

patent monopolies for such improvements would not be to encourage invention, but would impose upon mechanics and the public generally burdens for which there would be no adequate compensation.”⁹

§ 295. Rule IV. Utility may exist in a manufacture though its only function is decoration,¹⁰ and necessarily a design’s utility resides in its being ornamental.¹¹

The word “useful” in § 4929, R. S. U. S., relating to design patents means a utility which “is artistic, and not practical.”¹² The propriety of having a design patent law has been discussed elsewhere.¹³

§ 296. Rule V. Utility may be considered in the light of the state of the art at the time the patent was applied for;¹⁴ if useful then, the fact that it is subsequently superseded is immaterial.¹⁵

§ 297. Rule VI. An invention injurious to the morals, health, or good order of society is not patentable because it is not “useful.”¹⁶

This rule is founded upon an interpretation of the word “useful” as employed in the patent act, which is based upon public policy.¹⁷

Thus a patent for a process of spotting tobacco leaves, without improving the quality of the tobacco, so as to

9. Gray, J., in *Shoe v. Gimbel*, 96 Fed. Rep. 96, 99.

10. *Magic Ruffle Co. v. Douglas*, 2 Fisher 330, Fed. Case No. 8, 948.

11. *Ex parte Norton*, 22 Off. Gaz. 1205.

12. Archbald, J., in *Williams Calk Co. v. Neverslip Mfg. Co.*, 136 Fed. Rep. 210, 215.

13. Ante, § 58.

14. *Poppenhausen N. Y. Gutta Percha Comb Co.*, 2 Fisher 62, Fed. Case No. 11,283; *Westing-*

house Electric & Mfg. Co. v. Beacon Lamp Co., 95 Fed. Rep. 462, 464.

15. *Poppenhausen v. N. Y. Gutta Percha Comb Co.*, 2 Fisher 62, Fed. Case No. 11,283.

16. *Bedford v. Hunt*, 1 Mason 302, Fed. Case No. 1217; *National Automatic Device Co. v. Lloyd*, 40 Fed. Rep. 89; *Reliance Novelty Co. v. Dworzek*, 80 Fed. Rep. 903; *Schultze v. Holz*, 82 Fed. Rep. 448.

17. *Reliance Novelty Co. v. Dworzek*, 80 Fed. Rep. 903.

simulate the naturally spotted leaf, was held void for want of utility. Judge Wallace observing that "in authorizing patents to the authors of new and useful discoveries and inventions, Congress did not intend to extend protection to those which confer no other benefit upon the public than the opportunity of profiting by deception and fraud. To warrant a patent, the invention must be useful; that is, capable of some beneficial use as distinguished from a pernicious use."¹⁸

§ 298. Rule VII. A patent is void for want of utility if its disclosure is inadequate to successful reduction to practice.

This rule is indeed obvious. Where the description is insufficient to tell those skilled in the art how to reduce the invention to actual practice without experimentation, its "disclosures * * * are not of the practical and useful character the law makes the consideration for the grant of a patent monopoly."¹⁹

§ 299. The effect of mis-user of the patent.

It has been frequently urged against a patent that its owner should be disentitled to relief in equity because of the patent being capable only of fraudulent or other noxious use or because the owner had subjected it only to such uses.

1. Where the sole use of which an invention is capable is fraudulent,²⁰ or immoral,²¹ that fact avoids the patent. Thus a coin-controlled apparatus used as a gambling device and incapable of any other use, has been held to be void,²² and so of a process for spotting to-

18. Rickard v. Du Bon, 103 Fed. Rep. 868, 873, 43 C. C. A. 360.

19. Buffington, J., in Donner v. American Sheet & Tin Plate Co., 165 Fed. Rep. 199, 91 C. C. A. 233.

20. Klein v. Russell, 19 Wallace 433, 22 L. Ed. 116.

21. Lowell v. Lewis, 1 Robb. 131, Fed. Case 8,568.

22. Schultze v. Holtz, 82 Fed. Rep. 448.

bacco leaves,²³ and a patent for a so-called chemical instrument for the treatment of diseases upon a theory at variance with accepted scientific principles.²⁴

2. Where a device is capable of legitimate use, the fact that it has been used exclusively for gambling purposes has been held to disentitle the plaintiff to relief in equity against an infringer;²⁵ and the same doctrine has been applied to a design patent embodying a design for a case of a gambling device.²⁶

But the force of these cases has been impaired by a later and carefully considered decision of the Circuit Court of Appeals for the Seventh Circuit which holds that in this defense (want of utility) "the true inquiry is, was the government improvident in making the grant? That the actual use to which the invention has been put by its owner is immaterial; and if the defendant proves that the only uses to which the patented device has been put were vicious the patent should not be held void for want of utility, if the court for itself should see, or be convinced by experts, that the instrument was susceptible of good uses, though in fact never put to such before the suit was begun."²⁷

§ 300. Rule VIII. An invention which is extremely dangerous to the operator,²⁸ or injurious to the substance operated on²⁹ or to the operation of other parts of a thing of which it is a part,³⁰ is not "useful."

23. Rickard v. Du Bon, 43 C. C. A. 360, 103 Fed. Rep. 868.

24. Mahler v. Animarium Co., 111 Fed. Rep. 530, 49 C. C. A. 431.

25. National Automatic Device Co. v. Lloyd, 40 Fed. Rep. 89, 5 L. R. A. 784.

26. Reliance Novelty Co. v. Dworzek, 80 Fed. Rep. 902.

27. Fuller v. Berger, 56 C. C. A. 588, 120 Fed. Rep. 274-276.

28. Mitchell v. Tilghman, 19 Wallace 287, 22 L. Ed. 125, 9 Brodix 174.

29. Klein v. Russell, 19 Wallace 433, 22 L. Ed. 116, 9 Brodix 244.

30. Wilton v. Railroad Co., Fed. Case No. 17,856.

Of the first proposition embodied in the rule Mr. Justice Clifford said "it cannot be held that the invention is useful if it appears that the operator, in using the described means, is constantly exposed to imminent danger, either from the explosive tendency of the substance to be used, or from the liability of the vessel to burst which is required to be employed as a means of accomplishing the patented result."³¹ It must be remembered that Mr. Justice Clifford wrote at a time when the art of high explosives was in its infancy. The operator of the aeroplane "is constantly exposed to imminent danger," yet that defense could not be successfully interposed against an aeroplane patent. It seems to the writer that this part of the rule, while warranted by the decisions, is now obsolescent, if not obsolete.

§ 301. Rule IX. Utility does not exist where the invention is incapable of performing any useful function.³² But the utility exists if the invention is available for one purpose indicated in the patent, though it is incapable of accomplishing other purposes named therein.³³

The doctrine as stated by the Supreme Court is: "A patented machine that will not do what it is intended to do could not sustain an action against one who was shown to use a successful and operative machine."³⁴ No more inapt use of terms could be imagined. The defendant, in a law action, had given "evidence tending to show that a machine made in conformity with the plaintiffs' specifications and claims would not operate as a successful machine, to which the plaintiffs replied by evidence tend-

31. *Mitchell v. Tilghman*, 19 Wallace 287, 22 L. Ed. 125, 9 Brodix 174.

32. *Coupe v. Royer*, 15b U. S. 565, 574, 39 L. Ed. 263; *Bliss v. Brooklyn*, 10 Blatchf. 521, 6 Fisher 289, Fed. Case 1546, 3 O. G.

269; *Carter Machine Co. v. Hanes*, 70 Fed. Rep. 859.

33. *Phillips v. Risser*, 26 Fed. Rep. 308.

34. Mr. Justice Shiras, in *Coupe v. Royer*, supra, at p. 574.

ing to show that a machine made after the description contained in the patent would and did operate successfully.”³⁵ What are we to understand by the words “what it is intended to do?”

The rule was stated explicitly by Judge Benedict, thus: “The law upon the subject of utility is not in doubt. No particular amount of utility is required to render an invention patentable, but there must be some; when the invention is shown to be worthless, the patent must fail.”³⁶

In applying the rule under consideration, the fact that the machine of the patent has been abandoned may have great weight in proving that the absence of utility exists.³⁷

§ 302. Rule X. The degree of utility possessed by the patented article is immaterial to its patentability. It is sufficient if it serves any useful purpose,³⁸ “no matter how infinitesimal.”³⁹

However, upon the question of novelty, evidence of the comparative utility of the thing patented and of alleged anticipating devices will be considered in determining their identity or diversity.⁴⁰

Consequently, it is not a matter of defense to say that the patented device is susceptible of improvement, or that there are other inventions in the field which are superior to it;⁴¹ that the subject-matter of the patent must

35. *Coupe v. Royer*, supra, p. 569.

36. *Bliss v. Brooklyn*, Fed. Case 1546.

37. *Carter Machine Co. v. Hanes*, 70 Fed. Rep. 859, 869.

38. *Bedford v. Hunt*, Fed. Case No. 1217, 1 Robb. 148; *Lamb Knitgoods Co. v. Lamb Glove &*

Mitten Co., 56 C. C. A. 547, 120 Fed. Rep. 267, 272.

39. *Coxe, J.*, in *Gibbs v. Hoefner*, 19 Fed. Rep. 323, 324.

40. *American Sales Book Co. v. Bullivant*, 54 C. C. A. 287, 117 Fed. Rep. 255.

41. *Crown Cork & Seal Co. v. Aluminum Stopper Co.*, 48 C. C. A. 72, 108 Fed. Rep. 845.

be used in connection with other devices or instrumentalities to produce any result whatever;⁴² or that the device does not accomplish all that its inventor claimed it would,⁴³ or that its period of usefulness is short-lived.⁴⁴

§ 303. Rule XI. The fact of infringement is evidence of utility as against the infringer.

This is the rule alike in cases at law,⁴⁵ and in cases in equity.⁴⁶ The rule does not go to the extent of creating an estoppel against the infringer to deny the patentability of the claim,⁴⁷ but it has been applied by Judge Coxe as follows: "That which is used is useful. A thing to be useless can have no utility whatever. A patent is never declared invalid upon this ground, at the instance of one who is deriving benefit by infringing upon its claims."⁴⁸

§ 304. Rule XII. Great increase of speed without loss of efficiency is evidence of utility.

"When the increase of speed is so great as it appears to be in this instance, and that, too, in an art where increase of speed (efficiency being preserved) is of such practical importance, we are disposed to consider the changes in parts and arrangement of parts as showing meritorious invention."⁴⁹

42. Wheeler v. Clipper Mower Co., Fed. Case No. 17,493, 10 Blatchf. 181, 6 Fisher 1.

43. Eames v. Cook, Fed. Case No. 4239, 2 Fisher 146.

44. International Tooth Crown Co. v. Hanks Dental Assn., 111 Fed. Rep. 916, 920.

45. International Tooth Crown Co. v. Hanks Dental Assn., 111 Fed. Rep. 916.

46. Goss Printing Press Co. v.

Scott, 47 C. C. A. 302, 108 Fed. Rep. 253.

47. Simmonds v. Morrison, 44 Fed. Rep. 757, 761.

48. La Rue v. Western Electric Co., 31 Fed. Rep. 80, 82; affirmed in Western Electric Co. v. La Rue, 139 U. S. 601, 35 L. Ed. 294.

49. Lacombe, J., in Willcox & Gibbs Sewing Machine Co. v. Merrow Machine Co., 93 Fed. Rep. 206, 209.

§ 305. Rule XIII. The fact that an invention has not been used is evidence of lack of utility.

“While the failure to put an invention to use may not be conclusive of its utility, still it is a circumstance to be considered, as against the practical utility of the machine.”⁵⁰

Of course there have been many inventions that were ahead of their time. A need must be felt before money will be spent to gratify it.

§ 306. Rule XIV. The question of utility must be determined with reference to the state of the art at the date when the application for patent was made.

“Utility must be gauged by the state of the art at the time the patent was applied for.”⁵¹

It may be doubted whether this rule will stand the test of time. The public's realization of needs changes vastly in seventeen years. That period has seen the telephone, the phonograph and wireless telegraphy emerge from scientific toys to public necessities. Is it possible that the utility of patents in those arts must be tested by this rule?

§ 307. Rule XV. Where the question of invention is in doubt, evidence of the utility of the thing patented as shown in its success is admissible.⁵²

In the language of Mr. Justice Strong: “We do not say, the single fact that a device has gone into general use and has displaced other devices which had previously been employed for analogous uses, establishes in all cases

50. Morrow, J., in *Bowers v. San Francisco Bridge Co.*, 91 Fed. Rep. 381, 416.

51. Kirkpatrick, J., in *Westinghouse Electric & Mfg. Co. v. Beacon Lamp Co.*, 95 Fed. Rep. 462, 464.

52. *Smith v. Goodyear Dental Vulcanite Co.*, 93 U. S. 486, 23 L. Ed. 952; *Washington & Moen Mfg. Co. v. Halsh*, 4 Fed. Rep. 900, 915; *Hill v. Biddle*, 27 Fed. Rep. 560.

that the later device involves a patentable invention. It may, however, always be considered; and when the other facts in the case leave the question in doubt, it is sufficient to turn the scale."⁵³

But evidence admitted under this rule must be received with great caution. Modern business systems and enterprise can sell many classes of articles regardless of merits. Worthless, and even noxious things are sold by energetic salesmen and under fanciful and attractive advertising, trademarks, tradenames and dress. On the other hand, certain machines are of necessity sold on their intrinsic merits. Thus Judge Townsend has said "the class of persons who use incubators are not likely to be induced to buy by reason of an alluring trademark, attractive finish, or the energy of the traveling salesman."⁵⁴ Mr. Justice Brown has pointed out the danger of relying on proof of popularity and large sales as a test of patentability, remarking that "a man may, by the aid of an alluring trademark, succeed in catching the eye of the people, and palming off upon them wares of no greater intrinsic value than those of his rivals. * * * The same result may follow from the more attractive appearance or the more perfect finish of the article, from more extensive advertising, larger discounts in price, or greater energy in pushing sales."⁵⁵

§ 308. Rule XVI. Where infringement exists, the use of the infringing device is strong evidence of utility.⁵⁶

53. *Smith v. Goodyear Dental Vulcanite Co.*, 93 U. S. 486, 23 L. Ed. 952.

54. *Stahl v. Williams*, 64 Fed. Rep. 121, 123.

55. *Duer v. Corbin Cabinet Lock Co.*, 149 U. S. 216, 223, 37 L. Ed. 707.

56. *Tyler v. Crane*, 7 Fed. 775; *Foyer v. Nichols*, 13 Fed. 125, 8

Sawy. 201; *Hancock Inspirator Co. v. Jenks*, 21 Fed. 911; *Niles Tool Works v. Betts Mach. Co.*, 27 Fed. 301; *Goss Printing-Press Co. v. Scott*, 108 Fed. 253; *International Tooth Crown Co. v. Hanks' Dental Assoc.*, 111 Fed. 916 (affirmed in 122 Fed. 74, 58 C. C. A. 180).

As put by Judge Lacombe, "the mere circumstance that the defendant chooses to use it seems to indicate that, from his point of view at least, it was a patentable invention."⁵⁷

In some of the earlier cases it was held that a defendant who infringed a patent was "estopped from denying its utility."⁵⁸ The propriety of the use of the term "estoppel" in this connection may be doubted. The rule is applied in the later cases with reasoning like this: "It is improbable that men will render themselves liable to actions for infringement unless infringement be useful. And the fact that a patent has been infringed by a defendant is, as against such infringer, sufficient to establish its utility."⁵⁹

This doctrine is of the nature of an estoppel by conduct.

§ 309. The relation of utility to invention.

Utility and invention are two subjects intrinsically so little related that their joint consideration at first glance seems illogical. Indeed, long and exhaustive study of the cases leads the author to believe that the treatment of the two by the courts as cognate subjects arose in this wise. It is a matter of extreme difficulty to judge of invention after the fact. What was, perhaps, a most ingenious product of invention appears after its production self-evident, the natural outgrowth of an art's development, or the fruit of mere mechanical skill. Viewed in the light of the prior art, the accomplishment of the

57. *International Tooth Crown Co. v. Hanks' Dental Assn.*, 111 Fed. Rep. 916, 920.

58. *Leavitt, J.*, in *Hays v. Sulzor*, Fed. Case No. 6271, 1 Fisher 532; and in *Vance v. Campbell*, Fed. Case No. 16,837.

59. *Buffington, J.*, in *Goss Printing-Press Co. v. Scott*, 108 Fed. Rep. 253, 258, 47 C. C. A. 302; citing, *Lehnbeuter v. Holthaus*, 105 U. S. 96, 26 L. Ed. 939.

inventor appears to be within the class of things condemned by the Supreme Court as "trifling devices" or "shadows of a shade of an idea."⁶⁰ But what appears to the defendant's expert as the mere product of mechanical skill may have been something for which an art was, and had long been, anxiously waiting. Others may have strived in vain to produce it. Its production may have met with immediate and great public approval. Its inventor may have met with immediate commercial success. Is the court to close its ears to such evidence of the merit of the thing patented? Has such evidence a bearing upon the question of invention so remote as to exclude it from judicial consideration?

These questions have both been answered in the negative. Yet the admission of such evidence is hedged about by keenly defined limitations which must be considered with the same care as the rule itself.

Indeed, whenever extensive sales are shown to be due to extensive advertising, changes in fashion of dress, or the like, the extent of sales is entitled to little if any weight in determining the presence or absence of invention in the thing patented.⁶¹ Where the thing whose extensive sale is proven or offered to be proved, contains other elements than those involved in the claims of the patent in suit, the sales may have been due to those foreign elements, and the testimony will have little or no weight accorded to it.⁶²

"Mere utility does not establish patentability. It is not every slight improvement in a mechanism that is the

60. *Atlantic Works v. Brady*, 107 U. S. 192, 27 L. Ed. 438.

61. *Saunders v. Allen*, 60 Fed. Rep. 610, 612, 9 C. C. A. 157; *Ypsilanti Dress-Stay Mfg. Co. v. Van Valkenburg*, 72 Fed. Rep. 277,

281; *Richard v. American Pln Co.*, 73 Fed. Rep. 476, 480.

62. *Nutter v. Brown*, 98 Fed. Rep. 892, 894, 39 C. C. A. 332; *Christy v. Hygeia Pneumatic Bicycle Saddle Co.*, 93 Fed. Rep. 965.

result of the exercise of the inventive faculty. In the progress of the arts, such improvements are constantly developing themselves, almost, but are at any rate clearly the result of obvious mechanical suggestion. As has been said by the Supreme Court more than once, to grant patent monopolies for such improvements would not be to encourage invention, but would impose upon mechanics and the public generally burdens for which there would be no adequate compensation.”⁶³

§ 310. Rule XVII. Evidence that others vainly attempted to produce the same result is admissible to show invention.⁶⁴

In a ruling case under this rule, Judge Shipman said: “The plaintiff says an attractive, cheap, and durable silver-plated steel spoon was a thing practically unknown in the art. It was wanted. When produced the manufacturers knew that it would fill an empty space in the market. They desired to produce it and the skillful and prosperous mechanics of the neighborhood set themselves with more or less energy to accomplish this result. Nobody but the plaintiff succeeded. He produced a new thing * * *. The only fair conclusion is that there must have been patentable novelty in the process.”⁶⁵

63. Gray, J., in *Shoe v. Gimbel*, 96 Fed. Rep. 96, 99.

64. *Wallace v. Noyes*, 13 Fed. Rep. 172; *Horn v. Bergner*, 68 Fed. Rep. 428, 431.

65. *Wallace v. Noyes*, 13 Fed. Rep. 172, 180.

CHAPTER XIV.

REGULATION OF TRANSACTIONS RELATING TO PATENT RIGHTS AND PATENTED ARTICLES.

§ 311. By the United States.

So far as purchase and sale of Letters Patent or rights thereunder are concerned, the United States Statutes thus far contain but a single section which provides as follows:

“Every patent or any interest therein shall be assignable in law by an instrument in writing, and the patentee or his assigns or legal representatives may in like manner grant and convey an exclusive right under his patent to the whole or any specified part of the United States. An assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from the date thereof. If any such assignment, grant or conveyance of any patent shall be acknowledged before any notary public of the several States or Territories or the District of Columbia, or any commissioner of the United States Circuit Court, or before any secretary of legation or consular officer authorized to administer oaths or perform notarial acts, under section seventeen hundred and fifty of the Revised Statutes, the certificate of such acknowledgment, under the hand and official seal of such notary or other officer, shall be prima facie evidence of the execution of such assignment, grant or conveyance.”¹

1. Sec. 4898, R. S. U. S., 3
Comp. Stat. 3387, 5 Fed. Stat. Ann.
531.

This section has been construed as being "confined to assignments, grants and conveyances of interests in patents after they are issued."²

There is no statutory provision requiring an assignment to be recorded in the Patent Office. Section 4898 of the Revised Statutes permits this to be done for the protection of the assignee against the subsequent bona fide purchaser or mortgagee.³

It was held in some of the earlier cases that a certified copy of the Patent Office record of an assignment of a patent was prima facie evidence of the genuineness of the instrument.⁴ The contrary doctrine is now established.⁵

§ 312. By the States.

A. RESTRAINTS UPON ALIENATION OF PATENT RIGHTS.

I. *By the imposition of a license tax.* A Kentucky statute imposing a license tax upon peddlers (the statute defining the word "peddlers" as including "all itinerant persons vending * * * patent rights") was held void upon the ground that such a tax was a tax upon the patent right which "cannot be taxed by a state."⁶

II. *By conditions imposed on particular transactions.* With respect to the validity of state laws requiring spe-

2. Blatchford, C. J., in Wright, Jr. v. Randel, 8 Fed. 591-599.

3. Wallace, J., in Mayor of New York v. American Cable Ry. Co., 60 Fed. Rep. 1016, 9 C. C. A. 336.

4. Lee v. Blandy, Fed. Case No. 8182, 1 Bond. 361; Dederick v. Agricultural Co., 26 Fed. 763; National Folding Box & Paper Co. v. American Paper Pail & Box Co., 55 Fed. 488.

5. Paine v. Trask, 56 Fed. 233,

5 C. C. A. 397; Mayor of New York v. American Cable Ry. Co., 60 Fed. 1016, 9 C. C. A. 336; Standard Elevator Co. v. Crane Elevator Co., 76 Fed. 767, 22 C. C. A. 549; International Tooth Crown Co. v. Bennett, 72 Fed. Rep. 169-170; National Cash Register Co. v. Navy Cash-Register Co., 99 Fed. 89.

6. Barr, J., In re Sheffield, 64 Fed. Rep. 833, 836.

cific formalities to attend the sale and conveyance of patent rights (such as the provision of the Laws of Kansas, 1889, chapter 182, compelling one selling a patent right in any county in the state to file with the clerk of such county an authenticated copy of the letters patent together with an affidavit of the genuineness of the letters patent,⁷ or imposing recitals in promissory notes given in payment for an assignment of rights under a patent (as the Arkansas Statute, Kirby's Dig., § 513),⁸ such laws are held by the United States Supreme Court, and the courts of several of the States to be a valid exercise of the police power;⁹ the reasoning of the United States Supreme Court being:

"We think the State has the power (certainly until Congress legislates upon the subject) with regard to the provision which shall accompany the sale or assignment of rights arising under a patent, to make reasonable regulations concerning the subject, calculated to protect its citizens from fraud. And we think Congress

7. *Allen v. Riley*, 203 U. S. 347, 51 L. Ed. 216.

8. *John Woods & Sons v. Carl*, 203 U. S. 358, 51 L. Ed. 219.

9. *John Woods & Sons v. Carl*, 203 U. S. 358, 51 L. Ed. 219, affirming, 75 Ark. 328, 87 S. W. 621; *Wyatt v. Wallace*, 67 Ark. 575, 55 S. W. 1105; *Tilson v. Gattling*, 60 Ark. 114, 29 S. W. 35; *Sandage v. Studabaker Bros. Mfg. Co.*, 142 Ind. 148, 41 N. E. 380, 51 Am. St. Rep. 165, 34 L. R. A. 363; *Mayfield v. Sears*, 133 Ind. 86, 32 N. E. 816; *Hankey v. Downey*, 116 Ind. 118, 18 N. E. 271, 1 L. R. A. 447; *New v. Walker*, 108 Ind. 365, 9 N. E. 386, 58 Am. Rep. 40; *Brechbill v. Randall*, 102 Ind. 528,

1 N. E. 362, 52 Am. Rep. 695 (overruling *Grover, etc., Sewing Mach. Co. v. Butler*, 53 Ind. 454, 21 Am. Rep. 200); *Mason v. McLeod*, 57 Kan. 105, 45 Pac. 76, 57 Am. St. Rep. 327, 41 L. R. A. 548; *Allen v. Riley*, 71 Kan. 378, 80 Pac. 952, 114 Am. St. Rep. 481 (affirmed in, 203 U. S. 347, 51 L. Ed. 216); *Nuhart v. Kubach*, 76 Kan. 154, 90 Pac. 796; *Pinney v. First National Bank*, 68 Kan. 223, 75 Pac. 119; *Herdic v. Roessler*, 109 N. Y. 127, 16 N. E. 198; *Tod v. Wick*, 36 Ohio St. 370; *Graham's Estate*, 14 Phila. 280; *Haskell v. Jones*, 86 Pa. 173; *Reeves v. Corning*, 51 Fed. 774.

has not so legislated by the provisions regarding an assignment contained in the act referred to.”¹⁰

The courts of other States have held such State legislation to be invalid.¹¹

B. RESTRAINTS UPON THE SALE OF PATENTED ARTICLES.

The fact that an article is manufactured under a patent does not exclude it from the taxing or licensing law of a State,¹² nor permit to be so sold within the State as against police statutes; such as a statute fixing the standard for illuminating oils.¹³

A statute of Arkansas (Act April 23, 1891, Sand. & H. Dig., §§ 493-496) providing that every negotiable instrument taken in payment for any patented machine, implement, substance, or instrument shall be executed upon a printed form showing upon its face that it was so taken, that no person shall be considered an innocent purchaser thereof though he may have given value for the same before maturity, the maker may interpose defense to the collection of the same in the hands of any holder, and that all such negotiable instruments not showing on their face for what they were given shall be absolutely void, and making the violation of the statute punishable by a fine has been adjudged to be void, the court observing:

10. Peckham, J., in *Allen v. Riley*, 203 U. S. 347, 355, 51 L. Ed. 216.

11. *Hollida v. Hunt*, 70 Ill. 109, 22 Am. Rep. 63; *People v. Russell*, 49 Mich. 617, 14 N. W. 568, 43 Am. Rep. 478, 25 Off. Gaz. 504; *Cansen v. Smith*, 37 Mich. 309, 26 Am. Rep. 514; *Crittenden v. White*, 23 Minn. 24, 23 Am. Rep. 676; *Wilch v. Phelps*, 14 Neb. 134, 15 N. W.

361; *State v. Lockwood*, 43 Wis. 403.

12. *Webber v. Virginia*, 103 U. S. 344, 26 L. Ed. 565. Contra, *State v. Butler*, 3 Lea (Tenn.) 222; *People v. Russell*, 49 Mich. 617, 14 N. W. 568, 43 Am. Rep. 478, 25 Off. Gaz. 504.

13. *Patterson v. Kentucky*, 97 U. S. 501, 24 L. Ed. 1115, affirming, *Patterson v. Com.*, 11 Bush. (Ky.) 311, 21 Am. Rep. 220.

“In the manufacture and sale of articles of commerce, the right to extend credit and to take negotiable paper which may readily be discounted and the proceeds turned back into the channels of the business, that its volume may be increased, is a valuable one, and is extensively and beneficially employed. That this right may, under an assumed exercise of the police power of a state, be denied those engaged in the manufacture and sale of articles covered by letters patent of the United States, and merely because of such fact, while its free exercise is permitted to all others, is inadmissible. With equal reason a state may destroy the negotiability of all notes taken by national banks, by other corporations organized under the laws of the United States, by citizens of other states, and in interstate commercial transactions, and may place all such notes in a special and discredited class for the better protection of its own citizens who may be the makers thereof. It is obvious that this cannot be done.”¹⁴ This ruling has been rendered obsolete by the later cases of the next section.

§ 313. The power of the State to regulate the sale of patent rights.

This topic was the subject of conflicting decisions from 1870¹⁵ to 1906¹⁶ when it was settled by the Supreme Court. The cause in which the two determining opinions were rendered originated in Kansas (71 Kan. 378, 80 Pac. Rep. 952) and Arkansas (75 Ark. 328, 875 S. W. Rep. 621) respectively. The Kansas Statute, §§ 4356, 4357 and 4358, Kansas General Statutes 1901, provided as follows:

14. Hook, J., in *Ozan Lumber Co. v. Union County National Bank*, 145 Fed. 344, 348, 76 C. C. A. 218.

15. *Ex parte Robinson*, 4 Fisher 186, Fed. Case 11,932.

16. *Allen v. Riley*, 203 U. S. 347, 51 L. Ed. 216; and *John Woods & Sons v. Carl*, 203 U. S. 358, 51 L. Ed. 219. See the note to *Com. v. Petty*, 96 Ky. 452, 29 L. R. A. 786.

