



of the proceeds of the sale of the patent.<sup>123</sup> But the estoppel does not extend to a stranger merely because the patentee or a previous owner is in the employ of the former,<sup>124</sup> unless the employment was for the purpose of designing a device which would avoid infringement—in which event if infringement is found the estoppel applies;<sup>125</sup> nor to a corporation which took over the business in good faith without special reference to the patent.<sup>126</sup>

Where a stranger is charged with the estoppel it must be a case of actual co-operation between him and the assignor, since, if he makes the infringing article merely on the order of the assignor he is not estopped, at least as to more than the particular machine which he made.<sup>127</sup> Nor does the estoppel extend to a corporation which employs the assignor to make for it articles under an improvement patent of the assignor even though the corporation knew of the assignment of the original patent and even though the corporation is utilizing the improvement patent under royalties.<sup>128</sup> But such an assignor or grantor is not estopped, by his conveyance, from showing how narrowly the patent must be construed,<sup>129</sup> except

<sup>123</sup> *Johnson Furnace & Eng. Co. v. Western Furnace Co.*, 178 F. R. 819, 1910.

<sup>124</sup> *Babcock & Wilcox Co. v. Toledo Boiler Works Co.*, 170 F. R. 81, 1909.

<sup>125</sup> *Mergenthaler Linotype Co. v. International Typesetting Machine Co.*, 229 F. R. 168, 1914.

<sup>126</sup> *Macey Co. v. Globe-Wernicke Co.*, 180 F. R. 401, 1910.

<sup>127</sup> *Roessing-Ernst Co. v. Coal & Coke By-Products Co.*, 208 F. R. 990, 1913.

<sup>128</sup> *Trussed Concrete Steel Co. v. Corrugated Bar Co.*, 214 F. R. 393, 1913.

<sup>129</sup> *Babcock v. Clarkson*, 63 F. R. 607, 1894; *Western Telephone Construction Co. v. Stromberg*, 66 F. R. 551, 1895; *Martin Cash Carrier Co. v. Martin*, 67 F. R. 787, 1895; *Missouri Lamp & Mfg. Co. v. Stempel*, 75 F. R. 583, 1896; *Noonan v. Chester Park Athletic Club Co.*, 99 F. R. 90, 1900; *Alvin Mfg. Co. v. Scharling*, 100 F. R. 87, 1900; *Smith v. Ridgely*, 103 F. R. 875,

to the extent to which he may have made representations as to the scope of the patent as an inducement to the sale.<sup>130</sup> He may not, however, introduce evidence ostensibly for that purpose, but which in fact tends to show that the patent is invalid.<sup>130</sup> The assignor is not, however, estopped from testifying in derogation of the patent in a suit by the assignee against a third party.<sup>131</sup>

§ 470. The defence of estoppel requires a special plea to introduce it into a litigation. Thus, for example, if a former judgment or decree is not pleaded as an estoppel by a defendant, he refers the merits of the controversy anew to the court. The former adjudication may be used as an argument, but it cannot be relied upon as a bar, unless it is set up in a special plea.<sup>132</sup>

§ 471. The twenty-seventh defence may be made by demurrer,<sup>133</sup> but if not so interposed it must always be

1900; *Hurwood Mfg. Co. v. Wood*, 138 F. R. 835, 1905; *National Recording Safe Co. v. International Safe Co.*, 158 F. R. 824, 1908; *Johns-Pratt Co. v. Sachs Co.*, 175 F. R. 70, 1909; *Leather Grille & Drapery Co. v. Christopherson*, 182 F. R. 817, 1910; *Rollman Mfg. Co. v. Universal Hardware Works*, 207 F. R. 97, 1913; *Standard Plunger Elevator Co. v. Stokes*, 212 F. R. 941, 1914; *Crown Cork & Seal Co. v. Carper-Automatic, etc., Co.*, 229 F. R. 748, 1915; *Automatic Switch Co. v. Monitor Mfg. Co.* (collating authorities on the point in various circuits), 180 F. R. 983, 1910; *contra*, *Siemens Halske Electric Co. v. Duncan Electric Mfg. Co.*, 142 F. R. 157, 1905.

<sup>130</sup> *Cross Paper Feeder Co. v. United Printing Machine Co.*, 220 F. R. 313, 1915; *Automatic Switch Co. v. Monitor Mfg. Co.* (discussing doctrine of estoppel in this connection), 180 F. R. 983, 1910; *United Printing Machine Co. v. Cross Paper Feeder Co.*, 227 F. R. 600, 1915.

<sup>131</sup> *DeLaval Separator Co. v. Vermont Farm Mach. Co.*, 135 F. R. 772, 1904. But see *Siemens Halske Co. v. Duncan*, 142 F. R. 157, 1905.

<sup>132</sup> 1 Chitty on Pleading, 509.

<sup>133</sup> *Brickill v. Hartford*, 49 F. R. 373, 1882.

*Contra*, *Peters v. Hangar*, 134 F. R. 586, 1904.

specially pleaded by the defendant, or it will be disregarded by the court.<sup>134</sup> No defendant can avail himself of any statute of limitation, upon the general issue.<sup>135</sup>

§ 472. A national statute of limitation for patent suits, has been in existence and in force since the beginning of 1898. That statute provides that there shall be no money recovery in any such suit, for any infringement committed more than six years before the beginning of such an action.<sup>136</sup>

§ 476. State statutes of limitation can never apply to any right of action under a patent, if that particular right is subject to the running of a national statute of limitations.<sup>137</sup> This point of law follows from the fact that the States have no right to control the operation of the patent laws;<sup>138</sup> and from the fact that Congress never adopted State laws for the government of Federal courts in any case where the constitution, treaties or statutes of the United States specially attend to the subject.<sup>139</sup>

§ 477. State statutes of limitation, on actions based on torts unaccompanied by force, apply to such actions for infringements of patents, as are not subject to any national statute of limitation.<sup>140</sup>

§ 477a. The twenty-eighth defence may be raised by

<sup>134</sup> 1 Chitty on Pleading, 498.

<sup>135</sup> Neale *v.* Walker, 1 Cranch's Circuit Court Reports, 57, 1802.

*Contra*, Peters *v.* Hangar, 134 F. R. 586, 1904.

<sup>136</sup> 29 Statutes at Large, p. 694, Ch. 391, Section 6.

<sup>137</sup> Sayles *v.* Oregon Central Railroad Co., 4 Bann. & Ard. 429, 1879; Hayden *v.* Oriental Mills, 22 F. R. 103, 1884; May *v.*

County of Logan, 30 F. R. 256, 1887.

<sup>138</sup> M'Culloch *v.* Maryland, 4 Wheaton, 436, 1819.

<sup>139</sup> Revised Statutes, Section 721; Section 34 of the Judiciary Act of 1789; 1 Statutes at Large, Ch. 20, p. 92.

<sup>140</sup> Campbell *v.* Haverhill, 155 U. S. 613, 1895.

answer, unless the illegality appears on the face of the patent.<sup>141</sup>

§ 478. Replications and subsequent pleadings are seldom required in patent cases, because, most of the pleas applicable to such cases are pleas in bar by way of traverse, and not by way of confession and avoidance.<sup>142</sup> The principal exceptions are the plea of a license, the plea of a release, and the plea of a statute of limitation. If the plaintiff purposes to deny the existence of a license or release, as the case may be, his replication should be by way of traverse to the plea, and should conclude to the country, and thus tender issue. So, also, if the plaintiff can show that the license or release covered only a part of the infringement covered by the declaration, the general replication by way of traverse will be sufficient.<sup>143</sup> If the plaintiff cannot deny the existence of a full paper, but purposes to show that it was obtained by duress or by fraud, or that it has been effectually revoked, his replication will state the facts by way of confession and avoidance of the plea, and will conclude with a verification. It will then be the duty of the defendant to file a rejoinder to the replication. If he can deny the duress, or the fraud, or the revocation, as the case may be, his rejoinder will be by way of traverse, and will conclude by tendering issue. If, however, he cannot deny the truth of the replication, but can avoid its effect by showing that the plaintiff freely ratified the license or release after the alleged duress terminated, or the alleged fraud became known to him, or that he annulled the revocation after making it, then the defendant's rejoinder will be by way of confession and avoidance, and will conclude with a

<sup>141</sup> *Weston Electrical Inst. Co. v. Empire Electrical Inst. Co.*, 136 F. R. 599, 1905.

<sup>142</sup> *Brickill v. Hartford*, 57 F. R. 219, 1893.

<sup>143</sup> 1 *Chitty on Pleading*, 596.

verification, and will render necessary a sur-rejoinder from the plaintiff, denying the truth of the rejoinder, and putting himself upon the country.

§ 481. A similiter must be filed or added by or on behalf of the other party, whenever either the plaintiff or defendant properly tenders issue. As the party to whom issue is well tendered, has no option but to accept it, the similiter may be added for him. It is a mere matter of form, but it is a form which should always be attended to in common-law pleading. Its omission has sometimes constituted a fatal defect.<sup>144</sup>

§ 482. A demurrer may be interposed by either party in an action at law, to any pleading of his opponent, except another demurrer.<sup>145</sup> When a demurrer is interposed, the court will examine all the pleadings in the case, and will generally decide against the party who first filed a substantially defective one.<sup>146</sup> The principal exception to this rule is, that where the declaration is the pleading demurred to, the demurrer will not be sustained if it is too large; that is, if it is pointed at an entire declaration, some independent part of which is good in law.<sup>147</sup> This exception does not apply to demurrers to pleas,<sup>148</sup> or replications,<sup>149</sup> or rejoinders,<sup>150</sup> for it is in the nature of those pleadings to be entire, and if bad in part, to be bad for the whole.

§ 483. Demurrable declarations occur in patent cases when the patent appears to be void on its face, or by reason of some fact within judicial notice; or when the plaintiff's pleader omits some of the allegations which are necessary

<sup>144</sup> Earle v. Hall, 22 Pickering (Mass.), 102, 1839.

<sup>145</sup> 1 Chitty on Pleading, 661, 666.

<sup>146</sup> 1 Chitty on Pleading, 668.

<sup>147</sup> 1 Chitty on Pleading, 665.

<sup>148</sup> 1 Chitty on Pleading, 546.

<sup>149</sup> 1 Chitty on Pleading, 644.

<sup>150</sup> 1 Chitty on Pleading, 651.

parts of such a pleading; or when he makes those allegations in improper form; or where he makes the statement of infringement cover a space of time, part or all of which is remote enough to be barred by the statute of limitation. It will rarely occur that the whole of an infringement declared upon can plausibly be claimed to be thus barred; but it may not be unknown for declarations to allege that the infringement sued on began at a point of time more than six years before the beginning of the action, and was continued till after that limit was passed. If, in such a case, the defendant would interpose the statute of limitation to that part of the infringement which occurred more than six years before the bringing of the suit, he may do so by a special demurrer aimed at the questionable part of the right of action. If, in such a case, he demurs generally to the whole declaration, his demurrer will be overruled, because it will appear on the argument that an independent, divisible part of the right of action sued upon is unbarred by the statute.<sup>151</sup>

§ 484. Demurrable pleas occur in patent cases whenever the facts stated therein constitute no defence to the action; or when they are in improper form; or when the statute of limitation is pleaded to the whole of a right of action, only a part of which is old enough to be barred thereby; for a plea which is bad in part, is bad altogether.<sup>152</sup>

§ 486. A joinder in demurrer is the proper response to such a pleading in a patent action, as well as any other. If a plaintiff attempts to demur to a demurrer, or refuses to join issue of law upon it, he thereby discontinues his action; and if a defendant does so he discontinues his defence.<sup>153</sup> But the actual filing in writing of a joinder in

<sup>151</sup> 1 Chitty on Pleading, 665.

Section 33; 1 Chitty on Pleading,

<sup>152</sup> 1 Chitty on Pleading, 546.

169.

<sup>153</sup> Gould's Pleadings, Ch. IX,

demurrer is generally waived, and demurrers are generally brought on for argument without that formality.

When a demurrer to an entire declaration is sustained, on a ground which cannot be cured by amendment, the plaintiff may file an exception, and take the case to the Circuit Court of Appeals for a review of the decision upon the demurrer; and he must do so, or abandon his action. But where a demurrer to a declaration is overruled, the defendant may either file an exception and take the case to the Circuit Court of Appeals for review, or may obtain leave of court to file a plea to the declaration. If he takes the latter course, he cannot set up in that plea any defence which was set up in the overruled demurrer. And if his other defences fail on the trial, and he afterward takes the case to the Circuit Court of Appeals, he cannot get a review of the decision of the District Court overruling his demurrer to the declaration. For this reason, it is not wise to trust any vital defence to the carriage of a demurrer, except where the defendant has no other vital defence, or except where he is certain that his demurrer will not be overruled.

Where a demurrer to a plea is sustained, on a ground which cannot be cured by amendment, the defendant may file an exception, and take the case to the Circuit Court of Appeals for a review of the decision upon the demurrer; or he may go to trial upon any other plea which he may have filed, and which has not been demurred to, or has repelled a demurrer. If he takes the latter course, and is beaten on the trial, and afterward takes the case to the Circuit Court of Appeals, he ought, in that tribunal, to get a review of the decision of the District Court sustaining the demurrer to his plea; for he could not prevent the filing of that demurrer, and without such a review can get no appeal from the decision of the District Court sustain-

ing it. But where a demurrer to a plea is overruled, the plaintiff must stand by that demurrer, and take the case to the Circuit Court of Appeals upon that issue alone, or if he goes to trial without doing so, he will thereby waive his demurrer; and if he is unsuccessful on the trial, and thereafter takes the case to the Circuit Court of Appeals, he cannot secure in that court a review of the decision of the court below, overruling his demurrer to the plea.

§ 487. The trial of an action at law for infringement of a patent may be by a jury, or by a judge, or by a referee. The first of these sorts of trial is the only proper one, except in cases where both parties agree to substitute one of the others. Cases of the kind may be tried by the judge, where the parties file with the clerk a stipulation in writing waiving a jury;<sup>154</sup> and trial by a referee appointed by the court, with the consent of both parties, is a mode of trial fully warranted by law.<sup>155</sup>

§ 488. Trial by jury must, in the absence of contrary consent by the parties, be by a jury of twelve men. Unanimity is necessary to a verdict of a jury in a Federal court, even in California or Nevada; though the statutes of those States provide that in their courts, a legal verdict may be found when three-fourths of the members of a jury agree. The laws of those States on that point are not covered by Section 721 of the Revised Statutes, and so made rules of decision in Federal courts; because the Federal Constitution otherwise provides. That provision is found in its seventh amendment, and in the following language: "In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." It is true that unanimity was not necessary to the verdicts of juries in England till

<sup>154</sup> Revised Statutes, Section 649.

<sup>155</sup> *Heckers v. Fowler*, 2 Wallace, 123, 1864.



after the reign of Edward the First,<sup>156</sup> and that it was never required in Scotland.<sup>157</sup> But the kind of "trial by jury," known in England and in the United States when the seventh amendment was proposed by Congress,<sup>158</sup> and when it was ratified by three-fourths of the States,<sup>159</sup> is doubtless the kind of trial guaranteed by that amendment.<sup>160</sup> Therefore, no law providing for any other kind of trial by jury can be enforced in a United States court.

§ 489. The practice in actions at law in the Federal courts is not uniform throughout the United States. There are no general rules governing the District Courts when sitting as law courts. When thus sitting, each District Court is governed, in matters of practice, by the laws of the State in which it is established, so far as those laws are applicable;<sup>161</sup> and on points where no law exists, it is governed by rules or customs of its own making or observance. No Act of Congress is necessary to enable a United States court to make and enforce its own rules of practice. It is only necessary that such rules be not repugnant to the laws of the United States.<sup>162</sup>

§ 490. The rules of evidence which are used in the trial of patent causes are the ordinary rules of the common law, as modified by the statutes of the particular States in which such trials occur,<sup>163</sup> and as adapted to the circum-

<sup>156</sup> Bracton, Liber IV, Ch. 19; Fleta, Liber IV, Ch. 9; Britton, Liber II, Ch. 21.

<sup>157</sup> Barrington on the Statutes, Ch. 29, p. 20; 17 & 18 Victoria, Ch. 59; 22 & 23 Victoria, Ch. 7; 31 & 32 Victoria, Ch. 100, Section 48.

<sup>158</sup> September 25, 1789.

<sup>159</sup> November 3, 1791.

<sup>160</sup> *Thompson v. Utah*, 170 U. S. 349, 1898.

<sup>161</sup> Revised Statutes, Section 914.

<sup>162</sup> *Heckers v. Fowler*, 2 Wallace, 123, 1864.

<sup>163</sup> *Vance v. Campbell*, 1 Black, 427, 1861; *Hausknecht v. Claypool*, 1 Black, 431, 1861; *Wright v. Bales*, 2 Black, 535, 1862.

stances of patent litigation by the decisions of the United States courts.

§ 491. Evidence to support his declaration must of course be introduced by a plaintiff in a patent suit before the defendant can be called upon to prove any defence. Where the complainant or the defendant is a corporation, and that fact is not admitted in the defendant's plea, it must be proved by the plaintiff; and it may be proved by a certified copy of its charter or articles of incorporation. Aside from that preliminary matter, the first item of the plaintiff's evidence consists of the letters patent sued upon, or of a written or printed copy of the same, authenticated by the seal and certified by the Commissioner or the Acting Commissioner of the Patent Office.<sup>164</sup> Either the letters patent, or such a copy thereof, is *prima facie* evidence of the validity of the letters patent, unless it appears on its face not to be such a form of document as the statute prescribes.<sup>165</sup> This presumption is strengthened by the circumstance that the alleged anticipating patent was considered by the Patent Office in connection with the application for the patent in suit.<sup>166</sup> And the presumption is weakened by the circumstance that closely

<sup>164</sup> Revised Statutes, Section 892.

<sup>165</sup> *Hunt Bros. Fruit Packing Co. v. Cassidy*, 53 F. R. 259, 1892; *Singer Mfg. Co. v. Brill*, 54 F. R. 383, 1892; *Holloway v. Dow*, 54 F. R. 514, 1893; *Harper & Reynolds Co. v. Wilgus*, 56 F. R. 588, 1893; *Chase v. Fillebrown*, 58 F. R. 376, 1893; *Schwarzwaelder v. Detroit*, 77 F. R. 889, 1896; *J. J. Warren Co. v. Rosenblatt*, 80 F. R. 540, 1897; *Wilkins Shoe-Button Fastener Co. v. Webb*, 80

F. R. 996, 1898; *Consolidated R'y Co. v. Adams & Westlake Co.*, 161 F. R. 343, 1908; *San Francisco Cornice Co. v. Beyrle*, 195 F. R. 516, 1912; *Consolidated Contract Co. v. Hassan Paving Co.*, 227 F. R. 436, 1915.

<sup>166</sup> *Hale & Kilburn Mfg. Co. v. Oneonta, etc., R'y Co.*, 129 F. R. 598, 1904; *Beckwith v. Malleable Iron Range Co.*, 174 F. R. 1001, 1910; *New Jersey Wire Cloth Co. v. Buffalo Expanded Metal Co.*, 131 F. R. 265, 1904.

similar prior references were not interposed or considered by the Office in the prosecution of the application.<sup>167</sup> But the printed memorandum, which is usually made at the head of the specification of a patent, and which states the date of the filing of the application for that patent, is not even *prima facie* evidence of that date.<sup>168</sup> That point, if it is material in a particular case, must be proved by a certified copy of the application itself. The letters patent themselves are also conclusive as against collateral attack in an infringement suit that all formal requisites to issuance have been complied with, except such as may appear on the face of the patent.<sup>169</sup>

§ 492. Reissue letters patent are also *prima facie* evidence of their own validity, on all of the three points which are involved in that question. They are so in respect of the fifteenth defence; because the fact that the Commissioner assumed jurisdiction, by treating the original letters patent as a proper subject for a reissue, is at least *prima facie* evidence that he had jurisdiction.<sup>170</sup> They are so in respect of the sixteenth defence; because the presumption is that the Commissioner knew the law, and, knowing it, would not grant a broadened reissue after a long lapse of time from the date of the original.<sup>171</sup> They are so in respect of the seventeenth defence; because the presumption is that the Commissioner would not violate the law, by granting a reissue for a different invention from any which

<sup>167</sup> American Soda Fountain Co. v. Sample, 130 F. R. 145, 1904; Westinghouse Electric & Mfg. Co. v. Toledo, P. C. & L. R'y Co., 172 F. R. 371, 1909; Elliott & Co. v. Youngstown Car Mfg. Co., 181 F. R. 345, 1910.

<sup>168</sup> International Terra Cotta

Co. v. Maurer, 44 F. R. 620, 1890; See Section 129 of this book.

<sup>169</sup> Wayne Mfg. Co. v. Coffield Motor Washer Co., 227 F. R. 987, 1915.

<sup>170</sup> Brooks v. Bicknell, 3 McLean, 258, 1843.

<sup>171</sup> Clark v. Wooster, 119 U. S. 326, 1886.

the original letters patent shows was intended to have been claimed therein.

§ 494. It is an undoubted presumption of law that letters patent, which appear on their face to be in full force, are so in fact. Such a document is therefore *prima facie* evidence that it neither has been repealed by a decree of court, nor has expired because of the expiration of some foreign patent for the same invention. It follows that neither the nineteenth nor twentieth defence needs to be anticipated by a plaintiff when introducing his *prima facie* evidence.

§ 495. After introducing the letters patent in evidence, unless the plaintiff is himself the patentee, his next step is to prove his title to the right, upon the infringement of which the action is based. Where the letters patent were originally granted to an assignee of the inventor, they are *prima facie* evidence of title in that assignee.<sup>172</sup> But where the plaintiff obtained his title after the letters patent were granted, he must prove himself to have been the assignee of the patent, or at least a grantee under it as to the territory wherein the alleged infringement occurred, when that infringement occurred. He may do either of these, by properly introducing in evidence the original assignments or grants which constitute his chain of title.

Where such a document was acknowledged before a notary public, or other magistrate specified in the statute, the certificate of that acknowledgment is *prima facie* evidence of the execution of the document.<sup>173</sup> In the absence of such an acknowledgment, it is necessary to prove

<sup>172</sup> Whitcomb v. Coal Co., 47 F. R. 655, 1891; Elliott-Fisher Co. v. Underwood Typewriter Co., 176 F. R. 372, 1909.

<sup>173</sup> 29 Statutes at Large, Ch.

391, Section 5, p. 693; De Laval Separator Co. v. Vermont Farm-Mach. Co., 109 F. R. 813, 1901; Lanyon Zinc Co. v. Brown, 115 F. R. 154, 1902.

such a paper according to the rules of the common law. When proceeding under those rules, to prove a paper which appears to have been subscribed by a witness, as well as by the grantor or assignor, the first step is to produce that witness, and take his testimony to the fact and the genuineness of his signature; or if he cannot be produced, the first step consists in proving, if possible, what has become of him, and if that is impossible, in proving that fact.<sup>173a</sup> When this step has been taken, and also where there is no subscribing witness to the document to be proved, it can be proved by testimony of the genuineness of the signature of him who executed it, as assignor or grantor, as the case may be. Where an original assignment or grant, which is essential to the plaintiff's title, cannot be produced, its character may be proved according to the rules of the law of evidence relevant to such cases.

Whether a certified copy of the Patent Office record of an assignment or grant of a patent is admissible evidence of the original document or of the Patent Office record thereof, is a question which was long ago decided in the affirmative,<sup>174</sup> and afterward was decided in the negative,<sup>175</sup> and then in the affirmative again,<sup>176</sup> and finally again in the negative.<sup>177</sup> Assuming the negative decisions to be

<sup>173a</sup> This is the old common-law rule. In most jurisdictions it will be found to have been abrogated either by statute or judicial decision. See *Wigmore on Evidence*. Sections 1290 *et seq.*

<sup>174</sup> *Brooks v. Jenkins*, 3 McLean, 436, 1844; *Parker v. Haworth*, 4 McLean, 370, 1848; *Lee v. Blandy*, 2 Fisher, 91, 1860; *Dederick v. Whitman Agricultural Co.*, 26 F. R. 763, 1886; *National Folding*

*Box & Paper Co. v. American Paper Pail & Box Co.*, 55 F. R. 488, 1893.

<sup>175</sup> *Paine v. Trask*, 56 F. R. 233, 1893; *Mayor of New York v. American Cable Ry. Co.*, 60 F. R. 1016, 1894.

<sup>176</sup> *Standard Elevator Co. v. Crane Elevator Co.*, 76 F. R. 792, 1896.

<sup>177</sup> *National Cash Register Co. v. Navy Cash Register Co.*, 99

right, it seems that the inadmissibility of such a certified copy is waived by an omission to make a proper objection when such a copy is offered in evidence.<sup>178</sup>

§ 496. It is not necessary for any plaintiff to prove in his *prima facie* evidence that the defendant has no license or release with which to defend.<sup>179</sup> But it is required of him to prove that he never made nor sold any specimen of the invention without marking it "patented," together with the day and year the patent was granted; or that the defendant was duly notified that his doings constituted an infringement of the patent, and, after such notice, continued to infringe.<sup>180</sup>

The requirements of the statute providing for marking must be strictly complied with and where a patented device is part of a complete structure the marking must be on the patented device itself, or, where such a method of marking cannot be followed, on a package, or label.<sup>181</sup>

§ 497. Proof of the making, selling, or using, by the defendant, before the beginning of the suit, of a specimen or specimens of a process or thing which the plaintiff claims is covered by his patent, constitutes the next step to be taken in proving a *prima facie* case. This point is often covered by a stipulation of the parties. In the absence of such a stipulation the point of proof may be one

F. R. 89, 1900; *American Graphophone Co. v. Leeds & Catlin Co.*, 140 F. R. 981, 1905; *Eastern Dynamite Co. v. Keystone Powder Mfg. Co.*, 164 F. R. 47, 1908; *Johnston v. Southern Well Works Co.*, 208 F. R. 145, 1913.

<sup>178</sup> *International Tooth-Crown Co. v. Bennett*, 72 F. R. 170, 1896; *A. B. Dick Co. v. Henry*, 75 F. R. 388, 1896.

<sup>179</sup> *Fischer v. Hayes*, 6 F. R. 79, 1881.

<sup>180</sup> *Dunlap v. Schofield*, 152 U. S. 244, 1894; *Traver v. Brown*, 62 F. R. 933, 1894; *Matthews & Willard Mfg. Co. v. National Brass & Iron Works*, 71 F. R. 518, 1895; *Campbell v. City of New York*, 81 F. R. 184, 1897.