“§ 1. It shall be unlawful for any person to sell or barter, or offer to sell or barter, any patent right, or any right which such person shall allege to be a patent right, in any county within this state, without first filing with the clerk of the district court of such county copies of the letters patent, duly authenticated, and at the same time swearing or affirming to an affidavit before such clerk that such letters patent are genuine, and have not been revoked or annulled, and that he has full authority to sell or barter the right so patented; which affidavit shall also set forth his name, age, occupation, and residence; and if an agent, the name, occupation, and residence of his principal. A copy of this affidavit shall be filed in the office of said clerk, and said clerk shall give a copy of said affidavit to the applicant, who shall exhibit the same to any person on demand.

“§ 2. Any person who may take any obligation in writing for which any patent right, or right claimed by him or her to be a patent right, shall form a whole or any part of the consideration, shall, before it is signed by the maker or makers, insert in the body of said written obligation, above the signature of said maker, or makers, in legible writing or print, the words, ‘Given for a patent right.’

“§ 3. Any person who shall sell or barter, or offer to sell or barter, within this State, or shall take any obligation or promise in writing for a patent right, or for what he may call a patent right, without complying with the requirements of this act, or shall refuse to exhibit the certificate when demanded, shall be deemed guilty of a misdemeanor, and on conviction thereof before any court of competent jurisdiction shall be fined in any sum not exceeding \$1000, or be imprisoned in the jail of the proper county not more than six months, at the discretion of the court or jury trying the same, and

shall be liable to the party injured in a civil action for any damages sustained.”¹⁷

The court gives a review of the decisions of the State Courts of Kansas, Indiana, Ohio, Pennsylvania, Arkansas, Tennessee, Illinois, Michigan, Nebraska and Wisconsin, and concludes (Mr. Justice White and Mr. Justice Day dissenting):

“If there is a special evil, unusually frequent and easily perpetrated when parties are dealing in the sale of rights existing or claimed to exist under a patent, we do not see why a State may not, in the bona fide exercise of its powers, enact some special statutory provision which may tend to arrest such evil, and may omit to enact the same provision concerning the disposal of other property. There is no discrimination which can be properly so called against property in patent rights, exercised in such legislation. It is simply an attempt to protect the citizen against frauds and impositions which can be more readily perpetrated in such cases than in cases of the sale or assignment of ordinary property.

“The act must be a reasonable and fair exercise of the power of the State for the purpose of checking a well-known evil, and to prevent, so far as possible, fraud and imposition in regard to the sale of rights under patents. Possibly Congress might enact a statute which would take away from the states any power to legislate upon the subject, but it has not as yet done so. It has simply provided that every patent, or interest therein, shall be assignable in writing, leaving to the various states the power to provide for the safeguarding of the interests of those dealing with the assumed owner of a patent, or his assignee. To deal with that subject has been the

17. *Allen v. Riley*, 203 U. S. 347, 51 L. Ed. 216, 217.

purpose of the acts passed by the various states, among them that of the State of Kansas, and we think that it was within the power of the State to enact such statute. The expense of filing copies of the patent and the making of affidavits in the various counties of the State in which the owner of the rights desired to deal with them is not so great, in our judgment, as to be regarded as oppressive or unreasonable, and we fail to find any other part of the act which may be so regarded. Some fair latitude must be allowed the States in the exercise of their powers on this subject. It will not do to tie them up so carefully that they cannot move, unless the idea is that the states have positively no power whatever on the subject. This we do not believe; at any rate, in the absence of congressional legislation. The mere provision in the Federal statute for an assignment and its record as against subsequent purchasers, etc., is not such legislation as takes away the rights of the states to legislate on the subject themselves in a manner neither inconsistent with, nor opposed to, the Federal statute.”¹⁸

In the second case the statute was the Kansas Act of April 23, 1891, Kirby's Dig., § 513. It is as follows:

“§ 513. Any vendor of any patented machine, implement, substance, or instrument of any kind or character whatsoever, when the said vendor of the same effects the sale of the same to any citizen of the State on a credit, and takes any character of negotiable instrument in payment of the same, the said negotiable instrument shall be executed on a printed form, and show upon its face that it was executed in consideration of a patented machine, implement, substance, or instrument, as the case may be, and no person shall be considered an innocent holder of the same, though he may have given

18. Mr. Justice Peckham, in *Allen v. Riley*, 203 U. S. 347, 356, 51 L. Ed. 216, 219.

value for the same before maturity, and the maker thereof may make defense to the collection of the same in the hands of any holder of said negotiable instrument, and all such notes not showing on their face for what they were given shall be absolutely void.”¹⁹

The judgment of the Supreme Court in this case was unanimous save for the dissent of Mr. Justice Day. It said:

“The sole question involved is the validity of the statute. * * * This case is governed by the immediately preceding one (just cited), although the statute of Arkansas renders the note void if given for a patent right if the note does not show on its face for what it was given. The difference is not so material as to call for a different decision.”²⁰

§ 314. Restrictions imposed upon the sale of patented articles.

1. *The nature of the right to impose restrictions.* In *Wilson v. Rousseau*²¹ the distinction was drawn “between the grant of the right to make and vend the machine, and the grant of the right to use it.”²² Following that decision, the Supreme Court pointed out that the purchaser of the right to make or vend “buys a portion of the franchise which the patent confers. He obtains a share in the monopoly, and that monopoly is derived from, and exercised under, the protection of the United States. * * * But the purchase of the implement or machine for the purpose of using it in the ordinary pursuits of life, stands on different ground. In using it, he exercises no rights created by the Act of Congress, nor does he derive title to it by virtue of the

19. *John Woods & Sons v. Carl*, 203 U. S. 358, 359, 51 L. Ed. 219, 220.

U. S. 358, 359, 51 L. Ed. 219, 220.

21. 4 How. 688.

20. Mr. Justice Peckham, in *John Woods & Sons v. Carl*, 203

22. Mr. Chief Justice Taney, in *Bloomer v. McQuewan*, 14 How. 539, 549, 14 L. Ed. 532, 537.

franchise or exclusive privilege granted to the patentee. The inventor might lawfully sell it to him, whether he had a patent or not, if no other patentee stood in his way. And when the machine passes to the hands of the purchaser, it is no longer within the limits of the monopoly. It passes outside of it, and is no longer under the protection of the Act of Congress.”²³

But to pass out of “the limits of the monopoly” the conveyance must have been unconditional and unrestricted, (a) as to the use to which the patented article may be put by the vendee, (b) as to the question of resale by the vendee. It is obvious that such a conveyance may be voluntary or involuntary. A conveyance of the former class is effected whenever the patented article is sold unaccompanied by any stipulation limiting its use or resale. A conveyance of the latter class exists wherever title is passed by process of law, free from such stipulation; as where a patented device is sold under execution.²⁴

But where the conveyance is not unconditional, the subject of the sale does not pass out of the scope of the rights created by the grant of the patent; and the restriction will attend the subject-matter so long as the restriction is not withdrawn by the act of the vendor, or the expiration of the patent. The rule is admirably expressed by Judge Acheson as follows: “The lawful sale of a patented machine takes it out of the monopoly, either altogether or *pro tanto*, according to the nature of the contract.”²⁵

23. *Ibid.* at p. 549.

25. *Wilder v. Kent*, 15 Fed.

24. *Wilder v. Kent*, 15 Fed. Rep. 217, 219.
Rep. 217.

§ 315. Restrictions as to resale.

The owner of a patent has the right to sell the articles made under the patent with the restriction and upon the condition that they shall only be resold at a certain price.²⁶ Dealers buying the articles from the original purchaser with notice of such restrictions and conditions are bound thereby, and render themselves liable as infringers.²⁷

For a time, this question was in doubt. The United States Supreme Court has said: "Whether a patentee may protect himself and his assignees by special contracts brought home to the purchasers is not a question before us, and upon which we express no opinion. It is, however, obvious that such a question would arise as a question of contract, and not as one under the inherent meaning and effect of the patent laws."²⁸

The last sentence in the foregoing paragraph is couched in general terms, but has been clearly interpreted by Judge Lowell as follows: "If the last sentence means that the special contracts alluded to can be enforced only like any other contract, viz., by an action at law for a breach, or by a bill in equity for specific performance, the dictum disposes of the case at bar. But it is not clear that the Supreme Court meant to exclude the possibility of a contract so drawn that by virtue of a special stipulation therein contained a breach of the contract should, in and of itself, make the wrongdoer an infringer, who could be proceeded against under the patent laws."²⁹

An opinion of Judge Baker has given additional aid in fixing the relative status of the contract and the tort in cases of the class under discussion.

26. Edison Phonograph Co v. Kaufmann, 105 Fed. Rep. 960.

27. Edison Phonograph Co. v. Kaufmann, 105 Fed. Rep. 960.

28. Keeler v. Folding Bed Co., 157 U. S. 666, 39 L. Ed. 848.

29. Edison Phonograph Co. v. Pike, 116 Fed. Rep. 863, 865.

“When a contract is made respecting a right under a patent, and the parties get into a litigation, confusion has sometimes arisen over the question whether the cause of action originates in the contract or in the patent laws. The test is this: If the plaintiff is seeking a judgment for debt or damages, or a decree for cancellation or specific performance, on account of the defendant’s breach of his covenants, the cause of action arises out of the contract; and, though the determination of the issue of breach or no breach may involve the interpretation of the patent and of the prior art, the insistence of the defendant that his device, according to the true construction of the patent and of the prior art, is not within the patent right granted him in the contract, cannot change the nature of the action. On the other hand, if the plaintiff is seeking a judgment for damages, or a decree for an injunction and an accounting, on account of the defendant’s unauthorized use of the patent right in making or using or selling the device without license, the cause of action arises out of the patent laws; and, though the determination of the issue of infringement or no infringement may involve the interpretation of the contract, the insistence of the defendant that his act was within his rights under the contract, if properly construed, cannot change the nature of the action.”³⁰

In conformity with the principles thus established it has been held that a dealer may be enjoined as an infringer, where, in violation of a contract with the patentee, he sells to other dealers who have not signed an agreement to maintain prices.³¹

30. Victor Talking Machine Co. v. The Fair, 123 Fed. Rep. 424, 425, 61 C. C. A. 58.

31. National Phonograph Co. v. Schlegel, 128 Fed. Rep. 733, 736, 64 C. C. A. 594, reversing, 117 Fed. Rep. 624.

§ 316. Who may impose the restriction as to resale.

It has been held that the right to attach price conditions as to resale to the patented article exists solely in the owner of the patent. "The right of the licensee to restrict the future selling price must find its warrant, if any exists, in a grant of authority by the owner of the patent, and, if no such grant has been proved, the licensee's right to restrict cannot be implied."³² Accordingly such a restriction cannot be imposed by one who has merely an exclusive license to sell.

§ 317. Who liable for infringement by breach of restriction as to price upon resale.

The immediate purchaser is liable as an infringer when guilty of a sale outside the price restriction;³³ the vendee of the immediate purchaser is an infringer if he buys with notice of the restriction;³⁴ when such infringement "is brought about by concert of action between a defendant and complainant's licensee, all engaged directly and intentionally become joint infringers."³⁵

§ 318. Restrictions of the selling price of patented articles in their relation to the Sherman Act.

The "Act to Protect Trade and Commerce against Unlawful Restraints and Monopolies" (26 Stat. at L. 209), commonly known as the Sherman Anti-Trust Act, has been invoked as a defense to an action founded upon a contract fixing the price at which a patented article was

32. Robert H. Ingersoll & Bro. v. Snellenberg, 147 Fed. Rep. 522.

33. New Jersey Patent Co. v. Schaeffer, 159 Fed. Rep. 171, 173; National Phonograph Co. v. Schlegel, 128 Fed. Rep. 733, 64 C. A. 594; Victor Talking Machine

Co. v. The Fair, 123 Fed. Rep. 424, 61 C. C. A. 58.

34. Edison Phonograph Co. v. Kaufmann, 105 Fed. Rep. 960.

35. Holland, J., in New Jersey Patent Co. v. Schaeffer, 159 Fed. Rep. 171, 173.

to be sold, and it was held that, generally, "any one sued upon a contract may set up as a defense that it is a violation of the Act of Congress, and, if found to be so, that fact will constitute a good defense to the action."³⁶ In the principal case upon this defense, Mr. Justice Peckham said, "that statute clearly does not refer to that kind of a restraint of interstate commerce which may arise from reasonable and legal conditions imposed upon the assignee or licensee of a patent by the owner thereof, restricting the terms upon which the article may be used and the price to be demanded therefor. Such a construction of the Act, we have no doubt, was never contemplated by its framers."³⁷ But the opinion in which this dictum occurs expressly refrains from discussing whether "a combination of most, if not all, of the persons or corporations engaged in the business" (in common parlance, the modern trust combination), formed upon a basis of such contracts, might come within the condemnation of the Sherman Act;³⁸ As the Circuit Court of Appeals of the Seventh Circuit has said, "the question was expressly excepted from the decision,"³⁹ and to that question the latter court has contributed a keenly reasoned opinion. The majority opinion says: "The Sherman law contains no reference to the patent law. Each was passed under a separate and distinct constitutional grant of power; each was passed professedly to advantage the public; the necessary implication is not that one iota was taken away from the patent law; the necessary implication is that patented

36. *E. Bement & Sons v. National Harrow Co.*, 186 U. S. 70, 88, 46 L. Ed. 1058.

37. *E. Bement & Sons v. National Harrow Co.*, 186 U. S. 70, 92, 46 L. Ed. 1058, 1069.

38. *E. Bement & Sons v. National Harrow Co.*, 186 U. S. 70, 94, 95, 46 L. Ed. 1058, 1070.

39. *Baker, J., in Rubber Tire Wheel Co. v. Milwaukee Rubber Works Co.*, 154 Fed. Rep. 358, 362, 83 C. C. A. 336.

articles, unless or until they are released by the owner of the patent from the dominion of his monopoly, are not articles of trade or commerce among the several states. The evils to be remedied by the Sherman law are well understood. Articles in which the people are entitled to freedom of trade were being taken as the subjects of monopoly; instrumentalities of commerce between which the people are entitled to free competition were being combined. The means of effecting and the form of the combination are immaterial; the result is the criterion. The true test of violation of the Sherman law is whether the people are injured, whether they are deprived of something to which they have a right."⁴⁰

Judge Grosscup's dissent from these views was predicated upon the fact that he was "not prepared to hold that patented articles are never, under any circumstances, articles of trade or commerce among the several states within the meaning of the Sherman Act."⁴¹ A petition for *certiorari*, to review the decision just referred to, was granted by the Supreme Court.⁴² Thereafter the cause was dismissed in that court on stipulation.⁴³ This dismissal would seem to be indicative of the gravity, importance and doubt attending the question under discussion. In the writer's mind there is no doubt that restrictions as to price, if entered into with patents of a scope adequate to cover the whole structure produced and dealt in, are a legitimate and necessary outgrowth of our patent laws and modern industrial conditions. The reasoning of the majority opinion of the Seventh Circuit Court of Appeals is in harmony with the

40. Rubber Tire Wheel Co. v. Milwaukee Rubber Works Co., 154 Fed. Rep. 358, 362, 83 C. C. A. 336.

41. *Ibid*, 154 Fed. Rep. at p. 364.

42. Milwaukee Rubber Works Co. v. Rubber Tire Wheel Co., 207 U. S. 589, 52 L. Ed. 354.

43. Milwaukee Rubber Works Co. v. Rubber Tire Wheel Co., 210 U. S. 439, 52 L. Ed. 1138.

well-settled theory of the patent franchise. Whether the franchise be called a "monopoly" or "merely the right to exclude others from making, using and vending," the absolute right of the patentee and his assigns to enjoy that franchise by refusing to exercise it at all during the life of the patent must continue to be recognized, if our patent system is to be maintained. Any departure from this fundamental principle would be subversive of that system.⁴⁴ Granted this premise, does it not follow that the patentee and his assigns or licensees have the absolute right to fix upon any price they choose, reasonable or unreasonable, for the patented article? If the invention is of enough importance to cover an entire industry, the profit that can be made from it is the consideration which the inventor has received from the public for the disclosure made in his application. The public is to secure its reward for all time, after the patent expires. In the meanwhile, the franchise ought to be held sacredly inviolate. If it may be held and enjoyed in absolute non-user, what possible theory can justify a judicial examination of the number of licensees, the places where they are domiciled, and whether their traffic is interstate or intrastate, or whether the price at which they offer specimens of the thing patented be reasonable or unreasonable? These thoughts are suggested by the language of that part of Judge Grosscup's concurring opinion which says "so long * * * as the patentee is not exacting, as the value of his invention, an *unreasonable* sum * * * it is within his own right to say whether the price exacted should be retained by himself, or shall be distributed among the people manufacturing for him."⁴⁵ Under our patent system the in-

44. Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U. S. 405, 429, 52 L. Ed. 1122, 1132.

45. Rubber Tire Wheel Co. v. Milwaukee Rubber Works Co., 154 Fed. Rep. 358, 365, 83 C. C. A. 336.

ventor is entitled to ask his own price and the suggestion of the possibility of subjecting that price to judicial review is deemed worthy of special mention. The objectionable word occurs in a mere dictum.

§ 319. Can the price restriction extend to the purchasing public?

In the concluding sentence of one of the opinions we have referred to, Judge Baker says: "It is perhaps needless to observe that what the rights of the public who purchase (talking machines) at \$25 may be with respect to reselling is a question not involved."⁴⁶

The reported cases have all had to do with the regulation of prices among dealers. What of the consumer, who purchases for his own use and subsequently desires to sell? What of involuntary sales, under execution or in bankruptcy? These are problems to be answered in the future, and they suggest situations hard to pass upon. There will have to be relaxation from the restricted price, for example, when the deterioration of the article from age or wear render a sale at the restricted price impossible. The reasonableness of enforcing the price restriction under such circumstances, will have to be subjected to judicial review. A sale in assignment proceedings or in bankruptcy might be impossible if the purchasers would be liable as infringers if they resold at a price below the one restricted.

§ 320. Restrictions as to the materials to be used with the patented machine.

These restrictions, as in the case of restrictions as to price, seem to be validated by the dictum of the Supreme Court announcing that "any conditions which are not

46. Victor Talking Machine Co.,
v. The Fair, 123 Fed. Rep. 424.
427, 61 C. C. A. 58.

in their very nature illegal with regard to this kind of property, imposed by the patentee and agreed to by the licensee for the right to manufacture or use or sell the article, will be upheld by the courts."⁴⁷

The right of the authorized manufacturer of the patented article to impress upon the article, by contract; or by notice affixed to the machine, a restriction that it shall be used only with material furnished by the manufacturer, has been affirmed repeatedly, in cases where the defendant offers the material to the user of the article, with knowledge of the restriction, and is held liable as a contributory infringer.⁴⁸

Therefore a quasi-public corporation, cannot exclude persons from its service upon the ground that it is operating under a patent as a licensee, and the terms of the license prohibit it from furnishing the service to specific persons or classes of persons. This has been held in the case of public telephone companies, where the license prohibited them from serving any telegraph company. They were compelled, by mandamus, to extend their service to any one within the district served by them, on request and the payment of their established

47. *Bement & Sons v. National Harrow Co.*, 186 U. S. 70, 46 L. Ed. 1068, quoted with approval in *Cortelyou v. Johnson*, 207 U. S. 196, 199.

48. *Heaton-Peninsular Button Fastener Co. v. Eureka Specialty Co.*, 77 Fed. Rep. 288, 25 C. C. A. 267, 35 L. R. A. 728; reversing 65 Fed. Rep. 619; *Tubular Rivet & Stud Co. v. O'Brien*, 93 Fed. Rep. 200; *Cortelyou v. Lowe*, 111 Fed. Rep. 1005, 49 C. C. A. 671; *Cortelyou v. Lowe*, 114 Fed. Rep. 1021; *Cortelyou v. Carter's Ink Co.*, 118 Fed. Rep. 1022; *Brodrick*

Copygraph Co. v. Roper, 124 Fed. Rep. 1019; *Rupp & Wittgenfeld Co. v. Elliott*, 131 Fed. Rep. 730, 65 C. C. A. 544; *Brodrick Copygraph Co. v. Mayhew*, 131 Fed. Rep. 92, affirmed in, *Mayhew v. Brodrick Copygraph Co.*, 137 Fed. Rep. 596, 70 C. C. A. 557; *Cortelyou v. Johnson*, 138 Fed. Rep. 110, reversed on ground that notice of restriction not proven, in *Cortelyou v. Johnson*, 145 Fed. Rep. 933, 76 C. C. A. 455, the later decision affirmed in, *Cortelyou v. Johnson*, 207 U. S. 196, 52 L. Ed. 167.

charges.⁴⁹ Of these cases Judge Lurton has said: "The conclusion to be drawn from these telephone cases is this: That when a patentee authorizes the use of his invention by one charged with public duties; and subject to regulation by law, it is not competent, by a restriction on the use, to deprive the licensee of the power of rendering an equal service to all who apply and tender the compensation fixed by law or regulation for the same service to others. The patentees were under no obligation to license the use of their inventions by any public telephone company. Having done so, however, they were not at liberty to place restraints upon such a public corporation which would disable it from the discharge of all the duties imposed upon companies engaged in the discharge of duties subject to regulation by law. It could not be a public telephone company, and could not exercise the franchise of a common carrier of messages, with such exceptions in the grant; the exception being repugnant to the grant, was void; and the rights acquired under the grant were enforced against the grantor, without regard to the exception or condition. Neither the patentee, nor the machine involving his invention, nor a license for use, can be exempted from the liabilities and regulations which, in the public interest, attach to all persons and property under the general law of the land."⁵⁰

These cases of restriction must be carefully distinguished from cases of outright sale. In the latter class of cases the article passes out from the monopoly of the patent, even though there is an "understanding" that an

49. State ex rel. Missouri v. Bell Tel. Co., 23 Fed. Rep. 539; State ex rel. Delaware v. Delaware & A. Tel. Co., 47 Fed. Rep. 633.

50. Heaton-Peninsular Button Fastener Co. v. Eureka Specialty Co., 77 Fed. Rep. 288, 293, 25 C. A. 267.

article is made an element of the patent, which it is the object of the machine to deliver and destroy in delivering, as the instance of a fixture for toilet paper.⁵¹

§ 321. Restrictions as to use may be void as against public policy.

As stated by Judge Lurton: "We are not at all prepared to say that there are no limitations upon a patentee's power of contract with reference to the use of his invention by others. The property right of a patentee is, after all, but a property right, and subject, as is all other property, to the general law of the land. We may also concede that contracts respecting the use of inventions and discoveries are, like all other contracts, subject to the limitations imposed by definite principles of public policy."⁵²

§ 322. Restrictions as to place of use.

Restrictions as to the place in which the patented article is to be used have been uniformly held valid. "Limitations in respect to territorial limits, extent of use, and the like, may be, and in general are, provided by express terms or stipulations."⁵³ As to the breach of such a restriction the general rule applies that the licensee exceeding his license may be sued in contract, for breach of the licensing agreement, or in tort, as an infringer.⁵⁴

51. *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.*, 152 U. S. 425, 38 L. Ed. 500; *Thomson-Houston Electric Co. v. Ohio Brass Co.*, 80 Fed. Rep. 712, 26 C. C. A. 107; *Rupp & Wittgenfeld Co. v. Elliott*, 131 Fed. Rep. 730, 732, 65 C. C. A. 544.

52. *Heaton-Peninsular Button Fastener Co. v. Eureka Specialty Co.*, 77 Fed. Rep. 288, 292, 25 C. C. A. 267.

53. *Steam Cutter Co. v. Sheldon*, 5 Fisher 477, 484, Fed. Case No. 13,331.

54. *Pope Mfg. Co. v. Owsley*, 27 Fed. Rep. 100, 37 Off. Gaz. 781.

CHAPTER XV.

REMEDIES AND PRACTICE.

§ 323. State and Federal jurisdiction.

In this branch of our subject we will, for convenience, follow the order in which the questions discussed arise in office or court practice. The owner of a patent, or some right under a patent, having discovered what he regards as a breach of his rights, the first question to be determined is the form in which to proceed. Without entering upon a consideration of the general subject of the jurisdiction of the Federal courts, it is first to be noted that by § 629, R. S. U. S., the Circuit Courts were given original jurisdiction of all suits at law or in equity arising under the patent laws of the United States, and § 711, R. S. U. S., gives the courts of the United States jurisdiction, exclusive of the courts of the several states, in all cases arising under the patent laws of the United States. The jurisdiction formerly vested in the Circuit Courts has been transferred to the District Courts by the Act of March 3, 1911,¹ called The Judicial Code.

This jurisdiction obtains regardless of the citizenship of the parties,² or the amount in controversy;³ and the same jurisdiction is vested in the District Courts of the Territories of the United States,⁴ and in the Supreme Court of the District of Columbia.⁵

1. See Appendix.

2. *Campbell v. James*, 2 Fed. Rep. 338; *Fischer v. Neil*, 6 Fed. Rep. 89; *Duke v. Graham*, 19 Fed. Rep. 647.

3. *St. Paul Plow Works v. Starling*, 127 U. S. 376, 32 L. Ed. 251.

4. §§ 1910, 1911, R. S. U. S.

5. §§ 760 and 764, Revised Statutes relating to the District of Columbia. See, also, § 699, R. S. U. S., and *Cochrane v. Deener*, 94 U. S. 780, 24 L. Ed. 139.

§ 324. What are "Cases arising under the Patent Laws?"

This question may as well be approached from the negative side. A bill to subject Letters Patent to an execution is not a case arising under the patent laws,⁶ and the same ruling has been made in the following cases: A suit to enforce or rescind a licensing contract,⁷ for breach of contract between assignor and assignee;⁸ for royalties;⁹ to cancel an alleged fraudulent or forged assignment of a patent;¹⁰ to set aside a contract licensing the use of a patented machine;¹¹ for the specific performance or rescission of a contract for the use or sale of a patent.¹²

Yet many cases where the interpretation of a contract was involved have been held to be cases arising under the patent laws, and the distinction has been thus pointed out:

"When a contract is made respecting a right under a patent, and the parties get into litigation, confusion has sometimes arisen over the question whether the cause of action originates in the contract or in the patent laws. The test is this: If the plaintiff is seeking a judgment for debt or damages, or a decree for cancellation or specific performance, on account of the defendant's breach of his covenants, the cause of action arises out of the contract; and, though the determination of the issue of breach or no breach may involve the interpretation of

6. Ryan v. Lee, 10 Fed. Rep. 917.

7. Hartell v. Tilghman, 99 U. S. 547, 25 L. Ed. 357; Dale Tile Mfg. Co. v. Hyatt, 125 U. S. 46, 31 L. Ed. 683; Hammacher v. Wilson, 26 Fed. Rep. 239.

8. Williams v. Star Sand Co., 85 Fed. Rep. 369.

9. Albright v. Teas, 106 U. S. 613, 27 L. Ed. 295.

10. Kurtz v. Strauss, 106 Fed. Rep. 414, 45 C. C. A. 366.

11. Wilson v. Sanford, 10 How. 99, 13 L. Ed. 344.

12. St. Louis Street Flushing Mach. Co. v. Sanitary Street Flushing Mach. Co., 161 Fed. Rep. 725, 88 C. C. A. 585.

the patent and of the prior art, the insistence of the defendant that his device is not within the patent right granted him in the contract, cannot change the nature of the action. On the other hand, if the plaintiff is seeking a judgment for damages, or a decree for an injunction and an accounting, on account of the defendant's unauthorized use of the patent right in making or using or selling the device without license, the cause of action arises out of the patent laws; and, though the determination of the issue of infringement or no infringement may involve the interpretation of the contract, the insistence of the defendant that his act was within his rights under the contract, if properly construed, cannot change the nature of the action. We think the rule as stated is clearly deducible from the authorities." ¹³

The place of bringing suit, and the manner of service, in suits for patent infringement, is provided by the Act of March 3, 1897, 29 Stat. at L. 695, now the Judicial Code, ch. 4, § 48, as follows: "That in suits brought for the infringement of letters patent the Circuit (now the District) Courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged

13. Baker, J., in *Victor Talking Mach. Co. v. The Fair*, 123 Fed. Rep. 424, 425, 61 C. C. A. 58.

in conducting such business in the district in which suit is brought.”

The benefit of these provisions may be waived by the defendant. The District Courts of the United States have full jurisdiction over patent cases, as to subject-matter. “The limitation as to the district of residence of the defendant, or of place of business and acts of infringement, relates merely to the place of suit, and may be waived.”¹⁴ The privilege conferred by this act is personal, and is waived by a general appearance, or by failure to urge it on first appearing.¹⁵

The agency which will justify service must be in connection with the “regular and established place of business” specified by the act. So where a state statute (as the Pennsylvania statute of April 22, 1874) requires the foreign corporation to designate an agent within the State, service upon the agent so designated is unavailing, and will be set aside upon motion, where the corporation has no such place of business within the district.¹⁶

Where the defendant has an established and regular place of business within the district, the act of infringement must be shown to have occurred there. In the case of an inhabitant of the district, it is sometimes sufficient to show threats of infringement, or a state of facts indicating that unless the defendant is enjoined the infringement will be committed; but not so as to the foreign corporation, even though its place of business within the district is “regular and established.” Unless the making, use, or sale is done within the district, service cannot be had. Its representatives may enter into negotiations within the district for the sale of infringing de-

14. Wheeler, J., in *General Elec. Co. v. Wagner Elec. Mfg. Co.*, 123 Fed. Rep. 101, 103.

15. *United States Cons. Seeded Raisin Co. v. Phoenix Raisin*

Seeding & Packing Co., 124 Fed. Rep. 234.

16. *United States Gramophone Co. v. Columbia Phonograph Co.*, 106 Fed. Rep. 220.

vices, but if they merely forward offers to the office of the corporation outside the district, which offers are there accepted and delivery made, that is not a sale within the district, and the court is without jurisdiction.¹⁷ Not so when the sale is consummated within the district, by contract executed by the agent, even though the shipment is made from an office of the corporation outside the district.¹⁸

There is a "regular and established" place of business established by a contract between a foreign corporation defendant and its co-defendant, an inhabitant of the district, where such co-defendant has the exclusive territorial right of sale on a basis of discount from the lowest catalogue selling price, with the privilege of returning unsold merchandise.¹⁹

But service cannot be sustained where made on the alleged agent of a foreign corporation which has abandoned its place of business in the district before the service is made, although the infringement was committed in the district, and it had such place of business there at the time of the commission of the infringement.²⁰

A regular and established place of business within the district does not suffice, alone, to give jurisdiction, nor does the fact of infringement, alone; both must concur.²¹

17. Westinghouse Elec. & Mfg. Co. v. Stanley Elec. Mfg. Co., 116 Fed. Rep. 641.

18. Chicago Pneumatic Tool Co. v. Philadelphia Pneumatic Tool Co., 118 Fed. Rep. 852.

19. Thomson-Houston Elec. Co. v. Bullock Elec. Co., 101 Fed. Rep. 588.

20. Feder v. A. B. Fiedler & Sons Co., 116 Fed. Rep. 378.

21. Bowers v. Atlantic, Gulf & Pacific Co., 104 Fed. Rep. 887; Shaw v. American Tobacco Co., 108 Fed. Rep. 842, 48 C. C. A. 68; Forrest v. Pittsburgh Bridge Co., 116 Fed. Rep. 357; Feder v. A. B. Fiedler & Sons, 116 Fed. Rep. 378, 379; Underwood Typewriter Co. v. Fox Typewriter Co., 158 Fed. Rep. 476.

The question of the sufficiency of service under this act may be raised either by motion to set aside the service,²² or where proof is necessary to establish the facts, by plea to the jurisdiction;²³ or by special answer.²⁴ It cannot be raised by demurrer,²⁵ and can only be raised by entering a special appearance, as general appearance is a waiver of the point.²⁶

§ 325. The action at law.

The action on the case is prescribed as the form of action at law for the recovery of damages for patent infringement.

“§ 4919, R. S. U. S. Damages for the infringement of any patent may be recovered by action on the case, in the name of the party interested, either as patentee, assignee, or grantee. And whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment thereon for any sum above the amount found by the verdict as the actual damage sustained, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.”

The action at law has its advantages from the plaintiff's standpoint, chief of which is the conclusiveness of the verdict, and not the least of which is its great economy of cost as compared with suits in equity. As a suit

22. United States Gramophone Co. v. Columbia Phonograph Co., 106 Fed. Rep. 220; Feder v. A. B. Fiedler & Sons, 116 Fed. Rep. 378.

23. Feder v. A. B. Fiedler & Sons, 116 Fed. Rep. 378; Westinghouse Air Brake Co. v. Christensen Engineering Co., 126 Fed. Rep. 764.

24. Westinghouse Air Brake Co. v. Christensen Engineering Co., 126 Fed. Rep. 764.

25. Westinghouse Air Brake Co. v. Christensen Engineering Co., 126 Fed. Rep. 764.

26. United States Gramophone Co. v. Columbia Phonograph Co., 106 Fed. Rep. 220.

in equity cannot be brought upon an expired patent, the action at law is the only action which will lie after the expiration of the patent, for the recovery of damages for infringement.

§ 326. Who may sue.

The suit must be brought by the party in interest in his own name,²⁷ but it suffices if the plaintiff was sufficiently interested at the time of the commission of the infringement.²⁸ A married woman may sue for patent infringement without joining her husband.²⁹ The holder of the legal title may sue, notwithstanding he has executed an agreement to assign.³⁰

§ 327. Defendants in the action at law.

There are created by the grant the several rights of making, using and vending, and an action at law will lie for the damages occasioned by the invasion of either of these rights.³¹ The injury thus actionable is a tort,³² and the general rules as to the joinder of parties defendant obtain that are established as to joint tortfeasors generally.

The plaintiff, under these general rules, has it within his election to proceed against either or all of the joint tortfeasors, collectively or in several suits. Their status is determined by their participation in the infringing acts, and they are still joint tortfeasors though some of them have merely used or sold, while others of them

27. *Goldsmith v. American Paper Collar Co.*, 2 Fed. Rep. 239; *Lorillard v. Standard Oil Co.*, 2 Fed. Rep. 902.

28. *Moore v. Marsh*, 74 U. S. (7 Wall.) 515, 19 L. Ed. 37; *Spring v. Domestic Sewing Co.*, 13 Fed. Rep. 446.

29. *Lorillard v. Standard Oil Co.*, 2 Fed. Rep. 902.

30. *Park v. Little*, 3 Wash. 196, Fed. Case No. 10,715; *Graham v. McCormick*, 11 Fed. Rep. 859.

31. *Haselden v. Ogden*, 3 Fisher 378, Fed. Case 6190.

32. *Jennings v. Dolan*, 29 Fed. Rep. 861, 862.

have manufactured, the infringing subject-matter. "Such torts are both joint and several, and those who commit them are liable jointly or severally. There may be several judgments, but only one satisfaction."³³

The suit for the recovery of damages may be maintained by a plaintiff who has conveyed his interest in the patent before the suit is filed.³⁴ The right to the recovery of past damages is not conveyed by an assignment of the Letters Patent; it must be expressly conveyed either by express words in the assignment, or by a separate conveyance. In the absence of such an explicit transfer, the holder of the legal title to the patent cannot recover damages for past infringement.³⁵

A licensee cannot maintain an action for infringement,³⁶ and a conveyance of but one of several claims of a patent (probably, of any number of claims less than the whole) is merely a license and not an assignment which will enable the grantee to sue for infringement.³⁷

§ 328. Liability of officers, directors and stockholders of corporations for infringement by the corporation.

From an early day, the decisions as to the liability of officers, directors and stockholders of corporations for infringements committed by the corporation was involv-

33. Wheeler, J., in Jennings v. Dolan, 29 Fed. Rep. 861, 862, following Lovejoy v. Murray, 3 Wall. 1, 18 L. Ed. 129; Birdsell v. Shaliol, 112 U. S. 485, 28 L. Ed. 768.

34. Spring v. Domestic Sewing Machine Co., 13 Fed. Rep. 446.

35. Emerson v. Hubbard, 34 Fed. Rep. 327; Jones v. Berger, 58 Fed. Rep. 1006; Matheson v.

Campbell, 69 Fed. Rep. 597; Gordon v. Anthony, 16 Blatchf. 234, Fed. Case No. 5605.

36. Gayler v. Wilder, 51 U. S. (10 How.) 477, 494, 13 L. Ed. 504, 511; Waterman v. Mackenzie, 138 U. S. 252, 34 L. Ed. 923.

37. Pope Mfg. Co. v. Gormully & Jeffrey Mfg. Co., 144 U. S. 248, 36 L. Ed. 423.

ed in doubt and conflict.³⁸ As Judge Lowell has pointed out, "most of the decisions rendered are doubtless correct, but the language of the opinions is sometimes irreconcilable, and often goes further than was required by the facts under consideration."³⁹

In the study of the cases bearing upon this subject, it has seemed to the writer that the courts have either disregarded, or taken too narrow a view of those cases, other than patent cases, in which officers or directors of corporations have been held personally liable for any tort of the corporation which inured directly to their personal advantage.⁴⁰ By way of illustration, an instructive opinion of Mr. Justice Blatchford contains the following reasons for affirming a decree as against the president of a corporation: "The effect of the fraud committed by Tyler inured directly to his personal advantage. Not only was he, as a large stockholder and salaried officer, benefited by the plaintiff's payment into the treasury of the company of the \$10,000, but, as already shown, \$6,200 of that sum went directly to his benefit, and the remainder, he testifies, went to the payment of material and ordinary expenses of the company. The latter amount enabled the company to continue paying to Tyler his salary for some time longer."⁴¹

Where the infringement is that of a corporation of the class colloquially termed a "one man corporation," the individual defendant who owns all but a nominal amount of the stock, and controls and directs the acts of the corporation is clearly liable to joinder with the corporation for its acts of infringement.⁴²

38. Compare *United Nickel Co. v. Worthington*, 13 Fed. Rep. 392, and *Graham v. Earl*, 92 Fed. Rep. 155, 160, 34 C. C. A. 267.

39. *National Cash Register Co. v. Leland*, 94 Fed. Rep. 502, 510.

40. See editorial notes, 28 L. R. A. 421; 55 L. R. A. 751.

41. *Tyler v. Savage*, 143 U. S. 79, 36 L. Ed. 82.

42. *Chicago Ry. Equipment Co. v. Perry Side Bearing Co.*, 170

Where the corporation is merely a cloak for individual misconduct, the incorporators should be held personally for the infringement of the corporation, particularly where it appears that they have incorporated with small capital for the purpose of engaging in the infringing business. In such a case, Judge Chatfield has said: "As to the individual defendants, the testimony shows that they are engaged in the cork business, and formed the defendant corporation for the purpose of manufacturing and supplying caps of the nature described, in which they have made use of the cork disk. * * * The testimony as to the amount of capital stock paid in, the persons interested in the formation and conduct of the business, and all of the circumstances connected therewith, indicate that the three individual defendants organized the corporation for the sole purpose of enabling them as individuals to carry on, in corporate form, a side line or business, in which they could as individuals have the entire management and direction, but in which they would not be responsible beyond the small amount of investment shown in the present case. The property of the corporation has been shown to have been largely destroyed by fire, and yet the individual defendants have proceeded to carry on the activities of the business, and the personal element of the three individual defendants has been present in all acts of the corporation set forth in the testimony. Upon these facts * * * it must be held that the individuals were properly joined as defendants, that they should be united with the corporation in any decree that may be made, and that they should personally be held responsible for the expenses of the litigation in case the corporation is unable to answer therefor."⁴³

Fed. Rep. 968, 981; *Smith v. Standard Laundry Mach. Co.*, 19 Fed. Rep. 826.

43. *Crown Cork & Seal Co. v. Brooklyn Bottle Stopper Co.*, 172 Fed. Rep. 225, 233.

The conflict of the cases, prior to 1895, elicited from Judge Townsend the grouping of the cases given in the note.⁴⁴

The conflict in the cases is more than a mere matter of words. Those cases which broadly assert the liability of officers and directors for infringement are in harmony with the doctrine that "the executive officers of a corporation, who necessarily inspire all of its acts, cannot

44. In *Mergenthaler Linotype Co. v. Ridder*, 65 Fed. Rep. 853, Judge Townsend said "the decisions as to the individual liability of the officers and directors of corporations for infringing acts, are somewhat conflicting. The liability, at least to be enjoined, has been asserted in *Goodyear v. Phelps*, 3 Blatchf. 91, Fed. Case 5581; *Poppenhusen v. Falke*, 4 Blatchf. 493, Fed. Cas. 11,279; *Bliss v. Haight*, 7 Blatchf. 7, Fed. Case 1548; *Maltby v. Bobo*, 14 Blatchf. 53, Fed. Case 8998; *Supply Co. v. McCready*, 17 Blatchf. 291, Fed. Case 295; *Stamping Co. v. Quinby*, 5 Ban. & A. 275, Fed. Case 12240a; *National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co.*, 19 Fed. Rep. 514; *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.*, 30 Fed. Rep. 123; *Cleveland Forge & Bolt Co. v. United States Rolling Stock Co.*, 41 Fed. Rep. 476; *Armstrong v. Soap Works*, 53 Fed. Rep. 124; *Fishel v. Lueckel*, *Id.* 499; *Cahoone Barbed Mfg. Co. v. Rubber & Cellulose Harness Co.*, 45 Fed. Rep. 52., *Edison Electric Light Co. v. Packard Electric Co.*, 61 Fed. Rep. 1002. That officers of a corporation, are such, are either not liable for damages for infringement in an

action at law, or will not be enjoined or ordered to account in equity has been held in *Jones v. Osgood*, 6 Blatchf. 435, Fed. Case 7487; *Nickel Co. v. Worthington*, 13 Fed. Rep. 392; *Howard v. Plow Works*, 35 Fed. Rep. 743; *Boston Woven Hose Co. v. Star Rubber Co.*, 40 Fed. 167.

"An examination of all the cases cited by counsel shows that in none of those cited by complainant was the defendant held liable to render an accounting. In *Poppenhusen v. Falke*, *supra*; *Bliss v. Haight*, *supra*; *Maltby v. Bobo*, *supra*; *Supply Co. v. McCready*, *supra*; *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.*, *supra*; *Estes v. Worthington*, 30 Fed. Rep. 465; *Featherstone v. Cycle Co.*, 53 Fed. Rep. 110; *Fishel v. Lueckel*, *supra*—the defendants had personally infringed, and were joint tortfeasors. In *Consolidated Safety-Valve Co. v. Ashton Valve Co.*, 26 Fed. Rep. 319; *Cleveland Forge & Bolt Co. v. U. S. Rolling Stock Co.*, *supra*; and *Armstrong v. Soap Works*, *supra*—the question of liability was raised by a demurrer, when it should have been presented by a plea."

shield themselves behind an artificial, and sometimes irresponsible, creation, from the consequences of their own acts, even though performed in the name of the artificial body.”⁴⁵ Or, as it is differently stated, “the law is well settled that a party cannot escape liability for his infringement by attempting to shield himself behind a corporation. An officer or director of a corporation cannot avoid liability for his infringement by setting up that his acts of infringement were performed in his capacity as a director or officer. In so deciding we are merely stating obvious and well-known principles of agency; and the law of agency is the basis of almost all corporation law.”⁴⁶

Thus, in a bill where two individuals were impleaded with a corporation defendant, by a recital naming each “individually and as president (or treasurer) of said corporation,” their individual pleas setting up that the infringement was committed, if at all, by the corporation, and that the acts of the individuals were done solely in their official capacity, were overruled;⁴⁷ and the decision was rendered in the First Circuit, where the liability of officers and directors seemed to be affirmatively settled in this class of cases.⁴⁸ In the Second Circuit the contrary rule obtains, thus condensed by Judge Hazel:

“It appears that the infringement complained of is that of the defendant corporation. The individual defendants are officers thereof, and as such participated

45. E. B. Adams, J., in *Peters v. Union Biscuit Co.*, 120 Fed. Rep. 679, 686. Reversed on other grounds in *Union Biscuit Co. v. Peters*, 125 Fed. Rep. 601, 60 C. C. A. 337.

46. Hale, J., in *Calculagraph Co. v. Wilson*, 132 Fed. Rep. 20,

30, reversed on other grounds, *Wilson v. Calculagraph Co.*, 144 Fed. Rep. 91, 75 C. C. A. 249.

47. *Fauber v. Springfield Drop Forging Co.*, 98 Fed. Rep. 119.

48. *National Cash Register Co. v. Leland*, 94 Fed. Rep. 502, 37 C. C. A. 37.

in the acts of infringement. In the absence of some special reason for joining the officers of the alleged infringing corporation as defendants, such as insolvency of the company, or the use of the name of the corporation to conceal a fraud or conspiracy, or as a protection against liability of others, I am not inclined to hold differently," from two earlier decisions in his circuit, named in the note.⁴⁹

In the Fourth Circuit Judge Parnell has followed the rulings of the Second Circuit, saying "if it was intended in the bill to charge a conspiracy * * * the remedy would be at law, and not in equity."⁵⁰

Without further detailed examination of the cases, the present aspect of this phase of the liability of officers and directors seems to be this:

1. Where there is no connection proven, between the individual and the tort, the bill must be dismissed as to him.⁵¹

2. That he participated in the infringement in his official capacity, seems sufficient in the First Circuit and possibly in the Eighth, to warrant joining him as defendant, even where the corporation is solvent.⁵²

3. That where the incorporation is a subterfuge, organized to enable one or more persons to engage in infringement with nominally limited liability, there is a

49. Loomis-Manning Filter Co. v. Manhattan Filter Co., 117 Fed. Rep. 325; following, Mergenthaler Linotype Co. v. Ridder, 65 Fed. Rep. 853, and Bowers v. Atlantic, G. & P. Co. 104 Fed. Rep. 892; see, also, Greene v. Buckley, 120 Fed. Rep. 955.

50. Farmers' Mfg. Co. v. Sprinks Mfg. Co., 119 Fed. Rep. 594.

51. Consolidated Fastener Co. v. Columbia Fastener Co., 79 Fed. Rep. 795, 801.

52. First Circuit, National Cash Register Co. v. Leland, 94 Fed. Rep. 502, 37 C. C. A. 37; Eighth Circuit, Peters v. Union Biscuit Co., 120 Fed. Rep. 679, 686; Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co., 30 Fed. Rep. 123.

conspiracy, corporation and organizers are joint tortfeasors, and all should be joined in any decree entered.

4. Where a separate profit is realized from the infringement by an officer or director, he should be joined with the corporation.

5. Where the corporation derives all the profits in the first instance, the extent to which the managing officers profit in dividends or salaries ought to be a factor in fixing their liability;⁵³ if the corporation is insolvent, the managing officers may be more properly held personally liable than if it were solvent.

6. The question of the proportionate amount of stock of the corporation owned by the officer or officers whom it is sought to hold personally liable, is frequently a determining factor.

ACTIONS AT LAW.

§ 329. The declaration.

Section 4919, R. S. U. S., provides that "damages for the infringement of any patent may be recovered by action on the case;" while § 914 provides that, in other than equity and admiralty cases, the practice, pleadings, and forms and mode of proceeding in civil causes in the Circuit and District Courts shall conform, as near as may be, to those of the courts of the State in which they sit. Judge Lacombe has held that "by the operation of § 914 an action on the case in the Federal Courts is assimilated to the State model, except so far as it is modified by express enactment of Congress, as by § 4920."⁵⁴ It has been held that a declaration to be sufficient should contain all the essential averments pre-

53. Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co., 30 Fed. Rep. 123.

54. Celluloid Mfg. Co. v. American Zylonite Co., 34 Fed. Rep. 744, 745.

scribed for a declaration in an action on the case under the common law form of pleading.⁵⁵ In Oregon, Judge Deady held that the pleadings in a law action for patent infringement should be verified in conformity to a provision of the Oregon Code of Civil Procedure,⁵⁶ and the scarcity of decisions touching upon the requirements of the pleadings of either party in actions at law indicates that the subject is one of very minor importance in view of the liberality with which the pleadings may be amended when necessary.

The action on the case affords as to its opening pleading the nearest point of approximation to the modern code pleading of any of the common law actions. Its orderly parts are:

(1) the title and the date—the court, term, year and number of the case;

(2) the venue—state and county;

(3) the commencement—A B, by his attorney or in person, complains of C D, for that, heretofore, etc.;

(4) the body—which consists of; (a) the inducement—introductory matter; (b) the averments—allegations of performance of precedents by the plaintiff, in the acquisition of his patent rights, as inventor or assignee; (c) statements of infringement by the defendant;

(5) the conclusion—“to the damage of plaintiff ———dollars; wherefore he brings suit.”⁵⁷

The declaration must be explicit as to all the facts showing title,⁵⁸ and relating to the disclaimer, when there

55. Myers v. Cunningham, 44 Fed. Rep. 346, 349; May v. Mercer County, 30 Fed. Rep. 246.

56. Cottier v. Stimson, 18 Fed. Rep. 689.

57. Anderson, Dict., p. 321, title “Declaration.”

58. Gray v. James, Peters C. C. 478, Fed. Case 5719.

is one;⁵⁹ but it is sufficient to aver that title is vested in the plaintiff without reciting the mesne conveyances.⁶⁰

The patent may be referred to by its short title, and by reference to the Letters Patent "for further and fuller description of the invention" the contents of the patent are imported into the declaration.⁶¹

An averment that sums paid or received in other cases establish a fair measure of damages is pleading evidence, and demurrable.⁶²

§ 330. Forms of pleading in actions at law.

1. *The declaration.* Whether the initial pleading in the action at law should be the common-law declaration, employed in the action on the case, as is held in some jurisdictions,⁶³ or may be the petition or complaint of the codes, as indicated in other cases,⁶⁴ there can be no danger in filing a preliminary pleading that contains "all the essential averments that are presented for a declaration in an action on the case under the common law form of pleading."⁶⁵

The jurisdiction of the Federal Courts in this class of cases being determined by the nature of the controversy, a recital of the citizenship of the parties is surplusage,⁶⁶ as would be the recital of the amount in controversy.

The statement of the cause of action must allege the invention of the subject-matter of the patent in suit by

59. Van Hook v. Wood, Fed. Case 16,854.

60. Meerse v Allen, Fed. Case 9393a.

61. Graham v. Earl, 92 Fed. Rep. 155, 34 C. C. A. 267.

62. Ewart Mfg. Co. v. Baldwin Cycle Chain Co., 91 Fed. Rep. 262.

63. Myers v. Cunningham, 44 Fed. Rep. 846, 349.

64. May v. Mercer Co., 30 Fed. Rep. 246.

65. Ricks, J., in Myers v. Cunningham, 44 Fed. Rep. 346, 349.

66. Fischer v. Neil, 6 Fed. Rep. 89.

the patentee or his assignor, and that such subject-matter was not in public use or on sale in this country more than two years before the application upon which the patent in suit was issued,⁶⁷ though aside from alleging the invention to have been made before the application was filed no allegation as to the date of the invention is necessary.⁶⁸

It is desirable, possibly essential to allege that no foreign application was made more than twelve months prior to the filing of the application in this country.⁶⁹

The general nature of the invention should be stated, usually by the short title contained in the patent,⁷⁰ and profert of the letters patent should be made, which makes it a part of the declaration and obviates the necessity of a recital of the grant, description or claims.⁷¹

The patent, if a reissue, should be traced through its original and any intermediate reissues,⁷² and the patent in suit finally identified by date and number.

It is also expedient to allege that the patent was attested by the proper officer, and that it was delivered to the assignee.⁷³

The declaration must show with certainty the title in the plaintiff.⁷⁴ With what degree of particularity assignments must be pleaded, is difficult to determine. An allegation that the then pending application was assign-

67. *Gay v. James*, 1 Robb 140, Fed. Case 5719; *Wilder v. McCormick*, 2 Blatchf. 31, Fed. Case 17,650; *Gandy v. Belting Co.*, 143 U. S. 5.

68. *Wilder v. McCormick*, 2 Blatchf. 31, Fed. Case 17,650.

69. *Victor Talking Machine Co. v. Leeds & Catlin Co.*, 165 Fed. Rep. 931, 934.

70. *Peterson v. Wooden*, 3 McLean 248, Fed. Case 11,038.

71. *Pitts v. Whitman*, 2 Storey 609, Fed. Case 11,196; *Graham v. Earl*, 82 Fed. Rep. 737, 27 C. C. A. 377.

72. *Spaeth v. Barney*, 22 Fed. Rep. 828.

73. *Cutting v. Myers*, 4 Wash. 220, Fed. Case 3520.

74. *Gray v. James*, 1 Robb. 140, Fed. Case 5719.

ed to the plaintiff before the patent in suit issued has been held sufficient,⁷⁵ and it has been held that assignments subsequent to the grant should be specifically pleaded, and that their recordation should be alleged.⁷⁶

The declaration must specifically allege that the articles made under the patent have been marked with the word "patented" with the day and year the patent was granted, or that such imprint was affixed to the packages containing the patented article, or that the defendant was duly notified of the infringement, and continued after such notice to infringe; all as required by § 4900, R. S. U. S.⁷⁷ The rule as to marking does not apply where the patent has lain dormant.⁷⁸

The allegation as to the character of the infringement may charge either making, using or selling, or any two, or all, of them, in accordance with the facts. The law is settled "that the recovery of damages from a defendant, for manufacturing and selling, will not prevent the recovery of other substantial damages from the defendant's vendees, for their profits upon reselling the patented articles. * * * A patentee has three distinctive rights (making, selling, and using), and whoever invades any one of these rights is an infringer, and liable for damages."⁷⁹

As to the time of the alleged infringement, it should be specified as of any date not earlier than the issuance of the patent, and within the six years' limitation (29

75. Rathbone v. Orr, 5 McLean 131, Fed. Case 11,585.

76. Dobson v. Campbell, 1 Robb. 681, Fed. Case 3945.

77. Dunlap v. Schofield, 152 U. S. 244, 248, 38 L. Ed. 426, 427; Coupe v. Royer, 155 U. S. 565, 584, 39 L. Ed. 263; Sprague v. Bramhall-Deane Co., 133 Fed. Rep. 738.

78. Ewart Mfg. Co. v. Baldwin

Cycle-Chain Co., 91 Fed. Rep. 262.

79. Wales, J., in Philadelphia Trust, etc., Co. v. Edison Elec. Light Co., 65 Fed. Rep. 551, 554, 13 C. C. A. 43; and to the same effect, see, Birdsall v. Shaliol, 112 U. S. 485, 28 L. Ed. 768; Tilghman v. Proctor, 125 U. S. 149, 31 L. Ed. 668; Callaghan v. Myers, 128 U. S. 665, 32 L. Ed. 562.

Stat. at L., p. 694, ch. 391, § 6) prescribed by statute, and prior to the filing of the declaration.⁸⁰

Any number of acts of infringement may be sued and recovered upon in the same suit; but an averment that "since the 1st day of November, 1888," the defendant did the acts complained of was held to admit proof of only one sale. In the light of this declaration, the recital should include the *continuando* as to the infringing acts, that the defendant did them on a day certain, "and thence continuously, from day to day, unto the day of the filing of this declaration."⁸¹

The declaration may charge generally that the claims of the patent, if there are more than one, have been infringed. The better practice is to allege the infringement of the specific claims, if less than all, charged to be infringed, indicating them by number.

It has been held that allegations as to payment of established royalties by others, or sums received from others in compromise of claims for infringement of the patent in suit, are improper to be pleaded in the declaration, and render it demurrable.⁸²

Where a disclaimer exists, its execution and recordation should be alleged in the declaration.⁸³

Where the code of civil procedure of the State in which the action is brought provides for the verification of pleadings, it has been held that the declaration should be verified.⁸⁴

80. When there was no Federal statute of limitations applicable to patent infringement, the state statutes governed. *Campbell v. City of Haverhill*, 155 U. S. 610, 39 L. Ed. 280; *Campbell v. Mayor of New York*, 81 Fed. Rep. 182, 183.

81. *Le Page Co. v. Russia Ce-*

ment Co., 51 Fed. Rep. 941, 949, 2 C. C. A. 555.

82. *Ewart Mfg. Co. v. Baldwin Cycle-Chain Co.*, 91 Fed. Rep. 262, 265.

83. *Van Hook v. Wood*, Fed. Case No. 16,854.

84. *Cottier v. Stimson*, 18 Fed. Rep. 689.

§ 331. Demurrer to the declaration.

The sufficiency of the declaration may be tested by demurrer, but as a general demurrer will be overruled wherever there is enough in the declaration to make out a cause of action, the demurrer should be specific.⁸⁵

If the initial pleading contains the averments necessary to a common-law declaration, it is not demurrable because it has been entitled "petition," instead of "declaration."⁸⁶

Where the declaration recites settlements and compromises with others of claims for infringement of the patent in suit, such allegations are improper and may be reached by special demurrer.⁸⁷ It would appear that failure to allege "patent" marking by the plaintiff, or the alternative notice to the defendant, would render the declaration demurrable.⁸⁸ The failure to allege that no foreign patent has been applied for, more than twelve months before the application for the United States patent, will render the declaration demurrable under some authorities,⁸⁹ though the contrary is asserted in other cases, Judge Kohlsaet saying "the provisions of that section (§ 4887, R. S. U. S.) constitute matters of defense and must be set up in the answer."⁹⁰

The declaration must aver that the invention of the patent in suit was not in public use or on sale in this country for more than two years prior to the application,

85. Ewart Mfg. Co. v. Baldwin Cycle Chain Co., 91 Fed. Rep. 262.

86. May v. Mercer County, 30 Fed. Rep. 246.

87. Ewart Mfg. Co. v. Baldwin Cycle-Chain Co., 91 Fed. Rep. 262, 265.

88. Dunlap v. Schofield, 152 U. S. 244, 248, 38 L. Ed. 426, 427.

89. Victor Talking Machine Co. v. Leeds & Catlin Co., 165 Fed. Rep. 931, 934; Elliott & Hatch Book-Typewriter Co. v. Fisher Typewriter Co., 109 Fed. Rep. 330.

90. American Cereal Co. v. Oriental Food Co., 145 Fed. Rep. 649.

or it will be held bad on demurrer,⁹¹ as will a declaration that fails to negative description in a printed publication.⁹²

These averments must be stated positively, as facts; if alleged as on information or belief they are demurrable.⁹³ The omission of the words "in this country," from the allegation respecting prior knowledge or use by others, is immaterial, and will not render the declaration demurrable.⁹⁴

A declaration which joins two or more defendants, but fails to allege that they are joint infringers, will be held bad on demurrer,⁹⁵ as will one that fails to allege delivery of the patent to the patentee.⁹⁶

But the usual employment of demurrer to the declaration is for the purpose of raising the question of the validity of the letters patent in suit. The question as thus raised is addressed solely to, and must be answered by, the patent itself, read in the light of common knowledge. As stated by Judge Blodgett, "the books abound in cases where the court has of its common knowledge *sua sponte* held patents void for want of patentable novelty."⁹⁷

91. *Blessing v. John Trageser, Steam Copper Works*, 34 Fed. Rep. 753, 754; *Consolidated Brake Shoe Co. v. Detroit Steel & Spring Co.*, 47 Fed. Rep. 894, 895; *Coop v. Dr. Savage Physical Development System*, 47 Fed. Rep. 899; *Elliott & Hatch Book Typewriter Co. v. Fisher Typewriter Co.*, 109 Fed. Rep. 330.