<sup>181</sup> *Lichtenstein v. Phipps*, 168 F. R. 61, 1909.

of difficulty, for courts of law have no power to order inspections of a defendant's works; <sup>182</sup> though the defendant may be called as a witness, and compelled to describe what he has done; <sup>183</sup> and a discovery of the defendant's doings may be obtained by a bill in equity filed in aid of an action at law. <sup>184</sup> Where a defendant cannot be relied upon to testify fairly and fully, the plaintiff must secure other evidence; for it is necessary to a verdict in an action at law for an infringement of a patent, that both the nature and extent of that infringement be shown to the jury by satisfactory proof. Evidence of the nature of a defendant's doings is the first element of evidence of infringement; and evidence of their extent is an indispensable part of the necessary evidence of damages. <sup>185</sup>

§ 498. Evidence of infringement is completed with evidence of the defendant's doings, if what he did was obviously and unquestionably identical with what is covered by the patent in suit, <sup>186</sup> or if he is estopped from denying identity between those doings and that patent. <sup>187</sup> And even where differences are apparent, the complainant, if he chooses, may rest when he has introduced evidence or a stipulation stating the character of the acts done by the defendant. In that case the court will interpret the words of the patent in the sense in which they are ordi-

<sup>182</sup> *Parker v. Bigler*, 1 Fisher, 287, 1857.

<sup>183</sup> *Roberts v. Walley*, 14 F. R. 169, 1882; *Delamater v. Reinhardt*, 43 F. R. 76, 1890.

<sup>184</sup> *Colgate v. Compagnie Francaise*, 23 F. R. 85, 1885.

<sup>185</sup> *National Car-Brake Shoe Co. v. Mfg. Co.*, 19 F. R. 519, 1884.

<sup>186</sup> *Jennings v. Kibbe*, 10 F. R.

669, 1882; *Barrett v. Hall*, 1 Mason, 471, 1818; *Hayes v. Bickelhaupt*, 23 F. R. 184, 1885; *Freese v. Swartchild*, 35 F. R. 141, 1888; *Sugar Mfg. Co. v. Yaryan Mfg. Co.*, 43 F. R. 148, 1890; *Hardwick v. Masland*, 71 F. R. 889, 1895; *McDowell v. Kurtz*, 77 F. R. 207, 1896.

<sup>187</sup> *Time Telegraph Co. v. Himmer*, 19 F. R. 322, 1884.

narily employed, and, with the knowledge of the invention thus acquired, will determine whether the acts done by the defendant amount to infringement.<sup>188</sup> But judges do not always possess the requisite knowledge of the meaning of the terms of art or science used in letters patent, and are not always able to accurately weigh similarities and differences in mechanics, chemistry, electricity, or other physics, without receiving special information thereon. Therefore it is always proper and generally necessary to introduce expert testimony to show that the differences are all immaterial, and to show that the defendant's doings actually did constitute an infringement of the plaintiff's patent.<sup>189</sup>

Experts in patent cases are mainly experts in mechanics, chemistry, or electricity; and a man who has extensive theoretical and practical knowledge of either of those sciences, is a mechanical, chemical, or electrical expert, as the case may be; and a man may be an expert in any other science, who possesses the same qualifications in it. The opinions of such experts are admissible upon the points of fact to which they are relevant; but in order to have much weight, they must be accompanied by statements of good reasons upon which they are based.<sup>190</sup> The expert may testify as to experiments that he has made to test the theory of the patent and the claim of infringement, although a number of judges have commented on the weakness of such testimony when the experiments were conducted under such conditions that the opposing

<sup>188</sup> *American Linoleum Co. v. Nairn Linoleum Co.*, 41 F. R. 756, 1890.

<sup>189</sup> *Overweight Elevator Co. v. Improved Order of Red Men*, 94 F. R. 161, 1899.

<sup>190</sup> *United States Annunciator*

*Co. v. Sanderson*, 3 Blatch. 184, 1854; *Livingston v. Jones*, 1 Fisher, 521, 1859; *Conover v. Rapp*, 4 Fisher, 57, 1859; *Norton v. Jensen*, 49 F. R. 864, 1892; *Briggs v. Central Ice Co.*, 54 F. R. 379, 1892.



party was not allowed to observe them.<sup>191</sup> An expert may properly write out in advance, the testimony he intends to give; but he cannot properly adopt and insert in his deposition, or read in open court as his testimony, any exposition of the subject which was written by another man.<sup>192</sup> Communications between expert witnesses and the parties or the counsel who employ them, are not privileged,<sup>193</sup> and therefore it is proper on cross-examination to ascertain and record the origin and the development of the opinions which such witnesses state in their depositions or oral testimony.

In deciding between contradictory expert testimony, juries should consider the respective reasons, ability, knowledge, and fairness of the experts.<sup>194</sup> To judge according to their number or their fame would be unsafe. The wealthier litigants are generally those who employ the more numerous and the more expensive expert witnesses; but it is not always the wealthier litigant who is right in a controversy, nor always the more famous expert who is right in his opinion. The carefully digested

<sup>191</sup> *Rynear Co. v. Evans*, 83 F. R. 696, 1897; *Plunger Elevator Co. v. Standard Plunger Elevator Co.*, 165 F. R. 906, 1908; *Bethlehem Steel Co. v. Niles-Bement-Pond Co.*, 166 F. R. 880, 1909; *Bemis v. Charles A. Stevens & Bros.*, 177 F. R. 717, 1910; *Chadeloid Chemical Co. v. Wilson Remover Co.*, 220 F. R. 681, 1915.

<sup>192</sup> *Emerson Co. v. Nimocks*, 88 F. R. 282, 1898.

<sup>193</sup> *Lalancé & Grosjean Mfg. Co. v. Haberman Mfg. Co.*, 87 F. R. 564, 1898.

<sup>194</sup> *Johnson v. Root*, 1 Fisher,

351, 1858; *Many v. Sizer*, 1 Fisher, 17, 1849; *Hudson v. Draper*, 4 Fisher, 256, 1870; *Page v. Ferry*, 1 Fisher, 298, 1857; *Carter v. Baker*, 1 Sawyer, 512, 1871; *Spaulding v. Tucker*, Deady, 649, 1869; *Cahoon v. Ring*, 1 Cliff. 592, 1861; *Cox v. Griggs*, 1 Bissell, 362, 1861; *Conover v. Roach*, 4 Fisher, 12, 1857; *Whipple v. Mfg. Co.*, 4 Fisher, 29, 1858; *Conover v. Rapp*, 4 Fisher, 57, 1859; *Waterbury Brass Co. v. New York Brass Co.*, 3 Fisher, 43, 1858; *Bierce v. Stocking*, 11 Gray (Mass.), 174, 1858.

views of a young and studious scientist, may be more nearly true than the more hastily formed opinion of a more distinguished man. And testimony based on experience is more weighty than testimony based on the theoretical consideration.<sup>195</sup>

§ 499. No expert can know whether a particular thing, done or made by a defendant, is the same as anything covered by a particular patent, until he ascertains what that patent covers. But the latter question is one of construction for the court, and not a question of evidence, to be sworn to by an expert, and decided by the jury.<sup>195a</sup> In the regular course of proceedings in trials at law, as well as in hearings in equity, the construction of the patent is not announced by the judge till after the evidence is taken. This practice makes it proper to put hypothetical questions to expert witnesses. The hypothesis in such a question is one which embodies that construction of the patent upon which the examining counsel thinks it both safe and sufficient to rely. If, when charging the jury, the judge gives a different construction from that embodied in the hypothetical question, then the answer to that question will be seen to be immaterial, and the jury will do right to disregard it. Examining counsel ought therefore to be very certain that his hypothetical construction is the true one; or otherwise, to put as many hypothetical questions as there are probable favorable constructions. Doing the latter, he may have a favorable answer upon which to argue to the jury, if he secures from the judge a construction which corresponds with either of his hypothetical questions. A statement of a witness that a particular thing does or does not infringe a particular patent, is inadmissible in evidence, because that statement in-

<sup>195</sup> *Young v. Wolfe*, 120 F. R. 958, 1903.

<sup>195a</sup> See Section 500.

cludes a construction of the patent, and construction of patents is the duty of courts, and not of experts.<sup>196</sup>

§ 500. Though not permitted to testify to the construction of a patent,<sup>197</sup> experts are sometimes called upon to testify to facts which positively control that construction.<sup>198</sup> Where the state of the art is the subject of inconsistent evidence, and where the construction of the patent depends on what is the fact in that regard, the judge will not charge the jury that the patent means thus and so, but will tell them that if they find the state of the art to be so and so, then the patent is entitled to such and such a construction.<sup>199</sup> In cases of this kind it may occur that the jury, in deciding upon the state of the art, must receive information from experts relevant to the mechanical nature of prior things,<sup>200</sup> as well as information from other sources relevant to the prior existence of those things. Generally speaking all questions of similarities or of differences between things, are questions for the jury in an action at law,<sup>201</sup> and are therefore proper to be testified about by experts.<sup>202</sup> Where a patent covers such of the things described, as perform a particular function, it is the business of the jury to decide, and therefore proper for an expert to testify, which those things are.<sup>203</sup> And in general all issues of fact including the issues of abandonment, invention and infringement are for the jury to de-

<sup>196</sup> *Marsh v. Stove Co.*, 51 F. R. 203, 1892; *Holmes v. Truman*, 67 F. R. 545, 1895.

See Section 189.

<sup>197</sup> *Waterbury Brass Co. v. New York Brass Co.*, 3 Fisher, 54, 1858.

<sup>198</sup> *Marsh v. Stove Co.*, 51 F. R. 203, 1892.

<sup>199</sup> *Burdell v. Denig*, 92 U. S. 722, 1875.

<sup>200</sup> *McKay & Copeland Mach. Co. v. Claffin*, 58 F. R. 354, 1893.

<sup>201</sup> *Tyler v. Boston*, 7 Wallace, 327, 1868.

<sup>202</sup> *Myers v. Sternheim*, 97 F. R. 625, 1899.

<sup>203</sup> *Silsby v. Foote*, 14 Howard, 218, 1852.

cide and their findings on these issues will not be disturbed unless against the weight of evidence.<sup>204</sup>

An exception to this rule is where the defendants' device is made under a patent and the court is able from mere comparison to comprehend what are the inventions described in each patent involved in the action. In such case the question of infringement is solely one of law for the court to determine.<sup>205</sup>

Though not permitted to testify directly on any question of infringement, experts are permitted to testify on points of fact which control the answers to such questions. For example, where a question of infringement depends on comparative mode of operation, an expert may testify that the modes of operation of two machines are substantially the same, or are substantially different, as the case may be. And where a question of infringement depends on whether a particular part of one machine, is an equivalent of a particular part of another machine, an expert may testify whether they perform the same function, and if so whether they perform that function in substantially the same way.

§ 501. Where an expert, in his direct examination, expounds the whole, or a part, of the prior art, his cross-examination may extend to the same sources of knowledge or domains of experience. But where an expert is giving testimony in chief, upon points of fact relevant to infringement, and confines that testimony to the similarities and differences between the plaintiff's patent and the defendant's doings, he cannot be cross-examined on the prior art; except by inquiring whether he took the prior art into consideration, when forming his opinion on the

<sup>204</sup> Trustees of Masonic Fund v. Fountain Electrical, etc., Corporation, 218 F. R. 642, 1914.

<sup>205</sup> Singer Mfg. Co. v. Cramer, 192 U. S. 265, 1904.

significance of the differences between the plaintiff's patent and the defendant's doings. That exceptional question is proper, because the answer will show whether the expert treated the plaintiff's patent as a primary patent, or treated it as a secondary patent, when he was weighing the differences between it and the defendant's doings; and because the validity of his estimate of those differences, may depend on whether he was right or was wrong in treating it as he did, in that respect.

The cross-examination of experts, cannot extend to inquiries into the characteristics of things not relevant to the case, put to them for the purpose of testing their knowledge or their fairness; because if the answers appeared to be undeniably correct, they would be wholly immaterial, and if thought to be erroneous they could be shown to be so, only by the testimony of others, who might themselves be the mistaken ones. To allow such a question, would thus operate to introduce an immaterial issue of fact into a case, and to draw the attention of the jury away from the issues of the pleadings.<sup>206</sup>

<sup>206</sup> *Odiorne v. Winkley*, 2 Gallison, 51, 1814.

On the subject of the proper scope of examination of experts, Equity Rule 7 of the Southern District of New York is of interest. It is as follows:

"In cases where under Supreme Court Rule 48 the direct testimony of experts in patent causes is taken by affidavit, the witnesses shall not give their opinion as to the meaning of any patent claim or specification, but their testimony shall be strictly confined to an explanation of the opera-

tion of relevant arts, processes, machines, manufactures or compositions of matter, and of the meaning of terms of art or science and of diagrams or formulæ.

"If the affidavit or deposition of any expert witness contain matter forbidden by this Rule, or irrelevant or immaterial matter, it shall not be answered by the opposite party, nor shall it be the basis of any cross-examination at the hearing, and the Court at any stage of the cause may strike from any such affidavit or deposition all such matter."

§ 502. The last part of a plaintiff's *prima facie* evidence, consists in proof of the amount of his damages, sometimes supplemented by evidence tending to show that a judgment ought to be entered for an amount greater than the actual damages sustained by him.<sup>207</sup> The matter is mentioned in this connection for the sake of symmetry; but it is so large that it constitutes the subject of a separate chapter of this book. To that chapter, recourse may be had for detailed information upon the subject.

§ 503. Except where a defendant exercises his right to demur to the evidence, or to move the court to direct the jury to return a verdict for him, at the close of the plaintiff's evidence in chief; the next part of a trial is the introduction of evidence by the defendant to sustain his defences. The possible defences in patent cases are twenty-eight in number. In prior sections in this chapter, they are consecutively numbered for purposes of easy reference, and are treated in respect of the pleadings which they respectively require, and the results which they respectively produce in patent actions at law. It is now convenient to set forth, in the same order, the leading points of the law of evidence applicable to each.

§ 504. The first defence will sometimes require evidence to show that the terms of art or science which are used in the patent, have such a meaning that the court is bound to construe the patent to be one for a principle, or for something other than a patentable process, or a machine, manufacture, composition of matter, or design. But where a patent plainly claims only the peculiar function of a described machine, the first defence can be maintained without any evidence outside of the patent.

§ 505. The second defence may sometimes be supported

<sup>207</sup> Revised Statutes, Section 4919.

by facts of which the court will take judicial notice.<sup>208</sup> But evidence to show the state of the art, is often required to show want of invention. A patent granted for an implement of agriculture, consisting of a hoe-handle with a hoe on one end and a rake on the other, would be void for want of invention, even if both new and useful.<sup>209</sup> The court would take judicial notice of the prior existence of handles having hoes attached thereto, and of other like handles having rakes fastened to one end; and on the basis of that judicial notice, would pronounce such a patent to be invalid. In fact the court will take judicial notice of all practices existing generally in an art although it may be necessary for the individual judge to determine the facts from consultation with standard literature dealing with the subject involved.<sup>210</sup>

A patent for a particular alleged combination in a complicated machine, may also be open to the same sort of objection; while the facts upon which it rests in the particular case, may be unknown to people generally, and unknown to judges who hear patent causes; though well understood by some experts and some mechanics. In such a case, it is necessary to introduce evidence of those facts in order to show want of invention. Such evidence may consist of proof of the prior existence of the parts of the alleged combination, and proof of the fact that their union in the machine, constitutes not a real combination, but an aggregation only.

So also, where want of invention results from some

<sup>208</sup> *Brown v. Piper*, 91 U. S. 37, 1875; *Slawson v. Railroad Co.*, 107 U. S. 649, 1882; *Phillips v. Detroit*, 111 U. S. 606, 1883; *Specialty Mfg. Co. v. Fenton Mfg. Co.*, 174 U. S. 497, 1899.

<sup>209</sup> *Reckendorfer v. Faber*, 92 U. S. 347, 1875; also *Roberts v. Bennett*, 136 F. R. 193, 1905.

<sup>210</sup> *Werk v. Parker*, 231 F. R. 121, 1916.

other reason than aggregation, the prior art must generally be proved in order to support the second defence; and that proof will generally consist of one or more prior patents or printed publications. The method of introducing them in evidence, is explained in the next two sections where substantial identity between the invention of the patent in suit and the invention disclosed in a prior patent or printed publication, is pre-supposed. But where a prior patent or printed publication is set up to negative invention, rather than to negative novelty, identity may be absent. In such a case, the question is whether the difference or differences between the subject claimed in the patent in suit and the prior art, amount to invention; and it is generally necessary for a defendant to introduce expert testimony on that point,<sup>211</sup> for a question of invention is a question of fact.<sup>212</sup> That testimony may state the character and the results of experiments made with the processes or articles involved in the comparison, or it may be based on knowledge otherwise acquired by the expert who testifies.

For the purpose of determining the meaning of terms where the evidence has left the question in doubt, it has been held that the court may resort to dictionaries, publications, books of science, etc.<sup>213</sup> It is surmised that the decision so holding is not so construed to permit the court to depart from the rules governing the doctrine of judicial notice.

§ 506. The third defence, and the facts which support it, are explained at large in the third chapter of this book.

<sup>211</sup> *Waterman v. Shipman*, 55 F. R. 987, 1893.

<sup>212</sup> *Kisinger-Ison Co. v. Bradford Belting Co.*, 97 F. R. 508,

1899; *Willis v. Miller*, 121 F. R. 985, 1903.

See Section 23.

<sup>213</sup> *Panzl v. Battle Island Paper, etc., Co.*, 132 F. R. 607, 1904.



In this connection, it is only necessary to explain the kinds of evidence by which those facts may be proved, and to state the special rules which govern the weight of such evidence.

Where novelty is duly sought to be negatived by prior United States patents, duly certified copies of those patents are admissible;<sup>214</sup> and it is a general practice among patent lawyers to waive the certificate, where a printed copy from the Patent Office is presented by opposing counsel. This practice has been approved and such copies held competent evidence not only of the patent itself but of the date when the application was filed, when no objection has been interposed on the ground of incompetency.<sup>215</sup> The certified copies of letters patent, which are admissible in evidence, include not only such individual copies as are furnished to private persons on payment of the proper fees; but also the certified bound volumes of copies which are gratuitously distributed by the Commissioner of Patents to all the State and Territorial capitols, and to all the United States District Court clerks' offices, except those which are located at the capitals of the States and Territories.<sup>216</sup>

Where prior foreign patents are duly pleaded to negative novelty, they may be proved *prima facie*, by duly certified copies of those copies thereof, which are kept in the United States Patent Office.<sup>217</sup> If plenary proof of foreign letters patent is required, it can be made by producing a copy thereof, duly certified by that officer of the foreign government which issued the patent, who corresponds to the

<sup>214</sup> Revised Statutes, Section 892.

<sup>215</sup> *Drawson v. Hartje Paper Co.*, 131 F. R. 734, 1904.

See Section 129.

<sup>216</sup> Revised Statutes, Section 490.

<sup>217</sup> Revised Statutes, Section 893.

Commissioner of Patents in the United States.<sup>218</sup> Where an error creeps into a certified copy of any letters patent, it may be corrected by another and more carefully compared certified copy from the same office.<sup>219</sup> Letters patent, to be admissible, must agree in name and date with the statements in the pleadings, in proof of which they are offered.<sup>220</sup>

§ 507. Prior printed publications must be proved by the introduction of a specimen of the printed thing, which is relied upon, and by satisfactory evidence that it was published before the date of the patent in suit. Parol testimony of the contents of such printed matter is generally inadmissible.<sup>221</sup> The testimony of a person, that the printed thing produced was published before the date of the invention in suit, if believed by the jury, would be sufficient evidence on that point. What evidence short of that in convincing force, would answer the purpose in hand, has not been judicially settled. Printed publications are not generally evidence of the truth of the statements which they contain.<sup>222</sup> But where a book or public periodical appears to have been published in a specified year, or on a specified day, and where it contains matter which furnishes collateral evidence of the genuineness of the date, and where it is free from the suspicion of having been changed after it was put forth, it will be received in evidence, without direct testimony that it was published when it purports to have been.<sup>223</sup> But a certificate of the Commissioner of Patents, that a particular book was

<sup>218</sup> *Schoerken v. Swift & Courtney & Beecher Co.*, 7 F. R. 469, 1881.

<sup>219</sup> *Brooks v. Jenkins*, 3 McLean, 432, 1844.

<sup>220</sup> *Bellas v. Hays*, 5 Sergeant & Rawle (Penn.), 427, 1819.

<sup>221</sup> *McMahon v. Tyng*, 14 Allen (Mass.), 167, 1867.

<sup>222</sup> *Seymour v. McCormick*, 19 Howard, 106, 1856.

<sup>223</sup> *Britton v. White Mfg. Co.*, 61 F. R. 95, 1894.

in the library of the Patent Office as early as a particular date, is not evidence of that fact.<sup>224</sup>

§ 508. Prior knowledge or use of a thing patented, may be proved by the testimony of the person or persons who had such prior knowledge, or who know of such prior use. Such testimony includes three points: the existence, the character, and the date of the thing previously known or used. Where a witness relies wholly on his memory for all three of these points, his testimony, though admissible, is not strong. It is generally impossible to remember with certainty the particular construction of a thing of which no specimen is known to remain in existence; and most memories are nearly unreliable on questions of dates. It is therefore desirable to fortify testimony of prior knowledge or use by producing the anticipating thing, or a specimen thereof, and by connecting the history of that thing with events about which there is no room for doubt. Where the anticipating thing cannot be produced, the testimony which supports its prior existence, may still prevail, if the construction of the article was so simple, and so well understood, as to be unlikely to be forgotten, and especially if a number of credible witnesses agree in regard to its character and its date.<sup>225</sup>

§ 509. Parol evidence of an anticipating thing, is likely to be met by other parol evidence, tending to show that such a thing never existed at the place alleged; or that it was substantially different from the patented invention sought to be anticipated; or that it did not exist at the alleged place till after the date of the patented invention. Testimony of the first sort is negative in its character, and therefore not so weighty as the affirmative evidence which it contradicts.<sup>226</sup> But it does not need to be so weighty,

<sup>224</sup> *Travers v. Cordage Co.*, 64 F. R. 773, 1894.

<sup>225</sup> See Section 76.

<sup>226</sup> *Union Sugar Refinery v.*

in order to overthrow the latter; for a mere preponderance of evidence will not sustain the defence of want of novelty. That defence, in order to prevail, must be proved beyond a reasonable doubt.<sup>227</sup> Testimony of an anticipating thing may also be met by evidence that the witness purchased a license under the patent; but such answering evidence is generally entitled to very little weight,<sup>228</sup> because the witness may not have understood that the facts of which he knew, constituted a legal defence to the patent, or he may have preferred to pay for a license, rather than to undergo the annoyance and incur the expense which are generally incident to actions for infringement.

§ 510. When anticipating matter is undeniably proved to have existed before the date of the patent in suit, want of novelty is *prima facie* proved; <sup>229</sup> because the printed memorandum of the date of the application for the patent, which is put at the head of the specification, is not evidence of that date.<sup>230</sup> But the plaintiff may meet the defendant's evidence of anticipating matter by proof that he, or his assignor, made the invention at a still earlier date. He may sometimes do this by means of a certified copy of the specification and drawings of his original application; but not by parol evidence relevant to the time when the petition, specification, or drawing was filed.<sup>231</sup> If his application was not early enough for the purpose, the plaintiff may prove the real date of his invention by proving the date of either of those facts, which, in the chapter on novelty, were shown to constitute the birth of an

Matthiessen, 2 Fisher, 600, 1865.  
F. R. 773, 1894.

<sup>227</sup> Section 76 of this book.

<sup>228</sup> Evans *v.* Eaton, 3 Wheaton, 454, 1818.

<sup>229</sup> Havemeyer *v.* Randall, 21 F. R. 404, 1884.

<sup>230</sup> International Terra Cotta Co. *v.* Maurer, 44 F. R. 619, 1890.

See Section 506.

<sup>231</sup> Wayne *v.* Winter, 6 McLean, 344, 1855.

invention thereafter patented.<sup>232</sup> If that fact was a tangible thing, its establishment requires the production and proof of that thing, or requires proof of its loss or destruction, and the best obtainable evidence of what its character was.<sup>233</sup> But declarations of the patentee relating to his invention, accompanied by descriptions thereof, and made before the application was filed, are competent evidence for the purpose in question on the principle of *res gestæ*.<sup>234</sup>

After the plaintiff has introduced evidence that he, or his assignor, made the invention at a still earlier date than that proved for the anticipating matter; the defendant cannot introduce evidence to carry the date of the anticipating matter back of the new date thus proved by the plaintiff; but the defendant may introduce evidence to disprove, if he can, the plaintiff's new date of invention.<sup>235</sup>

§ 511. The fourth defence requires evidence that the patented invention will not perform any function which is ascribed to it in the letters patent,<sup>236</sup> or proof that its function is not a useful one, within the meaning of the law on that subject.<sup>237</sup>

The first of these sorts of proof may consist of testimony of a person who is skillful in the art to which the invention pertains, and who has endeavored, in good faith, to make the patented thing work, and has been unable to do so. In plain cases, it may also consist of the testi-

<sup>232</sup> Section 70; Consolidated Ry., etc., Co. *v.* Adams & Westlake Co., 161 F. R. 343, 1908.

<sup>233</sup> Richardson *v.* Hicks, 1 McArthur's Patent Cases, 336, 1854.

<sup>234</sup> Bullock Electric Mfg. Co.

*v.* Crocker-Wheeler Co., 141 F. R. 101, 1905.

<sup>235</sup> St. Paul Plow Works *v.* Starling, 140 U. S. 198, 1891.

<sup>236</sup> Rowe *v.* Blanchard, 18 Wisconsin, 462, 1864.

<sup>237</sup> Sections 82 to 84 of this book.

mony of such a person, who has not actually experimented with a specimen of the patented thing, but who is able to show theoretically, that it is impossible for such a specimen to operate.<sup>238</sup> And in all cases the evidence must show a total incapacity in the invention to do anything claimed for it, because neither imperfect operation, nor a total failure to perform part of the claimed functions, will sustain a defence of want of utility.<sup>239</sup> And either practical or theoretical evidence of want of utility in the sense now under consideration, may be overthrown by the testimony of a person who has succeeded in causing the patented process or thing to produce a result ascribed to it in the patent.

The second of these sorts of proof may consist of evidence that the function of the patented thing is one which people generally profess to condemn as dangerous or immoral. Conventional and not absolute ethics is the criterion of judgment on this point.

§ 512. The fifth defence may be supported by any competent evidence which shows that the inventor relinquished all expectation to secure a patent, and formed an expectation that the invention would always be free to the public.<sup>240</sup> Such evidence may be either direct or circumstantial, but a mere preponderance of evidence cannot sustain this defence of actual abandonment, because it is one of those which, in order to prevail, must be proved beyond a reasonable doubt.<sup>241</sup>

§ 513. The sixth defence requires proof that the inventor

<sup>238</sup> *Campbell Printing-Press Co. v. Duplex Printing-Press Co.*, 86 F. R. 330, 1898; *Crown Cork & Seal Co. v. Aluminum Stopper Co.*, 108 F. R. 849, 1901.

<sup>239</sup> *Seymour v. Marsh*, 6 Fisher, 115, 1872.

<sup>240</sup> *Babcock v. Degener*, 1 McArthur's Patent Cases, 616, 1859.