92. *Coop v. Dr. Savage Physical Development Institute*, 47 Fed. Rep. 899, 901; *Overman Wheel Co. v. Elliott Hickory Cycle Co.*, 49 Fed. Rep. 859; *Goebel v. American Railway Supply Co.*, 55 Fed.

Rep. 825, 827; *Hanlon v. Primrose*, 56 Fed. Rep. 600, 601; *Hutton v. Star Slide Seat Co.*, 60 Fed. Rep. 747; *Diamond Match Co. v. Ohio Match Co.*, 80 Fed. Rep. 117.

93. *Rubber Tire Wheel Co. v. Davie*, 100 Fed. Rep. 85, 86.

94. *Rubber Tire Wheel Co. v. Davie*, 100 Fed. Rep. 85, 87.

95. *Diamond Match Co. v. Ohio Match Co.*, 80 Fed. Rep. 117.

96. *Wilder v. McCormick*, 2 Blatchf. 31, Fed. Case 17,650.

97. *West v. Rae*, 33 Fed. Rep. 45, 47.

The court, upon such an inquiry, may resort to dictionaries, encyclopedias, or any other source of common information accessible to the general public.⁹⁸

The boundary line between the special, and the general knowledge, which the court should recognize, was thus illuminated by Judge Blodgett:

“In *West v. Rae*, 33 Fed. Rep. 45, this court sustained a demurrer to a bill charging infringement of a patent on a device for protecting woolen blankets from insects by incasing them in paper bags, on the ground that within the common knowledge it was old to wrap or incase woolens in paper to protect them from dust or insects. At the time I announced the decision in that case I stated that its effect might be to encourage counsel to demur to bills for infringement of patents in cases where they, from their special knowledge of the art, might be of opinion that the device covered by the patent was old. And my anticipations in that respect have been fully realized, as that decision has already produced in this court quite a bountiful crop of demurrers in this class of cases. But the court must meet each case as it arises, and, in sustaining demurrers like this, keep strictly within the field of common knowledge. The practical difficulty and danger is in defining where special knowledge leaves off and common knowledge begins. The judge must always be careful to distinguish between his own special knowledge, and what he considers to be the knowledge of others, in the field or sphere where the device in question is used. But when the judge before whom rights are claimed by virtue of a patent can say from his own observation and experience that

98. *Brown v. Piper*, 91 U. S. 44,
23 L. Ed. 200.

the patented device is in principle and mode of operation only an old and well-known device in common use, he may act upon such knowledge. The case must, however, be so plain as to leave no room for doubt; otherwise injustice may be done, and the right granted by the patent defeated, without a hearing upon the proofs. The judge must on all such questions vigilantly guard against acting upon expert or special knowledge of his own, instead of keeping strictly within the field of general or popular knowledge. While I do not intend to lay down a rule, I am free to say that I should not feel justified in holding a patent void for want of novelty on common knowledge, unless I could cite instances of common use which would, at once, on the suggestion being made, strike persons of usual intelligence as a complete answer to the claim of such patent.”⁹⁹

§ 332. Answer and notice of special matter.

The answer in law actions, by reason of the provisions of § 4920, R. S. U. S., is usually the general issue, accompanied by notice of the special matter enumerated in that section; but the defendant may plead either of the defenses specially in conjunction with the general issue.¹⁰⁰

The purpose of the notice is to prevent the plaintiff being surprised upon the trial. Inasmuch as he is entitled to rely upon the presumption of novelty attending the grant of the patent, in the absence of notice of alleged anticipating matter, he would be unprepared to

99. Blodgett, J., in *Eclipse Mfg. Co. v. Adkins*, 36 Fed. Rep. 555, 556.

100. *Cottier v. Stimson*, 18 Fed. Rep. 689.

rebut an attack upon the novelty of his patent.¹⁰¹ Section 4920 requires the notice to be written, and the anticipatory matter relied on to be given with a degree of particularity which the decisions have approved.¹⁰²

§ 333. The questions for the court and jury.

In the action at law it is for the court to instruct the jury as to questions of law,¹⁰³ and the province of the jury to find the facts and apply the law to those facts.¹⁰⁴

It is the duty of the court to define to the jury the patented invention as the same is expressed in the language of the claim;¹⁰⁵ it is for the court to construe the claims of the patent,¹⁰⁶ and in so doing he may express his opinion upon any fact in the case which is clear.¹⁰⁷

Questions of identity, generally, are for the jury. So it is for the jury to determine the question of identity of the defendant's device with the claim in suit, upon the question of infringement,¹⁰⁸ and the question of the identity of the original and reissued patents, when a reissued patent is in suit and its validity challenged upon the ground of want of identity with the original.¹⁰⁹

Where the defendant's alleged infringing acts are done under a later patent, he is entitled to have the jury in-

101. *Blanchard v. Putnam*, 8 Wall. 420, 428, 19 L. Ed. 433; *Teese v. Huntingdon*, 23 How. 2, 16 L. Ed. 479; *Roemer v. Simon*, 95 U. S. 214, 219, 24 L. Ed. 384.

102. *Seymour v. Osborne*, 11 Wall. 516, 20 L. Ed. 33; *Roemer v. Simon*, 95 U. S. 214, 24 L. Ed. 384.

103. *National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co.*, 19 Fed. Rep. 514.

104. *Battin v. Taggart*, 58 U. S. 74, 15 L. Ed. 37.

105. *Holmes v. Truman*, 67 Fed. Rep. 542, 545, 14 C. C. A. 517.

106. *Marsh v. Quick-Meal Stove Co.*, 51 Fed. Rep. 203.

107. *Bollmans v. Parry*, Fed. Cas. 1612.

108. *Coupe v. Royer*, 155 U. S. 565, 39 L. Ed. 263.

109. *Battin v. Taggart*, 58 U. S. 77, 15 L. Ed. 37.

structed that the issuance of the later patent creates a presumption of a patentable difference between its disclosure and that of the patent in suit.¹¹⁰

Where the question of invention is in doubt, i. e., where the absence of invention is not so clear that it becomes the court's duty to direct a verdict for the defendant, that question should go to the jury,¹¹¹ and so should the question of equivalency between the device of the patent, and that of the defendant,¹¹² and likewise the issues of want of novelty,¹¹³ and anticipation.¹¹⁴

Mr. Justice Story, on circuit, held that the question whether the invention was specifically described with reasonable certainty, was one of law for the court; while the question whether the specification was so full, clear and exact as not only to distinguish it from the prior art, but to enable one skilled in the art to practice it, was left to the jury.¹¹⁵

§ 334. Directed verdicts.

Where the plaintiff fails to show that the defendant has made, used or sold (in accordance with the charge of the declaration) a specimen of the infringing device, it is the duty of the court to direct a verdict for the defendant at the close of the plaintiff's *prima facie* testimony.¹¹⁶ And where the court becomes satisfied at any stage of the proceedings, that the patent is void, for any

110. *Ransome v. Hyatt*, 69 Fed. Rep. 148, 16 C. C. A. 185.

111. *San Francisco Bridge Co. v. Keating*, 68 Fed. Rep. 351, 354, 15 C. C. A. 476; *Hunt Bros. Fruit Packing Co. v. Cassidy*, 53 Fed. Rep. 257, 3 C. C. A. 527.

112. *Hunt Bros. Fruit Packing Co. v. Cassidy*, 53 Fed. Rep. 257, 3 C. C. A. 525.

113. *Graham v. Earl*, 82 Fed. Rep. 737, 739 (C. C. A.).

114. *Keyes v. Grant*, 118 U. S. 25, 30 L. Ed. 54.

115. *Lowell v. Lewis*, 1 Robb. 131, Fed. Case 8568.

116. *Marsh v. Quick-Meal Stove Co.*, 51 Fed. Rep. 203.

reason that would compel him to set aside a verdict for the plaintiff, it is his duty to direct the verdict accordingly.¹¹⁷

§ 335. The statutory defenses.

The defenses provided for by statute are embodied in the following section:

Section 4920, R. S. U. S. In any action for infringement the defendant may plead the general issue, and, having given notice in writing to the plaintiff or his attorney thirty days before, may prove on the trial any one or more of the following special matters:

First. That for the purpose of deceiving the public the description and specification filed by the patentee in the Patent Office was made to contain less than the whole truth relative to his invention or discovery, or more than is necessary to produce the desired effect; or,

Second. That he had surreptitiously or unjustly obtained the patent for that which was in fact invented by another, who was using reasonable diligence in adapting and perfecting the same; or,

Third. That it has been patented or described in some printed publication prior to his supposed invention or discovery thereof, or more than two years prior to his application for a patent therefor; or,

Fourth. That he was not the original and first inventor or discoverer of any material and substantial part of the thing patented; or,

Fifth. That it had been in public use, or on sale in this country for more than two years before his application for a patent, or had been abandoned to the public.

117. Plastic Fire Proof Construction Co. v. San Francisco, 97 Fed. Rep. 620; Market Street R. Co. v. Rowley, 155 U. S. 621, 39 L. Ed. 284

The provisions of this section apply as fully to design as to other patents.¹¹⁸

The defenses enumerated in this section apply as well in proceedings in equity as in actions at law.¹¹⁹ As to this section, Mr. Justice Clifford has said, "each of these defenses * * * goes to the entire invention, and not to separate parts of the thing patented."¹²⁰ This section does not attempt to enumerate all of the possible defenses. For example, it does not refer to the defense of non-infringement, or the defense that the defendant's acts complained of were done under license or by authority.¹²¹

§ 336. The specific defenses.

We will examine in detail the defenses that may be pleaded either at law or in equity.

All of these defenses are founded either on equitable doctrines or on the patent statutes. Their numbering and arrangement are purely arbitrary.

"In equity, a defendant has the right to set up as many defenses as he may have, providing they are not inconsistent."¹²²

The discussion of the several defenses will disclose the extent to which they may be availed of in the action at law.

§ 337. First defense—Want of invention.

This defense is almost universally interposed in patent cases, even where the patent in suit has been sus-

118. *Anderson v. Eiler*, 46 Fed. Rep. 777, 778.

119. *Bates v. Coe*, 98 U. S. 31, 25 L. Ed. 68.

120. *Bates v. Coe*, 98 U. S. 31, 25 L. Ed. 68.

121. *Whittemore v. Cutter*, 1 Robb. 28, Fed. Case No. 17,600.

122. *Swing, J., in National Mfg. Co. v. Meyers*, 7 Fed. Rep. 355, 357.

tained in former litigation. Invention being incapable of definition, and some courts being apparently incapable of seeing invention in anything, it is usually the first defense considered by counsel for both parties in the preparation of the case.

Even if not pleaded, the court will *sua sponte* dismiss the suit or direct a verdict for the defendant whenever it is satisfied that the patent in suit is void.¹²³

This, too, when the court arrives at its conclusion that invention does not exist after the prior state of the art has been shown upon the trial.¹²⁴ But this action by the court implies that if the case had gone to the jury and the verdict had been for the plaintiff, it would have been the duty of the court to set it aside as not supported by the evidence. Where there is sufficient doubt to justify the question being submitted to the jury, a peremptory instruction withdrawing the case from the jury is error, and the case will be reversed and remanded.¹²⁵

The question of invention is a question of fact, of which the jury are the proper triers, and the judicial withdrawal of this question from the jury's determination should occur only in an extreme case. But the presumption of validity created by the grant of the patent does not necessarily require the submission of the question of invention to the jury.¹²⁶

“The want of invention in a patent is a matter of defense unless the thing for which a patent is claimed shows on its face that it is without invention.”¹²⁷

123. *Slawson v. Grand St. R. R. Co.*, 107 U. S. 649, 27 L. Ed. 576; *May v. Juneau*, 137 U. S. 408, 34 L. Ed. 729.

124. *Market Street Ry. Co. v. Rowley*, 155 U. S. 621, 39 L. Ed. 284.

125. *Keyes v. Grant*, 118 U. S. 25, 30 L. Ed. 54.

126. *Look v. Smith*, 148 Fed. Rep. 12, 78 C. C. A. 180.

127. *Knowles, J., in Hunt Bros. Packing Co. v. Cassidy*, 53 Fed. Rep. 257, 260, 3 C. C. A. 523.

Defense of want of invention—how pleaded.

“Want of invention appearing on the face of the patent may be taken advantage of under the general issue without notice, or under any other plea, or without any plea.”¹²⁸ “The question as to whether, considering the previous state of the art, no invention was made by the patentee, may be raised without notice. * * * The question of anticipation cannot be raised without notice specifying the anticipating invention.”¹²⁹

§ 338. Second defense—That the patent in suit is void as claiming a principle.

In the leading case the 8th claim of the reissued patent of June 13, 1848, to Samuel F. B. Morse read as follows:

“I do not propose to limit myself to the specific machinery or parts of machinery described in the foregoing specification and claims; the essence of my invention being the use of the motive power of the electric or galvanic current, which I call electromagnetism, however developed, for marking or printing intelligible characters, signs or letters, at any distance, being a new application of that power of which I claim to be the first inventor or discoverer.”

Of this claim, Mr. Chief Justice Taney wrote as follows:

“It is impossible to misunderstand the extent of this claim. He claims the exclusive right to every improvement where the motive power is the electric

128. Townsend, J., in *Brickill v. City of Hartford*, 57 Fed. Rep. 216, 217; citing, *Hendy v. Golden State & Miners' Iron Works*, 127 U. S. 370, 32 L. Ed. 207; *Dunbar v. Myers*, 94 U. S. 187, 24 L. Ed. 34; *Brown v. Piper*, 91 U. S. 37.

¹ Hop.—27

23 L. Ed. 200; *Slawson v. Grand Street, etc., R. R. Co.*, 107 U. S. 649, 27 L. Ed. 576.

129. Knowles, J., in *Hunt Bros. Packing Co. v. Cassidy*, 53 Fed. Rep. 257, 259, 3 C. C. A. 252.

or galvanic current, and the result is the marking or printing intelligible characters, signs or letters at a distance.

“If this claim can be maintained, it matters not by what process of machinery the result is accomplished. For aught that we now know some future inventor, in the onward march of science, may discover a mode of writing or printing at a distance by means of the electric or galvanic current, without using any part of the process or combination set forth in the plaintiff’s specification. His invention may be less complicated—less liable to get out of order—less expensive in construction, and in its operation. But yet if it is covered by this patent the inventor could not use it, nor the public have the benefit of it without the permission of this patentee.

“Nor is this all; while he shuts the door against the inventions of other persons, the patentee would be able to avail himself of new discoveries in the properties and powers of electro-magnetism which scientific men might bring to light. For he says he does not confine his claim to the machinery or parts of machinery, which he specifies; but claims for himself a monopoly in its use, however developed, for the purpose of printing at a distance. New discoveries in physical science may enable him to combine it with new agents and new elements, and by that means attain the object in a manner superior to the present process and altogether different from it. And if he can secure the exclusive use by his present patent he may vary it with every new discovery and development of the science, and need place no description of the new manner, process or machinery, upon the records of the Patent Office.

And when his patent expires, the public must apply to him to learn what it is. In fine, he claims an exclusive right to use a manner and process which he has not described and indeed had not invented, and therefore could not describe when he obtained his patent. The court is of opinion that the claim is too broad, and not warranted by law."¹³⁰

This defense can be raised at any stage of the case without being pleaded.

§ 339. Third defense—That the patent in suit is void because claiming a function.

This defense is founded upon the settled rule that "the mere function of a machine is not patentable as a process at all."¹³¹

This defense need not be specially pleaded.

§ 340. Fourth defense—That the alleged inventor of the patent in suit was not the original and first inventor.

This defense has no relation to the first defense. It concedes that the applicant for the patent in suit may have independently made the invention. But it merely negatives that he was the original and first inventor. It has no relation to the defense specified in the second class of defenses provided by § 4920, R. S. U. S., that the patentee "surreptitiously" obtained the patent. There is no burden upon the complainant in an action at law to prove priority unless the defendant gives notice under § 4920, R. S. U. S.¹³²

130. O'Reilly v. Morse, 15 Howard 62, 112, 14 L. Ed. 601, 623. To the same effect, see, Morton v. New York Eye Infirmary, 5 Blatchf. 116, Fed. Case No. 9865.

131. Mr. Justice Brown, in Carnegie Steel Co. v. Cambria Iron Co., 185 U. S. 403, 425, 46 L.

Ed. 968, 981. To the same effect, see, Corning v. Burden, 15 Howard 252, 14 L. Ed. 683; Risdon Iron & Locomotive Works v. Medart, 158 U. S. 68, 39 L. Ed. 683.

132. Fay v. Mason, 120 Fed. Rep. 506.

The patent in suit being *prima facie* evidence that the applicant for that patent was the first inventor, the burden of proof under this defense lies with a degree of weight upon the defendant.¹³³

This defense must be pleaded, or set up by notice.

Priority as between patentees of the same invention.

The question of priority of invention by another patentee may be raised as a defense in actions at law or in equity. Where the defense of prior patenting by another is proffered, "the decision in interference proceedings is not conclusive on the question of priority of invention."¹³⁴

In determining the defense under consideration, the evidence to be considered has been thus classified by Judge Colt:

"In patented inventions there are several distinct stages of the invention. Some patented inventions comprise only three stages, namely, conception (evidenced by drawings, disclosure, or models), application, patent; while other patented inventions comprise four stages, namely, conception, reduction to practice, application, patent."

"The date of the first class of patented inventions must be either (1), the date of the patent, or (2) the date of the application, or (3) the date of the conception; while the date of the second class must be either (1), the date of the patent, or (2) the date of the application, or (3) the date of the reduction to practice, or (4) the date of the conception."

133. *Smith v. Goodyear Dental Vulcanite Co.*, 93 U. S. 486, 23 L. Ed. 952; *Cammeyer v. Newton*, 94 U. S. 225, 24 L. Ed. 72.

134. *Colt, J.*, in *Automatic Weighing Mach. Co. v. Pneumatic Scale Corp.*, 166 Fed. Rep. 288, 291, 92 C. C. A. 206.

“Where two patents for the same invention have been issued to independent inventors, we understand the rule to be that the dates of their respective inventions are, first, the dates of the patents; second, the dates of the applications, provided the application sufficiently describes the invention; third, the dates of actual reduction to practice; fourth, the dates of conception; with this qualification, that, if either patentee seeks to carry the date of his invention back to the date of his conception, he must show reasonable diligence in adapting and perfecting his invention, either by actual reduction to practice or by filing his application.”¹³⁵

§ 341. Fifth defense—Want of novelty, because of prior public use.

The issuance of the patent in suit is *prima facie* evidence that its claimed subject-matter was not in public use or on sale for more than two years prior to the filing of the application on which it was issued.¹³⁶

It has been held that mere knowledge of the alleged anticipating device will not suffice to establish this defense, but there must be both knowledge and use.¹³⁷

A single sale is sufficient evidence of prior public use,¹³⁸ and prior use of articles as samples will also suffice to establish this defense.¹³⁹

135. Automatic Weighing Mach. Co. v. Pneumatic Scale Corp., 166 Fed. Rep. 288, 291, 92 C. C. A. 206.

136. Mast, Foos & Co. v. Delapster Mill Mfg. Co., 82 Fed. Rep. 327, 27 C. C. A. 191.

137. Tatum v. Eby, 60 Fed. Rep. 408, 409.

138. Consolidated Fruit Jar Co. v. Wright, 94 U. S. 92, 24 L. Ed. 68; Egbert v. Lippmann, 104 U.

S. 333, 26 L. Ed. 755; Hall v. MacNeale, 107 U. S. 90, 27 L. Ed. 367; Smith & Griggs Mfg. Co. v. Sprague, 123 U. S. 249, 31 L. Ed. 141; Delemater v. Heath, 58 Fed. Rep. 414, 7 C. C. A. 279; National Cash Register Co. v. American Cash Register Co. (C. C. A.), 178 Fed. Rep. 79, 82.

139. Dalby v. Lynes, 64 Fed. Rep. 376.

This defense must be established by proof beyond a reasonable doubt.¹⁴⁰ But the character of the proof will largely depend upon the nature of the thing sought to be anticipated. "It requires less testimony to establish a fact which was very likely to have occurred, than to establish an improbable theory."¹⁴¹

The establishment by oral testimony of devices in the prior art must usually, to be effective, be accompanied by the production of the structure sought to be proven. Unless so accompanied, it has been characterized as being "always open to suspicion,"¹⁴² and it has been said that such oral testimony "called either for corroboration or for some reason why corroboration was impossible."¹⁴³

But there is no hard and fast rule against the establishment of a prior use by oral testimony alone, and "in this, as in other cases, the weight and effect of testimony must be passed upon, and a conclusion as to the existence of an alleged prior use will be reached if the evidence thereof is clear and satisfactory to the judicial mind."¹⁴⁴ So that a prior use may be established by the oral testimony of unimpeached and disinterested witnesses, though the device itself has passed out of existence,¹⁴⁵ and in rare circumstances, by the unsupported testimony of one witness alone.¹⁴⁶

140. Barbed Wire Patent, 143 U. S. 284, 36 L. Ed. 154.

141. Shipman, J., in Lee v. Upson & Hart Co., 43 Fed. Rep. 670, 671.

142. National Hollow Brake-Beam Co. v. Interchangeable Brake-Beam Co., 106 Fed. Rep. 693, 45 C. C. A. 544; Mast, Foos & Co. v. Dempster, 82 Fed. Rep. 327, 27 C. C. A. 191.

143. Westinghouse Elec. &

Mfg. Co. v. Catskill Illuminating & Power Co., 121 Fed. Rep. 831, 833, 58 C. C. A. 167.

144. Sipp Elec. Mach. Co. v. Atwood-Morrison Co., 142 Fed. Rep. 149, 154, 73 C. C. A. 367.

145. American Roll Paper Co. v. Weston, 59 Fed. Rep. 147, 150, 8 C. C. A. 56.

146. National Casket Co. v. Stolts, 157 Fed. Rep. 392, 393, 85 C. C. A. 300.

It is obvious, however, that to prove by oral testimony the existence of a certain machine or process, manufacture or design is one thing, and to prove what its precise structure was, is quite another and a much more difficult undertaking, whose difficulty increases in proportion to the complexity and intricacy of the nature of the thing sought to be proven. Judge Coxe recognized this condition when, in considering with such testimony, he said, "if we were dealing with a complicated machine or an abstruse and difficult process there would be reason to say that persons unskilled in the art might easily be mistaken in describing minute details."¹⁴⁷

We may here consider the importance of the notice in connection with this defense. If not set up by pleading or notice, testimony of witnesses to prior use is inadmissible.¹⁴⁸ The notice must give the name and place of residence of the person alleged to have had prior knowledge and use, and the place where the use occurred.¹⁴⁹ The street address of the person should be given if he has one.¹⁵⁰ The notice must be served thirty days before the hearing.¹⁵¹ The notice need not recite the names of the witnesses called to testify that the person named in the notice had such prior knowledge or use.¹⁵² The notice of prior knowledge or use must allege that such prior knowledge or use was of a date more than two years prior to the application.¹⁵³

147. Rochester Coach Lace Co. v. Schaefer, 46 Fed. Rep. 190, 193.

148. Philadelphia & T. Railroad v. Stimpson, 14 Peters 448, 10 L. Ed. 535; O'Reilly v. Morse, 15 How. 62, 14 L. Ed. 601.

149. Silsby v. Foote, 14 How. 218, 14 L. Ed. 394.

150. Wise v. Allis, 76 U. S. 737, 19 L. Ed. 784.

151. Seymour v. Osborne, 78 U. S. 516, 20 L. Ed. 33.

152. Roemer v. Simon, 95 U. S. 214, 24 L. Ed. 384; Woodbury Patent Planing Mach. Co. v. Keith, 101 U. S. 479, 25 L. Ed. 939.

153. Agawam Woolen Co. v. Jordan, 7 Wall. 583, 19 L. Ed. 177; Bates v. Coe, 98 U. S. 31, 25 L. Ed. 68.

§ 342. Sixth defense—Want of novelty because of prior patenting.

This defense is substantiated by the introduction of properly authenticated copies of the patents alleged to anticipate the patent in suit; the defense must be pleaded specifically, by the dates and numbers of the patents relied upon, otherwise prior patents will only be admitted and considered to establish the state of the art, and to construe or limit the claims involved.¹⁵⁴

It is proper to here note that the distinction between “anticipation,” and “want of invention in view of the prior art” is exceedingly microscopic. What practical difference is there between introducing a prior patent, under pleading or notice, as anticipatory, and introducing the same patent, without notice,¹⁵⁵ to show the state of the art? If, in fact, the patent so offered does anticipate, the court will hold the patent in suit void for want of invention. The practical benefit to be drawn from this observation is, that in the trial of actions at law, the astute practitioner frequently may withhold his closest anticipating patent from his notice or pleading, offer it on the trial to “show the state of the art” without having given the plaintiff opportunity to prepare an attack upon it, or the plaintiff’s expert opportunity to study it in advance of the trial. Under the decisions this course is entirely warranted and has often proved effective.

It is usually stipulated in the course of actions for infringement that printed uncertified copies of patents may be used instead of the originals or certified copies.

154. *Brown v. Piper*, 91 U. S. 41, 23 L. Ed. 200; *Grier v. Wilt*, 120 U. S. 412, 30 L. Ed. 712; *Jones v. Cyphers*, 115 Fed. Rep. 324.

155. Notice is unnecessary where patents are offered to show the state of the art. *Brown v. Piper*, 91 U. S. 37, 23 L. Ed. 200; *Dunbar v. Myers*, 94 U. S. 187, 24 L. Ed. 34.

Section 892, R. S. U. S., provides for the issuance of certified copies of papers, records, books, or drawings by the Patent Office. Section 894, R. S. U. S., provides for the introduction in evidence of the printed copies of specifications and drawings of patents which are gratuitously issued and deposited in the capitols of the States and Territories and with the clerks of the District Courts. Copies certified by the Acting Commissioner are sufficiently authenticated.¹⁵⁶

Foreign Letters Patent may be proven by certified copies attested by the authorities of the Patent Office of the country from which the patent issued, under § 893, R. S. U. S.¹⁵⁷

§ 343. Seventh defense—Want of novelty because of prior publication.

This defense must be pleaded, by notice or otherwise.

It has been held that a circular to the trade is not a printed publication within the meaning of the patent law.¹⁵⁸

The proper method of introducing a publication is to introduce the entire volume. An extract from a book, certified by the Commissioner of Patents to be a true copy from a book in the library of the Patent Office, received on a certain day, is admissible in evidence.¹⁵⁹ Where the entire publication is introduced, bearing a date imprint, and purporting to be printed

156. *Woodworth v. Hall*, 1 Woodb. & M. 248, Fed. Case No. 18,016.

157. *Schoerken v. Swift & Courtney & Beecher Co.*, 7 Fed. Rep. 469, 471.

158. *Parsons v. Colgate*, 16 Fed. Rep. 600, 602; *In re Attebury*, 9 Off. Gaz. 640; *Judson v. Cope*, 16 Fisher 615, Fed. Case No.

7565; *Reeves v. Keystone Bridge Co.*, 5 Fisher 456, Fed. Case No. 11,660; *New Process Fermentation Co. v. Koch*, 21 Fed. Rep. 580, 587; *Seymour v. Osborne*, 78 U. S. 516, 20 L. Ed. 33; *Britton v. White Mfg. Co.*, 61 Fed. Rep. 93, 95.

159. *Travers v. American Cordage Co.*, 64 Fed. Rep. 771, 773.

for general circulation, the date so imprinted is *prima facie* evidence of the date of the publication, and the publication is admissible.¹⁶⁰

The general rule seems to be that the publication must have been actually published, or intended, for general use, or accessible to the public.¹⁶¹

In the case of a large book, exact reference to it should be made, in the notice or answer, by page, chapter, or section reference.¹⁶²

The effect of drawings or sketches alone, unaccompanied by written description.

As early as 1860, in the trial of an action at law for patent infringement, Judge Leavitt refused to receive in evidence plates or drawings without any printed description, saying "I should hesitate very much to accept a mere drawing, unaccompanied by any description whatever."¹⁶³

Other rulings are as follows:

"It has been frequently held that drawings alone, unaccompanied by letter-press description, will never invalidate a patent."¹⁶⁴

"A rude pencil sketch of an apparatus, never made and carried into practical use, is not sufficient to defeat the complainant's patent."¹⁶⁵

"The defendants exhibit a drawing made by J. D. Renchard which bears date August 10, 1876, and which, it is testified by him, was made on that day, and by

160. Britton v. White Mfg. Co., 61 Fed. Rep. 93, 95.

161. Britton v. White Mfg. Co., 61 Fed. Rep. 93, 95.

162. Silsby v. Foote, 14 How. 218, 219, 14 L. Ed. 394.

163. Judson v. Cope, Fed. Case No. 7565. 1 Fisher 615.

164. Brown, J., in New Process Fermentation Co. v. Koch, 21 Fed. Rep. 580, 587.

165. Gresham, J., in Uhlmann v. Bartholomae & Leicht Brewing Co., 41 Fed. Rep. 132, 138.

others, that he showed it to them about that time. This antedates Parshall's application, but it fails to supersede his patent for the reason that it seems well-established in evidence that Renchard did not at that time prosecute the matter beyond the mere drawing. The drawing seems to exhibit a perfect machine in all its parts, * * *. Nevertheless, it is clearly proven that the defendant did not, in fact, construct an indicator in this form, and reduce it to actual use, until after it had been successfully accomplished by Parshall, nor until after the date of his patent. This mere drawing, therefore, cannot be allowed to have the effect of depriving Parshall of his title of being the first and original inventor." 166

"To constitute such a prior invention as will avoid a patent that has been granted, it must be made to appear that some one before the patentee, not only conceived the idea of doing what the patentee has done, but also reduced his idea to practice, and embodied it in some practical and useful form. The idea must have been carried into practical operation. The making of drawings of conceived ideas is not such an embodiment of such conceived ideas in a practical and useful form, as will defeat a patent which has been granted." 167

"It has been held in many cases that drawings, much more complete than the one here testified to, are not reductions to practice, as against a subsequent conceiver who first made an actual, operative machine." 168

166. Mr. Justice Matthews on Circuit, in *Detroit Lubricator Mfg. Co. v. Renchard*, 9 Fed. Rep. 293, 297.

167. *Ingersoll, J.*, in *Ellithorp v. Robertson*, Fed. Case No. 4408, 4 Blatchf. 307.

168. Taft, J., in *Christie v. Seybold*, 55 Fed. Rep. 69, 77, 5 C. C. A. 33; to the same effect, see, *Pennsylvania Diamond Drill Co. v. Simpson*, 29 Fed. Rep. 288, 290; *Odell v. Stout*, 22 Fed. Rep. 159, 165.

In the case of a design patent the foregoing reasons do not apply, and the anticipation may be effected by drawings alone.¹⁶⁹

§ 344. Eighth defense—That the combination claims sued upon are void because they are mere aggregations.

We have considered the doctrine of aggregation elsewhere. It is one by which the validity of any combination may be tested. Briefly, this defense may be raised in cases involving articles of manufacture,¹⁷⁰ machines,¹⁷¹ or processes,¹⁷² although the defense, *eo nomine*, is seldom made in process cases. It need not be pleaded.

The difficulty inherent in this defense is that, like invention, aggregation cannot be tested by any exact rule. When the case is the simple one of a combination tool, like the rubber-tipped pencil of *Reckendorfer v. Faber* (92 U. S. 347, 23 L. Ed 719), where there is no pretense or possibility of any two of its elements operating simultaneously, or in any way affecting the operation of each other, the defense is clearly maintainable. But few cases possess such simplicity, and the complicated mechanical combinations of modern automatic machinery are invariably attacked by this defense, but seldom successfully. The earlier cases developed a degree of obscurity of language which did much to involve the question of aggregation in mystery; a typical example of this verbal befogging being to the credit of Mr. Justice Matthews.

169. *Untermeyer v. Freund*, 58 Fed. Rep. 205, 7 C. C. A. 183; *Britton v. White Mfg. Co.*, 61 Fed. Rep. 93, 96.

170. *Hill v. Wooster*, 132 U. S. 693, 33 L. Ed. 502; *Campbell v. Bayley*, 63 Fed. Rep. 463, 11 C. C. A. 284; *Antisdell v. Chicago Hotel Cabinet Co.*, 89 Fed. Rep. 308, 312, 32 C. C. A. 216.

171. *Overweight Counterbalance Elevator Co. v. Henry Vogt Mach. Co.*, 102 Fed. Rep. 957, 43 C. C. A. 80.

172. *In re Mond*, 16 App. D. C. 351, 91 Off. Gaz. 1437; *Reckendorfer v. Faber*, 92 U. S. 347, 23 L. Ed. 719.

His dictum was: "In a patentable combination of old elements, all the constituents must so enter into it as that each qualifies every other; to draw an illustration from another branch of the law, they must be joint tenants of the domain of invention, seized each of every part, *per my et per tout*, and not mere tenants in common, with separate interests and estates. It must form either a new machine of a distinct character and function, or produce a result due to the joint and co-operating action of all the elements, and which is not the mere adding together of separate contributions."¹⁷³

This paragraph has been interpreted by Judge Dallas as follows: "Some of the language used by Mr. Justice Matthews in delivering the opinion of the Supreme Court in *Pickering v. McCullough*, 104 U. S. 310, has been pressed upon our attention, as indicating, it is claimed, that in a patentable combination of old elements all the constituents must so enter into it that each changes the mode of action of every other, and that each element must not merely perform its own part in the combination, but must also, in some way, be directly and immediately concerned in the performance of their respective parts by every other of the elements. No such doctrine as is thus claimed to be deducible from the opinion in *Pickering v. McCullough* appears to have been essential to the judgment in that case, nor do we think it necessary to attribute to the particular language referred to (104 U. S. 318) the meaning ascribed to it by counsel. If, instead of an extract, the whole opinion be read, in connection with the authorities which are cited in it, it may be readily perceived that the substance of the doctrine intended to be affirmed is that a combination, to be patentable, must produce a new and useful result, as the

173. *Pickering v. McCullough*,
104 U. S. 310, 26 L. Ed. 749.

product of the combination, and not a mere aggregate of several results, each the complete result of one of the combined elements. There must be a new result produced by their union. That Campbell's invention was of a combination, as thus defined, we entertain no doubt; and that Mr. Justice Matthews should be understood as holding that no combination is patentable which does not fulfill the requirement which appellee's counsel insists is requisite, we cannot suppose. If it were essential to a valid patent for any combination whatever that the mode of action of every element included in the combination should be changed by each of the others, it would have been impossible to sustain several combination patents which have in fact been upheld, as, indeed, it would be difficult to conceive of any mechanical combination which would be both possible and patentable."¹⁷⁴

Yet, after consideration of all that has been quoted, it is very clear that in the best of combinations the result attained is merely "the adding together of the separate contributions" of the individual elements, and Mr. Justice (then Judge) McKenna pointed out this fact. The Supreme Court had adopted as an illustration in *Reckendorfer v. Faber* (92 U. S. 347, 23 L. Ed. 719) a sawmill, having a frame which advances the log to meet the saw, in combination with the saw. Judge McKenna said, "the moving frame performed, of itself, no other office than moving frames do. The saw performed no other office than saws do; but, each performing its particular function, they together 'sawed through the log.'" ¹⁷⁵

In this he is supported by the language of Judge Acheson, who said, "it is sufficient if all the devices co-

174. *National Cash Register Co. v. American Cash Register Co.*, 53 Fed. Rep. 367, 371, 3 C. C. A. 559.

175. *Bowers v. Von Schmidt*, 63 Fed. Rep. 572, 583.

operate with respect to the work to be done, and in furtherance thereof, although each device may perform its particular function only.”¹⁷⁶

§ 345. Ninth defense—That the invention of the patent in suit was the joint invention of the sole applicant with another, or the sole invention of one of the joint applicants.

The defense cannot be raised by the general issue, but must be specially pleaded.¹⁷⁷

A joint patent cannot be sustained where the subject-matter was the sole invention of one of its patentees,¹⁷⁸ but it must be made clearly to appear that the patentees are not joint inventors before a court is justified in annulling a patent on that ground.¹⁷⁹

“The defense that complainants are not joint inventors is so purely formal in character that it cannot be regarded with favor, unless it be shown that the action of the patentees in this regard was disingenuous, or calculated to mislead the defendants.”¹⁸⁰

The courts have defined the act of joint invention as follows:

“When a claim covers a series of steps or a number of elements in a combination, the invention may well be joint, though some of the steps or some of the elements may have come as the thought of but one.”¹⁸¹ “If the circumstances are such as to show that two persons both contributed to an improvement, and such improvement

176. *Stutz v. Armstrong*, 20 Fed. Rep. 847.

177. *Butler v. Bainbridge*, 29 Fed. Rep. 142, 143.

178. *Henlings v. Reid*, 58 Fed. Rep. 868; *Welsbach Light Co. v. Columbia Incandescent Gaslight Co.*, 100 Fed. Rep. 648, 650.

179. *Worden v. Fisher*, 11 Fed. Rep. 505.

180. *Coxe, J., in Butler v. Bainbridge*, 29 Fed. Rep. 142, 143.

“Improper joinder (of applicants for patent) is a purely technical defense, and should not be favored, especially after the patent is assigned.” *Sanborn, J., in Sleber & Trussell Mfg. Co. v. Chicago Binder & File Co.*, 177 Fed. Rep. 439.

181. *Lurton, J., in Quincy Mining Co. v. Krause*, 151 Fed. Rep. 1014, 1017.

is the result of mutual contributions of the two, they are to be treated as joint inventors and a joint patent should be taken out.”¹⁸²

§ 346. Tenth defense—That for the purpose of deceiving the public the description and specification filed by the patentee in the Patent Office was made to contain less than the whole truth relative to his invention or discovery, or more than is necessary to produce the desired effect.

This defense may be made by special plea, or by notice under the general issue.

“According to the well-known rules of equity pleading, when it is intended to set up fraud or subterfuge, the allegations must point out specifically the details thereof.”¹⁸³

“It is seldom that a patent has been overthrown under this provision (of § 4920, R. S. U. S.). It is not sufficient that the specification contains less than the whole truth, but the omission must have been made with intent to deceive the public.”¹⁸⁴

But where the patentee admits, or it is proven, that he had knowledge of elements that were necessary to the practical operation of his invention, which he omitted from his specification, this defense will prevail.¹⁸⁵

The application of this rule may result, if a celebrated dictum of Mr. Justice Bradley is literally interpreted and applied, in destroying an entire patent, if it can be

182. Brown, J., in *Worden v. Fisher*, 11 Fed. Rep. 505.

183. Putnam, J., in *American Sulphite Pulp Co. v. Howland Falls Pulp Co.*, 70 Fed. Rep. 986, 992.

184. Coxe, J., in *Celluloid Mfg. Co. v. Russell*, 37 Fed. Rep. 676, 679.

185. *Electric Boot & Shoe Finishing Co. v. Little*, 75 Fed. Rep. 276.

established that but one of the claims falls within the condemnation of the rule. He said "one void claim * * * does not vitiate the entire patent, if made by mistake or inadvertence and without any wilful default or intent to defraud or mislead the public."¹⁸⁶

In accordance with the doctrine that actual intent must be shown, the unauthorized acts of a solicitor cannot vitiate the patent, under this defense. The following apt illustration is worth consideration:

"It appears that the specification as originally filed called for 'nitrite' of sodium, and not 'nitrate', and gave specific directions in paragraph four to diazotize a second time. Defendant contends that the variance of these respects between the specification as filed and as finally amended cannot be claimed to be inadvertence, but, on the contrary, was a distinct and intentional change, and that the court should find that the patentee, for the purpose of deceiving the public, caused his specification to contain less than the whole truth relative to his invention or discovery, and should therefore hold the patent absolutely and *ab initio* void. *Simpson v. Holliday*, 13 Wkly. Rep. 577. The applicants for this patent were in Europe and their solicitor here evidently knew little, if anything, about the chemistry of azo products; and there is nothing in the record to suggest that the changes which the solicitor made were due to anything except his own ignorance, or that he had any intent to mislead or to conceal. It is not doubted that an applicant is bound by the acts of his solicitor, but this contention seems to go beyond this wholesome rule when it seeks to void a patent, upon the theory of a fraudulent concealment or fraudulent misrepresentation, because, through the solicitor's ignorance, the specifications, when describing the

186. *Carlton v. Bokee*, 84 U. S. (17 Wall.) 463, 21 L. Ed. 517.

process of manufacture, contain some immaterial error or omission, which could not mislead a person skilled in the art.”¹⁸⁷

§ 347. Eleventh defense—That the patent in suit is void because of the abandonment of the invention to the public by the applicant prior to the filing of his application.

This defense may be raised by notice under the general issue, or under a special plea; in some cases it may be availed of without being pleaded.¹⁸⁸

This defense has no relation to the limitation of two years' public use named in the statute.

“An abandonment of an invention to the public may be evinced by the conduct of the inventor at any time, even within the two years named in the law. The effect of the law is that no such consequence will necessarily follow from the invention being in public use or on sale, with the inventor's consent and allowance, at any time within two years before his application; but that, if the invention is in public use or on sale prior to that time, it will be conclusive evidence of abandonment, and the patent will be void.”¹⁸⁹

“There may be an abandonment of an invention to the public, as well after an application has been rejected or withdrawn, as before any application is made. Such abandonment may be proven, either by express declarations of an intention to abandon, or by conduct inconsistent with any other conclusion. An inventor whose application for a patent has been rejected, and who, with-

187. Lacombe, J., in *Matheson v. Campbell*, 78 Fed. Rep. 910, 913, 24 C. C. A. 284.

188. *Curtain Supply Co. v. National Lock Washer Co.*, 174 Fed. Rep. 45, 49.

189. Mr. Justice Bradley, in *Elizabeth v. Nicholson Pavement Co.*, 97 U. S. 126, 134, 24 L. Ed. 1000, 1004; to the same effect, see, also, *Andrews v. Hovey*, 123 U. S. 267, 31 L. Ed. 160.

out substantial reason or excuse, omits for many years to take any step to reinstate or renew it, must be held to have acquiesced in its rejection, and to have abandoned any intention of further prosecuting his claim.”¹⁹⁰

The proviso of § 4886, R. S. U. S., that a patent may, on the conditions named, be obtained for an invention, “unless the same is proved to have been abandoned,” relates both to actual and to constructive abandonment. This proviso applies to designs as well as other classes of inventions.¹⁹¹

Actual abandonment occurs when it is the result of intention.¹⁹² It has been said repeatedly that clear evidence of an intention to dedicate an improvement to the public is indispensable to establish abandonment.¹⁹³ This dictum would be true if there were no constructive abandonment of inventions recognized by the law. It must be understood as relating only to attempts to prove actual abandonment by the inventor.

Perhaps no other branch of the law of patents has suffered more from the careless and inaccurate use of language than the subject of abandonment. For example, one very able judge has written: “If it appears that the inventor, after perfecting his invention and applying for a patent, and thereby irretrievably committing himself to the proposition that his invention is ripe for introduction to the public, accepts the decision rejecting his application, and cast aside his invention as of no longer any value to him, he thereby makes it forever

190. Mr. Justice Gray, in *United States Rifle & Cartridge Co. v. Whitney Arms Co.*, 118 U. S. 22, 30 L. Ed. 53.

191. *Anderson v. Eiler*, 46 Fed. Rep. 777.

192. *Mast, Foos & Co. v. Dempster Mill Mfg. Co.*, 82 Fed. Rep. 327, 27 C. C. A. 191.

193. *Idem v. Trorlicht, Duncker & Renard Carpet Co.*, 115 Fed. Rep. 137, 53 C. C. A. 341.

public property, and it is not in his power to take it back and make it again his own.”¹⁹⁴

What the learned court meant by the words “and cast aside his invention as of no longer any value to him,” is incomprehensible. If it means an independent act of actual abandonment, then the abandonment of the application has no bearing on the case. If it means that the applicant “cast aside his invention” by accepting the decision of the Patent Office, it is an absolute misstatement of the law. It has long been settled that the abandonment of the application is not sufficient to constitute proof of abandonment of the invention.¹⁹⁵ It is equally well settled that “after the application has been abandoned, a valid patent for the invention may nevertheless be secured upon a new application, provided the invention has not gone into public use or been upon sale for more than two years prior to the filing of the latter (application).”¹⁹⁶

§ 348. Twelfth defense—That the claim or claims in suit are void as claiming subject-matter not disclosed in the description.

This defense must be specially pleaded, and the presumption is in favor of the plaintiff. “In the absence of other evidence, the invention of the patent is presumed to be identical with that disclosed by the application.”¹⁹⁷

194. Sage, J., in *Consolidated Fruit Jar Co. v. Bellaire Stamping Co.*, 27 Fed. Rep. 377, 381.

195. *Clark v. Scott*, 9 Blatchf. 801, Fed. Case No. 2833; *Dederick v. Fox*, 56 Fed. Rep. 714; *Hayes-Young Tie Plate Co. v. St. Louis Transit Co.*, 137 Fed. Rep. 80, 70 C. C. A. 1.

196. *Hayes-Young Tie Plate Co. v. St. Louis Transit Co.*, 137 Fed. Rep. 80, 82, 70 C. C. A. 1.

197. *Lurton, J., in Drewson v. Hartje Paper Mfg. Co.*, 131 Fed. Rep. 734, 739, 65 C. C. A. 548; citing, *Webster Loom Co. v. Higgins*, 105 U. S. 580, 26 L. Ed. 1177.

During the pendency of an application, the description may be amended so as to serve as the foundation of claims which would not be sustained by the description as originally filed in the Patent Office. Such new matter must not involve a departure from the original invention, as shown in the drawing (Patent Office Rule 70). But claims not supported by the description and drawing are void.¹⁹⁸

§ 349. Thirteenth defense—That the description of the patent in suit is not so full, clear, concise and exact 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 or use the same.

This rule is founded on § 4888, R. S. U. S. The question of the sufficiency of the description has been considered fully, elsewhere. The degree of definiteness and fullness required by the statute has been illustrated by many cases.¹⁹⁹ This defense must be pleaded.

The statute provides for the test of sufficiency, that the invention may be constructed and practiced by those skilled in the same or analogous arts, from the disclosure of the patent,²⁰⁰ hence this defense is one which, while it could technically be raised by demurrer as based on a defect inherent in the patent, in practice must be pleaded, and determined upon the evidence of those skilled in the art or science to which the patent appertains, or with which it is most nearly connected.

What are analogous arts? It is obvious that this question is frequently one of great difficulty. But in this

198. General Electric Co. v. Sangamo Electric Co., 174 Fed. Rep. 246, 251, — C. C. A. —.

199. Grant v. Raymond, 31 U. S. (6 Peters) 218, 8 L. Ed. 94; Mitchell v. Tilghman, 86 U. S. (19 Wall.) 287, 22 L. Ed. 125; Howard v. Detroit Stove Works, 150 U. S. 164, 37 L. Ed. 1039; In-

candescent Lamp Patent, 159 U. S. 465, 40 L. Ed. 221.

200. Shive v. Keystone Watch Co., 41 Fed. Rep. 434; Webster Loom Co. v. Higgins, 105 U. S. 580, 26 L. Ed. 1177; Lawther v. Hamilton, 124 U. S. 1, 31 L. Ed. 325; Seabury & Johnson v. Am Ende, 152 U. S. 561, 38 L. Ed. 556.

connection it is of small consequence except as it bears upon the qualifications of the expert witnesses called to testify concerning the sufficiency of the disclosure. The object of the statute is clearly to obviate any requirement that the description must be addressed to or understood by the general public. The range of the arts and sciences is too great to make such descriptive writing possible, even if it were desirable.

Who are persons skilled in the arts? What constitutes the "skill" called for by the statute, is a question concerning which the opinion of Sir George Jessel has been quoted by Professor Robinson.²⁰¹ It is as follows: "Now what is the meaning of it being a sufficient specification? Upon that there has been a great deal of authority. Judges have stated it in different ways, no doubt, but I do not think there is much difference in substance. In the first place, it is plain that the specification of a patent is not addressed to people who are ignorant of the subject-matter. It is addressed to people who know something about it. If it is a mechanical invention, as this is, you have, first of all, scientific mechanics of the first class—eminent engineers; then you have scientific mechanics of the second class—managers of great manufactories, great employers of labor, persons who have studied mechanics—not to the same extent as the first class, the scientific engineers, but still to a great extent—for the purpose of conducting manufactories of complicated and unusual machines, and who therefore must have made the subject a matter of very considerable study; and in this class I should include foremen, being men of superior intelligence, who like their masters would be capable of invention, and like the scientific engineers would be able to find out what was meant even from slight hints, and still more from imperfect descriptions, and would be able to supplement,

201. Robinson, Patents, § 488.

so as to succeed even from a defective description, and even more than that, would be able to correct an erroneous description. That is what I would say of the two first classes, which I will call the scientific classes. The other class consists of the ordinary workman, using that amount of skill and intelligence which is fairly to be expected from him—not a careless man, but a careful man, though not possessing the great scientific knowledge or power of invention which would enable him by himself, unaided, to supplement a defective description or correct an erroneous description. Now, as I understand, to be a good specification it must be intelligible to the third class I have mentioned, and that is the result of the law. It will be a bad specification if the first two classes only understand it, and if the third class do not. I do not think, when the cases come to be examined, there is really any difference between the judges on this point. Their language differs, but I do not think the cases differ.”²⁰²

This distinction between good and bad specifications is purely British. It does not obtain in the American cases. In this country the distinction is merely between “skilled” and “unskilled.”²⁰³ In one case it was said that the description “should be so plain under the statute as that an ordinary manufacturer of aniline colors, having such ordinary knowledge as would exist in this country at the date of the patent, should be enabled by the instructions of that patent to carry out successfully its processes.”²⁰⁴

202. *Plimpton v. Malcolmson* (1876), L. R. 3, Ch. D. 531, 568.

203. *Emerson Co. v. Nimocks*, 99 Fed. Rep. 737, 40 C. C. A. 87; *Mowry v. Whitney*, 14 Wall. 620, 644, 20 L. Ed. 860; *Ives v. Hamilton*, 92 U. S. 426, 23 L. Ed. 494; *Webster Loom Co. v. Higgins*, 105

U. S. 580, 26 L. Ed. 1177; *Seabury v. Am Ende*, 152 U. S. 561, 567, 38 L. Ed. 553; *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U. S. 403, 437, 46 L. Ed. 968.

204. *Matheson v. Campbell*, 78 Fed. Rep. 910, 914, 24 C. C. A. 284.

Error as to scientific principle immaterial. The erroneous statement of the principle of the subject-matter of the patent will not bring the description within the condemnation of the rule. As stated by Judge Morris, "the scientific principle is not part of the process, is not patentable, and need not be set forth."²⁰⁵

Description to be read in the light of knowledge at the date of the patent.

The description's test is as of the date of the patent,²⁰⁶ and justly so, because the shifting meaning of terms of art and trade terms might otherwise invalidate patents whose descriptions were clear, full and unambiguous when the patent issued. A curious case in point was thus disposed of by Judge Shipman:

"The defendants also make the point that the character of the kind of sheets of celluloid is not sufficiently disclosed by the patent. As there was but one kind of celluloid sheets which could, at the date of the patent, be used for the purpose, and the mechanic had no need of definite instruction, because the 'cut' sheets were obviously the only ones which were, at the time, available, the objection seems to be theoretical rather than real."²⁰⁷

Expert testimony in support of this defense.

Where the invention of the patent in suit is actually being practiced, expert testimony as to insufficient description is not favored by the courts.

205. *Emerson Co. v. Nimocks*, 99 Fed. Rep. 737, 740, 40 C. C. A. 87. To the same effect, see, *Eames v. Andrews*, 122 U. S. 40, 55, 30 L. Ed. 1064.

206. *Matheson v. Campbell*, 78 Fed. Rep. 910, 914, 24 C. C. A. 284.

207. *Celluloid Mfg. Co. v. American Zylonite Co.*, 30 Fed. Rep. 437, 440.

“A great deal of testimony was introduced by the defendants, to show that the patentee had failed to describe his invention in such full, clear and exact terms as to enable persons skilled in the art to construct and use it. It seems to us that the attempt has failed. When the question is, whether a thing can be done or not, it is always easy to find persons ready to show how not to do it. But it stands confessed that the thing has been done; that is to say, the contrivance which Webster claims in his patent has been applied and very successfully so, to pile fabric looms and, as the appellants’ counsel well remarks, no one except Webster has ever appeared to claim a patent for doing it. If the thing could not be understood without the exercise of inventive power, it is a little strange that it should have been so easily adapted to the looms on which it has been used and produced such striking results.”²⁰⁸

§ 350. Fourteenth defense—That the claims are not distinct.

This defense is founded on the requirement of § 4888, R. S. U. S., that the inventor “shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery.” It need not be pleaded.

In the leading case, Mr. Justice Bradley said: “We think it proper to reiterate our disapprobation of these ingenious attempts to expand a simple invention of a distinct device into an all-embracing claim, calculated by its wide generalizations and ambiguous language to discourage further invention in the same department of industry and to cover antecedent inventions. Without deciding that a repetition of substantially the same claim in different words will vitiate a patent, we hold that

208. Mr. Justice Bradley, in *Webster Loom Co. v. Higgins*, 105 U. S. 580, 26 L. Ed. 1177-1180.

where a specification by ambiguity and a needless multiplication of nebulous claims is calculated to deceive and mislead the public, the patent is void.”²⁰⁹

§ 351. Fifteenth defense—That the patentee unreasonably neglected or delayed to enter a disclaimer.

That this defense goes only to the question of costs, and does not affect the merits is well settled.

“The only difficulty connected with the question of the disclaimer in this case arises from the final sentence of section 4917, ‘that no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing it.’ There is an unfortunate choice of language here which has rendered this sentence very ambiguous and difficult of construction. It was held by Mr. Justice Story in *Read v. Cutter*,²¹⁰ that if the disclaimer were filed during the pendency of the suit, the plaintiff would not be entitled to the benefit thereof in that suit—a ruling which had also been made in *Wyeth v. Stone*.²¹¹ It was held in *Tuck v. Bramhill*,²¹² that the provision meant that a suit pending when a disclaimer is filed is not to be affected by such filing, so as to prevent the plaintiff from recovering in it, unless it appears that the plaintiff unreasonably neglected or delayed to file the disclaimer. And such was also the ruling of Mr. Justice Nelson in *Guyon v. Serrell*;²¹³ and in *Hall v. Wiles*.²¹⁴ We think that section 4917 ought to be read in connection with section 4922, provided that the patentee may maintain a suit at law or in equity for the infringement of any part of the thing patented, notwith-

209. *Carlton v. Bokee*, 84 U. S. 463, 473, 21 L. Ed. 519.

210. 1 Story, 590, 600.

211. 1 Story, 273, 294.

212. 6 Blatchf. 95.

213. 1 Blatchf. 244.

214. 2 Blatchf. 194, 198.

standing the specifications may embrace more than that of which the patentee was the first inventor or discoverer; but in every such case in which a judgment or decree shall be rendered for the plaintiff, no costs shall be recovered, unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. This was practically the construction given to corresponding sections of the Act of 1837 by this court in *Smith v. Nichols*;²¹⁵ and of the Revised Statutes in *Dunbar v. Myers*.²¹⁶ Under section 4922 the effect of delaying a disclaimer until after the commencement of the suit goes only to the recovery of costs. We adhere to that construction. Congress having in the Revised Statutes adopted the language used in the Act of 1837, must be considered to have adopted also the construction given by this court to this sentence, and made it a part of the enactment.”²¹⁷

§ 352. Sixteenth defense—That the patent in suit has been repealed.

The subject of repeal is interesting though unimportant. The leading case, *Mowry v. Whitney*, points out that the method of repealing patents at common law was by *scire facias*, and that this was done in three classes of cases.

“1. When the King by his Letters Patent has by different patents granted the same thing to several persons, the first patentee shall have a *scire facias* to repeal the second.

“2. When the King has granted a thing by false suggestion, he may by *scire facias* repeal his own grant.

215. 88 U. S. (21 Wall.) 112,
22 L. Ed. 566.

216. 94 U. S. 187, 193, 24 L. Ed.
34, 37.

217. Mr. Justice Brown, in *Sessions v. Romadka*, 145 U. S. 29,
52, 36 L. Ed. 614.

“3. When he has granted that which by law he cannot grant, he *jure regis*, and for the advancement of justice and right, may have a *scire facias* to repeal his own letters patent.

“And the proceeding was usually brought in chancery, in the jurisdiction where the record of the instrument was found.”²¹⁸

The same case points out that only the King or his Attorney-General could sue out the writ, except in cases where two patents for the same subject-matter had been issued to different individuals, and that a statutory remedy had been provided in the latter class of cases by the Act of July 4, 1836, § 16. Wherefore it concluded that the proceeding, except in that class of cases, should be brought by the United States, and in its name, or by the authority or permission of the Attorney-General, under such conditions as would enable the Attorney-General to retain “such control of the matter as would enable him to prevent oppression and abuse in the exercise of the right to prosecute such a suit.”

While, theoretically, a bill for the repeal of a patent obtained by fraud may be brought in the name of the United States, the practical value of that doctrine has been rendered a minus quantity by one of the Telephone cases.