<sup>241</sup> *McCormick v. Seymour*, 2 Blatch. 256, 1851.

omitted to apply for the patent, during the time allowed by the statutes for such an application to be made, in his particular case.<sup>242</sup> That proof, to be effective, must establish the fact beyond a reasonable doubt.<sup>243</sup>

§ 514. The seventh defence requires the introduction of the original application papers, or certified copies thereof; and in all except very plain cases it requires the testimony of experts to explain the outward embodiment of the terms contained in the original letters patent, and in the original application respectively.<sup>244</sup>

§ 515. The eighth defence calls for evidence that another than the patentee conceived the invention before he did; and that the other used reasonable diligence in adapting and perfecting the same; and that the patentee knew of that prior conception, and obtained the patent surreptitiously; or, if he did not know of the prior conception, that he obtained the patent unjustly, by applying for it when the prior conceivor was not chargeable with laches in reducing the invention to practice, or in preparing and filing an application for a patent thereon.<sup>245</sup>

§ 516. The ninth defence requires proof that another than the patentee was joint inventor with him of the thing covered by the patent. Testimony on this point must be strong in order to prevail, because the tendency of courts and juries is to assign such evidence to the category of mechanical assistance in construction, or to that of suggested substitution of equivalents.<sup>246</sup>

<sup>242</sup> *Andrews v. Hovey*, 123 U. S. 267, 124 U. S. 694, 1887.

<sup>243</sup> *Hanifen v. Godshalk*, 78 F. R. 816, 1896.

<sup>244</sup> *Bischoff v. Wethered*, 9 Wallace, 812, 1869.

<sup>245</sup> Revised Statutes, Section 4920, as amended, 29 Statute,

692; *Yates v. Huson*, 8 App. D. C. 93, 1896.

<sup>246</sup> *Agawam Co. v. Jordan*, 7 Wallace, 587, 1868; *Pitts v. Hall*, 2 Blatch. 229, 1851; *Locke v. Lane Co.*, 35 F. R. 293, 1888; *Hall Signal Co. v. Union Switch & Signal Co.*, 115 F. R. 643, 1901.

§ 517. The tenth defence is more likely to be successful in the proof than the ninth; because it may not only be based on the counterpart of the circumstances which underlie the latter, but also on other circumstances, where those do not exist. It has sometimes happened that an inventor, having sold an undivided half interest in his invention, has joined with his vendee in applying as joint inventor for a patent therefor. Such errors have been known to result from ignorance of the law; and such an error has been said to have occurred in one case on account of a desire to give an important patent the benefit of the name of a more distinguished scientist than him who was the real producer of the subject of the claim. But in any case, it is certain that very clear and unequivocal evidence is necessary to support this defence.<sup>247</sup>

§ 518. The eleventh defence calls for proof that the letters patent contain less than the whole truth relevant to the invention, or that it contains more than is necessary to produce the desired result, and that the fault arose from intention to deceive the public. But positive and direct evidence is not required on the latter point. It is sufficiently shown by proof of any circumstances which satisfy the jury that such intention existed.<sup>248</sup> The intent, however, is the gist of this defence and even though the patent may appear to be deceptive in fact, the defence is not sustained unless the intent is shown. The *prima facie* showing of intent may be rebutted by any competent evidence that tends to disprove it, as for in-

<sup>247</sup> Gottfried *v.* Brewing Co., 5 Bann. & Ard. 4, 1879; Butler *v.* Bainbridge, 29 F. R. 142, 1886; Consolidated Apparatus Co. *v.* Woerle, 29 F. R. 449, 1887; Schlicht & Field Co. *v.* Sewing Machine Co., 36 F. R. 585, 1888;

Welsbach Light Co. *v.* Cosmopolitan Gaslight Co., 100 F. R. 650, 1900.

<sup>248</sup> Gray *v.* James, 1 Peters' Circuit Court Reports, 394, 1817; Dyson *v.* Danforth, 4 Fisher, 133, 1865.



stance public disclosures by the inventor at the time of issuance of the patent of the matters that on the face of the patent might appear to have been withheld.<sup>249</sup>

§ 519. The twelfth defence can be supported by no evidence except that of persons skilled in the art to which the invention pertains, or with which it is most nearly connected. A patent for a chemical composition or process cannot be overthrown, on the ground of an insufficient description, by the testimony of a mechanical expert; nor can a patent for an improvement of a loom be overthrown on that ground, by the testimony of a machinist skilled only in printing-presses. If a description is sufficiently full, clear, concise, and exact to be effectually understood by any person skilled in that kind of machinery, or other subject of a patent, it is sufficiently so to meet this defence.<sup>250</sup>

§ 520. The thirteenth defence may sometimes succeed without any evidence outside of the letters patent themselves. It will, however, always be prudent to fortify the defence by the testimony of an expert who can show that the outward embodiment of the terms of the claim, is uncertain in character or in extent.

§ 521. The fourteenth defence requires several items of evidence for its support. It requires proof that one or more of the claims of the patent are void for want of embodying a subject-matter of a patent,<sup>251</sup> or for want of invention, or for want of novelty;<sup>252</sup> and that the patentee has long known the facts which make it invalid in that behalf. No disclaimer is ever necessary, in the absence of all of the first three of these circumstances; and no

<sup>249</sup> *Malignani v. Jasper Marsh, etc., Co.*, 180 F. R. 442, 1910.

<sup>250</sup> *Loom Co. v. Higgins*, 105 U. S. 580, 1881.

<sup>251</sup> *O'Reilly v. Morse*, 15 Howard, 121, 1853.

<sup>252</sup> Revised Statutes, Section 4922.

delay to file one is unreasonable in the absence of the fourth. Indeed, proof of a necessity for a disclaimer, and of long-existing knowledge of the facts out of which that necessity arose, will not always sustain this defence; because delay to file a disclaimer is not unreasonable, so long as there is any reasonable doubt whether the known facts constitute a necessity for such a document.<sup>253</sup>

§ 522. The fifteenth defence can seldom be supported by evidence that the original patent was neither inoperative nor invalid by reason of a defective or insufficient specification; because inoperativeness, from one of these causes, exists whenever the patent does not secure and cover all the inventions which it indicated, suggested, or described, and which might lawfully have been claimed in it;<sup>254</sup> and because, when not granted on account of such inoperativeness, reissues are generally granted on account of invalidity which arose by reason of a defective or insufficient specification, or by reason of a too extensive claim.<sup>255</sup> This defence therefore generally requires to be sustained by evidence showing that, whatever inoperativeness or invalidity on account of defective or insufficient specification, or on account of too extensive claims, is to be found in the original patent, the error arose otherwise than by inadvertence, accident, or mistake. The absence of all three of these mishaps from the history of the preparation of any original specification, may be proved by evidence which shows that the statements or claims alleged to have been omitted in one or another of these ways, were in fact omitted with deliberation or with care, or were omitted because they had to be, in order to secure

<sup>253</sup> *Silsby v. Foote*, 20 Howard, 290, 1857; *Matthews v. Flower*, 25 F. R. 834, 1885.

<sup>254</sup> *Wilson v. Coon*, 18 Blatch. 532, 1880.

<sup>255</sup> Revised Statutes, Section 4916.

the original patent,<sup>256</sup> or were disclaimed in order to secure an extension thereof.<sup>257</sup> Evidence to show either of the last two of these circumstances, if it exists at all, may generally be found among the correspondence on file in the Patent Office, and may be introduced in the form of certified copies of the letters which contain it.<sup>258</sup>

§ 523. The sixteenth defence can be supported by the introduction of the original patent, if when it is compared with the reissue, the latter appears to claim something which the original did not, and appears to have been applied for a long time after the original was granted. How long this space of time must be, in order to sustain this defence, depends largely upon the particular circumstances of particular cases. Different spaces of time which have been held to be sufficient for the purpose, are collated in the chapter on reissues,<sup>259</sup> and the burden is on the plaintiff to excuse delay for more than two years.<sup>260</sup>

§ 524. The seventeenth defence always requires to be supported by the introduction of the original patent,<sup>261</sup> and generally requires expert testimony showing that the outward embodiment of something claimed in the reissue, is substantially different from anything described in the original patent and apparently intended to be claimed therein. The judge will not reject such expert testimony, unless the case is so clear that he would have decided the question on a demurrer, if it had been presented to him by that pleading.

<sup>256</sup> *James v. Campbell*, 104 U. S. 356, 1881; *Yale Lock Co. v. Berkshire Bank*, 135 U. S. 379, 1890; *Dobson v. Lees*, 137 U. S. 265, 1890.

<sup>257</sup> *Leggett v. Avery*, 101 U. S. 256, 1879.

<sup>258</sup> Revised Statutes, Section 892.

<sup>259</sup> See Section 227.

<sup>260</sup> *Wollensak v. Reiher*, 115 U. S. 101, 1884; *Hoskin v. Fisher*, 125 U. S. 222, 1887.

<sup>261</sup> *Seymour v. Osborne*, 11 Wallace, 516, 1870.

§ 525. The eighteenth defence requires the introduction in evidence of the prior patent, granted on the application of the same inventor; but it will seldom require expert testimony, because, in order to prevail at all, this defence requires the claim of the prior patent to be so clearly co-extensive with the claim of the patent in suit, that its co-extensiveness is apparent upon the faces of the two patents. But expert testimony may be necessary to show such substantial identity of claims, where one or both of the claims may be formulated in phraseology, which cannot be understood without expert explanation.

§ 526. The nineteenth defence would require to be supported by the introduction of an officially attested copy of the record of the court repealing the patent,<sup>262</sup> or if that record is proved to have been destroyed by fire,<sup>263</sup> or rendered illegible by wear or time,<sup>264</sup> and not restored by the court to which it pertains,<sup>265</sup> it may be proved by a witness who examined and copied it when it was still unharmed.<sup>266</sup> But parol evidence will not be admitted of a record of which only a part is lost. The part which still exists, must be produced or proved by an officially attested copy.<sup>267</sup>

§ 527. The twentieth defence calls for the introduction in evidence, of a properly certified copy of the foreign patent which is relied upon to curtail the term of the patent in suit; and if the parties offer no testimony to aid the court in determining whether the foreign patent, so proved, is for the same invention as the United States patent upon

<sup>262</sup> Revised Statutes, Section 905.

<sup>263</sup> *United States v. Delespine's Heirs*, 12 Peters, 654, 1838.

<sup>264</sup> *Little v. Downing*, 37 New Hampshire, 355, 1858.

<sup>265</sup> Revised Statutes, Sections 899 and 900.

<sup>266</sup> 1 Wharton on Evidence, 135.

<sup>267</sup> *Nims v. Johnson*, 7 California, 110, 1857.

which the action is based, then the court will determine that point from an inspection of the two documents.<sup>268</sup> But if expert evidence on that subject is offered, it will doubtless be received.<sup>269</sup> And a foreign patent is evidence of its own duration; and will be held not to have been extended, in the absence of evidence that it has been.<sup>270</sup>

§ 528. The twenty-first defence is supported by proof that the plaintiff has made or sold one or more specimens of the patented article without marking it "patented," together with the day and year whereon the patent was granted.<sup>271</sup> When such evidence is introduced, the burden is shifted to the plaintiff, if an accounting is prayed, to show that before suit was brought the defendant was duly notified that he was infringing the patent, and that he continued to infringe after such notice.<sup>272</sup> A voluntary statement made to the infringer by a third person, that his doings infringe a patent, is not such a notice of infringement as is contemplated by the statute;<sup>273</sup> but such a notice does reside in the beginning of a suit for infringement.<sup>274</sup>

The twenty-first defence does not apply to any patent for a process; because processes are not made or sold. They are only used, and the statute on this subject is expressly confined to cases of making or to cases of selling without marking "patented."<sup>275</sup>

<sup>268</sup> *De Florez v. Reynolds*, 17 Blatch. 439, 1880.

<sup>269</sup> *Bischoff v. Wethered*, 9 Wallace, 812, 1869.

<sup>270</sup> *Edison Electric Light Co. v. Electric Supply Co.*, 60 F. R. 404, 1890; *Bonsack Mach. Co. v. Smith*, 70 F. R. 383, 1895.

<sup>271</sup> Revised Statutes, Section 4900.

<sup>272</sup> *Goodyear v. Allyn*, 6 Blatch. 36, 1868.

<sup>273</sup> *Pairpoint Mfg. Co. v. Eldridge Co.*, 71 F. R. 309, 1896.

<sup>274</sup> *United States Mitis Co. v. Carnegie Steel Co.*, 89 F. R. 206, 1898.

<sup>275</sup> *United States Mitis Co. v. Carnegie Steel Co.*, 89 F. R. 206, 1898.

§ 529. The twenty-second defence may sometimes be sustained by means of pointing out faults in the plaintiff's proof of title. Where that proof is apparently complete, it can be attacked by the introduction of assignments or grants in writing, which intervene between some of the links of the plaintiff's chain of title in such a way as to destroy or impair its continuity. The numerous points of law relevant to title are explained in the eleventh chapter of this book. It is enough to say, in this connection, that no title will be recognized in a court of law, unless it is evidenced by instruments in writing.<sup>276</sup>

§ 530. The twenty-third defence may be sustained by evidence of a written or a parol license, or of an express or an implied license. And a license may be a defence to an infringement suit, even where the license fee is in arrears.<sup>277</sup> Licenses form the subject of the twelfth chapter of this book, and to that chapter recourse may be had for further information in regard to the proper evidence to support this defence.

§ 531. The twenty-fourth defence may be sustained by proof of a total or partial release, given after the infringement was committed and before the action was commenced, or it may be sustained *pro tanto* by a partial release given even after the action was begun.<sup>278</sup> A paper cannot be a release, if executed before the infringement to which it refers was committed, because no man can relinquish what he does not possess.

Whether a lease, given only to a joint infringer with the defendant, can be invoked by the defendant himself, is a question to which no categorical answer can at present

<sup>276</sup> Revised Statutes, Section 4898, as amended 29 Stat. 692.

<sup>277</sup> *Keyes v. Mining Co.*, 158 U. S. 150, 1895.

<sup>278</sup> *Burdell v. Denig*, 92 U. S. 721, 1875.

be given. It depends upon the question whether contribution can be enforced between infringers, and that point has never been settled by the courts. Nothing more useful can therefore be said in this connection, than to state the principles upon which the two questions seem to depend.

The doctrine that there can be no contribution between tort-feasors, does not generally apply to cases where the wrongdoers suppose their doings to be lawful.<sup>279</sup> This is generally true of infringers of patents. When they infringe, they are perhaps ignorant of the patents which they violate; or if they know of the patents, they are apt to give themselves the benefit of every suggested ground for doubt, and thus suppose that their doings do not constitute any infringement. Therefore, it seems to be generally true, that where one of several joint infringers is sued alone, and suffers and pays a judgment for the joint infringement, he may compel his co-infringers to contribute their due portion of that payment, by means of an action to enforce its refunding. That being so, it will follow that a release to one joint infringer will operate to release all his co-infringers from the claim of the patentee. Where contribution can be enforced between tort-feasors, a full release to one must release all; for if it did not do so, it would not fully release that one. The releasee would not be fully protected by his release, unless his co-infringers would also be protected by it; because otherwise the releasee would still be liable to an action for contribution, brought against him by a joint tort-feasor who had been compelled to respond in damages for the joint infringement. The true rule, therefore, appears to be that a plain release given to either of several joint infringers may be successfully invoked in a court of law, not only by

<sup>279</sup> *Bailey v. Bussing*, 28 Connecticut, 461, 1859.

the nominal releasee, but also by any or all of his co-infringers.

A release given to an infringer, by one of several owners in common of a patent right, is not a defence to an action of the other owners against the infringer;<sup>280</sup> and those other owners will be permitted to prosecute their rights, by making the releasing co-owner a co-plaintiff against his will, if that is necessary in a particular jurisdiction. In a suit thus prosecuted, the release will be a defence to the damages due to the releasing co-owner, but not to those due to the others.

§ 532. The twenty-fifth defence may be successful without any evidence, because the burden of proof is upon a plaintiff to show an infringement,<sup>281</sup> and because a plaintiff may fail to sustain that burden. Accordingly, in one leading law case, the defendant was the prevailing party on the circuit, and in the Supreme Court, though the plow which he made was nearly identical with that covered by the plaintiff's patent, and though the defendant introduced no evidence on the subject of infringement, nor indeed on any other.<sup>282</sup> So, also, in a leading case in equity, the defendant, though beaten on the circuit, successfully interposed the defence of non-infringement in the Supreme Court, without any evidence on that side of the issue, and against the contrary testimony of several experts.<sup>283</sup> Several cases have also been successfully defended in Circuit Courts, on the ground of non-infringement, without any expert testimony on that side

<sup>280</sup> *Lalancé & Grosjean Mfg. Co. v. Haberman Mfg. Co.*, 93 F. R. 198, 1899.

<sup>281</sup> *Brooks v. Jenkins*, 3 McLean, 453, 1844; *Royer v. Mfg. Co.*, 20 F. R. 853, 1884; *Dowagiac Mfg.*

*Co. v. Brennan*, 118 F. R. 146, 1902.

<sup>282</sup> *Prouty v. Ruggles*, 16 Peters, 336, 1842.

<sup>283</sup> *Railway Co. v. Sayles*, 97 U. S. 554, 1878.



of that issue,<sup>283</sup> and against regular expert depositions asserting and arguing the proposition of infringement.<sup>284</sup>

But where a thing made or used or sold by the defendant is proved or is stipulated, and where a competent expert testifies that it is substantially the same as that which appears to be covered by the patent in suit, it is generally advisable, and sometimes necessary, for the defendant to introduce evidence tending to show non-infringement, if he means to rely upon that defence.<sup>285</sup> Evidence of this sort may consist of the testimony of experts who are acquainted with the letters patent in suit, and with the doings of the defendant, and are of opinion that those doings are substantially different from everything which appears to be secured by the letters patent, and can give an intelligent reason for that opinion. But such testimony must describe the defendant's doings, to enable the court to judge the correctness of its comparisons.<sup>286</sup> This testimony, like other testimony of experts on questions of infringement, is necessarily based on hypothetical constructions of the patents in suit, and is therefore to be disregarded, if the judge finds those hypothetical constructions to be substantially erroneous.

When a plaintiff has made a *prima facie* case of infringement of a process patent the defendant may find himself in the seeming predicament of being obliged to disclose his secret process in order to offset the plaintiff's showing. The practical necessity for this of course will depend upon the strength of plaintiff's showing, but in any event the defendant will not be compelled to disclose his secret

<sup>283</sup> See Section 189.

<sup>284</sup> *Enterprise Co. v. Snow*, 72 F. R. 263, 1896; 80 F. R. 537, 1897; *Beale v. Spate*, 74 F. R. 869, 1896.

<sup>285</sup> *Bennet v. Fowler*, 8 Wallace, 447, 1869.

<sup>286</sup> *Goldie v. Iron Co.*, 64 F. R. 240, 1894.

process, as he may show by affirmative proof that some one or more steps of the patented process has not been followed by him.<sup>287</sup>

Whether the fact that the defendant conformed his doings to a junior patent, is admissible as tending to show non-infringement of the patent in suit, is a question which the Supreme Court once decided in the affirmative,<sup>288</sup> and afterward in the negative,<sup>289</sup> but finally in the affirmative.<sup>290</sup> The lower courts have uniformly followed the last of these decisions, ever since it was rendered in 1895; so that now the law of the point appears to be established and confirmed.<sup>291</sup>

§ 533. The twenty-sixth defence requires to be proved as pleaded. Where it depends upon estoppel *in pais*, it may be proved by parol, or by the production of documents, according as the ground of the estoppel consists of things done, or words spoken, or consists of words which were committed to writing. Where the defence depends upon estoppel by deed, the document must be produced or otherwise proved according to the rules of evidence applicable to such cases; and where it depends upon estoppel by record, or *res judicata*, the record must be proved in accordance with the laws governing such evidence.

<sup>287</sup> Philadelphia Rubber Works Co. v. United States Rubber Reclaiming Works, 225 F. R. 789, 1915 (affirmed 229 F. R. 150, 1915).

<sup>288</sup> Corning v. Burden, 15 Howard, 252, 1853.

<sup>289</sup> Blanchard v. Putnam, 8 Wallace, 420, 1869.

<sup>290</sup> Boyd v. Janesville Hay Tool Co., 158 U. S. 261, 1895.

<sup>291</sup> Ransome v. Hyatt, 69 F. R.

149, 1895; New Departure Bell Co. v. Hardware Specialty Co., 69 F. R. 156, 1895; Ney v. Ney Mfg. Co., 69 F. R. 407, 1895; Illinois Steel Co. v. Kilmer Mfg. Co., 70 F. R. 1015, 1895; Wolff v. Du Pont, 122 F. R. 959, 1903.

For a more complete discussion of this question and of the distinctions involved, see Section 362a.

But if the record, when proved, stops short of showing that the point in question was decided in the former case, that fact may be proved by extrinsic evidence.<sup>292</sup>

§ 534. The twenty-seventh defence seldom requires any evidence to sustain it, because the Federal courts take judicial notice of the statutes of limitation;<sup>293</sup> and because the plaintiff's pleadings and proofs, when taken together, will generally show when the infringement sued upon was committed. But if the plaintiff's presentation of the case leaves the latter point uncertain to such an extent as to affect the question of the operation of a statute of limitation, the burden is then cast upon the defendant to prove that part or all of the infringement is old enough to be barred by the statute which he pleaded.<sup>294</sup>

§ 534*a*. The twenty-eighth defence would generally require the production of the record of the patent application, together with proof of whatever acts of the commissioner are relied upon as being illegal.

§ 535. Testimony in actions at law for infringements of patents may always be taken orally in open court. It may also be taken by depositions in writing, where the witness lives more than one hundred miles from the place of trial, or when he is bound on a voyage at sea, or is about to go out of the United States and out of the judicial district in which the case is to be tried, or to a greater distance than one hundred miles from the place of trial, before the time of trial, or when he is ancient and infirm. The sorts of magistrates before whom such a deposition may be taken are judges of any United States court; judges

<sup>292</sup> *Southern Pacific Co. v. Earl*, 82 F. R. 693, 1897.

<sup>293</sup> *Pennington v. Gibson*, 16 Howard, 79, 1853; *Cheever*

*v. Wilson*, 9 Wallace, 121, 1869.

See Sections 435 and 579.

<sup>294</sup> *Russell v. Barney*, 6 McLean, 577, 1855.

of any supreme, superior, or county court, or court of common pleas in any of the United States; commissioners of United States circuit courts; clerks of United States circuit or district courts; mayors or chief magistrates of cities; and notaries public. If any such magistrate is counsel or attorney for either party, or interested in the event of the cause, he is disqualified from acting. Before such a deposition is taken, reasonable notice thereof must be given in writing by the party intending to take it, or his attorney of record, to the opposite party, or his attorney of record, as either may be nearest, and that notice must state the name of the witness, and the time and place of taking the deposition.<sup>295</sup>

The formalities to be observed in taking and transmitting such depositions are prescribed in Sections 864 and 865 of the Revised Statutes; and they must be strictly complied with, in order to make such depositions admissible as against proper objections. Indeed, no such deposition is admissible in any event, unless it appears to the satisfaction of the court that the witness is dead, or gone out of the United States, or to a greater distance than one hundred miles from the place where the court is sitting, or that, by reason of age, sickness, bodily infirmity, or imprisonment, he is unable to travel and appear at court.<sup>296</sup> Where the witness testified in his deposition to the then existence of the fact which authorized its taking, that fact is presumed to exist at the time the deposition is offered in evidence, and in the absence of contrary proof, the deposition itself will satisfy the court that it is entitled to be admitted.<sup>297</sup> Depositions may also be taken

<sup>295</sup> Revised Statutes, Section 863.

<sup>296</sup> Revised Statutes, Section 865.

<sup>297</sup> *Whitford v. Clark County*, 119 U. S. 524, 1886.

in actions at law for infringements of patents, in the modes prescribed by the laws of the respective States,<sup>298</sup> in any instance in which such a deposition can be taken under Sections 864 and 865 of the Revised Statutes of the United States.<sup>299</sup>

Where a deposition is being taken from a witness who cannot testify in the English language; the magistrate who takes it, may translate the questions into the language of the witness, and propound them to him therein, and may translate the answers into English and record them in that language.<sup>300</sup>

Most objections to depositions, in order to be efficacious, must be made before the depositions are received in evidence; for when introduced with the acquiescence of the opposite party, they cannot afterward be excluded on the ground that they were not taken in accordance with the rules prescribed therefor.<sup>301</sup> But where evidence is pertinent to either of several possible defences, one or more of which were pleaded, and one or more of which were not pleaded by the defendant; the fact that the evidence was not objected to when taken or admitted, does not make it admissible in support of any defence which was not pleaded.<sup>302</sup>

§ 536. The judge may direct the jury to return a verdict for the defendant, where it is entirely clear that the plain-

<sup>298</sup> 27 Statutes at Large, Ch. 14, p. 7.

<sup>299</sup> *National Cash Register Co. v. Leland*, 77 F. R. 242, 1896; *Despeaux v. Pennsylvania Railroad Co.*, 81 F. R. 897, 1897; *National Cash Register Co. v. Leland*, 94 F. R. 505, 1899.

<sup>300</sup> *Meyer v. Rothe*, 13 App. D. C. 103, 1898.

<sup>301</sup> *Evans v. Hettich*, 7 Wheaton, 453, 1822; *Howard v. Stillwell & Bierce Mfg. Co.*, 139 U. S. 199, 1891; *Bibb v. Allen*, 149 U. S. 481, 1893; *Meyer v. Rothe*, 13 App. D. C. 99, 1898.

<sup>302</sup> *Zane v. Soffe*, 5 Bann. & Ard. 284, 1880.

tiff cannot recover, but not otherwise.<sup>303</sup> Such a direction may therefore be given, where want of novelty or want of invention is clearly shown by a prior patent,<sup>304</sup> but not where that question is doubtful.<sup>305</sup> And such a direction may be given where the question of infringement depends entirely upon the construction of the patent; and where that construction does not depend upon any doubtful question of the prior art.<sup>306</sup>

But where the question of infringement depends upon the construction of the patent, and that construction depends upon a doubtful question in the prior art, the latter question should be left to the jury; and the dependent question of infringement should also be left to the jury to decide.<sup>307</sup> A motion that the judge direct the jury to return a verdict for the defendant needs not to specify the reason on which it is based; but that reason will naturally be stated in the argument which is made to support the motion.<sup>308</sup>

§ 537. Instructions to juries set forth the construction of patents<sup>309</sup> and embody all the law that is applicable to the material facts in evidence, but need embody no other.<sup>310</sup> In ascertaining that law, the judges resort to the statutes of the United States, and to the decisions of the United States Supreme Court; and where further

<sup>303</sup> *Klein v. Russell*, 19 Wall. 463, 1873; *Keyes v. Grant*, 118 U. S. 25, 1886; *Connors v. Ormsby*, 148 F. R. 13, 1906.

<sup>304</sup> *Market St. Ry. Co. v. Rowley*, 155 U. S. 625, 1895.

<sup>305</sup> *San Francisco Bridge Co. v. Keating*, 68 F. R. 353, 1895.

<sup>306</sup> *DeLorica v. Whitney*, 63 F. R. 611, 1894; *Cramer v. Fry*,

68 F. R. 201, 1895; *Jackson v. Western Fireproofing Co.*, 112 F. R. 361, 1901.

<sup>307</sup> *Royer v. Belting Co.*, 135 U. S. 325, 1890.