“Suits may be maintained by the government in its own courts to set aside one of its patents not only when it has a proprietary and pecuniary interest in the result, but also when it is necessary in order to enable it to discharge its obligations to the public, and, sometimes, when the purpose and effect are simply to enforce the rights of an individual. In the former cases it has all the privileges and rights of a sovereign. The statutes

218. *Mowry v. Whitney*, 81 U. Cited in *Knapp v. Thomas*, 39 S. (14 Wall.) 434, 20 L. Ed. 858. Ohio St. 386, 45 Am. Rep. 462.

of limitations do not run against it. The laches of its own officials does not debar its right.²¹⁹ But when it has no proprietary or pecuniary result in the setting aside of the patent; is not seeking to discharge its obligations to the public; when it has brought the suit simply to help an individual; making itself, as it were, the instrument by which the right of that individual against the patentee can be established, then it becomes subject to the rules governing like suits between private litigants. As said in *United States v. Beebe*:²²⁰

“ ‘We are of the opinion that when the government is a mere formal complainant in a suit, not for the purpose of asserting any public right or protecting any public interest, title, or property, but merely to form a conduit through which one private person can conduct litigation against another private person, a court of equity will not be restrained from administering the equities existing between the real parties by any exemption of the government designed for the protection of the rights of the United States alone. The mere use of its name in a suit for the benefit of a private suitor cannot extend its immunity as a sovereign government to said private suitor, whereby he can avoid and escape the scrutiny of a court of equity into the matters pleaded against him by the other party, nor stop the court from examining into and deciding the case according to the principles governing courts of equity in like cases between private litigants.’ See, also, *United States v. Des Moines Nav. & R. Co.*;²²¹ *Curtner v. United States*.²²²

219. Citing *Van Brocklin v. Tennessee*, 117 U. S. 151, 29 L. Ed. 245; *United States v. Nashville, C. & St. L. R. Co.*, 118 U. S. 120, 30 L. Ed. 81; *United States v. Ingley*, 130 U. S. 263, 32 L. Ed. 968.

220. 127 U. S. 338, 347, 32 L. Ed. 121, 125.

221. 142 U. S. 510, 35 L. Ed. 1099.

222. 149 U. S. 662, 37 L. Ed. 890.

“Now in the case at bar, the United States has no proprietary or pecuniary interest. The result, if favorable, to it, would put no money in its treasury or property in its possession. It has a standing in court either in the discharge of its obligation to protect the public against the monopoly it has wrongfully created, or simply because it owes a duty to other patentees to secure to them the full enjoyment of the rights which it has conferred by its patents to them. Perhaps both of these objects are in view. In so far as the latter was and is the purpose of this suit it brings it within the rule laid down in *United States v. Beebe*, supra. Doubtless the removal from the public of the burden of a monopoly charged to have been wrongfully created was also one of the objects, and perhaps the principal object. *United States v. American Bell Telephone Co.*²²³ To what extent this may relieve the government as suitor from all the rules governing the suits of private individuals need not be specifically determined here.

“One of the familiar rules of equity, reinforced by statute (U. S. Rev. Stat., § 723) is that ‘suits in equity shall not be sustained in either of the courts of the United States in any case where a plain, adequate, and complete remedy may be had at law.’ The objection to the validity of this patent on the ground that it was already covered by the patent of 1880 is a defense which, under the statutes (U. S. Rev. Stat., § 4920), is open to every individual charged by the patentee with infringement, whether the proceeding against him be an action at law or a suit in equity. The government, therefore, if seeking simply to protect the right of an individual, ought not to be permitted to maintain a suit in equity to cancel that against which the individual has a perfect

223. 159 U. S. 548, 40 L. Ed.

legal defense available in any action brought by or against him. The query is pressed whether the same rule would not also apply where the government is not only seeking to protect the public at large, for the public is but the aggregation of all individuals, and if each of them has a perfect defense to the patent, so all together have. Again, and as an illustration perhaps of the extent of the rule referred to, it has often been held that while one having the title to and possession of a tract of land can maintain a suit in equity to cancel a deed or other instrument which is a cloud upon the title, such suit cannot be sustained if the deed or instrument is void upon its face, its invalidity resting upon matters of record, and not affected by any lapse of time or statute of limitations. In other words, the deed or instrument is not considered a cloud if it can never be used to destroy his title or disturb his possession. The objection to this patent on the ground stated is an objection resting upon matters of record—of record in the Patent Office; not dependent on oral testimony nor subject to change, and in no way affected by lapse of time. Within the scope of this specific application of the general rule it would seem that equity has no jurisdiction, either at the suit of the government or of an individual, to formally cancel that which by record and unfailing evidence is, as claimed, absolutely void.

“But, further, Congress has established the Patent Office, and thereby created a tribunal to pass upon all questions of novelty and utility. It has given to that office exclusive jurisdiction in the first instance, and has specifically provided under what circumstances its decisions may be reviewed, either collaterally or by appeal. As said in *Butterworth v. United States*:²²⁴ ‘That it

224. 112 U. S. 50, 67, 28 L. Ed. 656, 662.

was intended that the Commissioner of Patents, in issuing or withholding patents, in reissues, interferences and extensions, should exercise quasi-judicial functions, is apparent from the nature of the examinations and decisions he is required to make, and the modes provided by law, according to which, exclusively, they may be reviewed.'

"U. S. Rev. Stat., §§ 4911, 4914 grant appeals in certain cases to the Supreme Court of the District of Columbia. It is true those sections do not authorize appeals on behalf of the government, but the failure so to do may be evidence that Congress thought the government ought not to interfere, and because it believed it had made ample provision for securing the rights of all without the intervention of the government. U. S. Rev. Stat., § 4915, authorized a suit in equity on behalf of an applicant for a patent whose application has been refused. *Morgan v. Daniels*,²²⁵ presented a controversy under that section, and in the opinion on page 124, we said: 'It is a controversy between two individuals over a question of fact which has once been settled by a special tribunal, intrusted with full power in the premises. As such it might be well argued, were it not for the terms of this statute, that the decision of the Patent Office was a finality upon every matter of fact.'

"It is true that all these sections refer to proceedings between individuals, but the government is as much bound by the laws of Congress as an individual, and when Congress has created a tribunal to which it has given exclusive determination in the first instance of certain questions of fact and has specifically provided under what circumstances that determination may be reviewed by the courts, the argument is a forcible one that such

225. 153 U. S. 120, 38 L. Ed. 657.

determination should be held conclusive upon the government, subject to the same limitations as apply in suits between individuals.

“There is nothing in *United States v. American Bell Telephone Co.*,²²⁶ and *United States v. American Bell Telephone Co.*,²²⁷ to conflict with the views above expressed. In the former case the question presented was whether the government could maintain a bill to set aside a patent for an invention on the ground of fraud in its issue, and among the objections urged was the fact that Congress has, in U. S. Rev. Stat., § 4920, made specific provision for certain defenses in suits by an infringer. It was held that the government could maintain such a bill, and that these special statutory provisions did not defeat its right, the court summing up the discussion in these words (p. 373): ‘The argument need not be further extended. There is nothing in these provisions expressing an intention of limiting the power of the government of the United States to get rid of a patent obtained from it by fraud and deceit. And although the Legislature may have given to private individuals a more limited form of relief, by way of defense to an action of the patentee, we think the argument that this was intended to supersede the affirmative relief to which the United States is entitled, to obtain a cancellation or vacation of an instrument obtained from it by fraud, an instrument which affects the whole public whose protection from such a fraud is eminently the duty of the United States, is not sound.’

“In the latter case which is the one now before us, there was decided a motion to dismiss for want of jurisdiction in this court of an appeal from the decision of the court of appeals, and it was adjudged that this court

226. 128 U. S. 315, 32 L. Ed. 450.

227. 159 U. S. 548, 40 L. Ed. 255.

had jurisdiction. It is true, at the close of the opinion is found this general statement as to the power to maintain such a suit (p. 555): 'In *United States v. American Bell Telephone Co.*, supra, it was decided that where a patent for a grant of any kind issued by the United States has been obtained by fraud, by mistake, or by accident, a suit by the United States against the patentee is the proper remedy for relief, and that in this country, where there is no kingly prerogative, but where patents for lands and inventions are issued by the authority of the government, and by officers appointed for that purpose, who may have been imposed upon by fraud or deceit, or may have erred as to their power, or made mistakes in the instrument itself, the appropriate remedy is by proceedings by the United States against the patentee.'

“But while there was thus rightfully affirmed the power of the government to proceed by suit in equity against one who had wrongfully obtained a patent for land or for an invention, there was no attempt to define the character of the fraud, or deceit, or mistake, or the extent of the error as to power which must be established before a decree could be entered canceling the patent. It was not affirmed that the proof of any fraud, or deceit, or the existence of any error on the part of the officers as to the extent of their power, or that any mistake in the instrument was sufficient to justify a decree of cancellation. Least of all was it intended to be affirmed that the courts of the United States, sitting as courts of equity, could entertain jurisdiction of a suit by the United States to set aside a patent for an invention on the mere ground of error of judgment on the part of the patent officials. That would be an attempt on the part of the courts in collateral attack to exercise an appellate jurisdiction over the decisions of the Patent Office, although no appellate jurisdiction has been by the

statutes conferred. We are of opinion, therefore, that the question, as stated, is not open for consideration in this case.''²²⁸

It is settled that a patent, once issued, has passed beyond the control and jurisdiction of the Patent Office, and is not subject to be revoked or cancelled by the President or any other officer of the government.²²⁹

§ 353. Seventeenth defense—That the patent in suit has expired.

This defense applies to cases where the patent in suit has expired either by the terms of its grant, or, when it was so provided by statute, where its life has been terminated by the expiration of a foreign patent for the same invention. The decisions relating to the effect of the expiration of such foreign patents have been reviewed elsewhere in this book. Where the defense was based upon the expiration of the foreign patent, the term indicated in the grant of such foreign patent was held to establish its duration, in the absence of proof that it had been extended.²³⁰ Expert testimony might be introduced upon the question of identity between the foreign and domestic patents,²³¹ but in the absence of such testimony identity was determinable upon an inspection and comparison of the patents by the court.²³² When the defense is based upon this ground it must be raised by plea or answer.

Where the patent in suit has expired according to its own terms, that fact is no bar to the bringing of an ac-

228. Mr. Justice Brewer, in *United States v. American Bell Telephone Co.*, 167 U. S. 224-264, 42 L. Ed. 144, 163.

229. *McCormick Harvesting Mach. Co. v. C. Aultman Co.*, 169 U. S. 606, 608, 42 L. Ed. 875, 876; *United States ex rel. McBride v. Schurz*, 102 U. S. 378, 25 L. Ed. 167.

230. *Edison Electric Light Co. v. Electric Engineering & Supply Co.*, 60 Fed. Rep. 401; *Bonsack Mach. Co. v. Smith*, 70 Fed. Rep. 383.

231. *Bischoff v. Wethered*, 76 U. S. (9 Wall.) 812, 19 L. Ed. 829.

232. *De Florez v. Reynolds*, 8 Fed. Rep. 434.

tion at law, if brought within six years of the expiration of the patent and of the commission of the act of infringement. But a suit in equity will not ordinarily lie for the infringement of an expired patent, as the relief by way of accounting is merely ancillary to the administration of other relief.²³³

The jurisdiction over the suit in equity is fixed when the bill is filed during the life of the patent, and the expiration of the patent after the filing of the bill will not terminate its jurisdiction.²³⁴ But where the bill in equity is filed a short time before the expiration of the patent the courts are inclined to hold that the remedy at law is sufficient and that the bill should be dismissed without prejudice to the right of the complainant to bring an action at law for damages.²³⁵ It has been held under such circumstances that the bill is demurrable,²³⁶ and a bill in equity filed after the expiration of the patent, and not brought in aid of a suit at law is demurrable.²³⁷

Where the court of equity retains jurisdiction of the suit for infringement after the expiration of the patent in suit it does so for the purpose of administering incidental relief by way of damages, profits or otherwise.²³⁸ Where a complainant's patent is sustained on final hear-

233. *Root v. Lake Shore and M. S. R. Co.*, 105 U. S. 189, 26 L. Ed. 975.

234. *Brooks v. Miller*, 28 Fed. Rep. 615; *Clark v. Wooster*, 119 U. S. 322, 30 L. Ed. 392; *Beedle v. Bennett*, 122 U. S. 71, 30 L. Ed. 1074.

235. *Racine Seeder Co. v. Joliet Wire Check Rower Co.*, 27 Fed. Rep. 367.

236. *American Cable Ry. Co. v. Chicago City Ry. Co.*, 41 Fed.

Rep. 522; *Bragg Mfg. Co. v. City of Hartford*, 56 Fed. Rep. 292.

237. *Consolidated Safety Valve Co. v. Ashton Valve Co.*, 26 Fed. Rep. 319.

238. *Ross v. City of Ft. Wayne*, 63 Fed. Rep. 466, 11 C. C. A. 288; *Clark v. Wooster*, 119 U. S. 322, 30 L. Ed. 392; *Beedle v. Bennett*, 122 U. S. 71, 30 L. Ed. 1074.

ing, after it has expired pending suit, the defendant's appeal will be dismissed without examination of the merits if it involves only costs, and not an order to account.²³⁹

§ 354. Eighteenth defense—That the patentee failed to mark articles made and sold by him under the patent in suit with the statutory marking, and failed to give the defendant the alternative statutory notice.

This defense is based upon section 4900, R. S. U. S.

Section 4900. "It shall be the duty of all patentees, and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word 'patented' together with the day and year the patent was granted; or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice; and in any suit for infringement, by the party failing so to mark, no damages shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement, and continued, after such notice, to make, use, or vend the article so patented."

The want of notice or marking merely affects the question of the recovery of a money judgment; it does not affect the right to an injunction.²⁴⁰ Where the failure to mark was urged in opposition to a motion for preliminary injunction, the patent in suit never having been sustained by a court, the defense was disposed of upon the ground that, while the patentee had failed to mark a

239. Elastic Fabrics Co. v. Smith, 100 U. S. 110, 25 L. Ed. 547.

40. Anderson v. Monroe, 55 Fed. Rep. 398, 404; Horn v. Bergner, 68 Fed. Rep. 428, 432.

large number of the patented articles, "a sufficiently large number of them were so marked to give general notice that the ring was patented." 241

This section applies to design patents.²⁴²

"The clear meaning of this section is that the patentee or his assignee, if he makes or sells the article patented, cannot recover damages against infringers of the patent, unless he has given notice of his right, either to the whole public by marking his article 'patented,' or to the particular defendants by informing them of his patent and of their infringement of it.

"One of these two things, marking the articles, or notice to the infringer, is made by the statute a prerequisite to the patentee's right to recover damages against them. Each is an affirmative fact, and is something to be done by him. Whether his patented articles have been duly marked or not is a matter peculiarly within his own knowledge; and if they are not duly marked, the statute expressly puts upon him the burden of proving the notice to the infringers, before he can charge them in damages. By the elementary principles of pleading, therefore, the duty of alleging, and the burden of proving, either of these facts is upon the plaintiff." 243

The rule formerly was that the failure to mark, or give notice, was an affirmative defense which must be set up in the answer, and established by proof.²⁴⁴ Where the bill failed to allege marking, and the answer was silent concerning it, it has been held that it was open to

241. Acheson, J., in *McDowell v. Kurtz*, 77 Fed. Rep. 206, 208, 23 C. C. A. 119.

242. *Dunlap v. Schofield*, 152 U. S. 244, 247, 38 L. Ed. 426, 427.

243. Mr. Justice Gray, in *Dunlap v. Schofield*, 152 U. S. 244, 247,

38 L. Ed. 426, 427. To the same effect, see, 9 U. S. E. 299.

244. *Goodyear v. Allyn*, 6 Blatchf. 38, Fed. Case 5555; *United States Printing Co. v. American Playing Card Co.*, 70 Fed. Rep. 50, 53.

the defendant to make this defense as against an attempt to assess damages and profits.²⁴⁵

Clearly, the statute has no application to cases where the patentee and his assigns have never made or sold any specimens of the thing patented,²⁴⁶ and it cannot apply to process patents.²⁴⁷

The statute is not complied with unless all of the articles made and sold by the patentee, or his assigns, are marked; it is not sufficient to show that they were so marked "as a rule."²⁴⁸

When the marking has been effected as required by the statute, it is immaterial that the infringer had no actual knowledge of the existence of the patent in suit;²⁴⁹ his knowledge of the patent will be conclusively presumed, unless it is shown that he has failed to mark as required by the statute.²⁵⁰

The requirement of this section as to marking cannot be avoided by proof that the marking would so increase the cost that the patentee could make no profit; "the character of the article" is the only exception specified by the statute.²⁵¹

While, in the case of small articles, whose size makes the marking difficult, something must be left to the judgment of the patentee as to whether the mark will be placed on the article, or on the containers in which the article is packed for shipment and sale,²⁵² the patentee

245. *Lowell Mfg. Co. v. Hogg*, 70 Fed. Rep. 787.

246. *Goodyear v. Allyn*, 6 Blatchf. 38, Fed. Case 5555; *Ewart v. Baldwin Cycle Chain Co.*, 91 Fed. Rep. 262.

247. *United States Mitis Co. v. Carnegie Steel Co.*, 89 Fed. Rep. 206; *United States Mitis Co. v. Midvale Steel Co.*, 135 Fed. Rep. 103.

248. *Matthews & Willard Mfg. Co. v. National Brass & Iron*

Works, 71 Fed. Rep. 518.

249. *Hogg v. Gimbel*, 94 Fed. Rep. 518.

250. *Smith v. Stewart*, 55 Fed. Rep. 481.

251. *Smith v. Walton*, 56 Fed. Rep. 499. That the marking may be done on a part of the device not covered by patent, see *Dade v. Boorum & Pease Co.*, 121 Fed. Rep. 135.

252. *Sessions v. Romadka*, 145 U. S. 29, 36 L. Ed. 609.

exercises that discretion at his peril. Where the patent was on a wooden dish and the marking was done only on the crate containing the dishes, a demurrer to the declaration was sustained because the marking was not so accomplished as to reach the consumer.²⁵³

It should be remarked that the notice given as the alternative of marking by this section, need not be in writing. A verbal notice given the infringer, a copy of the letters patent being exhibited to him at the same time, has been held to constitute a full compliance with the statute.²⁵⁴

§ 355. Nineteenth defense—That the complainant's title is insufficient to enable him to maintain the suit.

This defense merely goes to the failure of the plaintiff or complainant to establish his title. It is incumbent upon him to prove his title unless it is conceded by admissions in the answer. We have discussed elsewhere the various kinds of estates in letters patent. The statutory regulation of assignments of interests in letters patent is as follows:

Section 4898. Every patent or any interest therein shall be assignable in law by an instrument in writing, and the patentee or his assigns or legal representatives may in like manner grant and convey an exclusive right under his patent to the whole or any specified part of the United States. An assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from the date thereof. If any such assignment, grant, or conveyance of any patent shall be acknowledged before any notary public of the several States or Territories of the District of Columbia, or any Commis-

253. *Smith v. Walton*, 51 Fed. Rep. 17.

254. *New York Pharmica Assn. v. Tilden*, 14 Fed. Rep. 740.

sioner of the United States Circuit Court, or before any secretary of legation or consular officer authorized to administer oaths or perform notarial acts under section seventeen hundred and fifty of the Revised Statutes, the certificate of such acknowledgment, under the hand and official seal of such notary or other officer, shall be *prima facie* evidence of the execution of such assignment, grant, or conveyance.”

Under this section an assignment need not be under seal.²⁵⁵ This section does not prohibit the acquisition of an equitable title or interest in a patent by parol.²⁵⁶ The acknowledgment of an assignment before the notary or other officer designated in the section obviates the necessity of proving the signature.²⁵⁷

The section does not prevent an unrecorded assignment from being valid as between the parties.²⁵⁸

The question of the ability or disability of the assignor to make the assignment depends upon the laws of the State where it is executed.²⁵⁹ The operation of this section is confined to patents; the record of an assignment of an unpatented invention does not operate as constructive notice to a purchaser.²⁶⁰

§ 356. Twentieth defense—That the alleged infringing acts were done under a license.

A license is always an adequate defense to the charge of infringement, to the extent to which it goes.²⁶¹ But

255. *Gottfried v. Miller*, 104 U. S. 521, 26 L. Ed. 851.

256. *Burr v. La Vergne*, 102 N. Y. 415.

257. *New York Pharmaceutical Assn. v. Tilden*, 14 Fed. Rep. 740.

258. *Cook v. Sterling Elec. Co.*,

118 Fed. Rep. 45; *Spears v. Willis*, 151 N. Y. 443.

259. *Fetter v. Newhall*, 17 Fed. Rep. 841.

260. *Wright v. Randel*, 8 Fed. Rep. 591.

261. *Aspinwall Mfg. Co. v. Gill*, 32 Fed. Rep. 702.

after the rights created by the license have been exhausted, if the defendant continues to make, use or sell, he stands upon the same footing as any other infringer.²⁶²

Where suit is brought for infringement and the defense of license is interposed, and the existence of the license is denied by the complainant, it is for the court to determine whether, at the time of the acts complained of there was a subsisting license between the parties. If that fact is found in the affirmative, the bill will be dismissed;²⁶³ because "it is undoubtedly the rule that where there appears to be a subsisting license between the complainant and the defendant, the jurisdiction of the court, under the patent law, will not be extended to cover a suit to enforce the terms of the license, or to forfeit the license, on the ground that the terms thereof have been violated."²⁶⁴

When it becomes necessary for the court to construe a contract offered in support of the defense of license, that construction will be adopted which gives effect to all its parts and is alike just to both the parties.²⁶⁵

A license will never be implied from a settlement for past damages by an infringer. "In case of a license or a sale by the patentee, the rights of the licensee or the vendee arise out of contract with him. In the case of infringement, the liability of infringers arises out of their own wrongful invasion of his rights. The recovery and satisfaction of a judgment for damages against one

262. *Aspinwall Mfg. Co. v. Gill*, 32 Fed. Rep. 702.

263. *White v. Lee*, 3 Fed. Rep. 222; *Kelly v. Porter*, 17 Fed. Rep. 519; *Hammacher v. Wilson*, 26 Fed. Rep. 239, 240.

264. *Carpenter, J., in Hamma-*

cher v. Wilson, 26 Fed. Rep. 239, 240; following *Hartell v. Tilghman*, 99 U. S. 547, 25 L. Ed. 357.

265. *Hanifen v. Lupton*, 101 Fed. Rep. 462, 465, 41 C. C. A. 462.

wrongdoer do not ordinarily confer, upon him or upon others, the right to continue or repeat the wrong.”²⁶⁶

A defendant may properly join as defenses averments of invalidity and of license, as he “has the right to set up as many defenses as he may have, providing they are not inconsistent.”²⁶⁷

§ 357. Twenty-first defense—That the defendant has discharged his liability for the infringement.

This defense may go to the extent of the entire infringement, or only to the extent of a portion of the infringement. If the former, it would seem that it should be specially pleaded; if the latter, it may be shown under the general issue.²⁶⁸

Where the release pleaded was made by the complainant, or his predecessor in title, this defense is not attended with difficulty, but where the release has been given by one of the joint owners of the patent its effect is as yet unsettled. In holding that a release from such a source is not a bar to a suit by the other co-owners Judge Lacombe has said: “It is not thought that the execution of an assignment and a release by one of the joint owners destroys the co-owner’s right to recover his damages from the defendant. To so hold would be to push the supposed analogy to the law of real property altogether too far. The kind of property which is represented by Letters Patent is peculiar—indeed, *sui generis*; and to apply to it all the rules of the common law as to ownership of land would sometimes lead to ab-

266. Mr. Justice Gray, in *Birdsell v. Shallol*, 112 U. S. 485, 28 L. Ed. 768; and to the same effect, see, *Blake v. Greenwood Cemetery*, 16 Fed. Rep. 676; *United States Printing Co. v. American Playing Card Co.*, 70 Fed. Rep. 50;

Electric Gas Lighting Co. v. Wolensak, 70 Fed. Rep. 790.

267. *Swing, J.*, in *National Mfg. Co. v. Meyers*, 7 Fed. Rep. 355, 357.

268. *Burdell v. Denig*, 92 U. S. (2 Otto) 716, 23 L. Ed. 764.

surditities. Unqualified assent has by no means been given to Judge Curtis' reasoning in *Clum v. Brewer*,²⁶⁹ and the scrupulous care with which the Supreme Court has restricted its decisions in *Gottfried v. Miller*,²⁷⁰ and the *Paper Bag Cases*,²⁷¹ leaves the question still open, although, in this circuit, where *Pitts v. Hall*,²⁷² has laid down a different rule from that adopted by Judge Curtis, the principle of *stare decisis* would seem to require a denial of defendant's motion to dismiss. An interesting discussion of this important and unsettled question will be found in chapter 6 of Hall's *Patent Estate*, where the arguments on either side, and the entire body of Federal decisions down to 1888, are most tersely and admirably set forth. Upon the precise question now presented, viz., the power of one co-owner to destroy the other's accrued right to damages, the opinion of Romilly, M. R., cited on complainants' brief (*In re Horsley & Knighton's Patent*, L. R. 8 Eq. 475), seems to characterize the proposition quite correctly as 'a violation of the fundamental principles of law, and contrary to natural justice.' ''²⁷³

§ 358. Twenty-second defense—Non-infringement.

Where the validity of the patent in suit is admitted or proven, the remaining defense, in the majority of cases, is that of non-infringement. Infringement being a part of the plaintiff's case, the burden is upon him to prove it, and he generally establishes a *prima facie* case by a comparison of the defendant's device or method, with the terms of the claims of the patent in suit. But in-

269. 2 Curt, 506 Fed. Case 2909.

270. 104 U. S. 521, 26 L. Ed. 851.

271. 105 U. S. 766, 26 L. Ed. 959.

272. 3 Blatchf. 201, Fed. Case 11,193.

273. *LaLance & Grosjean Mfg. Co. v. Haberman Mfg. Co.*, 93 Fed. Rep. 197, 198.

fringement depends both upon the construction of the claims, and the practice of the defendant, as to devices or methods. It is therefore usual for the defendant to introduce the file wrapper and contents giving the history of the application which resulted in the patent in suit, and also such prior structures, publications or patents as anticipate or tend to limit the scope of the claims of the patent in suit. All of this material may be offered under a simple denial of the charge of infringement embraced in the bill. These matters of evidence are fully discussed elsewhere, under their respective titles.

§ 359. Twenty-third defense—Estoppel of the complainant to assert any demand under the patent in suit against the defendant.

Estoppel may arise in various ways.

Where the defendant is a former owner of the patent he may be estopped by matter of deed, from contesting the validity of the patent,²⁷⁴ even as against a reissue

274. "As to the rest of the world, the patent may be void, but the assignor is estopped from urging that defense against his assignee." Lacombe, J., in *Adee v. Thomas*, 41 Fed. Rep. 342, 343. "The foundation of the estoppel against a vendor patentee is the fact that he has received and retained a valuable thing in consideration of the statements contained in the application for, or specification of, the patent. It is therefore unnecessary that the vendee should prove other representations." Townsend, J., in *National Conduit Mfg. Co. v. Connecticut Pipe Mfg. Co.*, 73 Fed. Rep. 491, 493; citing *Babcock v. Clarkson*, 63 Fed. Rep. 607, 11 C. C. A. 351.

"He (the assignor) cannot say that the patent has been anticipated by prior structures, or that it is void for want of novelty or utility." Colt, J., in *Martin & Hill Cash Carrier Co. v. Martin*, 67 Fed. Rep. 786, 787, 14 C. C. A. 643.

For other illustrative cases, see, *Faulks v. Kamp*, 3 Fed. Rep. 898; *Onderdonk v. Fanning*, 4 Fed. Rep. 148; *Consolidated Middlings Purifier Co. v. Guilder*, 9 Fed. Rep. 155, 156; *Curran v. Burdsall*, 20 Fed. Rep. 835; *Underwood v. Warren*, 21 Fed. Rep. 573; *Parker v. McKee*, 24 Fed. Rep. 808; *Corbin Cabinet Lock Co. v. Yale & Towne Mfg. Co.*, 58 Fed. Rep. 563, 565; *Ball & Socket Fastener Co.*

obtained after the assignment,²⁷⁵ and he is estopped from denying the plaintiff's title.²⁷⁶ But he is not estopped from showing how the claims of the patent assigned should be construed.²⁷⁷

But a defendant-assignor when sued for infringement will not be permitted to attack the validity of the patent under the guise of displaying the prior state of the art to aid the court in construing it.²⁷⁸

The estoppel may arise as the result of a contract not to contest the validity of the patent, and it has been repeatedly and uniformly held that such contracts are not void as against public policy.²⁷⁹

In the absence of contract, the estoppel extends to a defendant corporation, where, prior to its incorporation all of the parties to the incorporation had concurred in the sale of the patent in suit to the complainant, and had participated in the consideration paid for the patent.²⁸⁰

v. Ball Glove Fastening Co., 58 Fed. Rep. 818, 7 C. C. A. 498; Daniel v. Miller, 81 Fed. Rep. 1000; Griffith v. Shaw, 89 Fed. Rep. 313; Smith v. Ridgely, 103 Fed. Rep. 875, 877, 43 C. C. A. 365; Force v. Sawyer-Boss Mfg. Co., 111 Fed. Rep. 902, 903; Consolidated Rubber Tire Co. v. Finley Rubber Tire Co., 116 Fed. Rep. 629, 638; Siemens-Halske Electric Co. v. Duncan Electric Mfg. Co., 142 Fed. Rep. 157, 159, 73 C. C. A. 375.

275. Burdsall v. Curran, 31 Fed. 918, 919.

276. "The assignor is estopped from denying . . . his own title to the interest transferred . . . When sued for infringement, he is not permitted to set up in his defense . . . his own inability to convey it." Colt, J.,

in Woodward v. Boston Lasting Mach. Co., 60 Fed. Rep. 283, 284, 8 C. C. A. 622.

277. The assignor-defendant "is still left at liberty to show that, assuming the patent to be valid, it is nevertheless subject to the limitations imposed thereon by the prior art." Severens, J., in Smith v. Ridgely, 103 Fed. Rep. 875, 877, 43 C. C. A. 365.

278. Alvin Mfg. Co. v. Schwarling, 100 Fed. Rep. 87, 90.

279. Dunham v. Bent, 72 Fed. Rep. 60; Philadelphia Creamery Supply Co. v. Davis & Rankin Bldg. & Mfg. Co., 77 Fed. Rep. 879; Consolidated Rubber Tire Co. v. Finley Rubber Tire Co., 116 Fed. Rep. 629, 638.

280. Underwood v. Warren, 21 Fed. Rep. 573; Woodward v. Boston Lasting Mach. Co., 60 Fed.

And as a general rule, all persons interested in the sale and in privity with the assignor are estopped, as against the assignee.²⁸¹

Where an estoppel appears in the evidence, the court will give it effect even though the parties do not wish to raise the question. This forms an exception to the almost universal rule that an estoppel must be pleaded, and the reason for this exception to the rule has been thus stated: "The estoppel would properly arise as a matter of rebuttal by complainant, on the proofs, and not on the pleadings. The complainant might have anticipated the defense of invalidity by inserting, in its bill, charges and an avoidance; but it was at its option to do so, and it loss no rights by not availing itself of this option. In *Underwood v. Warren*,²⁸² the question of estoppel was raised by exceptions to the answer; but this was irregular, and was apparently permitted because no one objected to this method of proceeding. An answer is clearly not insufficient merely because it sets up a defense which may be rebutted, and parties cannot be compelled to try on exceptions an issue of this kind."²⁸³

The estoppel does not extend to one who executes the conveyance of a patent as attorney-in-fact for another.²⁸⁴

Where the defendant has sustained other intimate relations to the patent than that of ownership, an estoppel may result therefrom; as, where he had been an employee of the complainant, and during that employment gave expert testimony in support of the validity of the patent.²⁸⁵

Rep. 283, 8 C. C. A. 622; *Force v Sawyer-Boss Mfg. Co.*, 111 Fed. Rep. 902, 903.

281. *Parker v. McKee*, 24 Fed. Rep. 808; *Daniel v. Miller*, 81 Fed. Rep. 1000.

282. 21 Fed. Rep. 573.

283. Per Curiam, *Woodward v. Boston Lasting Mach. Co.*, 63 Fed. Rep. 609, 11 C. C. A. 353.

284. *H. Tibbe & Son Mfg. Co. v. Heineken*, 37 Fed. Rep. 686.

285. *Cleveland Target Co. v. United States Pigeon Co.*, 52 Fed. Rep. 385.

A bankrupt whose patent has been sold by his assignee in bankruptcy is not subject to the estoppel which would arise had he made the conveyance himself, and it would seem, on principle, that this rule would apply in all cases of involuntary alienation.²⁸⁶

The estoppel is not created by the relationship of licensee, in the absence, of course, of any recital as to the validity of the patent in the licensing agreement. When the licensee repudiates and abandons the license he may, in defense of a suit for royalties alleged to have accrued subsequent to the repudiation, set up the invalidity of the patent for want of invention and want of novelty.²⁸⁷ The same course is open to him when sued for infringement. Judge Taft has said: "The fact that for a time the defendant was a licensee of the Colby patent cannot, of course, estop the defendant from disputing its validity in a suit for infringements charged to have taken place after the license was withdrawn. Such a fact, in a doubtful case, might have considerable evidential force as an admission of the validity of the patent by the licensee."²⁸⁸

As to the defense of a suit for royalties, however, the licensee cannot set up the invalidity of the patent unless he has abandoned the license and so notified his licensor.²⁸⁹

An estoppel is not created by mere dealings in the articles made by the complainant, or by affirmative recognition of the validity of the patent. A court decision or other circumstance which puts such a dealer for the

286. Babcock v. Clarkson, 63 Fed. Rep. 607, 11 C. C. A. 351.

287. Mudgett v. Thomas, 55 Fed. Rep. 645; White v. Lee, 3 Fed. Rep. 224; Brown v. Lapham, 27 Fed. Rep. 77; Sherman v.

Transportation Co., 31 Vermont 162.

288. Dueber Watch Case Mfg. Co. v. Robbins, 75 Fed. Rep. 26.

289. Mudgett v. Thomas, 55 Fed. Rep. 645, 648; Marston v. Swett, 82 N. Y. 526, 533.

first time upon his inquiry as to the validity of the patent will wipe out the effect of such dealings and they will offer no obstacle to his defense of a suit for infringement upon the ground of the invalidity of the patent in suit.²⁹⁰ Nor is a defendant estopped from making such a defense by the fact that he has offered to take a license under the patent,²⁹¹ or by the fact that he is a stockholder in the complainant corporation.²⁹² Similarly, even though he has exactly copied and appropriated the disclosure of the patent in suit, he is estopped to deny the utility of the thing patented,²⁹³ but is not estopped to defend upon the other grounds attacking its patentability.²⁹⁴ Nor is such an estoppel created by the fact that the defendant has applied for a patent upon the same thing. "Whether or not there is any inconsistency in trying, at one time, to get a patent for a supposed invention, and in afterwards alleging, as against a rival successful in obtaining a patent, that there is no novelty in the invention, it certainly cannot be said to constitute an estoppel. Besides, the defense of want of patentable invention in a patent operates not merely to exonerate the defendant, but to relieve the public from an asserted monopoly, and the court cannot be prevented from so declaring by the fact that the defendant had ineffectually sought to secure the monopoly for himself."²⁹⁵

Where the complainant has never made or sold the patented device, and hence the provisions of § 4900, R. S.

290. *Wollensak v. Sargent*, 33 Fed. Rep. 840, 843.

291. *Evans v. Eaton*, Fed. Case 4559; *Baldwin v. Bernard*, 9 Blatchf. 509, Fed. Case 797.

292. *Antisdell v. Chicago Hotel Cabinet Co.*, 89 Fed. Rep. 308, 32 C. C. A. 216.

293. *Mergenthaler Linotype Co. v. Press Pub. Co.*, 57 Fed. Rep.

502; *Gandy v. Main Belting Co.*, 143 U. S. 587, 36 L. Ed. 272; *DuBois v. Kirk*, 158 U. S. 58, 39 L. Ed. 895.

294. *Simmonds v. Morrison*, 44 Fed. Rep. 757, 761.

295. Mr. Justice Shiras, in *Haughey v. Lee*, 151 U. S. 282, 285, 38 L. Ed. 162, 164.

U. S., as to marking have no application, a notice to the defendant warning it of the complainant's rights under the patent does not serve to debar the complainant from recovering for infringements committed prior to the notice.²⁹⁶

No estoppel is created by the discontinuance of an action for infringement against a later suit for the same infringement.²⁹⁷

Where, in an attempt to secure a reissue, the patentee avers and proves the disclosure of his original patent to be inoperative, he is estopped to assert that it is operative in subsequent litigation upon the original patent.²⁹⁸

§ 360. Twenty-fourth defense—The statute of limitations.

Section 4921, as amended by the Act of March 3, 1897, ch. 391, § 6, 29 Stat. at L. 694, reads in part as follows:

“In any suit or action brought for the infringement of any patent there shall be no recovery of profits or damages for any infringement committed more than six years before the filing of the bill of complaint or the issuing of the writ in such suit or action, and this provision shall apply to existing causes of action.”

Under this section a bill will be dismissed where the acts of infringement were committed more than six years before the filing of the bill.²⁹⁹

The defense is properly interposed by plea,³⁰⁰ except when the fact as to the date of the infringement appears on the face of the bill, when it may be raised by demurrer.³⁰¹

296. *Campbell v. Mayor of New York*, 81 Fed. Rep. 182, 184.

297. *Thompson v. Jewett*, Fed. Case 13,961.

298. *Coffield v. Fletcher*, 167 Fed. Rep. 321, — C. C. A. —.

299. *American Pneumatic Tool Co. v. Pratt & Whitney Co.*, 106 Fed. Rep. 229.

300. *American Pneumatic Tool Co. v. Pratt & Whitney Co.*, 106 Fed. Rep. 229.

301. *Brickill v. City of Hartford*, 49 Fed. Rep. 372, 374; *Fichtel v. Barthel*, 173 Fed. Rep. 489, 491.

Since the enactment of the above-quoted clause, the cases discussing the applicability of State statutes of limitation have become obsolete; some of them are collected in the note.³⁰²

As a defense, the statute of limitations must be pleaded.³⁰³

§ 361. Twenty-fifth defense—Former adjudication.

The defense of former adjudication may be interposed in a suit for patent infringement, as in any other, and the same rules govern its efficacy and the method of its presentation as obtain in other cases.

The rule as to *res adjudicata* has been thus summarized:

“In considering the operation of this judgment, it should be borne in mind, as stated by counsel, that there is a difference between the effect of a judgment as a bar or estoppel against the prosecution of a second action upon the same claim or demand, and its effect as an estoppel in another action between the same parties upon a different claim or cause of action. In the former case, the judgment, if rendered upon the merits, constitutes an absolute bar to a subsequent action. It is a finality as to the claim or demand in controversy, concluding parties and those in privity with them, not only as to every matter which was offered and received to sustain or defeat the claim or demand, but as to any other admissible matter which might have been offered for that purpose. Thus, for example; a judgment rendered upon a promissory note is conclusive as to the validity of the instrument and the amount due upon it, although

302. *Hayden v. Oriental Mills*, 22 Fed. Rep. 103; *May v. County of Logan*, 30 Fed. Rep. 250; *Camp-*

bell v. Haverhill, 155 U. S. 610, 39 L. Ed. 280.

303. *Fichtel v. Barthel*, 173 Fed. Rep. 489, 491.

it be subsequently alleged that perfect defenses actually existed, of which no proof was offered, such as forgery, want of consideration, or payment. If such defenses were not presented in the action, and established by competent evidence, the subsequent allegation of their existence is of no legal consequence. The judgment is as conclusive, so far as future proceedings at law are concerned, as though the defenses never existed. The language, therefore, which is so often used, that a judgment estops not only as to every ground of recovery or defense actually presented in the action, but also as to every ground which might have been presented, is strictly accurate, when applied to the demand or claim in controversy. Such demand or claim, having passed into judgment, cannot again be brought into litigation between the parties in proceedings at law, upon any ground whatever.

“But where the second action between the same parties is upon a different claim or demand, the judgment in the prior action operates as an estoppel only as to those matters in issue or points controverted, upon the determination of which the finding or verdict was rendered. In all cases, therefore, where it is sought to apply the estoppel of a judgment rendered upon one cause of action to matters arising in a suit upon a different cause of action, the inquiry must always be as to the point or question actually litigated and determined in the original action; not what might have been thus litigated and determined. Only upon such matters is the judgment conclusive in another action.”³⁰⁴

To operate as *res adjudicata* in a suit for patent infringement there must be the same patent in suit, the

304. Mr. Justice Field, in *Cromwell v. Sac County*, 94 U. S. 351-371, 24 L. Ed. 195, 197.

same device and acts alleged as infringement thereof, and identity of parties.³⁰⁵

The former adjudication must have been upon the same, and not merely a co-related, patent.³⁰⁶

The Supreme Court has held that a decree in favor of a defendant manufacturer, under the defense of non-infringement, conclusively decrees his right to make and sell the article charged to infringe free from all interference from the complainant, under the patent in suit; and that the manufacturer may enjoin the former plaintiff from instituting or prosecuting further suits upon the patent against the manufacturer's vendees. Thus, indirectly, a decree of non-infringement against a manufacturer is made a bar to further suits under the same patent against the manufacturer's vendees.³⁰⁷

But the court expressly declined to express an opinion whether the adjudication could be pleaded in bar in its suit against the vendee, and Judge Lacombe has said: "It would seem that inferior courts should be cautious about extending the principle enunciated in that case beyond the limits within which it was there applied."³⁰⁸

The following summary of the effect of interlocutory decrees, *pro confesso* or on hearing, is presented by Judge Ray.³⁰⁹

"A decree awarding a perpetual injunction in a patent suit, but with an order of reference to a master to ascertain the damages suffered by the infringement, is an

305. *Robinson v. American Car & Foundry Co.*, 159 Fed. Rep. 131, 132, 86 C. C. A. 321; *Hubbell v. United States*, 171 U. S. 203, 43 L. Ed. 136.

306. *Boyden Power Brake Co. v. Westinghouse Air Brake Co.*, 70 Fed. Rep. 816, 17 C. C. A. 430.

307. *Kessler v. Eldred*, 206 U. S. 285, 51 L. Ed. 1065.

308. *Consolidated Rubber Tire Co. v. Diamond Rubber Co.*, 157 Fed. Rep. 677, 680, 85 C. C. A. 349.

309. *Australian Knitting Co. v. Gormly*, 138 Fed. Rep. 92, 100.

interlocutory, and not a final, decree, and therefore does not operate as an estoppel in a subsequent suit.”³¹⁰

It will be noted, Judge Ray proceeds, that in that case there had been no appeal to the Circuit Court of Appeals.

In *Harmon v. Struthers*, 48 Fed. Rep. 260, it was held:

“In a suit for infringement of Letters Patent there was a decree for plaintiffs, awarding an injunction, and for an account, and a reference to a master. The defendants quit using the device so held to infringe, substituting a different device, which was openly used by other persons, and as to which there had been no adjudication. Then, pending the reference before the master, the plaintiff brought a new suit in the same court against the same defendants. The answer therein not only denied infringement, but alleged that one G., and not the patentee, was the original and first inventor of the patented device, which defense was not set up in the first suit. *Held*, that the decree was interlocutory, and did not in the second suit, preclude inquiry into the validity of the patent.”

In *Roemer v. Neumann*, 26 Fed. Rep. 332, it was held:

“An interlocutory decree, entered *pro confesso*, finding the patent valid, awarding an injunction, and referring the case to a master to take an account of profits and damages, is not definitive. No appeal lies from it, and it is still in the control of the court.

“In a prior suit between the same parties, an interlocutory decree, *pro confesso*, awarding an injunction and a reference to a master, had been entered, and a release of profits and damages signed. In a subsequent suit between the same parties, exceptions setting up this decree as an estoppel were overruled, in the absence of

310. *Brush Electric Co. v. Western Electric Co.*, 76 Fed. Rep. 761, 22 C. C. A. 543.

an express authority on the question; and held that, where there is a doubt in such a case, it ought to be resolved against the party urging the estoppel.”

In neither of these cases was an appeal taken from the interlocutory judgment of the Circuit Court to the Circuit Court of Appeals.

In *Bissel Carpet Sweeper Co. v. Goshen Sweeper Co.*, 72 Fed. Rep. 545, 19 C. C. A. 25 (Sixth Circuit), the Circuit Court of Appeals held and decided:

“The decree and mandates of the Circuit Courts of Appeals have precisely the same finality as the decree and mandates of the Supreme Court. Whatever is before the court by virtue of the appeal, and is disposed of by it, is finally settled, and becomes the law of the case, so that the court below must carry it into execution according to the mandate, without power to modify, reverse, enlarge, or suspend it.

“Where, on appeal, from an interlocutory decree granting a perpetual injunction, the court necessarily examines and determines the entire merits of the cause, its power to decree is not limited to the matter of the injunction alone, but extends to the whole merits, and its decision is final and conclusive on every point actually decided. Consequently the court below has no power to modify in any respect a decree which is thus affirmed, but must give it full effect in the very terms of the decree of the appellate court. *Richmond v. Atwood*, 52 Fed. Rep. 10, 2 C. C. A. 596, 17 L. R. A. 615, and *Marden v. Manufacturing Co.*, 67 Fed. Rep. 809, 15 C. C. A. 26, followed. *Watch Co. v. Robbins*, 52 Fed. Rep. 337, 3 C. C. A. 103, overruled.”

In the opinion of the court at pages 554 and 555 of 72 Fed. Rep., pages 34 and 35 of 19 C. C. A., it is said:

“It is equally clear that, by allowing an appeal from an interlocutory decree, Congress intended to allow an appeal from a perpetual injunction ordered and allowed

upon a final hearing of the merits, where the same decree refers the cause to a master for an accounting. This construction of the act has been, so far as we know, universally accepted by the Circuit Courts of the United States and by the Circuit Courts of Appeals. * * *

When the appeal is from a decree determining the merits, awarding a perpetual injunction and referring the cause to a master for the simple purpose of reporting damages for infringement, there can be no proper review or re-examination of so much of the decree as awards the injunction that does not include the basis upon which it was granted. Thus, though the 'injunction is the backbone of the jurisdiction,' as pithily observed by Judge Putnam in *Marden v. Manufacturing Co.*, supra, yet the appeal necessarily brings up the full record, and places us in full possession of the entire case, so far, at least, as a remedy by injunction was the foundation of the jurisdiction below. It follows, therefore, that if the court finds it essential to pass upon the merits of the case in order to determine the propriety of the injunction, and in no way reserves to the lower court a right to review or re-examine the grounds upon which it had originally proceeded, the decision of this court becomes the law of the case. If that decision was an affirmance of the decree below, that decree becomes the decree of this court, and is no longer open to review, rehearing or modification, for it has become the settled law of the case. A second appeal can only involve matters subsequent to the decree, for this court, after term passed, has no power to review, rehear, or re-examine its own decrees. This rule of practice and procedure is in accord with the usages and practice of appellate courts obtaining jurisdiction through appeals from decrees, interlocutory in character, which determine the rights of the party appealing.'"

And at page 560 of 72 Fed. Rep., page 40 of 19 C. C. A., the court further says:

“The conclusion we have reached is in the line of the relief intended by Congress to be afforded suitors whose rights are affected by temporary submission to an interlocutory decree. The right to appeal at this stage of the cause is optional. If one affected by the action of the court in allowing, dissolving, or continuing an injunction, see fit, he may await a final decree, and then appeal. But if he elects to appeal, with the result that another inconclusive decree, is rendered, his last estate is no better than his first, for he must proceed with the cause, and submit until he can again appeal. The statutory purpose was to save the litigants from being obliged to submit to the injury incident to an inconclusive decree, and to all the expense of an accounting. But if, after an appeal, resulting in an inconclusive affirmance, he must still proceed with an accounting, which, after all, may prove unnecessary, the statute will have amounted to little. The doctrine of *res adjudicata* rests upon the maxim that there should be an end to litigation. No doctrine rests upon sounder principles of public policy, or is more entitled to a wide application. If, under an appeal from a decree awarding an injunction, this court obtains such a record as to enable it, with justice to the parties to the appeal, to hear and consider the merits of the cause, it would be most anomalous if we have not the power to decide. The judicial function of considering involves the function of determining. The decision of an appellate court is final, and no second appeal is maintainable, except as to matters reserved or proceedings subsequent to the first appeal.”

Former adjudication—Persons concluded.

While the subject of former adjudication is entirely too compendious for detailed consideration in a treatise

of this character, some of the general principles announced in patent causes are deserving of reference.

There is probably no case in the books which goes to the length of saying that one who merely contributes to the defense of a case is bound by its result. As Judge Cross has pertinently said, "such a contribution might well be made from charitable or other good and sufficient reasons."³¹¹

The basic rule has been thus stated by Judge (now Mr. Justice) Lurton: "The doctrine is well settled that one who for his own interest joins in the defense of a suit to which he is not a party of record is as much concluded by the judgment as if he had been a party thereto, provided his conduct in that respect was open and avowed or otherwise well known to the opposite party. * * * An estoppel by decree exists, although the demand in the two cases is not the same, whenever the question upon which the recovery in the second case depends has been before decided, between the same parties or those in priority with them."³¹²

So a defendant is estopped by an earlier suit in which he was the real defendant, and the nominal defendant his agent.³¹³

So also a manufacturer who employs counsel, pays counsel fees, costs and other expenses and conducts the defense in behalf of his branch house or customer.³¹⁴

"The law is well settled that parties and privies include all who are directly interested in the subject-matter, and who had the right to make defense, control the

311. Rumford Chem. Works v. Hygienic Chem. Co., 148 Fed. Rep. 862, 864.

312. Penfield v. C. & A. Potts & Co., 126 Fed. Rep. 475, 480, 61 C. C. A. 371.

313. Morss v. Knapp, 37 Fed. Rep. 351.

314. David Bradley Mfg. Co. v. Eagle Mfg. Co., 57 Fed. Rep. 980, 6 C. C. A. 661.

proceedings, examine and cross-examine witnesses, and appeal from the judgment.”³¹⁵

§ 362. Twenty-sixth defense—Laches.

Laches is an affirmative defense, although a bill is demurrable if it shows laches upon its face,³¹⁶ and it may serve as a defense, though not pleaded.³¹⁷

In an illustrative case Judge Ward has said:

“The defendants next object that, the bill alleging infringement since the date of the patent, April 18, 1895, and prior to the filing of the complaint, May 4, 1909, a period of fourteen years, there is nothing to show either that the infringement was not continuous, or that it did not all occur more than six years before the filing of the bill. It is argued that on the former hypothesis the complainants are not entitled to an injunction because of laches, and on the latter that they are not entitled to an accounting. Laches is a matter of defense, and a bill is not demurrable unless it clearly shows, which it does not, that the complainants have been guilty of laches.”³¹⁸

This defense is one that lies between the statute of limitations on the one hand, and estoppel upon the other. In law actions, the statute fixes the time limit within which the action must be brought, or it cannot be maintained.

Laches is to the suit in equity what the statute of limitations is to the action at law, but laches is elastic,

315. Hawley, J., in *Theller v. Hershey*, 89 Fed. Rep. 575. To the same effect, see, *Brooklyn City & N. R. Co. v. National Bank of the Republic of New York*, 102 U. S. 21, 26 L. Ed. 61; *Green v. Bogue*, 158 U. S. 503, 39 L. Ed. 1061; *Litchfield v. Goodnow*, 123 U. S. 550, 31 L. Ed. 199.

316. *McLaughlin v. People's Railway Co.*, 21 Fed. Rep. 574.

317. *Curtain Supply Co. v. National Lock Washer Co.*, 174 Fed. Rep. 45, 49.

318. *Fichtel v. Barthel*, 173 Fed. Rep. 489, 491.

while the statute is inflexible. Laches, when coupled with knowledge, the duty to act, or circumstances tending to mislead the infringer into a sense of security, merges into acquiescence, and finally into an estoppel. In its earlier and simpler forms, it is a defense merely to the application for preliminary injunction; only when, aggravated by time and other circumstances rendering the patentee's position as a complainant clearly inequitable, it has developed into an estoppel, does it debar the patentee from any relief in equity upon final hearing.

There are no hard and fast lines of demarcation between excusable laches, inexcusable laches, acquiescence and estoppel. A proper regard for the questions arising in the future forbids the fixing of such boundaries by courts of equity.

These general considerations may be clarified by referring to the following explanation of Mr. Justice Brewer:

“The cases are many in which this defense has been invoked and considered. It is true, that by reason of their differences of fact no one case becomes an exact precedent for another, yet a uniform principle pervades them all. They proceed on the assumption that the party to whom laches is imputed has knowledge of his rights, and an ample opportunity to establish them in the proper forum; that by reason of his delay the adverse party has good reason to believe that the alleged rights are worthless, or have been abandoned; and that because of the change in condition or relations during this period of delay, it would be an injustice to the latter to permit him to now assert them. * * * But it is unnecessary to multiply cases. They all proceed upon the theory that laches is not like limitation, a mere matter of time; but principally a question of the inequity of permitting the claim to be enforced—an inequity founded upon some

change in the condition or relations of the property or the parties.”³¹⁹

Two opinions in patent cases are especially worthy of consideration here. The first is that of Judge Dallas:

“I do not feel called upon to vindicate the action of the court in granting the preliminary injunction, but may abridge discussion by saying that, if the delay then set up to defeat the motion had not been satisfactorily explained, that motion might have been, upon that ground, refused; but, upon final hearing, laches, in the sense of mere delay in bringing suit against the defendants, cannot deprive the plaintiffs of their right to protection against a continuance of the unlawful use of their patented invention, and consequent injury to their business. It is only by words, acts, or omissions which give rise to estoppel that this right, if and when established by the proofs, can be forfeited. This distinction is clear and well recognized, and cannot be obliterated by a vague use of the word ‘laches.’ As I have said, mere delay in bringing suit may, under some circumstances, impel the court to withhold its hand during the course of litigation; and as was remarked in *New York Grape Sugar Co. v. Buffalo Grape Sugar Co.*, *infra*, even on final hearing, ‘cases may arise where a court of equity would refuse an injunction against an innocent infringer, by reason of the protracted course of conduct of a previous owner of the patent, who knew of the infringement, and silently and knowingly permitted the expenditure of substantial sums of money by the infringer.’ To such cases the doctrine of estoppel may be pertinent, but the present case is not such an one. I have attentively read the very thorough brief of the learned counsel of the defendants, but without finding any fact re-

319. *Gallier v. Cadwell*, 145 U. S. 368, 36 L. Ed. 738.

ferred to other than that, as claimed, the plaintiffs long knew of the violation of their rights before proceeding to maintain them; and I am constrained to the conclusion that his contention is met by the rule, as I have already indicated it, that mere delay in seeking relief will not, where there is no estoppel, prevent the granting of a final injunction. *New York Grape Sugar Co. v. Buffalo Grape Sugar Co.*,³²⁰ *Brush Electric Co. v. Electric Imp. Co.*;³²¹ *Price v. Steel Co.*,³²² *McLean v. Fleming*.³²³ In *Waite v. Chair Co.*,³²⁴ it would seem, if the syllabus in the report could be relied on, that the question was considered as arising upon a motion for preliminary injunction; but, apart from this, the learned judge certainly does appear to have held that long-continued knowledge of infringement, without objection, might, in the discretion of the court, be accepted as a reason for postponing 'the question of granting an injunction * * * until the coming in of the master's report.' This was held, however, wholly upon the supposed authority of *Kittle v. Hall*,³²⁵ but in that case Judge Coxe, after saying that the proposition, as presented to him, was a most perplexing one, proceeded to consider it upon the peculiar facts before him, and which in his opinion, were of such character that, as he said, 'the public had a right to assume, from this profound silence and supineness, that the patentee and his successors had relinquished any claim which they might possess.' In other words, there was in that case not merely a delay, but silence and supineness, under circumstances which called for protest and activity, and which therefore worked an estoppel, and warranted the assumption of an abandonment. In this lies the distinction between

320. 18 Fed. Rep. 638.

321. 45 Fed. Rep. 241.

322. 46 Fed. Rep. 107.

323. 96 U. S. 245-253.

324. 45 Fed. Rep. 258.

325. 29 Fed. Rep. 508.

that case and the one now under consideration; for, as I said upon the motion for a preliminary injunction, 'there is nothing in this case to show a waiver by the complainants of the right which they now assert, or which would preclude them from the allowance of the special equitable remedy which they invoke. They proceeded against these defendants with what, under the circumstances, was due diligence, and have done nothing to justify the imputation that supineness or apparent acquiescence upon their part induced or invited the infringement of which they now complain.' ''³²⁶

A kindred opinion of Judge (now Mr. Justice) Lurton is noteworthy here: "The ground upon which a court of equity will take cognizance of a suit for an infringement of a patent is the relief through an injunction. There is nothing so peculiar to a suit for damages and profits for infringement of a patent as will, independently of some recognized ground of equitable jurisdiction, justify a court of chancery in assuming jurisdiction. It must appear that the legal remedy at law is inadequate, and if the case is one in which equitable relief by injunction is inappropriate, as where the patent has expired, or where the circumstances are such as to justify a court in refusing equitable relief, the suit will not be entertained for the mere purpose of an account of past damages and profits."³²⁷

"Aside from the fact that no preliminary injunction was applied for or allowed, and that when the final hearing was had plaintiff Anderson's patent had expired, we think that the conduct of complainant, and those to whose rights it has succeeded, has been such as to re-

326. *Sawyer Spindle Co. v. Taylor*, 69 Fed. Rep. 837, 838. 26 L. Ed. 975; *McLaughlin v. People's Railway Co.*, 21 Fed. Rep.

327. Citing *Root v. Lake Shore & M. S. Railway Co.*, 105 U. S. 189, 574; *Clark v. Wooster*, 119 U. S. 325, 30 L. Ed. 392.

quire a court of equity to refuse it any relief whatever. Reasonable diligence as well as good faith are necessary to call into operation the powers of a court of equity.³²⁸ One who invokes the protection of equity must be 'prompt, eager, and ready' in the enforcement of his rights. Equity will not encourage a suitor who has long slept over his rights. It was well observed by Judge Coxe, in *Kittle v. Hall*,³²⁹ that 'time passes, memory fails, witnesses die, proof is lost, and the right of individuals and of the public intervene. Long acquiescence and laches can only be excused by proof showing excusable ignorance, or positive inability to proceed on the part of the complainant, or that he is the victim of fraud or concealment on the part of others.' He adds 'that the court will not entertain a case when it appears that the complainant, or those to whose rights he has succeeded have acquiesced for a long term of years in the infringement of the exclusive right conferred by the patent, or have delayed, without legal excuse, the prosecution of those who have openly violated it.' These general principles find ample support in many cases, only a few of which need be cited.³³⁰ That this doctrine of courts of equity requiring reasonable diligence as a condition precedent to the exercise of its discretionary powers is applicable in patent cases is manifest from a consideration of the nature of the relief sought against an infringer. Equity will not entertain a suit merely involving an ascertainment of damages and profits. This question was elaborately considered and expressly decided in *Root v. Railway Co.*, heretofore cited. Equitable jurisdiction in pat-

328. Citing *Maxwell v. Kennedy*, 8 How. 210, 222, 12 L. Ed. 1051.

329. 29 Fed. Rep. 511.