<sup>308</sup> *May v. Juneau County*, 137 U. S. 410, 1890.

<sup>309</sup> *Holmes v. Truman*, 67 F. R. 545, 1895.

<sup>310</sup> *Haines v. McLaughlin*, 135 U. S. 598, 1890.

information is required, they examine or call to mind the decisions of the Circuit Courts of Appeals, and of the Circuit and District Courts of the United States.

But judges are not bound to conform their instructions to any statement of law contained in any opinion of any court, unless that statement was applicable to the case in which it was made.<sup>311</sup> The Supreme Court has sometimes decided cases, contrary to its own previous *obiter dicta*; and the circuit court decisions contain many remarks which cannot be harmonized with the decisions of the supreme tribunal, nor be incorporated into any systematic science. The statements of the best text-writers are more likely to be followed by the Federal courts than are the *dicta* of the judges of those courts; because the best legal authors fill their minds with the subjects which they treat, and hold those subjects in solution there when writing their books; while the *dicta* of judges are separately written down, without adequate comparison with adjudicated precedents, or full harmonization with established principles.

Instructions to juries may express the opinions of the judges upon the questions of fact to be decided,<sup>312</sup> but an instruction should not enforce those opinions upon the jury for its guidance,<sup>313</sup> and should not include the reading of a charge which has been given to a jury in another case.<sup>314</sup> While the judge is bound not to tell the jury how to decide any issue of fact, the judge will tell them what issues of fact they are to decide, and those are the issues

<sup>311</sup> *Day v. Rubber Co.*, 20 Howard, 216, 1857; *Day v. Stellman*, 1 Fisher, 487, 1859.

<sup>312</sup> *Haines v. McLaughlin*, 135 U. S. 593, 1890; *Coupe v. Royer*, 155 U. S. 579, 1895; *International*

*Tooth Crown Co. v. Hanks Dental Ass'n*, 111 F. R. 919, 1901.

<sup>313</sup> *Turrill v. Railroad Co.*, 1 Wallace, 491, 1863.

<sup>314</sup> *Arey v. DeLoria*, 55 F. R. 323, 1893.

in the pleadings, and not some other issue which the judge may think is the one upon which the merits of the case really depend.<sup>315</sup>

In the State courts of most of the States, counsel have a right to require all instructions to be given in writing; but the judges of the Federal courts are not controlled by State regulations in the manner of charging juries, and therefore instructions in patent cases may be given in writing, or may be given orally, at the option of the court.<sup>316</sup>

§ 538. The verdict in a patent action will be for the plaintiff, if every defence except non-infringement fails, and if that fails as to any one claim of the letters patent.<sup>317</sup> So also, the plaintiff is entitled to a verdict, where every defence fails except the sixteenth, seventeenth, and eighteenth, and where those defences lack application to one or more of the claims shown to have been violated.<sup>318</sup> So also, if the twenty-second, twenty-third, or twenty-fourth defence is the only successful one, and if that is successful only as to part of the alleged infringement, the plaintiff will be entitled to a verdict as to the residue; and the same thing may be true of the twenty-sixth or of the twenty-seventh defence.

§ 539. A new trial may be obtained by the defeated party, if the jury disregarded the instructions of the judge;<sup>319</sup> or failed to correctly apply them to the issues of the case;<sup>320</sup> but not where the only error complained of

<sup>315</sup> *Grant v. Raymond*, 6 Peters, 244, 1832.

<sup>316</sup> *Lincoln v. Power*, 151 U. S. 442, 1894.

<sup>317</sup> *Waterbury Brass Co. v. New York Brass Co.*, 3 Fisher, 43, 1858.

<sup>318</sup> *Gage v. Herring*, 107 U. S.

640, 1882; *Gould v. Spicer*, 15 F. R. 344, 1882; *Cote v. Moffitt*, 15 F. R. 345, 1883.

<sup>319</sup> *Tucker v. Spalding*, 13 Wallace, 453, 1881.

<sup>320</sup> *Johnson v. Root*, 2 Cliff. 108, 1862.



is an alleged wrong decision of such an issue, unless it was decidedly against the weight of evidence.<sup>321</sup>

Excessive assessment of damages, even where it is undeniably so, does not always entitle the defendant to a new trial. Such an error may be cured by the plaintiff remitting such a sum as the judge thinks constitutes the excess, in all cases where he thinks that the error of the jury arose from inadvertence; but where the circumstances of the case clearly indicate that the error arose from prejudice, or from reckless disregard of duty on the part of the jury, a new trial will be granted.<sup>322</sup> But an excessive verdict can be corrected by the Circuit Court of Appeals, unless the trial judge made some error which entitles the defeated party to a new trial.<sup>323</sup>

Errors made by judge may also entitle a party to a new trial, but no such error will have that effect unless it was excepted to at the time it was committed; nor where it consisted in erroneous admission of evidence, which the subsequent course of the trial rendered nugatory.<sup>324</sup> So, also, where the error of the judge consisted in erroneous instructions relevant to damages, the plaintiff may avoid a new trial by consenting that the verdict be reduced to nominal damages and costs.<sup>325</sup>

<sup>321</sup> *Alden v. Dewey*, 1 Story, 336, 1840; *Stimpson v. Railroads*, 1 Wallace, Jr., 164, 1847; *Allen v. Blunt*, 2 Woodbury & Minot, 121, 1846; *Aiken v. Bemis*, 3 Woodbury & Minot, 348, 1847; *Wilson v. Janes*, 3 Blatch. 227, 1854; *Bray v. Hartshorn*, 1 Cliff. 538, 1860; *Roberts v. Schuyler*, 12 Blatch. 448, 1875; *Heide v. Panonlias* (differentiating between func-

tions of judge and jury in action at law), 188 F. R. 914, 1911.

<sup>322</sup> *Stafford v. Hair-Cloth Co.*, 2 Cliff. 83, 1862; *Johnson v. Root*, 2 Cliff. 108, 1862; *Russell v. Place*, 9 Blatch. 175, 1871.

<sup>323</sup> *Hogg v. Emerson*, 11 Howard, 607, 1850.

<sup>324</sup> *Allen v. Blunt*, 2 Woodbury & Minot, 121, 1846.

<sup>325</sup> *Cowing v. Rumsey*, 8 Blatch. 36, 1870.

Newly discovered evidence may also furnish a good ground for granting a new trial; but not where that evidence might, with due diligence, have been obtained before the former trial,<sup>326</sup> nor where it is merely cumulative.<sup>327</sup> But evidence is not merely cumulative, where it refers to facts not before agitated, though it may refer to defences which, in the former trial, were based on other facts.<sup>328</sup> A party moving for a new trial upon the ground of alleged newly discovered evidence, must succeed or fail on the strength or weakness of the case as it is disclosed in his affidavits, and in the answering affidavits of the other party; for the moving party is not permitted to rebut the latter; nor will he be entitled to a new trial, if the opposing affidavits make out a strong case against him.<sup>329</sup> When a new trial is granted on the ground of newly discovered evidence, the terms usually are that the costs of the former trial must first be paid by the appellant.<sup>330</sup>

§ 540. Trials by a judge without a jury require to be so managed that the issues of law and the issues of fact are kept entirely distinct; for his decisions on the former are reviewable by the Circuit Court of Appeals, while his finding of fact has the same operation as the verdict of a jury.<sup>331</sup> If the finding of the judge be a general one, it is conclusive on all issues of fact, and is also conclusive on all questions of law, except those which arise upon the pleadings, and those which the bill of exceptions specifi-

<sup>326</sup> *Washburn v. Gould*, 3 Story, 122, 1844; *Moneyweight Scale Co. v. Toledo Computing Scale Co.*, 199 F. R. 905, 1912.

<sup>327</sup> *Ames v. Howard*, 1 Sumner, 482, 1833.

<sup>328</sup> *Aiken v. Bemis*, 3 Woodbury & Minot, 358, 1847.

<sup>329</sup> *Ames v. Howard*, 1 Sumner, 491, 1833.

<sup>330</sup> *Aiken v. Bemis*, 3 Woodbury & Minot, 358, 1847.

<sup>331</sup> Revised Statutes, Section 649; *St. Paul Plow Works v. Starling*, 140 U. S. 197, 1891.

cally presents as having been ruled upon and excepted to in the progress of the trial.<sup>332</sup> If the finding of the judge be a special one, it will still be conclusive on the facts found; but the sufficiency of those facts to support the judgment will be open to review in the Circuit Court of Appeals.<sup>333</sup> Where the judge simply finds for the defendant, and enters a judgment accordingly, that judgment can be taken to the Circuit Court of Appeals for review only in the regular common-law method of a bill of exceptions and a writ of error, and only on pure questions of law.<sup>334</sup> Where the judge finds as a fact that the patent is void for want of novelty, or that the defendant has not infringed it, and thereupon enters a judgment for the latter, it is undeniable that the fact so found is sufficient to support that judgment. In arriving at his opinion, the judge may have misunderstood or misapplied the tests of novelty, or of infringement, but still his finding is conclusive; because on an appeal from a judgment at law the Circuit Court of Appeals is authorized to examine nothing but the sufficiency of the facts found.<sup>335</sup>

But if the judge finds that A. B. invented, made and used a certain described thing in the United States, prior to the invention of the patentee, or that the defendant made or used or sold only a certain described thing during the life of the patent, and therefore renders a judgment for the defendant, that judgment will be reversed by the Circuit Court of Appeals on a writ of error, if that court is of opinion that the thing invented, made and used by A. B. did not negative the novelty of the patent, or is of opinion that the thing made, used or sold by the defendant

<sup>332</sup> *Insurance Co. v. Sea*, 21 Wallace, 160, 1874.

<sup>333</sup> Revised Statutes, Section 700.

<sup>334</sup> Revised Statutes, Sections 649 and 700.

<sup>335</sup> *Jennisons v. Leonard*, 21 Wallace, 307, 1874.

did really infringe the patent in suit.<sup>336</sup> These illustrations of the practice in trials by a judge without the aid of a jury, show that where special findings of facts are adopted as the method of laying a foundation for a review of the case by the Circuit Court of Appeals, the finding ought to relate to the fundamental facts of the case, and not merely to the conclusions of fact which are deducible therefrom.

§ 541. Trial by referee may be instituted by an entry of the clerk of the court, made at the request of the parties, simply indicating that the case is to be referred to the person or persons named as referee; or it may be ordained by a stipulation in writing, signed by the parties or their attorneys, and filed in the case. When that is done, a rule may be issued, or an order of court may be entered, referring the case to the referee indicated by the parties, and directing him to hear and determine all the issues thereof. It thereupon becomes the duty of the referee to hear the parties, and then to decide the controversy and make a report to the court. The report may be special, setting forth the details of the evidence upon which it is based, or it may be general, giving only the conclusions to which that evidence carried the mind of the referee. To that report, either party may except in writing, and upon the hearing of those exceptions, the court may adopt or reject the report and enter judgment accordingly, or it may recommit the report to the referee with further directions.<sup>337</sup>

Such is substantially the outline of the trial by referee, which is delineated in the decision just cited. Inasmuch as that form of trial is not provided for by any United

<sup>336</sup> French *v.* Edwards, 21 Wallace, 147, 1874; Insurance Co. *v.* Sea, 21 Wallace, 160, 1874.

<sup>337</sup> Heckers *v.* Fowler, 2 Wallace, 132, 1864.

States statute, its details are regulated by the laws of the particular State in which such a trial is had.<sup>338</sup> Recourse must therefore be had to those laws for sundry points of information relevant to the methods of taking testimony before referees; the time when referees' reports must be made; the weight attached to such reports on issues of fact; and the proper practice by means of which to secure the judgment of the court upon reviewable points.

§ 542. Judgments follow verdicts of juries, findings of judges, or reports of referees; unless those verdicts are set aside, those findings reconsidered and modified, or those reports rejected or recommitted. It is not the practice of the United States District Courts to require a rule for a judgment to be entered in any case. Judgments are entered by the clerk of the court under a special or general authority from the judge, and where so entered are binding as the act of the court.<sup>339</sup> The circumstances which justify courts in entering judgments in patent cases, for any sum above the amount of the verdict, finding, or report, but not exceeding three times the amount thereof, are explained in the chapter on damages. That the court has the same power in this particular, in cases where the damages are ascertained by the finding of the judge, or by the report of a referee, that it has in cases where they are ascertained by the verdict of a jury, is a point which has not been judicially decided, but is one which can hardly be doubted.

§ 543. Costs are recoverable by all plaintiffs who secure judgments for infringements of patents;<sup>340</sup> even for

<sup>338</sup> Revised Statutes, Sections 721 and 914.

<sup>339</sup> *Heckers v. Fowler*, 2 Wallace, 132, 1864.

<sup>340</sup> Revised Statutes, Section 4919; *Merchant v. Lewis*, 1 Bond, 172, 1857.

nominal damages only;<sup>341</sup> except where it appears on the trial that one or more of the claims of the letters patent are void for lack of being the subject of a patent, or for want of invention, or for want of novelty, and it does not appear that the proper disclaimer was filed in the Patent Office before the commencement of the action;<sup>342</sup> and except where only a small part of the infringement alleged by the plaintiff is found by the verdict;<sup>343</sup> and except where the defendant offered before the suit was begun, to submit to the patent and to pay a definite sum as damages for his infringement, and which sum was as large as the plaintiff's recovery;<sup>344</sup> and except where part of the patents or part of the claims sued upon, are not recovered upon.<sup>345</sup> In the last mentioned case, the plaintiff may sometimes recover costs on account of his successful patent or patents, or his successful claim or claims,<sup>346</sup> and sometimes not.<sup>347</sup>

<sup>341</sup> *Williames v. McNeely*, 77 F. R. 895, 1896.

<sup>342</sup> Revised Statutes, Sections 973, 4917, and 4922; *Metallic Extraction Co. v. Brown*, 110 F. R. 665, 1901; *General Electric Co. v. Crouse-Hinds Electric Co.*, 147 F. R. 718, 1906; *Novelty Glass Mfg. Co. v. Brookfield*, 172 F. R. 221, 1909.

<sup>343</sup> *Marks' Chair Co. v. Wilson*, 43 F. R. 304, 1890.

<sup>344</sup> *Lowell Mfg. Co. v. Whittall*, 71 F. R. 515, 1895.

<sup>345</sup> *Adams v. Howard*, 19 F. R. 319, 1884; *Albany Steam Trap Co. v. Felthousen*, 20 F. R. 640, 1884; *Mann's Car Co. v. Monarch Car Co.*, 34 F. R. 130, 1888; *Ligowski Clay-Pigeon Co. v. Clay-*

*Bird Co.*, 34 F. R. 328, 1888; *National Machine Co. v. Brown*, 36 F. R. 322, 1888; *Schmid v. Mfg. Co.*, 37 F. R. 348, 1889; *Thomson-Houston Electric Co. v. Elmira Ry. Co.*, 71 F. R. 886, 1895; *American Saddle Co. v. Sager Gear Co.*, 122 F. R. 645, 1903; *Suddard v. Am. Motor Co.*, 103 F. R. 852, 1908.

<sup>346</sup> *Green v. Lynn*, 81 F. R. 388, 1897; *J. L. Owens Co. v. Twin City Separator Co.*, 168 F. R. 259, 1909; *Roth v. Harris*, 168 F. R. 279, 1909.

<sup>347</sup> *Brill v. Delaware County Electric Ry. Co.*, 109 F. R. 901, 1901; *Ide v. Trorlicht, Duncker & Renard Carpet Co.*, 115 F. R. 150, 1902.

There is no United States statute which provides that defendants shall recover costs in any patent case. The common law of England allowed no costs to either party in any action at law; <sup>348</sup> and the statutes of Gloucester, <sup>349</sup> which supplied that defect as to plaintiffs, did not supply it as to defendants. The statute of 23 Henry VIII, Chapter 15, enacted, however, that where, in actions on the case, the plaintiff is nonsuited after the appearance of the defendant; or where the verdict happens to pass, by lawful trial, against the plaintiff, the defendant shall have judgment to recover his costs against the plaintiff, and shall have such process and execution for the recovery of the same, as the plaintiff might have had against the defendant, in case the judgment had been given for the plaintiff. This statute of Henry VIII, having been enacted before the founding of the English colonies in America, and being suited to the condition of society in the United States, is in force in the United States courts to the same extent that it would be if it were one of the rules of the common law. <sup>350</sup>

§ 544. All the items of costs which are taxable in a United States court are specified in the United States statutes, <sup>351</sup> or in some rules of that court authorized by such a statute. <sup>352</sup> The province of a taxing officer is therefore limited to comparing suggested items with the particulars of those statutes and rules, and to taxing those,

<sup>348</sup> *Day v. Woodworth*, 13 Howard, 372, 1851.

<sup>349</sup> 6 Edward I, Chapter I, 1278.

<sup>350</sup> *Hathaway v. Roach*, 2 Woodbury & Minot, 69, 1846; *Bunker v. Stevens*, 26 F. R. 249, 1885.

<sup>351</sup> Revised Statutes, Sections

823, 983; *The Baltimore*, 8 Wallace, 392, 1869; *Lyell v. Miller*, 6 McLean, 422, 1855; *Wooster v. Handy*, 23 F. R. 60, 1885; *Kelly v. Springfield Ry. Co.*, 83 F. R. 183, 1897.

<sup>352</sup> *Tesla Electric Co. v. Scott*, 101 F. R. 524, 1900.

and only those, which he finds enumerated therein.<sup>353</sup> And no expenses, other than taxable costs, can be lawfully inserted in any cost bill.<sup>354</sup> On most points, the statutes relevant to fees are so clear that they require no explanation; but in some particulars they needed and have received judicial construction. Several such cases may be conveniently explained in a few of the sections which immediately follow.

§ 545. One attorney's docket fee is taxable in each case against the defeated party.<sup>355</sup> There is no warrant for taxing the unsuccessful party with a separate docket fee for each of his adversary's attorneys, nor with a separate docket fee for each term during which a case has been pending in court, nor for taxing any docket fee in favor of any attorney of the defeated party. Neither is there any warrant for taxing an attorney's deposition fee in favor of any attorney of the beaten party, or in favor of more than one attorney of the party which prevails in the action.<sup>356</sup> And taxable attorney's fees are taxed in favor of clients to help them pay their attorneys, and not in favor of attorneys as extra compensation.<sup>357</sup>

§ 546. The fees of the clerk of the court are in general taxable against the defeated party; but several of the items to which he is entitled are not so taxable, but are to be paid by the party for which he rendered the services to which they refer. Among those items, are copies of the record ordered by a party for his own use.<sup>358</sup> As

<sup>353</sup> *Dedekam v. Vose*, 3 Blatch. 153, 1853. 1869; *Parker v. Bigler*, 1 Fisher, 285, 1857.

<sup>354</sup> *Parks v. Booth*, 102 U. S. 106, 1880. <sup>356</sup> Revised Statutes, Section 824.

<sup>355</sup> *Dedekam v. Vose*, 3 Blatch. 153, 1853; *Troy Iron & Nail Factory v. Corning*, 7 Blatch. 17, <sup>357</sup> *Celluloid Mfg. Co. v. Chandler*, 27 F. R. 9, 1886.

<sup>358</sup> *Caldwell v. Jackson*, 7 Cranch, 277, 1812.



the greater must include the less, this rule must apply also to copies of pleadings, depositions or other papers which form parts of the records of cases.<sup>359</sup> The extent to which clerks may make records, and charge defeated parties therefor, depends upon the rules of each court in actions at law; but in actions in equity, that matter is regulated by Section 750 of the Revised Statutes.

§ 547. The fees of a commissioner or other magistrate, who takes a deposition in a case, are strictly limited to twenty cents for each hundred words in the deposition.<sup>360</sup> Those fees are generally taxable against the defeated party,<sup>361</sup> but if the deposition is not offered in evidence at the trial, those fees cannot be so taxed.<sup>362</sup> And reasoning by analogy from the taxation of attorneys' deposition fees, it should follow that magistrates' fees are not taxable on depositions which are offered in evidence, but are not admitted.<sup>363</sup>

§ 548. Witness fees are generally taxable against the defeated party, whether the testimony was given orally in court or by deposition before a magistrate.<sup>364</sup> But they are not so taxable when the testimony is taken by deposition and the deposition is not offered,<sup>365</sup> or if offered, is not admitted in evidence.<sup>366</sup> Nor will a defeated party be taxed with the fees of more than three witnesses to one fact, unless the prevailing party satisfies the court by affidavit, that the additional witnesses were really necessary to adequately support his contention on that point.<sup>367</sup>

<sup>359</sup> *Tesla Electric Co. v. Scott*, 101 F. R. 525, 1900.

<sup>360</sup> *Tesla Electric Co. v. Scott*, 101 F. R. 525, 1900.

<sup>361</sup> *Fry v. Yeaton*, 1 Cranch's Circuit Court Reports, 550, 1809.

<sup>362</sup> *Hathaway v. Roach*, 2 Woodbury & Minot, 75, 1846.

<sup>363</sup> Revised Statutes, Section 824.

<sup>364</sup> Revised Statutes, Section 848.

<sup>365</sup> *Hathaway v. Roach*, 2 Woodbury & Minot, 63, 1846.

<sup>366</sup> Section 547 of this book.

<sup>367</sup> *Bussard v. Catalino*, 2

Whether any defeated party is taxable with the fees of any witness who testified on request and without a subpoena, is an unsettled question, upon which there are two decisions in the affirmative,<sup>368</sup> and three decisions in the negative.<sup>369</sup> If it is necessary, in order to make witness fees taxable, that the witness should be served with a subpoena, it is not necessary that he should be so served by any officer. Service by a private person is sufficient.<sup>370</sup>

Witness fees are taxable in favor of a defendant, though his witnesses are not examined, because the action is not prosecuted; and where witnesses attend more than once at the same term, because of a stipulated postponement of the trial, their fees are to be taxed as for continuous attendance during the interim, and not as for repeated journeys from their homes.<sup>371</sup> Witnesses from a distance are entitled to fees for Sunday, where they are detained over that day.<sup>372</sup>

§ 549. The taxation of costs may properly be made at the time the judgment is entered, and that is the course which best secures the rights of the parties. But a blank may be left in the judgment for that purpose, and may be filled by a taxation made *nunc pro tunc*, after the judgment has been affirmed by the Circuit Court of Appeals.<sup>373</sup> Where the former practice is followed, the legality of the taxation may probably be reviewed by the Circuit Court of Appeals, if the case is taken to that forum by the de-

Cranch's Circuit Court Reports, 421, 1823.

<sup>368</sup> *Cummings v. Plaster Co.*, 6 Blatch. 510, 1869; *Dennis v. Eddy*, 12 Blatch. 196, 1874.

<sup>369</sup> *Dreskill v. Parish*, 5 McLean, 213, 1851; *Woodruff v. Barney*, 2 Fisher, 244, 1862; *Spalding v. Tucker*, 4 Fisher, 637, 1871.

<sup>370</sup> *Power v. Semmes*, 1 Cranch's Circuit Court Reports, 247, 1805.

<sup>371</sup> *Hathaway v. Roach*, 2 Woodbury & Minot, 63, 1846.

<sup>372</sup> *Schott v. Benson*, 1 Blatch. 564, 1850.

<sup>373</sup> *Sizer v. Many*, 16 Howard, 98, 1853.

fendant, to secure a reversal of a judgment against him for substantial damages as well as costs, and if the court affirms or modifies the judgment as to the damages.<sup>374</sup> But where only nominal damages and costs are adjudged against a defendant, he cannot take the case to the Circuit Court of Appeals for the purpose of securing a reversal of the judgment or a diminution of the costs.<sup>375</sup> Where a judgment for costs is entered against a plaintiff on the basis of a verdict for the defendant, the plaintiff may go to the Circuit Court of Appeals on a writ of error. If he secures a reversal of the judgment for errors on the trial, there will be no occasion for the court to consider the correctness of the taxation of costs. If, on the other hand, the court finds no error upon which to ground a reversal, it will seek for no error in the taxation.<sup>376</sup>

The clerks of the District Courts are the primary taxing officers of those tribunals; but they perform that duty under the general or particular direction of the judges. And such directions may properly be given by a judge when entering a judgment in a case.<sup>377</sup>

The taxation of costs is ordinarily made by the clerk on his own motion, or at the request of the prevailing party, and without notice to the defeated party. If the latter is dissatisfied with the result, the court will hear his motion for a retaxation. If such a motion is accompanied with an explanation showing colorable ground for a claim of error in the taxation, the court will order the clerk to retax the costs, upon the mover giving the opposite party due notice

<sup>374</sup> *Parks v. Booth*, 102 U. S. 106, 1880.

<sup>375</sup> *Elastic Fabrics Co. v. Smith*, 100 U. S. 110, 1879; *Paper-Bag Cases*, 105 U. S. 772, 1881.

<sup>376</sup> *Canter v. Insurance Com-*

*panies*, 3 Peters, 318, 1830; *Robbins v. Illinois Watch Co.*, 81 F. R. 959, 1897.

<sup>377</sup> *Eastman Co. v. Getz*, 84 F. R. 462, 1898.

of the time and place thereof, and paying the costs occasioned thereby.<sup>378</sup> Then, if either party is dissatisfied with the result of the retaxation, he may appeal to the court; but as a foundation for the hearing of such an appeal, he must secure from the clerk an itemized bill of the charges to which he objects;<sup>379</sup> and as a foundation for success on that hearing, must show that part or all of those items are unwarranted by the statute, or are untaxable because they refer to evidence which was immaterial to the case, and improperly taken therein.<sup>380</sup> All of these proceedings must take place at the term in which the judgment is entered;<sup>381</sup> except in a case where a blank for costs is left in a judgment, pending a writ of error.

§ 550. A writ of error properly taken out from the office of the clerk of any Circuit Court of Appeals,<sup>382</sup> will carry any action at law for an infringement of a patent from any court subordinate thereto, to that court, regardless of the amount of damages in controversy;<sup>383</sup> and whether the case was tried by a jury, by a referee, or by a judge alone.<sup>384</sup> But no writ of error can carry any question of fact to a Circuit Court of Appeals.<sup>385</sup>

The sole function of such a writ is to secure from such tribunal a review of the questions of law involved in a case, or, where the finding below was made by a judge, and was

<sup>378</sup> *Collins v. Hathaway*, *Olcott's Reports*, 182, 1845.

<sup>379</sup> *Dedekam v. Vese*, 3 *Blatch.* 153, 1853.

<sup>380</sup> *Ecaubert v. Appleton*, 67 *F. R.* 926, 1895.

<sup>381</sup> *Blagrove v. Ringgold*, 2 *Cranch's Circuit Court Reports*, 407, 1823.

<sup>382</sup> *West v. Barnes*, 2 *Dallas*, 401, 1791.

<sup>383</sup> *Revised Statutes*, Section 699; 26 *Statutes at Large*, p. 826, Ch. 517, Section 6.

<sup>384</sup> *York & Cumberland Railroad Co. v. Myers*, 18 *Howard*, 246, 1855; *Heckers v. Fowler*, 2 *Wallace*, 123, 1864.

<sup>385</sup> *Heckers v. Fowler*, 2 *Wallace*, 123, 1864.

special, to secure a review of the question whether the facts so found are sufficient to support the judgment based thereon.<sup>386</sup>

Any action at law for infringement of a patent which has been pending, and has been decided in the Supreme Court of the District of Columbia, may be taken by a writ of error to the Court of Appeals of the District of Columbia,<sup>387</sup> and the decree of the latter court is final, no review being allowed in the Supreme Court,<sup>388</sup> except by certiorari.<sup>388<sup>a</sup></sup>

Where a new trial is had in a District Court, or in the Supreme Court of the District of Columbia, in pursuance of a writ of error, and where the case is again taken to an appellate court by another writ of error, that upper court is bound by its own prior decision on all the points decided therein.<sup>389</sup>

Actions at law for infringements of patents cannot be taken by a writ of error, from any Circuit Court of Appeals, to the Supreme Court of the United States.

Any Circuit Court of Appeals may certify to the Supreme Court any pure question of law, upon which it desires the instruction of that court for its proper decision.<sup>390</sup> And the Supreme Court may send a certiorari to any Circuit Court of Appeals, requiring any case for infringement of a patent to be sent to the Supreme Court for its review and determination.<sup>391</sup>

§ 551. Bills of exception, allowed and signed, or sealed by the judge, constitute the only mode by which the ques-

<sup>386</sup> Revised Statutes, Section 700; *Singer Mfg. Co. v. Cramer*, 192 U. S. 265, 1904.

<sup>387</sup> 27 Statutes at Large, Ch. 74, Section 7, p. 435.

<sup>388</sup> Judicial Code, Section 250.

<sup>388<sup>a</sup></sup> Judicial Code, Section 251.

<sup>389</sup> *Standard Sewing Mach. Co. v. Leslie*, 118 F. R. 559, 1902.

<sup>390</sup> *Graver v. Faurot*, 162 U. S. 435, 1896; *Cross v. Evans*, 167 U. S. 60, 1897; Judicial Code, Section 239.

<sup>391</sup> Judicial Code, Section 240.

tions of law that arise on the trial of a case, can be prepared for transmission to an appellate court in pursuance of a writ of error.<sup>392</sup> But a paper which is incorporated in the record, and which has all the substantial characteristics of a bill of exceptions, will be treated as such, even though it is not so entitled.<sup>393</sup> Such a document should state no more of the case than is necessary to present the questions which are reviewable in the appellate court, and which the plaintiff in error seeks to have reviewed there.<sup>394</sup> If those questions relate only to the pleadings, the pleadings only should be inserted in the bill of exceptions. Where those questions relate only to the competency of a witness, the bill of exceptions need only show that the witness was offered, and was accepted or rejected, as the case may be, and that such admission or rejection was duly excepted to, and, in case of a rejection of a witness to want of novelty, that due notice of the fact, to be proved by him, was served on the opposite party;<sup>395</sup> and where particular answers of a competent witness were excluded by the court below, the bill of exceptions must contain those answers, and must show that they were material to the issues; and where particular questions were excluded, and therefore not answered, the bill of exceptions must show what facts the party offered to prove by means of those questions, and that such facts were material to the case.<sup>396</sup> And where a particular question was objected to, but was admitted and was answered, the bill of exceptions must show what the answer was, in order to

<sup>392</sup> *Insurance Co. v. Lanier*, 95 U. S. 171, 1877.

<sup>393</sup> *Herbert v. Butler*, 97 U. S. 319, 1877.

<sup>394</sup> *Hausknecht v. Claypool*, 1 Black, 431, 1861.

<sup>395</sup> *Philadelphia & Trenton Railroad Co. v. Stimpson*, 14 Peters, 448, 1840; *Blanchard v. Putnam*, 8 Wallace, 420, 1869.

<sup>396</sup> *Railroad Co. v. Smith*, 21 Wallace, 255, 1874.

enable the appellate court to pass upon the propriety of the evidence.<sup>397</sup>

§ 552. Where the questions which are sought to be brought before the Court of Appeals, relate only to the instructions which the court below gave, or refused to give to the jury, the bill of exceptions should set forth the issues of the pleadings, and the substance of the charge or refusal to charge, as the case may be, together with whatever part of the evidence is necessary to enable the Court of Appeals to decide upon the propriety, or impropriety, of the action of the court below.

The issues of the pleadings should be stated in the bill of exceptions, for otherwise the appellate tribunal cannot know whether the charge or refusal to charge, which was excepted to, was material to the case; and because the Court of Appeals will not sit to try moot issues of law, nor to establish legal propositions in cases wherein those propositions are not involved.<sup>398</sup>

The substance of the charge, rather than the charge *in extenso*, should be stated in the bill, because the Court of Appeals cannot afford to be occupied in listening to minute criticisms and observations upon expressions incidentally introduced into a charge for purposes of argument or illustration, and which, if they were the direct point in judgment, might need qualification, but which do not show, that the relevant law was not justly expounded to the jury.<sup>399</sup> But the whole substance of the charge should be stated where nothing but charged matter is excepted to; because if part is omitted, the Court of Appeals cannot know that the omitted portion did not cure the faults

<sup>397</sup> Lovell *v.* Davis, 101 U. S. 542, 1879.

<sup>398</sup> Jones *v.* Buckell, 104 U. S. 554, 1881.

<sup>399</sup> Evans *v.* Eaton, 7 Wharton, 356, 1822.

of the parts inserted.<sup>400</sup> So also, where the matter which is excepted to is a refusal to charge; not only the refused instruction, but also the whole substance of the given charge, should be inserted in the bill of exceptions; for otherwise the Court of Appeals cannot be informed whether the refused instruction was not substantially contained in the charge which was actually given; and because judges are never bound to instruct juries in the form requested, provided they substantially embody the whole of the relevant law in the charges which they give.<sup>401</sup>

Where nothing but charged matter is excepted to, the bill of exceptions should not contain any part of the evidence; because the only question before the Court of Appeals in such a case is the correctness of the charge.<sup>402</sup> But where a refusal to charge is excepted to, the bill must contain the evidence to which the refused instruction relates, or must contain a statement of facts pertinent to that point, and a statement that evidence was introduced tending to prove those facts; because no court is bound to give any charge which does not relate to the evidence, no matter how sound the proposed instruction may be, as a proposition of law.

§ 553. Specific exceptions must be made to instructions, in order to entitle the objector to a review of those instructions in the Court of Appeals. Where a requested instruction is refused, and the refusal is excepted to, that refusal will be sustained by the Court of Appeals, if the requested instruction was unsound in any particular.<sup>403</sup> Counsel ought therefore to carefully separate their propositions of

<sup>400</sup> *Meyers v. Sternheim*, 97 F. R. 625, 1899.

<sup>401</sup> *Indianapolis & St. Louis Railroad Co. v. Horst*, 93 U. S. 295, 1876.

<sup>402</sup> *Pennock v. Dialogue*, 2 Peters, 1, 1829.

<sup>403</sup> *Indianapolis & St. Louis Railroad Co. v. Horst*, 93 U. S. 295, 1876.



law from each other, when framing their requests for instructions, lest one erroneous proposition deprive them of the benefit of several sound ones.

§ 554. Exceptions to charges, or to refusals to charge, must be made and noted while the jury is at the bar.<sup>404</sup> But bills of exception may be drawn up, and signed or sealed by the judge at any time before the expiration of the term, unless the judge enforces some rule of his court which prescribes a shorter time for the preparation and presentation of such documents for his approval. And, if not otherwise too late, such bills may be prepared and signed after a writ of error has been sued out from the Court of Appeals, to transfer the case to that tribunal.<sup>405</sup>

<sup>404</sup> *Phelps v. Mayer*, 15 Howard, 160, 1853.

<sup>405</sup> *Hunnicutt v. Peyton*, 102 U. S. 353, 1880.

## CHAPTER XIX

### DAMAGES

555. The generic measure of damages.
556. Established royalties as specific measures of damages.
557. Tests applied to royalties on behalf of defendants.
558. Tests applied to royalties on behalf of plaintiffs.
559. Money paid for infringement already committed, is no measure of damages in another case.
560. Royalties reserved on sales of patents.
561. Royalties for licenses to make and use, and royalties for licenses to make and sell.
562. Proportion of licensed to unlicensed practice of an invention.
563. Hurtful competition in the absence of an established royalty, causes recoverable damages.
564. Damages for unlicensed making, without unlicensed selling or using.
565. Evidence of damages.
566. Indirect consequential damages.
- 566*a*. Reasonable royalties.
567. Exemplary damages.
568. Increased damages.
569. Actual damages not affected by infringement being unintended.
570. Counsel fees and other expenses.
571. Interest on damages.
- 571*a*. Damages in design cases.

§ 555. THE pecuniary injury which a plaintiff incurs by reason of a defendant's infringement of his patent, is the generic measure of the damages which that plaintiff is entitled to recover on account of that infringement.<sup>1</sup> Such an injury is often called the plaintiff's loss,<sup>2</sup> and

<sup>1</sup> *Coupe v. Royer*, 155 U. S. 582, 1895; *Goodyear v. Bishop*, 2 Fisher, 158, 1861; *Graham v. Mfg. Co.*, 24 F. R. 643, 1881;

*Brickill v. Baltimore*, 60 F. R. 98, 1894.

<sup>2</sup> *Suffolk Co. v. Hayden*, 3 Wallace, 315, 1865; *Cowing v. Rum-*

sometimes it is strictly that, but often it is a loss only in the sense that it is a failure to acquire a just and deserved gain.<sup>3</sup> Whether the injury caused to a plaintiff by an infringement was a loss in one or the other of these senses, its magnitude must always be ascertained, in order to ascertain the amount of the damages which he is entitled to recover. The amount of the profits which the defendant derived from his infringement, has no direct relevancy to the question of the plaintiff's damages. In the first place the defendant's profits as such are not recoverable in an action at law;<sup>4</sup> and in the second place they cannot be used as a measure of damages, because they are sometimes much larger than the plaintiff's pecuniary injury;<sup>5</sup> and where they are smaller, that fact is no defence to the plaintiff's right to recover full damages for the pecuniary injury which the infringement caused him to incur.<sup>6</sup> But where a patentee has elected to recover the infringer's profits, instead of his own damages, in an action in equity, he cannot recover, for the same infringement, his damages in an action at law.<sup>7</sup>

To ascertain the extent of the pecuniary injury which a particular infringement caused a particular plaintiff, it is necessary to ascertain the difference between his pecuniary condition after that infringement, and what that condition would have been if that infringement had

sey, 8 Blatch. 36, 1870; *McComb v. Brodie*, 1 Woods, 161, 1871; *La Baw v. Hawkins*, 2 Bann. & Ard. 563, 1877.

<sup>3</sup> *Hobbie v. Smith*, 27 F. R. 662, 1886.

<sup>4</sup> *Brown v. Lanyon*, 148 F. R. 838, 1906.

<sup>5</sup> *Seymour v. McCormick*, 16 Howard, 480, 1853; *New York v.*

*Ransom*, 23 Howard, 487, 1859; *Packet Co. v. Sickles*, 19 Wallace, 611, 1873; *Beach v. Hatch*, 153 F. R. 763, 1907.

<sup>6</sup> *Emerson v. Simm*, 6 Fisher, 281, 1873; *Dental Vulcanite Co. v. Van Antwerp*, 2 Bann. & Ard. 255, 1876.

<sup>7</sup> *Child v. Iron Works*, 19 F. R. 258, 1884.

not occurred.<sup>8</sup> If he availed himself of his patent, by granting licenses to others to do the things which the defendant did without a license, then that difference consists in his not having received the royalty which such a license would have brought him.<sup>9</sup> If he so availed himself, by keeping his patent right a close monopoly and granting licenses to no one, then that difference consists of the money he would have realized from such a close monopoly if the defendant had not infringed; but which that infringement prevented him from receiving.<sup>10</sup> Therefore there are several methods of assessing damages for infringements of patents. The primary method consists in using the plaintiff's established royalty as the measure of those damages,<sup>11</sup> and the second consists in ascertaining those damages by ascertaining what the defendant's interference with the plaintiff's close monopoly prevented the latter from deriving therefrom;<sup>12</sup> and the third consists in proving what would have been a reasonable royalty.<sup>13</sup> It is convenient to consider these three criteria of damages separately, and in the order in which they have been stated.

§ 556. Royalties, as measures of damages, are sometimes objected to by defendants, and sometimes by plain-

<sup>8</sup> *Yale Lock Co. v. Sargent*, 117 U. S. 552, 1885.

<sup>9</sup> *Seymour v. McCormick*, 16 Howard, 480, 1853; *New York v. Ransom*, 23 Howard, 487, 1859; *Philip v. Nock*, 17 Wallace, 462, 1873; *Clark v. Wooster*, 119 U. S. 326, 1886; *Tilghman v. Proctor*, 125 U. S. 143, 1887; *Graham v. Mfg. Co.*, 24 F. R. 643, 1881; *Timken v. Olin*, 41 F. R. 171, 1890.

<sup>10</sup> *Philip v. Nock*, 17 Wallace,

462, 1873; *Yale Lock Co. v. Sargent*, 117 U. S. 552, 1885; *McComb v. Brodie*, 1 Woods, 153, 1871; *Covert v. Sargent*, 38 F. R. 238, 1889.

<sup>11</sup> *Brickill v. Baltimore*, 60 F. R. 98, 1894.

<sup>12</sup> *Zane v. Peck*, 13 F. R. 475, 1882.

<sup>13</sup> *Dowagiac Mfg. Co. v. Minnesota Flough Co.*, 235 U. S. 641, 1915.

tiffs. When invoked by a plaintiff, a royalty is liable to one class of tests, applied on behalf of the defendant; and when invoked by a defendant to limit the plaintiff's recovery, it is liable to another class of tests, applied on behalf of the plaintiff.

§ 557. A defendant may successfully object to a given royalty, as a measure of the plaintiff's damages, unless it was uniform, and was actually paid or secured before the defendant's infringement was committed, by a sufficient number of persons to show that people who have occasion to purchase a license under the patent, can afford to pay that royalty.<sup>14</sup> The sale of a single license is not sufficient to establish a royalty,<sup>15</sup> because one purchaser may give a larger sum for a license than he or any other can afford to pay; whereas such a business error is not likely to be made by a considerable number of persons when buying licenses under the same patent. The unanimous opinion of twelve average men is thought to be the most reliable criterion of guilt or innocence; but no reasonable person would hold that view, of the opinion of any one of the twelve. In like manner, the unanimous acquiescence of a considerable number of men in a particular royalty, is evidence of its substantial justice, while the acquiescence of one only of the same men would have no convincing force.

The amount of the royalty relied upon must have been actually paid or secured by the licensees in order to make it a measure of damages against other infringers. Were the rule otherwise, there would be no safeguard against

<sup>14</sup> *Rude v. Westcott*, 130 U. S. 152, 1889; *Adams v. Stamping Co.*, 28 F. R. 366, 1886; *Hunt Bros. Fruit Packing Co. v. Cassidy*, 53 F. R. 262, 1892; *Houston*

*Ry. Co. v. Stern*, 74 F. R. 636, 1896.

<sup>15</sup> *Judson v. Bradford*, 3 Bann. & Ard. 549, 1878; *Vulcanite Paving Co. v. Pavement Co.*, 36 F. R. 378, 1888.

collusion between patentees and licensees for the purpose of imposing on infringers and other third parties. It follows that the mere production of a quantity of licenses, purporting to have been granted at a certain rate, cannot establish a royalty at that rate. Somebody must make oath that the ostensible price of the licenses was their true price, before they can have that effect. The oath and not the license being the best evidence of the royalty, the royalty may be proved by the oath without the production of the license, even where the license is in writing.<sup>16</sup>

A royalty, in order to be binding on a defendant who was a stranger to the licenses which established it, must be a uniform royalty.<sup>17</sup> This rule does not imply that a patentee may not change the rate of his royalty as often as he can get a sufficient number of licensees to acquiesce in such a change;<sup>18</sup> but it does exclude from consideration all such licenses as were given at variant rates, for no better reason than variant ability on the part of the licensees to negotiate for a license or to resist a suit for infringement.<sup>19</sup>

So, also, a particular royalty may be successfully objected to by a defendant, if it was not established till after the infringement sued upon was committed.<sup>20</sup> And

<sup>16</sup> *Wooster v. Simonson*, 20 F. R. 316, 1884; *Timken v. Olin*, 41 F. R. 170, 1890.

<sup>17</sup> *Westcott v. Rude*, 19 F. R. 833, 1884; *Diamond Stone Sawing Machine Co. v. Brown*, 155 F. R. 753, 1907.

<sup>18</sup> *Asmus v. Freeman*, 34 F. R. 902, 1888; *Fox v. Knickerbocker Engraving Co.*, 158 F. R. 422, 1908; *Consolidated Rubber Tire Co. v. Diamond Rubber Co.*, 232 F. R. 475, 1916.

<sup>19</sup> *Black v. Munson*, 14 Blatch. 268, 1877; *United Nickel Co. v. Railroad Co.*, 36 F. R. 190, 1888.

*Contra*, *American Sulphite Pulp Co. v. De Grasse Paper Co.*, 193 F. R. 653, 1912, holding that the lowest royalty will form the basis of damages; also *Consolidated Rubber Tire Co. v. Diamond Rubber Co.*, 232 F. R. 475, 1916.

<sup>20</sup> *Emigh v. Railroad Co.*, 6

it is probable that a defendant may avoid the application of a particular royalty by showing that a different rate was established in the particular city, county or State wherein he unlawfully availed himself of the patentee's invention.

§ 558. A plaintiff may successfully object to a particular royalty as a measure of his damages, where that royalty was established, and was intended to be established, within a particular territory only, or where it was changed or abandoned before the infringement in suit was committed. These two points rest upon obvious reasons. A patentee may wish to hold a close monopoly on his invention in Maine, while willing to grant licenses in Florida; or he may rightfully demand a much larger royalty in Minnesota than that which he is willing to accept in Texas or in Oregon. In such a case, it is clear that his Oregon royalty is not to be forced upon him for infringement committed in Minnesota; and that his business in Maine is not to be ruined by infringers who have nothing worse to fear at the end of the suit than the payment of a royalty like that established in Florida.

So, also, it has often happened, and may happen again, that an inventor is forced by poverty, or other misfortune, to accept inadequate royalties during the earlier years of his exclusive right. In such a case, it is clear that he ought to be permitted to increase the rate whenever he can get licensees to consent thereto, or to abandon his royalty altogether and hold a close monopoly on his invention, as far as he can do so consistently with licenses outstanding.

§ 559. Money paid for infringement already committed does not establish nor tend to establish a royalty.<sup>21</sup> A

F. R. 284, 1881; *Diamond Stone Sawing Machine Co. v. Brown*, 166 F. R. 306, 1908.

<sup>21</sup> *Rude v. Westcott*, 130 U. S. 152, 1889; *Cornely v. Marckwald*, 131 U. S. 159, 1889; *Black*

price paid to compromise a pending action, or an existing right of action, may sometimes be larger and sometimes be smaller than a proper royalty would be. It may be larger where the infringer is a person who is disinclined to litigation, or where he has some reason to fear a judgment for triple damages, or where the compromise releases him not only from damages, but also from all rights of action for infringer's profits. It may be smaller where the infringer is presumably insolvent, or where the amount involved is too small to justify the expense incident to its collection by an action at law.

§ 560. A royalty which is reserved as the whole or a part of the purchase price of a patent, is not a proper one to measure damages as against an infringer.<sup>22</sup> It may be too large, or it may be too small for that purpose. It will be too large when the patent is of such a nature that the buyer can afford to pay more for a close monopoly, than for a license to compete with other licensees.<sup>23</sup> It will be too small, where it is for the interest of the owners of the patent to subdivide the right to practice the invention. In the latter class of cases, the buyer, in order to get paid for introducing the invention and retailing the licenses, must sell them at a higher rate than that which he pays to the patentee.

*v. Munson*, 14 Blatch. 268, 1877; *Greenleaf v. Mfg. Co.*, 17 Blatch. 253, 1879; *Matthews v. Spangenberg*, 14 F. R. 350, 1882; *National Car Brake Shoe Co. v. Mfg. Co.*, 19 F. R. 517, 1884; *Westcott v. Rude*, 19 F. R. 832, 1884; *Gottfried v. Brewing Co.*, 22 F. R. 433, 1884; *Cornely v. Marckwald*, 32 F. R. 292, 1885; *United Nickel Co. v. Railroad Co.*, 36 F. R. 190,

1888; *Keyes v. Refining Co.*, 43 F. R. 478, 1890; *Ewart Mfg. Co. v. Baldwin Cycle-Chain Co.*, 91 F. R. 265, 1898; *Diamond Stone Sewing Machine Co. v. Brown*, 166 F. R. 306, 1908.

<sup>22</sup> *La Baw v. Hawkins*, 2 Bann. & Ard. 564, 1877.

<sup>23</sup> *Colgate v. Mfg. Co.*, 28 F. R. 147, 1886.



§ 561. A royalty provided for in licenses to make and use, is no measure of damages for an infringement which consisted of making and selling the patented thing; nor is a royalty which was established by licenses to make and sell specimens of the invention covered by a patent, any criterion of the injury which may have been inflicted on the pecuniary interests of the owner by unlawfully making and using such specimens.<sup>24</sup> These rules rest upon undeniable reasons. The value of some patents resides almost entirely in the exclusive right to make and sell, while that of others consists almost wholly in the exclusive right to make and use the inventions which they respectively cover.

§ 562. In measuring damages with a royalty, due regard must be had to proportion. Where an infringement was smaller in extent or shorter in duration than the corresponding doings which were authorized by the licenses which established the royalty, it is but just that the damages should be assessed at a correspondingly smaller sum, unless there are special facts in the case which render the particular extent of the infringement immaterial to the plaintiff.<sup>25</sup> In like manner, damages will amount to a sum correspondingly larger than the royalty which constitutes their criterion, when the infringement in suit was larger or was longer than the doings authorized by the licenses which established the royalty.

So, also, where only part of the inventions covered by a particular patent are unlawfully appropriated by an infringer, he is liable for only an equitable proportion of the

<sup>24</sup> *Colgate v. Mfg. Co.*, 28 F. R. 147, 1886.

<sup>25</sup> *Birdsall v. Coolidge*, 93 U. S. 70, 1876; *Judson v. Bradford*, 3 Bann. & Ard. 549, 1878; *Wooster*

*v. Simonson*, 16 F. R. 680, 1883; *Westcott v. Rude*, 19 F. R. 834, 1884; *Bates v. Railroad Co.*, 32 F. R. 628, 1887.

royalty which has been established for all of those inventions jointly;<sup>26</sup> and where a royalty has been established for the joint employment of all of the inventions covered by several patents, damages for the infringement of part of those patents may be equitably assessed by dividing that royalty into portions proportionate to the value of the several inventions covered by those patents.<sup>27</sup> But the plaintiff must furnish data in his evidence, upon which to make this division.<sup>28</sup>

§ 563. Where no established royalty is applicable as a measure of the damages caused by a particular infringement, those damages may be ascertained by the second method; that is, by finding what the plaintiff would have derived from his monopoly if the defendant had not interfered, but which he failed to realize because of that interference with his rights.

Where the owner of a patent is able to supply the whole demand for the article it covers, and where the whole demand would go to him in the absence of infringement; the losses inflicted upon him by an infringer, may consist in reducing his sales, or in reducing his prices, or in both those injurious ways. His sales may be reduced by the omission of the infringer to buy from him, while procuring infringing articles elsewhere or otherwise. His sales may also be reduced by competing sales made by the infringer to others, who in the absence of that competition, would have purchased from the patentee. The sum of the profits which the patentee would have derived from the sales which the infringer's course prevented the patentee from making, and the sum of the reduction in prices which the

<sup>26</sup> *Willimantic Thread Co. v. Clark Thread Co.*, 27 F. R. 865, 1886; *Asmus v. Freeman*, 34 F. R. 903, 1888.

<sup>27</sup> *Porter Needle Co. v. Needle Co.*, 22 F. R. 829, 1885.

<sup>28</sup> *Hunt Bros. Fruit Packing Co. v. Cassidy*, 53 F. R. 262, 1892.

infringer's course compelled the patentee to make on the sales which he did effect, or either of those elements in the absence of the other, make up the amount of the damages which the patentee is entitled to recover from the infringer, where there is no established royalty applicable to their measurement.<sup>29</sup> Where only part of the profits which plaintiff would have made, would be attributable to the invention, the total profits must be apportioned between those due to the invention and those due to other causes.<sup>30</sup>

Proof of the element of lost sales, includes evidence to show what profits the patentee would have derived from the sales which the infringer's course prevented him from making;<sup>31</sup> and evidence to show that he could have supplied the articles which the infringer procured elsewhere,<sup>32</sup> and the articles which the infringer's competition prevented him from selling to others;<sup>33</sup> and evidence to show that the infringer would have purchased from him, rather than do without such articles;<sup>34</sup> and evidence to show that

<sup>29</sup> *Yale Lock Co. v. Sargent*, 117 U. S. 552, 1885; *Boesch v. Graff*, 133 U. S. 705, 1891; *Seabury v. Am Ende*, 152 U. S. 569, 1894; *Fitch v. Bragg*, 16 F. R. 247, 1883; *Hobbie v. Smith*, 27 F. R. 662, 1886; *Creamer v. Bowers*, 35 F. R. 207, 1888; *Am Ende v. Seabury*, 43 F. R. 673, 1890; *Force v. Sawyer-Boss Mfg. Co.*, 143 F. R. 894, 1906; *McSherry Mfg. Co. v. Dowagiac Mfg. Co.*, 160 F. R. 948, 1908.

<sup>30</sup> *Stockham v. Duncan*, 226 F. R. 740, 1915.

<sup>31</sup> *Cornely v. Marekwald*, 131 U. S. 161, 1889; *Bemir Box Car Co. v. J. G. Brill Co.*, 200 F. R. 749, 1912.

<sup>32</sup> *Rose v. Hirsh*, 94 F. R. 178, 1899.

<sup>33</sup> *Crosby Valve Co. v. Safety Valve Co.*, 141 U. S. 452, 1891; *Regina Music Box Co. v. Otto*, 114 F. R. 505, 1902.

<sup>34</sup> *Rose v. Hirsh*, 94 F. R. 178, 1899; *Underwood Typewriter Co. v. E. C. Stearns & Co.*, 227 F. R. 74, 1915; *contra*, *Transit Development Co. v. Cheatham Electric Switching Device Co.*, 194 F. R. 963, 1912; where it is held that it is presumed that the purchasers would have bought from an authorized source if they had not bought from the defendant.

the persons who purchased infringing articles from the infringer, would have bought them from the patentee, if they could not otherwise have procured them.<sup>35</sup>

The first three of the five elements of evidence specified in the last paragraph must be direct and strong. The last two of those elements, though not necessarily direct, must at least be legitimate circumstantial evidence.<sup>36</sup> But where the defendant's infringement was wanton, that evidence needs not to be so strong, as where it was unintentional or was the result of error of information or of judgment.<sup>37</sup>

Proof of the element of reduced prices includes evidence to show that it was the defendant's infringement that caused, or helped to cause, the reduction of prices which the patentee was compelled to make,<sup>38</sup> and evidence of the extent of the reduction so caused;<sup>39</sup> but it does not include evidence that the patentee would have been asked to supply the particular demand which was supplied by the defendant, if the defendant had not supplied it.

Where damages cannot be assessed on the basis of a royalty, nor on that of lost sales, nor on that of hurtful competition, only nominal damages can be recovered for the infringement of a patent.<sup>40</sup>

<sup>35</sup> *Dobson v. Dorman*, 118 U. S. 237, 1889; *Kinner v. Shepard*, 107 F. R. 952, 1901.  
<sup>36</sup> *Rose v. Hirsh*, 94 F. R. 178, 1899; *Regina Music Box Co. v. Otto*, 114 F. R. 506, 1902.  
<sup>37</sup> *Ingersoll v. Musgrove*, 3 Bann. & Ard. 304, 1878; *Holmes v. Truman*, 67 F. R. 545, 1895.  
<sup>38</sup> *Cornely v. Marckwald*, 131 U. S. 161, 1889; *Boesch v. Graff*, 133 U. S. 703, 1890.  
<sup>39</sup> *Covert v. Sargent*, 38 F. R. 237, 1889; *Goodyear v. Bishop*, 2 Fisher, 161, 1861; *Magic Ruffle Co. v. Douglas*, 2 Fisher, 340, 1863; *Sargent v. Mfg. Co.*, 17 Blatch. 247, 1879; *Hall v. Stern*, 20 F. R. 788, 1884; *Roemer v. Simon*, 31 F. R. 41, 1887; *Bell v. Stamping Co.*, 32 F. R. 551, 1887; *Tatum v. Gregory*, 51 F. R. 447, 1892.

<sup>40</sup> *Covert v. Sargent*, 38 F. R.

<sup>40</sup> *City of Seattle v. McNamara*, 81 F. R. 863, 1897.

§ 564. Damages for infringement by making, without unlawfully selling or using, specimens of a patented thing will be nominal only,<sup>41</sup> unless there is an established royalty for such making,<sup>42</sup> or unless the amount of a reasonable royalty can be shown or unless some definite damage can be proved on some basis not yet discoverable in the statutes or in the precedents.

§ 565. The evidence of damages must be reasonably definite,<sup>43</sup> in order to justify a jury in finding a verdict for more than a nominal amount. Conjecture will not perform the office of proof, nor can imagination take the place of calculation in this behalf.<sup>44</sup> But this rule is not to be used to defeat the ends of justice. It may happen that a plaintiff can prove the measure of his damages with precision, while unable to prove the real extent of the defendant's infringement. In such a case, the defendant can usually remove the uncertainty, because he is likely to know or be able to ascertain what and how much he has done. If, by omitting to supply the information, a defendant could avert a verdict for proper damages, he could easily defeat a meritorious cause. But the law will not allow itself to be thus circumvented. On the contrary, it is the rule that where a plaintiff introduces evidence to show that the damages were large, and to show the amount of those damages as accurately as the nature of the case permits him to do, and where the defendant offers no evidence upon the subject, it becomes the function of the jury to estimate those damages as best they can, on the basis

<sup>41</sup> *Whittemore v. Cutter*, 1 Gallison, 483, 1813; *Carter v. Baker*, 4 Fisher, 419, 1871

<sup>42</sup> *Ketchum Harvester Co. v. Johnson Harvester Co.*, 8 F. R. 586, 1881.

<sup>43</sup> *Creamer v. Bowers*, 35 F. R. 208, 1888; *Williames v. McNeely*, 77 F. R. 894, 1896.

<sup>44</sup> *New York v. Ransom*, 23 Howard, 487, 1859.

of the plaintiff's evidence.<sup>45</sup> In making such an estimate, a jury ought to resolve every point of uncertainty against the defendant, for he had it in his power to give them accurate data upon which to compute.<sup>46</sup> When the patent on which suit is brought covers an improvement on an existing device, it is incumbent on the plaintiff to show how much of his loss was due to the improvement.<sup>47</sup> And so if he has deliberately and persistently infringed the patent.<sup>48</sup>

§ 566. Remote consequential damages cannot be embodied in a verdict for an infringement of a patent.<sup>49</sup> The instances in which such damages have been claimed are but few, but they are likely to become more numerous hereafter. It is therefore proper to mention such injuries as will probably be held to fall within such a category.

Pecuniary injury may result to a patentee from a particular infringement, in that it caused him to incur competition and consequent loss, in business outside of the patent infringed; or in that it so unexpectedly reduced the business of the patentee as to make it necessary for him to sell unpatented property at less than its real value, or to borrow money at more than a proper rate of interest, in order to meet his pecuniary engagements; or in that it encouraged other persons to infringe, from whom, by reason of insolvency or other obstacle, no recovery can be obtained; or in that such infringement caused the patentee so much trouble and anxiety that he incurred loss from inability to attend to other business. But pecuniary

<sup>45</sup> *Stephens v. Felt*, 2 Blatch. 38, 1846.

<sup>46</sup> *National Car-Brake Shoe Co. v. Mfg. Co.*, 19 F. R. 520, 1884.

<sup>47</sup> *Baker v. Crane Co.*, 138 F. R. 60, 1905.

<sup>48</sup> *Consolidated Rubber Co. v. Diamond Rubber Co.*, 232 F. R. 475, 1916.

<sup>49</sup> *Carter v. Baker*, 4 Fisher, 421, 1871.

injury of either of these kinds would be such an indirect consequential matter as not to furnish any part of a proper basis for recoverable damages.

§ 566*a*. If the plaintiff has not availed himself of his patent rights by granting licenses, or his license fees are not of such uniformity as to enable him to prove his damage by proof of established royalties and in the absence of proof of lost sale or injury by competition, the only recourse of the plaintiff is to prove what would have been a reasonable royalty for the defendant to pay.<sup>50</sup> The problem of determining what constitutes a reasonable royalty offers many difficulties and it can at the best be no more than an estimate. In *Consolidated Rubber Tire Co. v. Diamond Rubber Co.*<sup>51</sup> the court in determining the amount of a reasonable royalty based its decision on established royalties which the plaintiff had secured during a period prior to that with which the accounting was concerned, as it appeared that there were no elements that could properly have operated to reduce that royalty. The principle was also announced that in determining the amount of a reasonable royalty, room must be left for the usual profit in the business of the defendant together with the cost of production. The court said: "Whether the resulting price will be greater than what the market can bear only experience can test, which means that what the market will bear determines the license value or royalties." The essential circumstances upon which a reasonable royalty was fixed were that the plaintiffs had prior to the period of the accounting established a royalty of ten to twenty cents; that later the plaintiffs, having

<sup>50</sup> *Dowagiac Mfg. Co. v. Minnesota Plow Co.*, 235 U. S. 611, 1915; *United States Frumentum Co. v. Lauhoff*, 216 F. R. 610, 1914.

<sup>51</sup> *Consolidated Rubber Tire Co. v. Diamond Rubber Co.*, 226 F. R. 455, 1915.

begun to manufacture the component parts of that patent, abandoned the license agreement, charging instead a flat rate for the rubber stock which was one of the elements of the patented combination, a practice which they continued until the Circuit Court of Appeals of the Sixth Circuit in 1902 declared their patent void. In 1911, however, the patent was finally declared valid. The question at issue concerned the period from 1902 to 1911, during which the plaintiffs naturally had great difficulty in obtaining any return on their patent at all. The contracts by which they charged the flat rate specifically agreed that the price should include the rent of a brazing or welding machine and the royalty for the patent in suit together with a design patent. The "rent and royalty" so fixed was originally twenty cents, but competition cut this down first to ten cents and subsequently to five cents. In order to determine the amount of the reasonable royalty, the court went about it by "disentangling from this joint sum (rent and royalty) the amount of the reasonable royalty." The process of disentangle-ment is detailed in the report of the case. Another point that was announced in the case was that the amount of the defendants' profits could not be taken as an element in determining a reasonable royalty.

How an owner of a patent who had never granted licenses or manufactured under his patent, in short who had a mere unworked "paper patent," would prove the amount of a reasonable royalty under his patent, is left for future decisions to determine. Unlike the method of proving damages by showing the amount of sales lost to the plaintiff, the "reasonable royalty" doctrine is independent of that element, for it is immaterial whether or not a plaintiff has ever derived any profit from his patent at all, except in so far as profits derived from the patent



may be proper evidence upon which to affix the amount of a reasonable royalty. As the court in the Consolidated Rubber Tire Co. case said: "In estimating loss of sales, it is, of course, necessary to show that the patentee would have made the sales. Not so with licenses. Every wheel made up with Diamond rubber was a wheel upon which the plaintiffs lost a license whether they would have manufactured it or not. In contributing to that eventual infringement which occurred when the rubber was so used, they contributed to a tort, the damages from which are to be estimated by a loss of the royalties, which could have been got for that wheel. Whether the defendants could have secured better terms is beside the point. What they did was to deprive the plaintiffs of a corresponding amount of royalties on wheels, and the licenses for wheels are established."

§ 567. Exemplary damages cannot lawfully be given by a jury for any infringement of a patent.<sup>52</sup> The meaning of this rule is that juries are to base verdicts on plaintiff's injuries, and not on defendant's ill-deserts. Their function is to award compensation to the injured, not punishment to the injurer. The power to inflict punitive damages is committed by the statute to the judge. He may exercise that power by entering a judgment for any sum above the amount of the verdict, not exceeding three times that amount, together with costs,<sup>53</sup> or by declining to increase the damages beyond the amount found by the verdict; and in either case his judgment will not be overruled by the Circuit Court of Appeals, unless the evidence

<sup>52</sup> *Wilbur v. Beecher*, 2 Blatch. 143, 1850; *Hall v. Wiles*, 2 Blatch. 200, 1851; *Parker v. Hulme*, 1 Fisher, 56, 1849; *Haselden v. Ogden*, 3 Fisher, 378, 1868;

*Russell v. Place*, 5 Fisher, 134, 1871.

<sup>53</sup> Revised Statutes, Section 4919; *Seymour v. McCormick*, 16 Howard, 489, 1853.

clearly demands it.<sup>54</sup> The costs are to be added to the increased verdict, and the judgment cannot be entered for a sum three times greater than the aggregate of the verdict and the costs; and if, for any reason, no costs are awarded to the plaintiff, that fact neither ousts the power of the court to enter a judgment for a sum larger than the verdict, nor constitutes a reason for exercising that power where no other reason exists.<sup>55</sup> But that power will be exercised where the defendant's infringement was deliberate and intentional, even though it may have been committed under an erroneous opinion of the plaintiff's rights;<sup>56</sup> or where the defendant acted in bad faith, or has been stubbornly litigious, or has caused unnecessary trouble and expense to the plaintiff;<sup>57</sup> but not merely because the defendant's defence was so extensive as to require great expenditure to overcome it.<sup>58</sup>

§ 568. Increased damages may properly be awarded by a court, where it is necessary to award them in order to prevent a defendant infringer from profiting from his own wrong, whether that wrong was intentional or was unwitting. The power conferred by the statute is general. It is not confined to awarding punitive damages, but is to be exercised "according to the circumstances of the case."<sup>59</sup> Among the circumstances of patent cases is the fact that

<sup>54</sup> *Topliff v. Topliff*, 145 U. S. 174, 1892; *Kuhn v. Lock-Stub Check Co.*, 165 F. R. 445, 1908.

<sup>55</sup> *Guyon v. Serrell*, 1 Blatch. 246, 1847.

<sup>56</sup> *Russell v. Place*, 9 Blatch. 175, 1871; *Peek v. Frame*, 9 Blatch. 194, 1871.

<sup>57</sup> *Day v. Woodworth*, 13 Howard, 372, 1851; *Teese v. Huntingdon*, 23 Howard, 2, 1859; *Weston*

*Electrical Inst. Co. v. Empire Electrical Inst. Co.*, 155 F. R. 301, 1907; *Consolidated Rubber Tire Co. v. Diamond Rubber Tire Co.*, 226 F. R. 455, 1915.

<sup>58</sup> *Welling v. La Bau*, 35 F. R. 303, 1888; *Brown Bag Filling Machine Co. v. Drohn*, 175 F. R. 576, 1910.

<sup>59</sup> Revised Statutes, Section 4919.

the profits, which defendants derive from their infringements, are often larger than the actual damages which those infringements cause plaintiffs to sustain. If, in such a case, the defendant is forced to pay no more than the actual damages, it is clear that he will have derived advantage from his own wrong. It would be an imperfect system of law that would thus put a premium upon its own violation. Exemplary or increased damages are not forfeitures, and liability to be compelled to pay such damages, does not give an infringer any right to withhold his testimony, as tending to criminate himself.<sup>60</sup>

It has been held in the seventh circuit that when the defendant has not only infringed but has also copied the plaintiff's structure so closely that he is chargeable with unfair competition, damages for the unfair competition may be recovered in the infringement suit regardless of the citizenship of the parties. The reason given is that the unfair competition is an aggravation of the infringement.<sup>61</sup>

§ 569. A verdict for actual damages cannot be averted by evidence that the defendant was ignorant of the existence of the patent at the time he infringed.<sup>62</sup> All infringers have constructive notice of all patents, because all letters patent are recorded in the Patent Office. There is no more injustice involved in the rule that infringers are bound to take notice of patents, than there is in the rule that buyers of land are bound to take notice of the real estate records, or in the rule that all citizens are bound to take notice of the laws of their country. The amount of pecuniary injury which an infringement causes a patentee,

<sup>60</sup> *Masseth v. Johnston*, 59 F. R. 613, 1894.

<sup>62</sup> *Emerson v. Simm*, 6 Fisher, 281, 1873; *Timken v. Olin*, 41

<sup>61</sup> *Ludwigs v. Payson Mfg. Co.*, 206 F. R. 60, 1913. F. R. 170, 1890.

is not affected by the fact that the infringer did not know of the existence of the patent which he infringed. The fact, however, that the infringer has deliberately and persistently infringed the patent after its validity has been established is sufficient to cause all doubts on question of fact to be resolved against him.<sup>63</sup>

§ 570. Neither counsel fees nor any other expenses incident to litigation, can be included in a verdict for actual damages in a patent case.<sup>64</sup> There is no more reason for allowing a successful plaintiff to recover such items, than there is for giving a similar recovery to a successful defendant. Certain expended fees may be recovered as costs by either; but no expenditures or costs can be recovered as damages.

§ 571. Interest should be allowed on royalties, from the time those royalties ought to have been paid, in all cases where a royalty is the measure of the plaintiff's damages.<sup>65</sup> In such a case the damages are liquidated at such time as the royalty would have been due, if the defendant had elected to purchase instead of to infringe the right to use the invention in suit. No interest is due on damages measured otherwise than by a royalty, because such damages are unliquidated until they are ascertained by an action,<sup>66</sup>

<sup>63</sup> Consolidated Rubber Tire Co. v. Diamond Rubber Co., 232 F. R. 475, 1916.

<sup>64</sup> Day v. Woodworth, 13 Howard, 373, 1851; Teese v. Huntingdon, 23 Howard, 8, 1859; Philip v. Noek, 17 Wallace, 462, 1873; Whittmore v. Cutter, 1 Gallison, 429, 1813; Stimpson v. The Railroads, 1 Wallace, Jr., 164, 1847; Holbrook v. Small, 3 Bann. & Ard. 626, 1878.

<sup>65</sup> McCormick v. Seymour, 3

Blatch. 222, 1854; Goodyear v. Bishop, 2 Fisher, 162, 1861; Locomotive Safety Truck Co. v. Pennsylvania Railroad Co., 2 F. R. 682, 1880; McNeely v. Williams, 96 F. R. 982, 1899; Munising Paper Co. v. American Sulphite Pulp Co., 228 F. R. 700, 1915; *contra*, Diamond Stone Sawing Machine Co. v. Brown, 155 F. R. 753, 1907.

<sup>66</sup> Gilpin v. Consequa, 3 Washington, 194, 1813.

except where the method of measurement is as definite and conclusive as it is in the case of a royalty.<sup>67</sup>

§ 571a. Damages for infringement of a design patent are fixed by a special statute, at the minimum amount of two hundred and fifty dollars, and at a maximum amount enough larger than that, to equal the total profit made by the infringer upon the infringing article or articles made or sold by him.<sup>68</sup> The statute does not state whether the two hundred and fifty dollars is recoverable from an infringer for each of his infringements, or is recoverable only once for all of his infringements of each claim infringed, or is recoverable only once for all of his infringements of each patent infringed, or is recoverable only once for all of his doings of a particular kind, even where those doings infringed more than one patent of the plaintiff. No court has put the first of these constructions on the statute; but each of the others has apparently been approved by at least one judicial tribunal.<sup>69</sup>

In order to recover under this statute, the plaintiff must show that the defendant knew of the plaintiff's design, and knew of the plaintiff's patent, or at least knew of facts which put him upon his inquiry for that patent;<sup>70</sup> and that he knew that the design was applied to the infringing article, without the license of the owner of the patent.<sup>71</sup> The last point of knowledge will be presumed against the maker; but as against a dealer whose infringement consisted in selling, or exposing for sale, articles manufactured

<sup>67</sup> *Creamer v. Bowers*, 35 F. R. 207, 1888.

<sup>68</sup> 24 Statutes at Large, Ch. 105, p. 387.

<sup>69</sup> *Lowell Mfg. Co. v. Whittall*, 71 F. R. 515, 1895; *Hogg v. Gimbel*, 94 F. R. 518, 1899; *Gimbel v.*

*Hogg*, 97 F. R. 791, 1899; *Frank v. Geiger*, 121 F. R. 126, 1903.

<sup>70</sup> *Smith v. Stewart*, 55 F. R. 484, 1893; *Lichtenstein v. Strauss*, 166 F. R. 319, 1908.

<sup>71</sup> *Anderson v. Pittsburgh Lumber Co.*, 47 F. R. 68, 1891.

by another, it must be proved.<sup>72</sup> The profits recoverable are measured by the extent to which the infringement has contributed to the entire profits on the article to which the design is applied ;<sup>72a</sup> and the statute is constitutional, although it provides for recoveries which are in the nature of penalties, and provides that those recoveries may be obtained upon a bill in equity for an injunction, as well as by an action at law.<sup>73</sup> Where the complainant in a bill in equity, waives any recovery of more than two hundred and fifty dollars, a decree will be entered for that amount, without an inquiry into the particular extent of the defendant's infringement.<sup>74</sup> But where there is no such waiver, the case will be referred to a master to ascertain whether and how much the defendant's profits exceeded two hundred and fifty dollars.<sup>75</sup>

<sup>72</sup> *Anderson v. Saint*, 46 F. R. 765, 1891; *Gimbel v. Hogg*, 97 F. R. 791, 1899.

<sup>72a</sup> *Bush & Lane Piano Co. v. Becker Bros.*, 234 F. R. 79, 1916.

<sup>73</sup> *Untermeyer v. Freund*, 58 F. R. 211, 1893.

<sup>74</sup> *Pirkl v. Smith*, 42 F. R. 410, 1890.

<sup>75</sup> *Ripley v. Elson Glass Co.*, 49 F. R. 927, 1892.

## CHAPTER XX

### ACTIONS IN EQUITY

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§ 572. JURISDICTION in equity, in patent litigation, is conferred upon the same courts that are authorized to exercise jurisdiction at law in that branch of jurisprudence.<sup>1</sup> The two kinds of jurisdiction are kept as distinct in those courts as if they were conferred upon different tribunals. Equitable relief cannot be had in any action at law; and legal relief cannot be had in any action in equity, except as incidental to some equitable relief granted, or at least rightfully prayed for, therein. The only function of actions at law in patent cases is to give damages for past infringements of patents. The principal function of actions in equity in such cases is to restrain future infringements of patents by means of the writ of injunction.<sup>2</sup> In every case where an injunction is proper, a court of equity, in order to avoid a multiplicity of actions, will take an account of the profits which the defendant derived from infringing the complainant's patent, and will compel the defendant to pay that amount to the complainant. And equity has jurisdiction, independent of any injunction or right to an injunction, to grant this relief relevant to profits, in all patent cases wherein some impediment prevents a resort to remedies purely legal, or wherein special circumstances render the remedy obtainable by an action at law difficult, inadequate, or incomplete.<sup>3</sup>

<sup>1</sup> Judicial Code, Section 24; Section 379 of this book.

Truman *v.* Holmes, 87 F. R. 744, 1898.

<sup>2</sup> Allington & Curtis Mfg. Co. *v.* Booth, 78 F. R. 879, 1897;

<sup>3</sup> Root *v.* Railway Co., 105 U. S. 189, 1881.

§ 573. Wherever equity has jurisdiction to decree an account of the defendant's profits, it also has jurisdiction to assess the damages which the complainant sustained on account of the defendant's infringement.<sup>4</sup> Having ascertained the amount of both, if the profits are found to exceed the damages, the court will enter a decree for their recovery, and will do nothing further about the damages.<sup>5</sup> Where the accounting shows no such profits, but does show such damages, the court will enter a decree for the amount of the latter.<sup>6</sup> Where the accounting shows both profits and damages, and shows the latter to equal or exceed the former, a decree will be entered for the amount of the damages,<sup>7</sup> or for any sum not exceeding three times that amount.<sup>8</sup>

In assessing damages, equity follows the law,<sup>9</sup> and is guided by the rules and principles which are set forth in Chapter XIX of this book. But where damages are measured by a royalty, only the earned portion of the royalty should be assessed; for if the royalty assessed is one which covers the future life of the patent, its recovery would authorize a continuance of the defendant's doings, and thus defeat an injunction, and perhaps oust the jurisdiction of equity, and so eventuate in a reversal of the decree by an appellate court.<sup>10</sup>

<sup>4</sup> Revised Statutes, Section 4921.

<sup>5</sup> *Emigh v. Railroad Co.*, 6 F. R. 283, 1881.

<sup>6</sup> *Marsh v. Seymour*, 97 U. S. 348, 1877.

<sup>7</sup> *Star Salt Caster Co. v. Crossman*, 4 Bann. & Ard. 566, 1879; *Child v. Iron Works*, 19 F. R. 259, 1884; *Simpson v. Davis*, 22 F. R. 444, 1884.

<sup>8</sup> Revised Statutes, Section 4919; *Covert v. Sargent*, 42 F. R. 298, 1890; *Beach v. Hatch*, 153 F. R. 763, 1907.

<sup>9</sup> *Bancroft v. Acton*, 7 Blatch. 506, 1870; *Locomotive Safety Truck Co. v. Pennsylvania Railroad Co.*, 2 F. R. 682, 1880.

<sup>10</sup> *Bragg v. City of Stockton*, 27 F. R. 509, 1886; but see *Campbell Printing Press Co. v. Man-*

§ 573a. It has been held that, when a *prima facie* case of infringement has been made out on a motion for a preliminary injunction, the court has power to impound in the custody of the marshal or of a receiver such infringing articles as may be in the possession of the defendant, but that the court cannot order them destroyed before interlocutory decree.<sup>11</sup>

§ 574. The complainant in an action in equity for an infringement of a patent, may be the holder of the complete title to that patent in the territory where the infringement occurred. Where the legal title resides in one person and the equitable title in another, both should generally join in such an action.<sup>12</sup> But the holder of the legal title may be dispensed with as co-complainant, where the circumstances of the case are such that a decree against the equitable owner would clearly be pleadable against the holder of the legal title;<sup>13</sup> and the holder of an equitable title may be dispensed with, where his interest is confined to a share of the proceeds of the patent,<sup>14</sup> or where he has given to the holder of the legal title a written power to bring and prosecute the suit alone.<sup>15</sup>

Where an equitable owner brings an action in equity in the name of the holder of the legal title alone, the defendant may, by means of a motion to the court, compel the equitable owner to become a co-complainant in his own name, if that action is necessary to the protection of the rights of the defendant.<sup>16</sup> But where a defendant

hattan Ry. Co., 49 F. R. 930, 1892.

<sup>11</sup> Underwood Typewriter Co. v. Elliott-Fisher Co., 156 F. R. 588, 1907; see Section 644, *post*; *In re Steiner*, 195 F. R. 299, 1912.

<sup>12</sup> *Stimpson v. Rogers*, 4 Blatch. 336, 1859.

<sup>13</sup> *Littlefield v. Perry*, 21 Wallace, 222, 1874.

<sup>14</sup> *Rude v. Westcott*, 130 U. S. 152, 1899.

<sup>15</sup> *Union Trust Co. v. Walker Electric Co.*, 122 F. R. 815, 1903.

<sup>16</sup> *Patterson v. Stapler*, 7 F. R. 210, 1881.

moves to make a stranger to a suit co-complainant therein, on the ground that he has an equitable interest in the matter involved, the motion will be overruled, if the person, so sought to be brought in, files in the case a disclaimer of all interest in the subject of the litigation.<sup>17</sup>

No grounds for a suit in equity to enjoin the use by a defendant of complainant's invention lies in favor of an applicant whose patent has not issued, even though the defendant has fraudulently secured a patent to himself for the same invention.<sup>18</sup>

§ 575. The defendant in an action in equity for an infringement of a patent, may generally be any person or private corporation connected with that infringement. Questions relevant to the liability of public corporations to such actions, and relevant to the respective liability of joint infringers when sued in equity, and indeed relevant to numerous points in the subject of parties, are explained and answered in the chapter on courts, parties, and causes: the seventeenth chapter in this book.

§ 576. Anciently an original bill in equity consisted of nine parts. 1. The Title of the Court. 2. The Introduction. 3. The Stating Part. 4. The Charging Part. 5. The Confederacy Part. 6. The Jurisdiction Part. 7. The Interrogatories. 8. The Prayer for Relief. 9. The Prayer for Process. By Equity Rule 25 of the Equity Rules in effect February 1, 1913, it is provided as follows:

“Hereafter it shall be sufficient that a bill in equity shall contain, in addition to the usual caption:

“First, the full name, when known, of each plaintiff and defendant, and the citizenship and residence of each

<sup>17</sup> *Graham v. Mfg. Co.*, 11 F. R. 148, 1880.

<sup>18</sup> *Standard Scale & Foundry Co. v. McDonald*, 127 F. R. 709, 1904.

party. If any party be under any disability that fact shall be stated.

“Second, a short and plain statement of the grounds upon which the court’s jurisdiction depends.

“Third, a short and simple statement of the ultimate facts upon which the plaintiff asks relief, omitting any mere statement of evidence.

“Fourth, if there are persons other than those named as defendants, who appear to be proper parties, the bill should state why they are not made parties—as that they are not within the jurisdiction of the court, or cannot be made parties without ousting the jurisdiction.

“Fifth, a statement of and prayer for any special relief pending the suit on final hearing, which may be stated and sought in alternative forms. If special relief pending the suit be desired the bill should be verified by the oath of the plaintiff, or someone having knowledge of the facts upon which such relief is asked.”

Therefore by the specific provisions of the rule, the only parts of the ancient bill which now remain are the title of the court, the introduction, the stating part, and the prayer for relief. The subject of specific interrogatories and the procedure for obtaining discovery by means of them has been preserved in the Federal Equity procedure, however, but by means of a separate proceeding.<sup>19</sup> In fact prior to February 1, 1913, the plaintiff might omit the confederacy part, the charging part and the jurisdiction part which usually stated that the acts complained of were contrary to equity and that the plaintiff was without any remedy at law.<sup>20</sup>

§ 577. The title of the court, at the beginning of a bill, should be in the same form as at the beginning of a declara-

<sup>19</sup> Sections 590c and 590d.

<sup>20</sup> Former Equity Rule 21.

tion.<sup>21</sup> It is technically unscientific to entitle a bill in the name of the case, because until the bill is filed there is no such case pending. But such a title is convenient, in order to show at a glance who are the parties; and convenience may properly outweigh technical nicety. It is therefore exceptional to see a bill that is not entitled in the name of the case.

§ 578. The introductory part contains a formal address to the judges of the court in which the bill is to be filed, together with the names, residences, and the citizenship of the parties.<sup>22</sup>

§ 579. The stating part of a bill in equity, though differing in form from the statement of the cause of action in a declaration at law, agrees with the latter in substance, except in the following particulars: It must state that the complainant fears and has reason to fear, future infringement by the defendant.<sup>23</sup> It need not state past infringement, where it states a specific reason for fearing future infringement.<sup>24</sup> It may state infringements which were committed before the complainant obtained his title, provided that title, when obtained, covered the right of action for those infringements. Where the bill prays for a preliminary injunction, its stating part must set forth one or more of the grounds for that relief, which are explained in the chapter on injunctions.<sup>25</sup> Where profits are sought to be recovered, it must plainly aver that prof-

<sup>21</sup> Section 422 of this book; Equity Rule 25.

<sup>22</sup> Equity Rule 25.

<sup>23</sup> *Edison Phonograph Co. v. Hawthorne & Sheble Mfg. Co.*, 108 F. R. 630, 1901; *Weston Electrical Inst. Co. v. Vallec Bros. Electrical Co.*, 145 F. R. 534, 1906.

<sup>24</sup> *Canton Steel Roofing Co. v. Kanneberg*, 51 F. R. 599, 1892.

<sup>25</sup> *Parker v. Brant*, 1 Fisher, 58, 1850; *American Bell Telephone Co. v. Southern Telephone Co.*, 34 F. R. 803, 1888; *Peters v. Chicago Biscuit Co.*, 142 F. R. 779, 1905; Equity Rule 25.

its were realized by the defendant on account of the stated infringement,<sup>26</sup> and that the infringements complained of, or some of them took place within six years before the filing of the bill.<sup>27</sup> Where either damages or profits or both are sought to be recovered the bill must show proper marking under Section 4900 of the Revised Statutes or proper notice to the defendant, otherwise no recovery can be had except for infringements after suit commenced.<sup>28</sup> The filing of the bill is notice.<sup>29</sup> The bill should also allege infringements in all places where they have taken place, since if infringements merely in the district of suit are alleged, the plaintiff will be confined to them in his proof of damages and profits.<sup>30</sup> It need not aver that any damage was incurred by the complainant, if the action is brought for an injunction only, or for an injunction and an account of the defendant's profits. Where a former decree is invoked against the defendant, it must be stated in the bill, according to the rule of equity pleading in that behalf.<sup>31</sup> But it must not state any consent decree which has been made against any stranger to the suit.<sup>32</sup>

A bill in equity as in the case of a declaration at law must show compliance with Section 4886 of the Revised Statutes, that is, it must show the requirement as to the two years' use, that the invention had not been previously

<sup>26</sup> *Wirt v. Hicks*, 46 F. R. 71, 1891.

<sup>27</sup> See Section 435.

*Contra*, *Fichel v. Barthel*, 173 F. R. 489, 1909.

See Section 435.

<sup>28</sup> *Westinghouse Electric & Mfg. Co. v. Condit Electric & Mfg. Co.*, 159 F. R. 154, 1908; *Crier v. Innes*, 170 F. R. 324, 1909.

<sup>29</sup> *Maimen v. Union Special Mach. Co.*, 165 F. R. 440, 1908.

<sup>30</sup> *Gray v. Grimberg*, 159 F. R. 138, 1908.

<sup>31</sup> *Bradley Mfg. Co. v. Eagle Mfg. Co.*, 57 F. R. 985, 1893.

<sup>32</sup> *Western Electric Co. v. Williams-Abbott Electric Co.*, 83 F. R. 842, 1897; *Haarmann v. Lueders*, 109 F. R. 327, 1901.

patented or described in a printed publication, that the patentee is the original inventor, and also of course title in the complainant.<sup>33</sup> Furthermore, it must allege that the patent was issued in the name of the United States and under the seal of the Patent Office and that it was signed by the Commissioner of Patents.<sup>34</sup> It need not, however, negative abandonment as that is a defence.<sup>35</sup> It must appear that the patent was properly executed by the authorized officers of the government, although profert of the patent obviates the necessity of such an allegation and indeed of an allegation as to anything appearing on the face of the patent.<sup>36</sup>

The foregoing paragraph states the rules in force at any rate prior to the Equity Rules promulgated November 4, 1912. Since that time several judges have held that under Rule 25, providing that the bill shall contain "a short and simple statement of the ultimate facts upon which the plaintiff asks relief, omitting any mere statement of evidence," it is sufficient merely to allege the issuance of the patent and the chain of title.<sup>37</sup>

The purport of the patent is properly embodied in a bill of complaint, by making profert therein, of the patent on which the bill is based.<sup>38</sup> But the particular claims

<sup>33</sup> American Graphophone Co. v. National Phonograph Co., 127 F. R. 349, 1904; Moss v. M'Conway-Torley Co., 144 F. R. 128, 1906.

<sup>34</sup> Eastwood v. Cutler-Hammer Mfg. Co., 148 F. R. 718, 1906.

<sup>35</sup> Fichtel v. Barthel, 173 F. R. 489, 1909.

<sup>36</sup> Fichtel v. Barthel, 173 F. R. 489, 1909.

<sup>37</sup> Zenith Carburetor Co. v.

Stromberg Motor Devices Co., 205 F. R. 158, 1913; General Bakelite Co. v. Nikolas, 207 F. R. 111, 1913.

*Contra* Maxwell Steel Vault Co. v. National Casket Co., 205 F. R. 515, 1913.

<sup>38</sup> International Terra Cotta Lumber Co. v. Maurer, 44 F. R. 618, 1890; Heaton-Peninsular Button-Fastener Co. v. Schlochtmeier, 69 F. R. 592, 1895; Chin-



of the patent which the complainant intends to prosecute in the case, must be specified by their numbers in the stating part of the bill of complaint.<sup>39</sup>

If, however, the bill charges infringement of "the claims" of the patent in suit, it will be construed to charge infringement of all the claims, and the complainant cannot be required to amend the bill specifying the claims with respect to which infringement is claimed.<sup>40</sup> Neither will he be required to amend by stating the parts of defendant's structure that are alleged to infringe.<sup>41</sup>

If the bill is brought by an owner of a patent for the benefit of a licensee it should so state as, if the bill apparently proceeds for the interest of the owner alone, no damages can be recovered on behalf of the licensee.<sup>41<sup>a</sup></sup>

Where a plurality of defendants are sued for infringing a patent, the bill ought to state that the infringement was joint,<sup>42</sup> though it has also been held that the point may properly be left to implication.<sup>43</sup>

*nock v. Paterson, P. & S. Tel. Co.*, 110 F. R. 199, 1901; *Fowler v. City of New York*, 121 F. R. 748, 1903.

<sup>39</sup> *Russell v. Winchester Repeating Arms Co.*, 97 F. R. 634, 1899; *Eastwood v. Cutler-Hammer Mfg. Co.*, 148 F. R. 718, 1906.

*Contra*, *Foundation Co. v. O'Rourke Eng. Const. Co.*, 171 F. R. 425, 1909, holding that a bill of particulars may be ordered; also for rule in second circuit, see *General Electric Co. v. Am. Brass & Copper Co.* (holding that the claims relied upon may be specified outside of the bill), 209 F. R. 237, 1911.

<sup>40</sup> *Morton Trust Co. v. Am. Car & Foundry Co.*, 129 F. R. 916, 1904; but see *Marconi Wireless Telegraph Co. v. New England Navigation Co.*, 191 F. R. 194, 1911.

<sup>41</sup> *Morton Trust Co. v. Am. Car & Foundry Co.*, 129 F. R. 916, 1904.

<sup>41<sup>a</sup></sup> *Brookfield v. Novelty Glass Mfg. Co.*, 170 F. R. 960, 1909; *National Metal Weather Strip Co. v. Bredin*, 186 F. R. 490, 1911.

<sup>42</sup> *Diamond Match Co. v. Ohio Match Co.*, 80 F. R. 118, 1897.

<sup>43</sup> *Indurated Fibre Co. v. Grace*, 52 F. R. 127, 1892.

§ 580. The prayer for relief should be both special and general.<sup>44</sup> The special part should ask for a preliminary injunction, and for a permanent injunction, and for an account of the defendant's profits, and for an assessment of the complainant's damages, and for an increase of those damages, and for costs. The prayer for general relief should be in the ordinary form of prayers of that kind.

§ 581. Although the interrogating part of the bill has been abolished by the Supreme Court,<sup>44a</sup> since the fourth edition of this book, and its purpose effected by the practice of filing specific interrogatories separately from the bill, the general principles of interrogatories have not been affected and therefore the discussion of the subject as found in the fourth edition is substantially repeated, the consideration of the present practice being left for later sections of this edition.<sup>44b</sup>

The interrogating part of the bill was designed and adapted to secure from the defendant such admissions or statements as would obviate the necessity for evidence to support those allegations of the bill which related to his doings.<sup>45</sup> The character, but not the extent of those doings, could properly be the subject of an interrogating part of a bill in equity in a patent case.<sup>46</sup> If infringement was denied the defendant could not be compelled to state in answer to interrogatories how many of the infringing articles he has made.<sup>47</sup>

Where an interrogating part contained more than one interrogatory, the interrogatories were required to be

<sup>44</sup> Equity Rule 25.

<sup>44a</sup> Equity Rules 25 and 58.

<sup>44b</sup> See Sections 590c and 590d.

<sup>45</sup> *Coop v. Physical Institute*, 47

F. R. 899, 1891; 48 F. R. 239, 1891.

<sup>46</sup> *Keller v. Strauss*, 88 F. R. 517, 1898.

<sup>47</sup> *Lovell Mfg. Co. v. Automatic Wringer Co.*, 124 F. R. 971, 1903.

divided from each other, and consecutively numbered, and a note required to be put at the foot of the bill specifying which of those numbered interrogatories each defendant was required to answer.<sup>48</sup> Where the complainant in his bill waived the oath which otherwise the defendant was entitled to make to his answer, or if he required such an oath to be made only to the answer of certain specified interrogatories; the answer of the defendant, though it was in fact under oath, was not evidence in his favor on any point not covered by such specified interrogatories, unless the case was heard on bill and answer only.<sup>49</sup>

§ 582. The prayer for process formerly had to contain the names of all the defendants who were mentioned in the introductory part of the bill,<sup>50</sup> and if any of them were known to be minors, or otherwise under guardianship, that fact had to be stated in the prayer for process.<sup>51</sup> No mention of these requirements is made in the rules of 1913.

§ 583. The bill must be signed by one or more solicitors of record.<sup>52</sup> The former requirement was for the signature of "counsel."<sup>52<sup>a</sup></sup>

§ 584. An oath of the truth of the bill must be appended to such a document, if it prays for a preliminary injunction.<sup>53</sup> Such an oath is to be made by the complainant or someone having knowledge of the facts upon which the application for the injunction is based.<sup>54</sup> Where the complainant is a corporation, the bill may be verified by an officer of the corporation who knows it to be true; or if no such officer possesses that knowledge, it may be

<sup>48</sup> Former Equity Rules 41 and 42.

<sup>49</sup> Former Equity Rule 41.

<sup>50</sup> *Goebel v. Supply Co.*, 55 F. R. 827, 1893.

<sup>51</sup> Former Equity Rule 23.

<sup>52</sup> Equity Rule 24.

<sup>52<sup>a</sup></sup> Former Equity Rule 24.

<sup>53</sup> Equity Rule 25.

<sup>54</sup> Equity Rule 25.

sworn to by any agent or attorney who does.<sup>55</sup> Where there is a plurality of complainants, the bill may be sufficiently verified by the oath of one of them, and be signed by him without any other signature, except the counter-signature of lawyer who represents all the complainants.<sup>56</sup>

If the bill prays for a preliminary injunction, and if its affiant can swear only on information and belief to the defendant's doings, and to their character as infringements, the application should be fortified by affidavits of persons who know what the defendant has done, and by affidavits of experts who can intelligently testify to the character of those doings, as compared with what appears to be covered by the complainant's patent. Where the complainant can positively swear to part of the allegations of his bill, and can swear to the residue only on information and belief, the bill should state the first class of facts positively, and the second class on information and belief alone; and the oath should clearly discriminate between the two classes in that behalf. It is not sufficient for the oath to state that the material averments of the bill are true;<sup>57</sup> nor to state that those allegations are true which render an injunction necessary and proper;<sup>58</sup> because such a form of oath leaves it uncertain which allegations the affiant had in mind. But positive oaths ought to be based on positive knowledge. It is much to be feared that many persons make affidavits to bills and other papers, without much reflection upon the statements they contain, or upon the wrong of falsehood, or upon the pains and penalties of perjury. The better lawyers will guard the

<sup>55</sup> *Bank of Orleans v. Skinner*,  
9 Paige (N. Y.), 305, 1841.

<sup>56</sup> *Cimiotti Unhairing Co. v.*  
*American Fur Refining Co.*, 120  
F. R. 674, 1903.

<sup>57</sup> *Sauvinet v. Poupono*, 14  
Louisiana, 87, 1839.

<sup>58</sup> *Hebert v. Joly*, 5 Louisiana,  
50, 1832.

conscience of a client at this point, while the inferior ones are sometimes more apt to mislead than to protect it. Affidavits to bills, and indeed all other affidavits to be used in any civil cause, in any circuit or district court of the United States, may be taken before a commissioner of the District Court for the district;<sup>59</sup> or before any notary public of either of the States or Territories, or of the District of Columbia.<sup>60</sup>

§ 585. A bill to perpetuate testimony tending to show a particular patent to be void, may be filed and prosecuted in any United States District Court;<sup>61</sup> but a bill brought into court to establish non-infringement of a particular patent by the complainant will not be entertained.<sup>62</sup> Nor will a court of equity restrain an action, brought, or to be brought, in another court, for infringement of a patent.<sup>63</sup> Neither can a bill be partly based on a patent, and partly on unfair competition before the patent was in existence.<sup>64</sup> But a bill may properly pray that the defendant be restrained from infringing a patent and also from applying the designating name of the patented article to a spurious imitation thereof, while the patent is in force.<sup>65</sup>

§ 585a. Several bills of complaint have been filed, and other proceedings instituted in courts of equity, since 1885,

<sup>59</sup> Revised Statutes, Section 945.

<sup>60</sup> 19 Statutes at Large, Ch. 304, p. 206.

<sup>61</sup> Revised Statutes, Section 866; *New York & Baltimore Coffee Polishing Co. v. New York Coffee Polishing Co.*, 9 F. R. 578, 1881; 11 F. R. 813, 1882.

<sup>62</sup> *Celluloid Mfg. Co. v. Vulcanite Co.*, 13 Blatch. 375, 1876;

*Strait v. Harrow Co.*, 51 F. R. 819, 1892.

<sup>63</sup> *Kelley v. Ypsilanti Dress-Stay Mfg. Co.*, 44 F. R. 19, 1890; *Germain v. Wilgus*, 67 F. R. 601, 1895; *American School Furniture Co. v. Sauder Co.*, 106 F. R. 732, 1901.

<sup>64</sup> *Ball & Socket Fastener v. Cohn*, 90 F. R. 664, 1898.

<sup>65</sup> *Adam v. Folger*, 120 F. R. 264, 1903.

to restrain patentees from publishing statements favorable to their patents, and unfavorable to alleged infringers thereof, or to restrain alleged infringers of patents from publishing statements unfavorable to those patents, and favorable to such alleged infringers. In each of those cases, the court was practically asked to abridge the freedom of speech and of the press. The first two applications of the kind were made to Judge COXE early in 1886; but both of them were denied by him.<sup>66</sup> The next application was denied by Justice BRADLEY and Judge MCKENNAN, in October of the same year.<sup>67</sup> The fourth application met the same fate at the hands of Judges COLT and CARPENTER in the following November.<sup>68</sup> Two more such applications were denied in December, 1890, by Judges WOODS and JENKINS respectively.<sup>69</sup> On the contrary, one such application was granted by Judge BLODGETT in 1888;<sup>70</sup> and one other was ordered to be granted in 1903, by Judges WALLACE and LACOMBE.<sup>71</sup> Other cases where the question has been decided are found in the note.<sup>72</sup>

A distinction exists between the six cases in which the applications were denied, and the two cases in which they were granted. That distinction consists in the fact that in the two cases, the judges were convinced that the statements sought to be restrained, were not believed to be

<sup>66</sup> Chase *v.* Tuttle, 27 F. R. 110, 1886; Tuttle *v.* Matthews, 28 F. R. 98, 1886.

<sup>67</sup> Kidd *v.* Horry, 28 F. R. 773, 1886.

<sup>68</sup> Baltimore Car-Wheel Co. *v.* Bemis, 29 F. R. 95, 1886.

<sup>69</sup> Fougères *v.* Murbarger, 44 F. R. 292, 1890; International Tooth-Crown Co. *v.* Carmichael, 44 F. R. 350, 1890.

<sup>70</sup> Emack *v.* Kane, 34 F. R. 46, 1888.

<sup>71</sup> Adriance, Platt & Co. *v.* National Harrow Co., 121 F. R. 827, 1903.

<sup>72</sup> Dittgen *v.* Racine Paper Goods Co., 164 F. R. 84, 1905; Dittgen *v.* Racine Paper Goods Co., 164 F. R. 85, 1908.

true by those who had made them. But Justice BRADLEY explained, in the case decided by him and Judge McKENNAN, that a court of equity has no jurisdiction to prevent persons from printing and publishing, and that the jurisdiction of the court is not affected by the opinion the judge may entertain on the question whether the printing and publishing sought to be restrained, was done in sincerity or was done in malice. For some reason, this explanation of Justice BRADLEY, was not met by any statement or argument in the decision of Judge BLODGETT, or in that of Judges WALLACE and LACOMBE.

This question of the jurisdiction of a court of equity to abridge the freedom of speech and of the press, was decided in the negative by the Supreme Court of the United States,<sup>73</sup> on a day about midway between the two decisions of Judge COXE in the same direction. That Supreme Court decision was not attended to in any of the published opinions which support the affirmative conclusion; but it was cited by Judge WOODS in his negative decision, and was held by Judge JENKINS to settle the question in the negative.<sup>74</sup>

§ 586. Amendments to bills may be made as a matter of course, and without costs, at any time before the defendant has responded thereto, but if such amendment be filed after any copy has issued from the clerk's office the plaintiff must at his own cost furnish to the solicitor of record of each defendant a copy of the bill as amended.<sup>75</sup> After an answer is put in, the complainant may obtain an order from the court or judge to amend his bill upon payment of costs, or without payment of costs, as the

<sup>73</sup> Francis v. Flinn, 118 U. S. 385, 1886.

<sup>74</sup> Fougères v. Murbarger, 44 F. R. 292, 1890; International

Tooth-Crown Co. v. Carmichael, 41 F. R. 350, 1890.

<sup>75</sup> Equity Rule 28.

judge may in his discretion direct.<sup>76</sup> In fact it is provided that the court may at any time, in furtherance of justice upon such terms as may be just, permit any process, proceeding, pleading or record to be amended.<sup>77</sup> Amendments applied for at or after the hearing of a case, are not regulated by the Equity Rules, but are allowed or refused, according to the sound discretion of the court.<sup>78</sup> But that discretion is governed by precedents, and those precedents indicate that amendments, at or after the hearing, will be allowed only where the bill is found to be defective in proper parties, or in its prayer for relief, or in the omission or misstatement of some fact or circumstance connected with the substance of the case, but not forming the substance itself, or where it is necessary for the complainant to take issue with new matter in the answer.<sup>79</sup> Where a litigation has been conducted precisely as it would have been if the proper amendment had been made before any pleading to the bill was filed, the court will allow that amendment to be filed even after the hearing, and thus make the pleadings conform to what the course of the litigation assumed them to be.<sup>80</sup>

§ 587. A bill needs amendment when the defendant's demurrer, plea, or answer, or under the present Equity Rules his answer or motion to dismiss points out a material fault therein, or when the complainant otherwise discovers a material error or omission which may be cured, or when the defendant's answer contains statements to

<sup>76</sup> Equity Rules 19 and 28.

<sup>77</sup> Equity Rule 19.

<sup>78</sup> *Neale v. Neals*, 9 Wallace, 9, 1869.

<sup>79</sup> *Shields v. Barrow*, 17 Howard, 144, 1854; *Dancel v. United Shoe Mach. Co.*, 120 F. R. 839, 1903.

<sup>80</sup> *The Tremolo Patent*, 23 Wallace, 527, 1874; *Vattier v. Hinde*, 7 Peters, 273, 1833; *Duponti v. Mussy*, 4 Washington, 128, 1821; *New York Sugar Co. v. Sugar Co.*, 20 F. R. 505, 1884; *New Departure Bell Co. v. Bevin Mfg. Co.*, 64 F. R. 866, 1894.



which it is necessary to plead by way of confession and avoidance.<sup>81</sup> No reply by way of confession and avoidance could be made in a replication in equity,<sup>82</sup> under the practice prevailing prior to the present Equity Rules, and replications of all kinds have been abolished by the present rules. Where the plea or answer set up new matter, to which the complainant wished to reply by way of traverse, the general replication was the proper pleading to file for that purpose.<sup>83</sup> Replications have, however, as stated been wholly abolished and now the only pleadings are the bill and answer.<sup>83<sup>a</sup></sup>

§ 588. Defences could formerly be made to a bill in equity for infringement of a patent, by a demurrer, or by a plea, or by an answer; or by a demurrer to part and a plea to another part, and an answer to the residue;<sup>84</sup> or by a demurrer to part, and a plea to the residue; or by a demurrer to a part, and an answer to the residue; or by a plea to a part, and an answer to the residue.<sup>85</sup> They can now be made only by answer and motion to dismiss.<sup>85<sup>a</sup></sup>

It may be here noted that courts have always been loath to decide questions of validity<sup>86</sup> and infringe-

<sup>81</sup> *Wilson v. Stolley*, 4 McLean, 275, 1847.

<sup>82</sup> Former Equity Rule 45.

<sup>83</sup> Former Equity Rule 66.

<sup>83<sup>a</sup></sup> Equity Rules 29 and 31.

<sup>84</sup> Former Equity Rule 32.

<sup>85</sup> Story's Equity Pleading, Section 437.

<sup>85<sup>a</sup></sup> Equity Rule 29.

<sup>86</sup> *Jackes-Evans Mfg. Co. v. Hemp & Co.*, 140 F. R. 254, 1905; *Gaines v. Alabama Consol. Coal & Iron Co.*, 173 F. R. 303, 1909; *Lange v. McGuin*, 177 F. R. 219, 1910; *Matteawan Mfg. Co. v.*

*Emmons Bros. Co.*, 185 F. R. 814, 1911; *Sanitary Metal Tile Co. v. New York Metal Ceiling Co.*, 188 F. R. 441, 1910; *Gilbert Mfg. Co. v. Post & Lester Co.*, 189 F. R. 81, 1911; *Luten v. Dover Construction Co.*, 189 F. R. 405, 1911; *Burrowes v. Carrom-Archarena Co.*, 190 F. R. 204, 1911; *Rose Mfg. Co. v. Whitehouse Mfg. Co.*, 193 F. R. 69, 1911; *Card v. Standard Coal & Coke Co.*, 202 F. R. 351, 1912; *Acme Steel Goods Co. v. Am. Metal Fasteners Co.*, 206 F. R.

ment<sup>87</sup> on demurrer, and that it is seldom that a defendant has succeeded on those issues by such method of procedure. The number of cases to the contrary is negligible. The demurrer, or its equivalent, the motion to dismiss, is not helped by the fact that the patent has been held void in other jurisdictions in suits against other parties.<sup>88</sup>

The nature and operation of demurrers and answers in equity practice, are so well understood by the profession, that little need be said about them in this book, or about their equivalents as provided by the present Equity Rules. But defences by plea may bear a longer review, because even before those rules they had largely gone out of use in the Federal courts and their principles been partly forgotten by the members of the bar, since even the former Equity Rules authorized nearly every defence to be made in an answer, that formerly required a plea for its interposition.<sup>89</sup> But those rules did not authorize any defendant to make a particular defence in a plea, and if unsuccessful there, to make it over again in an answer.<sup>90</sup> Such a plan, if allowed, would have enabled a defendant whose plea was overruled as stating no defence at law, to argue that question again on the final hearing; and it would have enabled a defendant, whose plea was proved to be false in fact, to contest that issue again on new testimony taken in pursuance of an answer. Though pleas in bar were not necessary in equity cases in the Federal courts, except under rare circumstances, they were some-

478, 1913; *Krell Auto Grand Piano Co. v. Story & Clark Co.*, 207 F. R. 946, 1913; *International Mausoleum Co. v. Sievert*, 213 F. R. 225, 1914.

<sup>87</sup> *Neidich v. Edwards* (citing

authorities), 169 F. R. 424, 1909.

<sup>88</sup> *Voightmann v. Seely*, 176 F. R. 371, 1909.

<sup>89</sup> Former Equity Rule 39.

<sup>90</sup> *Hubbell v. De Land*, 14 F. R. 475, 1882.

times made useful in saving time, labor, costs, and expense. It is, on these accounts, expedient to remind the reader of the general nature and operation of those pleadings, before explaining their special application under the former Equity Rules to actions in equity for infringements of patents.

§ 589. A plea in equity is a sworn<sup>91</sup> pleading, which alleges that some one fact, not stated in the bill, is true; or that some one statement of fact in the bill, is not true; or that some one fact, which the bill states is not a fact, is a fact nevertheless. A plea of the first kind sets up new matter by way of confession and avoidance, and is properly named an affirmative plea.<sup>92</sup> This is the only sort of plea in equity which was recognized in the time of Chancellor BACON.<sup>93</sup> A plea of the second kind traverses some one statement of fact in the bill, and is therefore properly called a negative plea.<sup>94</sup> This sort of plea was established by Chancellor THURLOW, and thereafter became a fully recognized part of equity pleading in England and in the United States.<sup>95</sup> A plea of the third kind states some fact to be true which the bill seeks to impeach.<sup>96</sup> It is similar to an affirmative plea in respect that it sets up matter outside of that upon which the bill is based; and it is similar to a negative plea, in that it contradicts some one statement of fact in the bill. It may therefore be properly named a composite plea. Where the single point of fact stated or denied in a plea, depends for its truth or error upon the comparative construction of two documents, the plea is

<sup>91</sup> Former Equity Rule 31.

<sup>92</sup> Daniell's Chancery Practice, Vol. 1, Chap. XV, Section 1.

<sup>93</sup> Beame's General Orders of the High Court of Chancery, 26.

<sup>94</sup> Daniell's Chancery Practice, Vol. 1, Ch. XV, Section 1.

<sup>95</sup> Story's Equity Pleading, Section 668.

<sup>96</sup> Daniell's Chancery Practice, Vol. 1, Ch. XV, Section 1.

bad and must be overruled; because such a question of construction is a question of law.<sup>97</sup>

But by Rule 29 of the Equity Rules, effective February 1, 1913, demurrers and pleas are abolished. The rule further provides that: "Every defence in point of law arising upon the face of the bill, whether for misjoinder, non-joinder, or insufficiency of fact to constitute a valid cause of action in equity, which might heretofore have been made by demurrer or plea, shall be made by motion to dismiss or in the answer; and every such point of law going to the whole or a material part of the cause or causes of action stated in the bill may be called up and disposed of before final hearing at the discretion of the court. Every defence heretofore presentable by plea in bar or abatement shall be made in the answer and may be separately heard and disposed of before the trial of the principal case in the discretion of the court. If the defendant move to dismiss the bill or any part thereof, the motion may be set down for hearing by either party upon five days' notice, and, if it be denied, answer shall be filed within five days thereafter or a decree *pro confesso* entered."

The effect of this rule is to leave the answer as the means of defence against all matters which might formerly have been presented by demurrer, plea or answer, or any or all of them. In addition, if the defence is on a point of law arising upon the face of the bill, the defendant has the option of making a motion to dismiss the bill without having first interposed it in his answer. If the defence is as to a point of law arising on the face of the bill the point may be called up and disposed of before final hearing at the discretion of the court. If the defence consists of matter formerly presentable by plea in bar or abatement it

<sup>97</sup> *Lowery v. Aluminum Co.*, 56 F. R. 495, 1893.

may be separately heard and disposed of before the trial of the principal case in the discretion of the court.

As a matter of pleading it has therefore become unnecessary to determine how the twenty-eight defences enumerated or any of them, may be interposed except as between a motion to dismiss and an answer. It is important, however, to know just which of them might formerly have been presented by plea in bar or abatement in order that the parties may know whether or not a particular defence may be separately heard before the trial of the principal case and thus dispense with the labor and expense of preparing for the trial of all of the issues. The discussion of the various methods by which each of the twenty-eight defences could be interposed as found in the fourth edition of this book is therefore retained in this edition.

§ 590. The general rule of equity pleading requires that when a defendant files a plea to a bill in equity, the complainant should satisfy himself whether it states a good defence to the bill, or to that part of the bill to which it refers, and should ascertain whether it is true in point of fact. If he is sure that he can prove it to be false, he should take issue upon it,<sup>98</sup> by filing a replication.<sup>99</sup> If he has any ground for fear that the plea is true in fact, and any ground for hope that it is bad in law, his true course is to set the plea down for argument;<sup>100</sup> which setting down is equivalent to a demurrer to the plea.<sup>101</sup> If, on the argument, the plea is held to state no fact which constitutes a defence to the bill, or to any part thereof, it will be overruled, and the defendant will be permitted to file an answer

<sup>98</sup> Former Equity Rule 33.

<sup>99</sup> Daniell's Chancery Practice, Vol. 1, Ch. XV, Section V.

<sup>100</sup> Former Equity Rule 33.

<sup>101</sup> Davison's Ex'rs v. Johnson,

16 New Jersey Equity, 113, 1863; Korn v. Wiebusch, 33 F. R. 51, 1887; Burrell v. Hackley, 35 F. R. 834, 1888; Cook v. Sterling Electric Co., 118 F. R. 47, 1902.

setting up whatever other defences he can.<sup>102</sup> But if the plea is held on the argument to state a good defence to the bill, or to that part of the bill to which it applies, it will be allowed, and thereupon the complainant may ask leave to amend his bill;<sup>103</sup> or if he cannot truly amend it so as to make it avoid the plea, he must file a replication.<sup>104</sup> Thereupon, if the plea is proved to be true, the fact thus established will avail the defendant, as far as, in law and equity, it ought to avail him;<sup>105</sup> and if the plea is proved to be false, the defendant must file an answer to the bill.<sup>106</sup> Only one defence can be made to a bill in a plea, unless the court, in order to avoid a special inconvenience, gives a special permission to a defendant to make a plurality of defences in that method of pleading.<sup>107</sup> With that exception, after any plea has been overruled, the defendant, if he has other defences to interpose, must interpose them in an answer.<sup>108</sup> This outline of the principles of pleas in equity should be kept in mind by the reader while perusing sundry of the sections which follow, for, though the name has been abolished, the practice has been retained in its essence, it merely being changed sufficiently to relieve

<sup>102</sup> Former Equity Rule 34; *Societe Anonyme v. General Electric Co.*, 97 F. R. 606, 1899.

<sup>103</sup> *Edison Electric Light Co. v. Equitable Life Co.*, 55 F. R. 481, 1893.

<sup>104</sup> Story's Equity Pleading, Section 697; Daniell's Chancery Practice, Vol. 1, Ch. XV, Section V.

<sup>105</sup> *Pearce v. Rice*, 142 U. S. 42, 1891; *Horn v. Detroit Co.*, 150 U. S. 610, 1893; *Green v. Bogue*, 158 U. S. 500, 1895; *Elgin Wind*

*Power Co. v. Nichols*, 65 F. R. 218, 1894; *American Graphophone Co. v. Edison Phonograph Works*, 72 O. G. 1350, 1895.

<sup>106</sup> *Dalzell v. Dueber Mfg. Co.*, 149 U. S. 326, 1893; *Westervelt v. Library Bureau*, 118 F. R. 824, 1902.

<sup>107</sup> Story's Equity Pleading, Section 657; *Wheeler v. McCormick*, 8 Blatch. 267, 1871; *Noyes v. Willard*, 1 Woods, 187, 1871; *Giant Powder Co. v. Nitro Powder Co.*, 19 F. R. 510, 1884.

<sup>108</sup> Former Equity Rule 34.

defendants of the useless expense and trouble to which they were formerly often subjected.

§ 590*a*. With the radical changes in the system of equity pleading introduced by the Equity Rules promulgated in 1912, whereby among other things it was required that the complaint should consist merely of a short and simple statement of the ultimate facts upon which the plaintiff asks relief, omitting any mere statement of evidence,<sup>109</sup> and that the answer should in short and simple terms set out the defences, omitting any mere statement of evidence and specifically admitting or denying or explaining the facts set up in the bill,<sup>110</sup> came the necessity for the means of compelling an opponent to amplify and make more definite his pleading, which means are known in most code jurisdictions by the term "bill of particulars." The rule relating to this procedure provides that a further and better statement of the nature of the claim or defence, or further and better particulars of any matter stated in any pleading may in any case be ordered upon such terms as to costs and otherwise as may be just.<sup>111</sup> While the expression "bill of particulars" is not found in the rule, it is obvious that what is meant by the rule and intended to be provided for is the bill of particulars which is an adjunct of common law and codes pleading, such as equity pleadings, in so far as their method of stating facts is concerned, have actually become.

A typical illustration of the procedure referred to is found in the New York Code of Civil Procedure (Section 481) requiring that the complaint shall consist of a "plain and concise statement of the facts constituting each cause of action without unnecessary repetition" and in Section 531 of the same code which allows the court to "direct a

<sup>109</sup> Equity Rule 25.

<sup>111</sup> Equity Rule 20.

<sup>110</sup> Equity Rule 30.

bill of particulars" of the claim of either party to be delivered to the adverse party. Substantially similar provisions exist in most of the other code States. It is beyond the scope of this work to enter into any detailed discussion of the functions of a bill of particulars, but it should be noted that the procedure can only be used as a means of informing the party instigating it of the precise nature and character of the cause of action or defence of the opposite party. The bill of particulars is nothing more or less than an amplification of general allegations set up in the pleading which of themselves do not clearly apprise the opposite party of the nature of the claim or defence and thereby create such a situation as would cause surprise at the trial. Such being the function of the bill of particulars, the fact that the party demanding the bill was personally familiar with the facts in respect to which the amplification is asked, cannot avail him, since it is not ignorance of facts which entitles a party to a bill of particulars, but ignorance of the nature of the claim or defence of his opponent. For further consideration of the foregoing principles, reference is made to the various works on pleading and practice and to the decisions dealing with the subject which may be found in the reports of all the code States.

§ 590*b*. The question has already, at this writing, been presented as to whether or not a plaintiff should be compelled to fix the date of his invention. It has been held in the Eastern District of Pennsylvania,<sup>112</sup> that such a requirement would not be made, the court remarking that it "would be an innovation in pleading and a dangerous one." It is not readily apparent where the danger lies in compelling a party to amplify his pleading in a patent cause to the extent of stating when his invention

<sup>112</sup> *Todd v. Whitaker*, 217 F. R. 319, 1914.



was made or at any rate what date he expects to establish as the date of his invention. This appears to be the view of the Judges of the District Court for the Southern District of New York, where the announced practice is to oblige each party to inform the other of the respective dates of invention which they intend to prove. That is, the plaintiff is compelled to inform the defendant of the date of invention of the patent in suit, and the defendant is obliged to inform the plaintiff of the date of invention of any inventions by which he expects to anticipate the plaintiff's invention.<sup>113</sup> In carrying out the interchange of dates it may be noted that in the practice in the Southern District of New York the interchange is required to be simultaneous.

A bill of particulars of the answer will not be required stating in whose presence an alleged prior use or invention occurred, but a defendant will be required to give a description of the thing or things invented or used or the ingredients of a composition or manufacture or of a process involved or practiced in its production.<sup>113</sup> The latter requirement is presumably subject to the condition that a defendant may refuse to disclose his process if the process is secret. Also it would seem that these requirements would apply to the defendant's process only when it or a similar process is set up as an anticipation, as, if the purpose of the inquiry is to ascertain the nature of the infringing article the result desired should properly be effected by means of interrogatories as will appear in the discussion of that procedure.

Another respect in which a bill of particulars has been allowed in the Southern District of New York is that requiring the defendant to name the patents and publica-

<sup>113</sup> *A. B. Dick Co. v. Underwood Typewriter Co.*, 235 F. R. 300, 1916.

tions that would be offered in evidence at the trial of the cause to support the contention of anticipation, and of those so offered, on which of them the defendant will rely at the trial in support of the contention of anticipation.<sup>113</sup> This requirement, however, is subject to a very important modification. As Judge LEARNED HAND says in *Grand Rapids Show Case Co. v. Strauss*:<sup>114</sup> "It is impossible under the statute to prevent the defendant from pleading as many patents in anticipation as he desires, but it is obviously preposterous to suppose that the invention has actually been patented by anything like the number of patents impleaded. I recognize that the question of anticipation is bound up in the question of interpretation and that the defendant must have some latitude until he knows what view the court will take of the plaintiff's invention; but a good excuse should not pardon a bad practice. With every latitude the number of patents which can serve as anticipations must be very limited. It is proper, therefore, for the plaintiff in a case such as this to call on the defendant to declare in advance which patents he seriously contends to be anticipations and the court will so direct the defendant." Judge HAND, however, realizes that a defendant cannot be compelled, by imposing the usual penalty, to file such a bill of particulars, and therefore states as follows: "If this order carries no sanction, however, it will not be effective and the only sanction can be in costs. If at the conclusion of the case the judge who tries it is satisfied that the defendants could, without any reasonable danger to themselves, have cut down the patents on which they rely for anticipation below the number given to the plaintiff in response

<sup>113</sup> *A. B. Dick Co. v. Underwood Typewriter Co.*, 235 F. R. 300, 1916.

<sup>114</sup> *Grand Rapids Show Case Co. v. Strauss*, 229 F. R. 199, 1915.

to the order of the court, the court will, however, deprive the defendant of costs or award costs against defendants notwithstanding their success."

A contrary view is taken in the Northern District of Ohio where it is held that such a bill of particulars may be absolutely required.<sup>115</sup> It does not appear, however, in the decision of that district, what can be done in case the defendant sets forth in his bill of particulars all the patents and publications which he has named in his answer. Under ordinary circumstances a failure to file a bill of particulars as ordered debars the party who should file it from giving evidence on the subject-matter of the bill, but it is obvious that such a penalty could not be imposed under the circumstances now being considered.

In theory there appears to be a fundamental objection to requiring a defendant to specify in advance what patents he intends to rely upon at the trial. That objection is that it is distorting the principles and function of a bill of particulars. When a defendant sets up a certain number of patents as anticipatory of the patent in suit with the allegations required by the Revised Statutes, he has set forth in that respect a pleading which is perfectly clear on its face. Whether or not he ever expects to be able to prove the allegations of his pleading is an entirely different question from the question of the fulness of his allegations. The requirement of a bill of particulars in such a case amounts to nothing more or less than compelling the defendant to cut down his pleading and is in effect compelling him to state whether or not he really means what he says. However, all attorneys conversant with the way in which answers are prepared in patent causes will recognize that if the foregoing statements are correct, theory seriously conflicts with practice and a requirement

<sup>115</sup> *Coulston v. H. Franke Steel Range Co.*, 221 F. R. 669, 1915.

of the nature of that in the Grand Rapids Show Co. case cannot but help reduce the issues in almost every patent cause to their proper proportions.

Another requirement that has been imposed in the Southern District of New York is that of obliging the defendant to set forth patents and publications that will be offered in evidence at the trial of the cause to illustrate the prior state of the art.<sup>113</sup> The propriety of this requirement, however, either in theory or in practice, is less clear than the propriety of the requirement of stating what patents and publications are to be used as anticipations. When used as anticipations patents and publications are the things themselves, that is, the documents or ultimate facts which are to be proved and as such the designation of those which will be used as a defense might properly come within the scope or to at least effect the object of a bill of particulars. But when patents and publications are used to show the prior state of the art they are evidence and nothing more, and there appears to be no justification in equity for compelling an opponent to disclose the evidence which he will use to establish his claim or defence. The state of the art is the fact to be proved, and it would seem to be properly within the theoretical scope of a bill of particulars to require the state of that art as it will be shown to be set forth, although the practical difficulties of doing so are too obvious to require comment. The prior state of the art is evidenced by the sum total of human knowledge of that art, and what that knowledge is, is the fact to be proved. That knowledge may be evidenced by patents, periodicals, treatises, dictionaries, books, practices of a particular trade or community of people, or in brief, by showing any circumstances that would in-

<sup>113</sup> *A. B. Dick Co. v. Underwood Typewriter Co.*, 235 F. R. 300, 1916.

dicating a knowledge existing at the time involved in issue. To require the defendant to produce his evidence to prove the state of the prior art even though he is required to produce only patents and publications, is therefore imposing upon him a requirement that is wholly outside the purpose and functions of the bill of particulars.

The names of those having prior knowledge or having made prior use of an invention in suit should obviously be required on the same terms and conditions as a statement of anticipating patents and publications, but the names of the witnesses to the prior knowledge or use should not, of course, be required.

In the Northern District of Ohio a bill of particulars will be required of the defendant setting forth in what respects each of the patents pleaded in the answer discloses any of the elements or combinations of elements described in the letters patent in suit, and also in what respect they negative the novelty and invention of the device shown and described in complainant's letters patent.<sup>115</sup> The bill of particulars, however, will not be granted compelling a plaintiff to point out in what particular part of an infringing machine each element of the patent in suit is embodied, at any rate in ordinary cases, although a plaintiff probably would be required to advise the defendant what parts of the defendant's machine infringed.<sup>116</sup> The case holding the foregoing proposition contains an instance of the confusion sometimes existing between the functions of a bill of particulars and those of interrogatories.

§ 590c. Prior to the year 1913 when the present equity rules went into effect, a most important part of nearly every bill in equity consisted of the specific interrogatories

<sup>115</sup> *Coulston v. H. Franke Steel Range Co.*, 221 F. R. 669, 1915.

<sup>116</sup> *Gennert v. Burke & James, Inc.*, 231 F. R. 998, 1916.

which were in fact nothing more or less than an amplification of the charging part of the bill. While the charging part of the bill has been eliminated from equity practice by Equity Rule No. 25, the specific interrogatory has been retained, with the additional features, however, that the defendant may now have the benefit of interrogatories to sustain his defence, as the plaintiff formerly could have the benefit of them to sustain his bill, and with the further feature that interrogatories have been taken out of the pleadings and made a separate and distinct procedure.

It should be added that there is one further change of a more or less important character whereby it is provided that if any party to the cause is a public or private corporation any opposite party may apply for an order allowing him to file interrogatories to be answered by any officer of the corporation, and that an order may be made for the examination of such officer as may appear to be proper upon such interrogatories as the court or judge shall think fit. It has not yet been decided, nor so far as the reports show, has the question been raised whether or not under the present rule interrogatories may be addressed directly to a corporation party to be answered by the corporation as such, without the application for such an order as is mentioned in the foregoing paragraph. In principle and according to the equity practice prior to the present rules, there is no objection to such a method of procedure and it is not seen how the present rules have changed the liability of a party corporation to answer interrogatories.

Under the former practice every bill which was not a pure bill for discovery, combined the functions both of a bill for discovery and a bill for substantive relief. The bill for discovery could be and frequently was filed against a corporation as is likewise the case with the com-

bined bill for discovery and substantive relief. The incidents of the pure bill for discovery were, however, carried into the bill for combined discovery and substantive relief, and as discovery could be enforced only against a party to the action in the case of the pure bill for discovery, so it could be enforced only against a party to the action in the case of the combined bill for discovery and substantive relief. This made it necessary, whenever discovery was desired from an officer of a corporation defendant, to join the officer as a party to the suit. It would seem, therefore, that the provision of Rule 58 above noted could have no other purpose than to dispense with this cumbersome and unnecessary requirement of equity procedure in cases where discovery only as distinguished from substantive relief is desired from an officer of a defendant corporation.

One other feature should be noted. The rule permits a party to file interrogatories for the discovery by the opposite party of *facts and documents only, material to the support or defence of the cause*. Under the former practice interrogatories contained in the bill, as also charges of evidence, were directed solely to the elicitation of facts which would support the cause of action set forth. It would seem, therefore, that the rule in no way changes this practice with the exception that the defendant may now file interrogatories for the discovery of facts and documents material to his defence as the plaintiff formerly could in support of his bill. In other words, the interrogatories are directed to the discovery of such facts and documents as will sustain the claims of the party filing the interrogatories and are not intended to enable the party to ascertain what facts or documents the opposite party would produce to sustain the latter's claim. The latter result in so far as it consists of apprising a party of the

nature of the claim or defence of the opposite party is obtained by the procedure for the bill of particulars. Beyond these limitations, however, neither the bill of particulars nor the specific interrogatories as the case may be, can go.

A detailed discussion of the principles stated in the foregoing paragraph is of course not within the general scope of a work of this character, and therefore reference is made for a further consideration of them to the standard works on equity practice. The application of the rule, only in so far as it has to do with patent causes, is considered here.

§ 590*d*. The general purpose of the present procedure involving specific interrogatories purports to be stated in *Bronk v. Charles H. Scott Co.*<sup>117</sup> An examination of that case shows that a plaintiff was compelled to state in answer to interrogatories whether or not his charge of infringement was based on any other or different acts of the defendant than the manufacture or sale of certain articles described and exhibited in the answer. This is obviously compelling the plaintiff to disclose his own case and has been very properly criticised for that reason by the District Court for the Eastern District of Tennessee<sup>118</sup> wherein Judge SANFORD made a comprehensive statement of the purpose and scope of interrogatories under the present rules as follows:

“Prior to the adoption of this Rule 58 it was well settled that a complainant was entitled to a discovery of such facts and documents only as would aid in the maintenance of his own title or cause of action and not to matters that relate exclusively to the defendant’s title or ground of defence and that interrogatories which went beyond this

<sup>117</sup> *Bronk v. Charles H. Scott Co.*, 211 F. R. 338, 1914.

<sup>118</sup> *J. H. Day Co. v. Mountain City Mill*, 225 F. R. 622, 1915.



and sought a disclosure of the defendant's title or claim having no relation to the complainant's title or cause of action were inquisitorial and unwarranted. . . .

"After careful consideration I think it is clear that the 58th equity rule was intended merely to change the procedure in reference to obtaining discovery and to extend this right as well to defendant as to complainant, and was not established to change the long established rule in reference to the subject-matter of such a discovery, or to extend such right in favor of either party beyond the matters relating to his own ground of action or defence and enable him to obtain discovery in reference to matters relating solely to the ground of action or defence of the other party. In other words, under this rule the plaintiff's right of disclosure extends only to facts resting upon the knowledge of the defendant or documents in his possession material to the support of the plaintiff's case; and the defendant's correlative right of discovery only to facts and matters material to his defence."

Judge SANFORD also criticised the case of *P. M. Co. v. Ajax Rail Anchor Co.*,<sup>119</sup> on the same ground. The interrogatories in the *P. M. Co.* case required the plaintiff to describe the element in defendant's device which the plaintiff considered to be a particular element mentioned in the patent in suit, and also to state whether a certain phrase found in the claims referred to a certain element of the structure, but the court said that the matter called for was purely evidentiary and based its decision on that ground. According to the *J. H. Day Co.* case and to the general principles covering specific interrogatories, another ground would have been that the interrogatories required the plaintiff to disclose his case. For the same reason the court refused to allow interrogatories requiring

<sup>119</sup> *P. M. Co. v. Ajax Rail Anchor Co.*, 216 F. R. 634. 1914.

the plaintiff to state whether he had manufactured devices under his patent, or whether he had any interest in any other patents, or whether he considered defendant's device to infringe such other patents, or whether he contemplated bringing other patent suits, and whether or not he had knowledge of one of certain letters pleaded in the answer. These latter interrogatories are subject to the same criticism as those first mentioned in connection with the P. M. Co. case. An interrogatory which inquired upon which of the five claims of the patent complainant relied, although probably more proper for a motion for a bill of particulars, was, if the technical objection be disregarded, properly allowed.<sup>120</sup>

In *Luten v. Camp*,<sup>121</sup> the interpretation given to the opinion in the P. M. Co. case was that it is not proper to inquire into mere evidence of facts tending to prove the nature of the case, or *facts tending to prove the facts* upon which it is based, not that it is not proper to inquire into the facts upon which the case is based. If by the latter clause of the sentence the court means that it is proper only to inquire into ultimate facts which set forth the cause of action, the statement adds much confusion to the questions of practice involved in the employment of interrogatories, for a pleading must, of course, in order to set forth a cause of action or defence, set forth all the ultimate facts which are to be proved. In the *Luten* against *Camp* case the plaintiff alleged infringement of his patents by the defendants, some of whom contracted with the others to erect an alleged infringing structure, and the complainant further alleged that the contractor delivered plans and specifications to the defendants for whom the bridge

<sup>120</sup> See *Window Glass Machine Co. v. Brookville Glass & Tile Co.*, 229 F. R. 833, 1916.

<sup>121</sup> *Luten v. Camp*, 221 F. R. 424, 1915.

was to be built with the intent and purpose that the plans and specifications should be used as the basis for the contract. The court, therefore, very properly overruled objections filed by the defendant to interrogatories which inquired relative to the connection of the defendants with the blueprints and contracts. Interrogatories inquiring of the defendants as to the precise showing of the blueprints, however, were held improper, the court stating that the plaintiff was entitled to have an order made for their production and inspection, but as the blueprints themselves were the best evidence of their contents the defendants could not be required in advance of the trial to furnish copies, nor could they be questioned as to their contents unless the originals being in their possession were produced or were shown to have been destroyed or lost or beyond the power of the plaintiff to produce.

Inasmuch as Rule 58 of the Equity Rules specifically allows a party discovery of documents by means of interrogatories, and on the assumption that the principles of discovery through specific interrogatories have not been altered by the change in practice, it is not clear as a rule of practice why a party is not entitled to compel his opponents to produce originals or copies of any documents within the latter's control and relevant to the party's claim or defense as the case may be.

Another form of interrogatory held objectionable in the Luten case was that which called for a comparison between certain sets of blueprints inquired about and a set of blueprints attached to the interrogatories. The objection found by the court was that it was a matter to be established by expert testimony or by inspection of the documents at the trial and because the opinion of the defendants was merely evidentiary in character and not a fact in support of the plaintiff's cause. Also interrogatories in-

quiring as to the contents of documents which it was within the power of the proponent of the interrogatories to produce were held objectionable. "Equity Rule 58" said the court, in *Window Glass Co. v. Brookville Glass & Tile Co.*,<sup>122</sup> "was not intended to be used to impose unreasonable burdens on parties or to require of parties opinions either as to the reading of contracts or as to the functions of particular parts of the machinery."

The same thing has been substantially said in other cases cited in the notes to this section. The court making the foregoing statement further added that interrogatories were intended to aid a party in making out his case where the ascertainment of facts in support of the defences of the cause was difficult, referring to a line of cases holding to the doctrine that discovery will not be permitted if the facts can be otherwise procured, and stating that in reference to an interrogatory asking the defendant to disclose the nature of his alleged infringing structure that the plaintiff could easily procure the right to inspection according to the ancient method. Interrogatories inquiring of the plaintiff when or where a particular part of the plaintiff's apparatus was first used by the plaintiffs were criticised by the court as a part of that well-known practice of attempting to ascertain the opponent's case, anciently and now characterized as a "fishing expedition."

*F. Speidel Co. against N. Barstow Co.*<sup>123</sup> states that Equity Rule 58 merely adopts the English rule of Order XXXI "Discovery and Inspection" of the rules of the Supreme Court of 1883 and, referring to the "Yearly Practice for 1912 by Mackenzie & Chitty, Vol. I, 370"

<sup>122</sup> *Window Glass Machine Co. v. Brookville Glass & Tile Co.*, 229 F. R. 833, 1916.

<sup>123</sup> *F. Speidel Co. v. N. Barstow Co.*, 232 F. R. 617, 1916.

says that the provision for interrogatories was not intended to give any right to discovery that did not exist before or take away any previously existing right to production on any ground of privilege. And the court further says that it seems that the purpose of the practice was to enable a party to establish his case rather than to seek information as to the evidence or witnesses of the other party. Accordingly the court held objectionable an inquiry as to what were the steps of a process practiced by a prior corporation user and when and where such process was practiced and by what persons, together with their names and addresses. While this interrogatory was properly denied, it would seem to be well within the scope of a bill of particulars for a defendant who sets up a corporate prior user to be compelled to state the particular person or persons who actually practiced the use and the places where it was practiced. Of course the information did not tend to establish the plaintiff's case, but as the name of the actual individual user was merely a particularization of the allegation of the answer, it would seem to be proper that the information should be supplied to the plaintiff in some form or other, preferably by a bill of particulars, unless the court were willing to disregard the technicality as in the case of *Gennert against Burke*.<sup>124</sup>

Another point was raised in the *F. Speidel Co.* case in connection with the interrogatory inquiring as to whether or not the defendant had practiced the process of the patent in suit. It appears to be a principle of equity that discovery will not be allowed in suits in which a penalty may be inflicted on the offender, and consequently the court held that inasmuch as a defendant may be held liable in a patent infringement suit for treble damages a patent infringement suit was within the scope of that rule

<sup>124</sup> *Gennert v. Burke & James, Inc.*, 231 F. R. 998, 1916.