330. *Piatt v. Vattier*, 9 Pet. 416; *Maxwell v. Kennedy*, 8 How. 221, 222; *Leggett v. Standard Oil*

Co., 149 U. S. 287-294, 37 L. Ed. 740; *McLaughlin v. Railway Co.*, 21 Fed. Rep. 574; *Speidell v. Henrici*, 15 Fed. Rep. 753; *The Walter M. Fleming*, 9 Fed. Rep. 474; *Lewis v. Chapman*, 3 Beav. 133.

ent cases is therefore subject to the general principles of equity jurisprudence, and the power to grant injunctions in such cases, according to the provisions of § 4921, Rev. St., must be 'according to the course and principles of courts of equity, to prevent the violations of any rights secured by a patent, upon such terms as the court may deem reasonable.' That inexcusable laches of the complainant is a sound reason for noninterference on the part of the court of equity was expressly decided in *McLaughlin v. Railway Co.*, heretofore cited; the opinion being by Circuit Judge Brewer, now Justice Brewer. In that case a delay of thirteen years was held ground for dismissing the bill upon a demurrer. In *Lane & Bodley Co. v. Locke*,³³¹ the Supreme Court held that a delay of twelve years was a bar to any relief in equity against an infringer, Mr. Justice Shiras, who delivered the opinion of the court, saying:

“ ‘Courts of equity, it has often been said, will not assist one who has slept on his rights, and shows no excuse for his laches in asserting them.’

“In the very late case of *Keyes v. Mining Co.*,³³² the doctrine of *McLaughlin v. Railway Co.*, and *Lane & Bodley Co. v. Locke*, was followed, and a complainant who had delayed for nearly seventeen years was repelled from court as guilty of inexcusable laches. Neither is it important that the defense of laches was not formally set up in the answer. Laches is a defense which may be made by demurrer, or by plea, or by answer, or presented by argument, either upon a preliminary or final hearing.”³³³

331. 150 U. S. 193, 37 L. Ed. 1049. *Mfg. Co. v. Williams*, 68 Fed. Rep. 489, 492, 15 C. C. A. 520; citing

332. 158 U. S. 150, 39 L. Ed. 929, affirming 45 Fed. Rep. 199. *Maxwell v. Kennedy*, 8 How. 222, 12 L. Ed. 1051; *McLaughlin v.*

333. *Woodmanse & Hewitt Railway Co.*, 21 Fed. Rep. 574.

“No one,” Judge Green has said, “can have relief if his own conduct has led to that state of affairs which occasions the application.”³³⁴

§ 363. Twenty-seventh defense—That the reissued patent in suit was obtained without statutory grounds.

The statute (§ 4916, R. S. U. S) specifies the requisites to the lawful granting of a reissue. The original must not only be “inoperative or invalid,” but this condition must arise from “a defective or insufficient specification,” and then the defect must have “arisen by inadvertence, accident or mistake,” and “without any fraudulent or deceptive intention.” But in the judicial review of reissued patents the action of the Commissioner of Patents upon the issues of inadvertence, accident or mistake is usually regarded as final. The Supreme Court of the United States has said, “this court will not review the decision of the Commissioner upon the question of inadvertence, accident, or mistake, unless the matter is manifest from the record.”³³⁵

And in a later case that court has construed the words “inoperative or invalid” with great liberality. “The reissue was applied for * * * merely to correct, as it would seem, an obvious error in one of the drawings. Possibly the error was such as would not have impaired the patentee’s rights under his original designs; but he was entitled to the full scope of his invention, and if he were dissatisfied with the drawings as they stood, and the error was purely an inadvertent one, we think it was within the jurisdiction of the Commissioner of Patents to order the patent to be reissued. * * * To justify a reissue it is not necessary that the patent should be

334. *Brush Elec. Co. v. Electric Storage Battery Co.*, 64 Fed. Rep. 775, 777.

335. *Topliff v. Topliff*, 145 U. S. 156, 171, 36 L. Ed. 658, 664.

wholly inoperative or invalid. It is sufficient if it fail to secure to the patentee all of that which he has invented and claimed. * * * The only alternative of a reissue was a suit upon the original patent, in which the patentee would be compelled to take his chances of success, notwithstanding the error in his drawing, when in case of defeat the time in which to obtain a reissue might have expired. We do not think he should be driven to this expedient.”³³⁶

Notwithstanding the liberality of these views, the statutory requirements must exist as a condition precedent to a valid reissue; and when there is “no claim of a defective or insufficient specification; * * * none of inadvertence, accident or mistake,” the reissue cannot be sustained,³³⁷ and in such a case it is exceedingly doubtful whether the Commissioner has any jurisdiction to act.³³⁸

Where this defense is successful, the complainant is without further right under either his original or reissued letters patent. Since the decision of *Moffitt v. Garr*, 66 U. S. (1 Black) 273, 17 L. Ed. 207, “it has been uniformly held that if a reissue is granted, the patentee has no rights except such as grow out of the reissued patent. He has none under the original. That is extinguished. * * * No damages can be recovered for any acts of infringement committed prior to the reissue. * * * It seems to us equally clear, that as the law stood when that decision was made * * * a patent surrendered for reissue was cancelled in law as well when the application was rejected as when it was granted. The patentee was in the same situation as he would have been if his original application for a patent had been rejected. * * * Surrender of the patent was an abandon-

336. Mr. Justice Brown, in *Hobbs v. Beach*, 180 U. S. 385, 394, 395, 45 L. Ed. 586, 593.

337. *Eby v. King*, 158 U. S. 366, 373, 39 L. Ed. 1018, 1021.

338. *Eby v. King*, 158 U. S. 366, 373, 39 L. Ed. 1018, 1021.

ment of it, and the applicant for reissue took upon himself the risk of getting a reissue or of losing all. A failure upon the merits, in a contest with other claimants, only gave additional force to the legal effect of the surrender."³³⁹ These views, however, have been partially reversed, a later ruling being that if the reissue application is rejected, the original patent stands precisely as though a reissue had never been applied for, unless the reissue be refused upon some ground equally affecting the original patent.³⁴⁰ Following this, however, the Supreme Court held that the original patent must be returned to the unsuccessful applicant for a reissue, upon the abandonment of the reissue application, and that the Patent Office is without jurisdiction to cancel the entire original patent or either of its claims.³⁴¹

§ 364. Twenty-eighth defense—That the reissued patent in suit is for a different invention from that disclosed in the original patent.

This defense, like the twenty-seventh defense, is rooted in § 4916, R. S. U. S., which provides that the reissue shall be "a new patent for the same invention." It necessarily follows that "an expansion of the claims in order to embrace an invention not specified in the original patent" will render the claims so characterized void.³⁴²

"Reissued letters patent must be for the same invention as that secured in the original patent; and if it ap-

339. Mr. Justice Bradley, in *Peck v. Collins*, 103 U. S. 660 26 L. Ed. 512; and to the same effect, see, *Eby v. King*, 158 U. S. 366, 373, 39 L. Ed. 1018, 1021.

340. *Allen v. Culp*, 166 U. S. 501, 41 L. Ed. 1093.

341. *McCormick v. Aultman*, 169 U. S. 606, 42 L. Ed. 875.

342. *Leggett v. Standard Oil Co.*, 149 U. S. 287, 292, 37 L. Ed. 737, 741; *Miller v. Bridgeport Brass Co.*, 104 U. S. 350, 26 L. Ed. 783; *Mahn v. Harwood*, 112 U. S. 354, 28 L. Ed. 665; *Wollensak v. Reiher*, 115 U. S. 96, 29 L. Ed. 350.

peared that such a patent is for a different invention, it is clear that it is void, as no such power is vested in the Commissioner. * * * Persons seeking redress for the infringement of a reissued patent are not obliged to introduce the original patent; and if the old patent is not given in evidence by the party sued, he cannot have the benefit of such a defense."³⁴³

“Same invention”—how interpreted.

In the leading case of *Giant Powder Co. v. California Powder Works*, the original patent was for processes and appliances for producing the explosion of nitro-glycerine, while the reissues were for compositions of matter (nitro-glycerine with various other substances). Upon this state of facts the court said “it is impossible not to say that they (the reissues) are for an entirely different invention from that secured or attempted to be secured by the original patent;” but indicated that if the original patent had been for a process of compounding the nitro-glycerine with the other substances the reissues might have been sustained.³⁴⁴ In later cases it has been held that an original process patent would not sustain a reissue claiming a machine;³⁴⁵ that an original machine patent would not serve as an antecedent for a process patent;³⁴⁶ that the original patent of Charles Goodyear for “rubber fabrics” was a sufficient foundation for a reissue claiming the process for making those articles of manufacture.³⁴⁷ Following the Goodyear

343. Mr. Justice Clifford, in *Bates v. Coe*, 98 U. S. 31, 25 L. Ed. 68; following *Seymour v. Osborne*, 78 U. S. (11 Wall.) 546, 20 L. Ed. 39.

344. *Giant Powder Co. v. California Powder Works*, 98 U. S. 126, 131, 25 L. Ed. 77, 81.

345. *Heald v. Rice*, 104 U. S. 737, 26 L. Ed. 910.

346. *Eachus v. Broomall*, 115 U. S. 429, 29 L. Ed. 419.

347. *Providence Rubber Co. v. Goodyear*, 76 U. S. (9 Wall.) 788, 19 L. Ed. 566; *Goodyear v. Day*, 2 Wall. Jr. 283, Fed. Case No.

cases, reissues claiming a new bronze and the method of its making, were held valid under an original which claimed the method only,³⁴⁸ but the Supreme Court held the patent for the article of manufacture limited to the bronze produced by the process, Mr. Justice Matthews observing "although there are two patents, one for a process and the other for a product, there is in fact but one invention; and it may be assumed that the new article of manufacture called Tucker bronze is a product which results from the use of the process described in the patent, and not one which may be produced in any other way."³⁴⁹

§ 365. Twenty-ninth defense—That the claims of the reissued patent in suit are broader than those in the original patent, and the reissue was applied for too long after the issuance of the original patent.

The peculiar phraseology of this statement of the defense to be considered, is due to the manner in which the broadened character of the claim has been pretty uniformly coupled with delay in the reissue application. It is obvious that a reissue statute which would place a positive inhibition upon any enlargement of the claim would work great hardship. It is equally clear that as a patent dedicates to the public that which it describes but does not claim, the public is at liberty—by sheer appropriation and use of what is disclosed but not claimed, as well as by independent invention—to utilize the suggestions of a patent, outside its claims. Yet it is not the spirit of the reissue statute to foreclose the inventor who is suffering from the inadvertence or mis-

5569; *Goodyear v. Central Railroad Co. of New Jersey*, 1 Fisher 626, Fed. Case 5563.

348. *Tucker v. Dane*, 7 Fed. Rep. 213, 214; *Tucker v. Tucker*

Mfg. Co., 4 Cliff. 397, Fed. Case 14,227; *Tucker v. Burditt*, 5 Fed. Rep. 808.

349. *Plummer v. Sargent*, 120 U. S. 442, 30 L. Ed. 737.

take or accident which has limited him to less than his whole true invention; and hence the arbitrary two years' rule, treated elsewhere in this book, has been judicially established. Mr. Justice Brown has dealt with this subject so thoroughly that we are justified in submitting his treatment of it in full.

“It is a mistake to suppose that the case (*Miller v. Bridgeport Brass Co.*, 104 U. S. 350, 26 L. Ed. 783), was intended to settle the principle that, under no circumstances, would a reissue containing a broader claim than the original be supported. We have no desire to modify in any respect the views expressed in that and subsequent cases with regard to the validity of reissues. There is no doubt, as was said by this court in *Giant Powder Co. v. California Powder Works*, 98 U. S. 126, 127, 25 L. Ed. 77, 81, 82, that a reissue can only be granted for the same invention which formed the subject for the original patent, of which it is a reissue, since, as was said by the court in that case, the express words of the Act are ‘a new patent for the same invention.’ The specification may be amended so as to make it more clear and distinct; the claim may be modified so as to make it more conformable to the exact rights of the patentee; but the invention must be the same.

“ * * * This prohibition is general, relating to all patents; and by ‘new matter’ we suppose to be meant new substantive matter, such as would have the effect of changing the invention, or of introducing what might be the subject of another application for a patent. The danger to be provided against was the temptation to amend a patent, so as to cover improvements which might have come into use, or might have been invented by others, after its issue.

“In the case of *Miller v. Bridgeport Brass Co.*, 104 U. S. 350, 26 L. Ed. 783, a reissue with expanded claims was applied for *fifteen years* after the original patent

was granted. It was held to be manifest upon the face of the patent that the suggestion of inadvertence and mistake was a mere pretense, or, if not a pretense, that the mistake was so obvious as to be instantly discernible on the opening of the patent, and the right to have it corrected was abandoned and lost by unreasonable delay. 'The only mistake suggested,' said Mr. Justice Bradley, 'is, that the claim was not as broad as it might have been. This mistake, if it was a mistake, was apparent upon the first inspection of the patent, and if any correction was desired, it should have been applied for immediately.' It was intimated in that case, p. 352, although the facts did not call for an adjudication upon the point, that 'if two years' public enjoyment of an invention with the consent and allowance of the inventor is evidence of abandonment and a bar to an application for a patent, a public disclaimer in the patent itself should be construed equally favorable to the public. Nothing but a clear mistake or inadvertence, and a speedy application for its correction, is admissible when it is sought merely to enlarge the claim.' It was further said that the section of the Revised Statutes does not in terms authorize a reissue to enable a patentee to expand his claim, and that it was natural to conclude that the reissue of a patent for such purpose was not in the mind of Congress when it passed the laws in question. 'At all events,' said the court, p. 354, 'we think it clear that it was not the special purpose of the legislation on this subject to authorize the surrender of patents for the purpose of reissuing them with broader and more comprehensive claims, although, under the general terms of the law, such a reissue may be made when it clearly appears that an actual mistake has inadvertently been made.

“ * * * Now, whilst, as before stated, we do not deny that a claim may be enlarged in a reissued patent, we are of the opinion that this can only be done when an actual

mistake has occurred; not from a mere error of judgment (for that may be rectified by appeal), but by a real bona fide mistake, inadvertently committed; such as a court of chancery, in cases within its ordinary jurisdiction, would correct. * * * The granting of a reissue, for such a purpose, after an unreasonable delay, is clearly an abuse of the power to grant reissues, and may justly be declared illegal and void.

“So, in the case of *Johnson v. Flushing & N. S. R. Co.*, 105 U. S. 539, 26 L. Ed. 1162, the patent was issued in 1857, and at the expiration of the original term of fourteen years an extension of seven years was granted, and a reissue was applied for after a lapse of fifteen years, and it was held, upon the authority of *Miller v. Bridgeport Brass Co.*, that if the patentee had the right to a reissue if applied for in reasonable time, he had lost it by unreasonable delay. Said the court, speaking by Mr. Justice Woods: ‘He has rested supinely until the use of the fish-plate joint has become universal, and then, after a lapse of fifteen years, has attempted by a reissue to extend his patent to cover it. We think it is perfectly clear that the original patent could not be fairly construed to embrace the device used by the appellee, which appellants insist is covered by their issue. If the reissued patent covers it, it is broader than the original, and is, therefore, void.’

“In the case of *Mahn v. Harwood*, 112 U. S. 354, 28 L. Ed. 665, a patent reissued nearly four years after the date of the original patent was held to be invalid as to the new claims, upon the ground of unreasonable delay in applying for it, the only object of the reissue being to enlarge the claims. Nothing was changed, but to multiply the claims and make them broader, and this was done, not for the benefit of the original patentee, but for that of his assignee. ‘It is not intended then,’ said Mr. Justice Bradley, referring to *Miller v. Bridgeport Brass*

Co., 'and is not now, to question the conclusiveness, in suits for infringements of patents, of the decisions of the commissioner on questions of fact necessary to be decided before issuing such patents, except as the statute gives specific defenses in that regard.'

“He repeated substantially what has been said in *Miller v. Bridgeport Brass Co.*, that ‘a patent for an invention cannot lawfully be reissued for the mere purpose of enlarging the claim, unless there has been a clear mistake inadvertently committed in the wording of the claim, and the application for a reissue is made within a reasonable short period after the original patent was granted. The granting of such reissues after the lapse of long periods of time is an abuse of power, and is founded on a total misconception of the law.’ It was held that while lapses of time might be of small consequence where the original claim was too broad, and the patentee sought to restrict it, there were substantial reasons why the claim could not be enlarged unless the patentee used due diligence to ascertain his mistake. ‘The rights of the public here intervene, which are totally inconsistent with such tardy reissue; and the great opportunity and temptation to commit fraud after any considerable lapse of time, when the circumstances of the original application have passed out of mind, and the monopoly has proved to be of great value, make it imperative on the courts, as a dictate of justice and public policy, to hold the patentees strictly to the rule of reasonable diligence in making application for this kind of reissues.’ It was further held that while it was for the Commissioner of Patents to determine the question of inadvertence, accident or mistake, the question of reasonable time was one which the court could determine as one of law, by comparing the patent itself with the original patent, and, if necessary, with the record of its inception.

“In speaking of the case of *Miller v. Bridgeport Brass Co.*, Mr. Justice Bradley observed: We suggested that a delay of two years in applying for such correction should be construed equally favorable to the public. But this was a mere suggestion by the way, and was not intended to lay down any general rule. Nevertheless, the analogy is an apposite one, and we think that excuse for any longer delay than that should be made manifest by the special circumstances of the case.

“In the large number of cases which have come up to this court since that of *Mahn v. Harwood* was decided, in which reissues have been held to be invalid, it will be found that the opinion of the court was put upon the ground, either that the patentee had been guilty of inexcusable laches, usually of from four to sixteen years, or that circumstances had occurred since the granting of the original patent which made the reissue operate harshly or unjustly to the defendant in the case.

“Thus, in *Matthews v. Boston Machine Co.*, 105 U. S. 54, 26 L. Ed. 1022, there was a delay of fourteen years; in *Bantz v. Frantz*, 105 U. S. 160, 26 L. Ed. 1013, a delay of fourteen years and six months; in *Wing v. Anthony*, 106 U. S. 142, 27 L. Ed. 110, of over five years; in *Moffitt v. Rogers*, 106 U. S. 423, 27 L. Ed. 76, of two years and seven months; in *Gage v. Herring*, 107 U. S. 640, 27 L. Ed. 601, of fourteen years; in *Clements v. Odorless E. A. Co.*, 109 U. S. 641, 27 L. Ed. 1060, of nearly five years; in *McMurray v. Mallory*, 111 U. S. 97, 28 L. Ed. 365, of nine years; in *White v. Dunbar*, 119 U. S. 47, 30 L. Ed. 303, of five years. In *Parker & W. Co. v. Yale Clock Co.*, 123 U. S. 87, 31 L. Ed. 100, there was a delay of one year and eight months, but it appeared that the improvement not covered by the original patent had been brought into use by others than the patentee before the reissue was applied for. In *Coon v. Wilson*, 113 U. S. 268, 28 L. Ed. 963, a reissue was ap-

plied for only a little over three months after the original patent was granted; but the patentee waited until the defendants produced their device and then applied for such enlarged claims as to embrace this device, which was not covered by the claim of the original patent, and it was apparent from a comparison of the two patents that the application for a reissue was made merely to enlarge the scope of the original. In *Wollensak v. Reiher*, 115 U. S. 96, 29 L. Ed. 350, there was a delay of more than five years, Mr. Justice Matthews observing that 'the settled rule of decision is, that if it appears, in cases where the claim is merely expanded, that the delay has been for two years, or more, it is adjudged to invalidate the reissue, unless the delay is accounted for and excused by special circumstances, which show it to have been not unreasonable.' In the very latest case decided by this court, viz., *Electric-Gas Lighting Co. v. Boston Electric Co.*, 139 U. S. 481, 35 L. Ed. 250, there was a delay of eight and one-half years, and the sole object of the reissue was to expand the claims. In *Newton v. Furst & C. Co.*, 119 U. S. 373, 30 L. Ed. 442, there was a delay of more than thirteen years, and the defendant had begun in the meantime to make machines of the pattern complained of. In *Ives v. Sargent*, 119 U. S. 652, 30 L. Ed. 544, there was a delay of three years, and in the meantime the patent was infringed by a construction manufactured and sold without infringing the patent as originally granted. In *Worden v. Searls*, 121 U. S. 14, 30 L. Ed. 853, there was a delay of six years; and in *Matthews v. Iron Clad Mfg. Co.*, 124 U. S. 347, 31 L. Ed. 477, one of seven years.

“From this summary of the authorities it may be regarded as the settled rule of this court that the power to reissue may be exercised when the patent is inoperative by reason of the fact that the specification as originally drawn was defective or insufficient, or the claims

were narrower than the actual invention of the patentee, provided the error has arisen from inadvertence or mistake, and the patentee is guilty of no fraud or deception; but that such reissues are subject to the following qualifications:

“First. That it shall be for the same invention as the original patent, as such invention appears from the specification and claims of such original.

“Second. That due diligence must be exercised in discovering the mistake in the original patent, and, if it be sought for the purpose of enlarging the claim, the lapse of two years will ordinarily, though not always, be treated as evidence of an abandonment of the new matter to the public to the same extent that a failure by the inventor to apply for a patent within two years from the public use or sale of his invention is regarded by the statute as conclusive evidence of an abandonment of the patent to the public.

“Third. That this court will not review the decision of the Commissioner upon the question of inadvertence, accident, or mistake, unless the matter is manifest from the record; but that the question whether the application was made within a reasonable time is, in most, if not in all such cases, a question of law for the court.

“To hold that a patent can never be reissued for an enlarged claim would be not only to override the obvious intent of the statute, but would operate in many cases with great hardship upon the patentee. The specification and claims of a patent, particularly if the invention be at all complicated, constitute one of the most difficult legal instruments to draw with accuracy, and in view of the fact that valuable inventions are often placed in the hands of inexperienced persons to prepare such specifications and claims, it is no matter of surprise that the latter frequently fail to describe with requisite certainty the exact invention of the patentee, and err either in

claiming that which the patentee had not in fact invented, or in omitting some element which was a valuable or essential part of his actual invention. Under such circumstances, it would be manifestly unjust to deny him the benefit of a reissue to secure to him his actual invention, provided it is evident that there has been a mistake and he has been guilty of no want of reasonable diligence in discovering it, and no third persons have in the meantime acquired the right to manufacture or sell what he had failed to claim. The object of the patent law is to secure to inventors a monopoly of what they have actually invented or discovered, and it ought not to be defeated by a too strict and technical adherence to the letter of the statute, or by the application of artificial rules of interpretation.”³⁵⁰

§ 366. Damages, defined.

The Supreme Court has defined damages to be compensation for the pecuniary injury suffered by the plaintiff in an action at law by reason of the defendant's infringement, without regard to the question whether the defendant has gained or lost by reason of his unlawful acts.³⁵¹

Speaking generally of damages, Mr. Justice Miller has said:

“ ‘Damages,’ says Mr. Greenleaf, ‘are given as a compensation, recompense or satisfaction to the plaintiff for any injury actually received by him from the defendant. They should be precisely commensurate with the injury, neither more nor less, and this whether it be to his person or estate.’ 2 Greenl. Ev., § 253. And without entering into the question whether this rule excludes what are called exem-

350. Mr. Justice Brown, in *Topliff v. Topliff*, 145 U. S. 156, 36 L. Ed. 658, 662.

351. Mr. Justice Clifford, in *Birdsall v. Coolidge*, 93 U. S. 64-68, 23 L. Ed. 802.

plary damages, which are not claimed here, we think this definition of the principle on which damages are awarded in actions at law a sound one.”³⁵²

§ 367. Damages distinguished from profits.

Judge Coxe has thus differentiated between damages and profits. “In patent nomenclature what the infringer makes is ‘profits,’ what the owner of the patent loses by such infringement is ‘damages.’ ”³⁵³

§ 368. Statutory damages.

1. *In actions at law.*

Section 4919 provides:

“Damages for the infringement of any patent may be recovered by action on the case, in the name of the party interested, either as patentee, assignee, or grantee. And whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment thereon for any sum above the amount found by the verdict as the actual damages sustained, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.”

2. *In suits in equity.*

Section 4921 provides:

“The several courts vested with jurisdiction of cases arising under the patent laws shall have power to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any right secured by patent, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for an infringement the complainant shall be

352. Mr. Justice Miller, in *Dow v. Humbert*, 91 U. S. 294-303, 23 L. Ed. 368.

353. *Diamond Stone Sawing Machine Co. v. Brown*, 166 Fed. Rep. 306, 92 C. C. A. 224.

entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby; and the court shall assess the same or cause the same to be assessed under its direction. And the court shall have the same power to increase such damages, in its discretion, as is given to increase the damages found by verdicts in actions in the nature of actions of trespass upon the case. But in any suit or action brought for the infringement of any patent there shall be no recovery of profits or damages for any infringement committed more than six years before the filing of the bill of complaint or the issuing of the writ in such suit or action, and this provision shall apply to existing causes of action.”

From an examination and comparison of the terms of these sections we find that the pecuniary recovery of the owner of an infringed patent may be embraced in

1. Damages recoverable in an action at law.
2. Damages recoverable in a suit in equity.
3. Profits recoverable in a suit in equity.

These three matters will accordingly be treated in the order named.

§ 369. Damages in actions at law — The theory on which awarded.

In actions at law damages are awarded for the infringement of the right to make, the right to use, or the right to sell, upon the theory of compensating the holder of the patent for the injury he has suffered. Whether the infringer has profited by his infringing acts, is immaterial; if the defendant's profits are smaller than the damage sustained by the plaintiff, that fact does not diminish plaintiff's recovery,³⁵⁴ nor will his recovery be

354. Emerson v. Simm, Fed. Case No. 4443, 6 Fisher 281; Van Antwerp, Fed. Case No. 5600, 2 Bann. & Ard. 255.
Goodyear Dental Vulcanite Co. v.

enhanced by showing that the infringer's profits have exceeded his pecuniary loss.³⁵⁵

It is obvious that the proof of such loss is at times a matter of exceeding difficulty, owing to the various ways in which the owner of the patent may enjoy the benefits of the monopoly embodied in its grant. It is equally obvious that where his benefits have been derived through his licensing others to practice the invention of the patent, a rational measure of damage exists which, by reason of its facility and fairness, the courts are bound to follow.³⁵⁶

On the other hand, fairness to the infringer demands that the royalty be one that has been fairly established, under conditions which insure its reasonableness; and to this end we will inquire.

§ 370. What is an established royalty?

The general rule is that the royalty must have been fixed, that is, paid or secured, before the defendant's infringement occurred.³⁵⁷

To serve as a basis of recovery, a royalty must comply with the following further requirements:

355. *Seymour v. McCormick*, 57 U. S. (16 How.) 480, 14 L. Ed. 1024; *New York City v. Ransom* 64 U. S. (23 How.) 487, 16 L. Ed. 515; *Packet Co. v. Sickles*, 86 U. S. (19 Wall.) 611, 617, 22 L. Ed. 203.

356. This rule was established in *Seymour v. McCormick*, 57 U. S. (16 How.) 480, 14 L. Ed. 1024. It has been followed ever since. *New York City v. Ransom*, 64 U. S. (23 How.) 487, 16 L. Ed.

515; *Packet Co. v. Sickles*, 86 U. S. (19 Wall.) 611, 617, 22 L. Ed. 203; *Birdsall v. Coolidge*, 93 U. S. 64, 23 L. Ed. 802; *Root v. R. Co.*, 105 U. S. 189, 197, 26 L. Ed. 975-978; *Rude v. Westcott*, 130 U. S. 152, 32 L. Ed. 888.

357. *Rude v. Westcott*, 130 U. S. 152, 32 L. Ed. 888; *Adams v. Bellaire Stamping Co.*, 28 Fed. Rep. 360, 366; *Houston, E. & W. T. Ry. Co. v. Stern*, 20 C. C. A. 568, 74 Fed. Rep. 636, 640.

1. It must be uniform;³⁵⁸ various licenses at varying rates cannot serve as a measure of damages.³⁵⁹

2. It must not have been paid in settlement of a past infringement.³⁶⁰

3. It must not have been reserved as part of the consideration for the sale of the patent.³⁶¹

4. It must have related to the same right alleged to be invaded by the infringer; a royalty for the privilege of making and selling is therefore no measure of recovery where the defendant has merely made and used the infringing article; and if offered where the defendant has made and sold, it must have related to making and selling.³⁶²

§ 371. The measure of damages where no established royalty exists.

In the absence of an established royalty or license fee, the plaintiff in an action at law may show either of the following states of fact as a basis of recovery:

1. That plaintiff was able to supply the demand for the patented article, and that his trade therein was impaired by the infringer, either by a resulting diminution of sales which the plaintiff would otherwise have made, or by his being forced to lower his selling price by the unfair competition of the defendant.³⁶³ Where there is but one infringer, or but one infringer in a particular

358. *Rude v. Westcott*, 130 U. S. 152, 32 L. Ed. 888; *Westcott v. Rude*, 19 Fed. Rep. 830, 833.

359. *Black v. Munson*, Fed. Case No. 1463, 14 Blatchf. 265; *United Nickel Co. v. Central Pac. R. Co.*, 36 Fed. Rep. 186, 190.

360. *Rude v. Westcott*, 130 U. S. 152, 32 L. Ed. 888; *Cornely v. Marckwald*, 131 U. S. 159, 33 L. Ed. 117; *United Nickel Co. v.*

Central Pac. R. Co., 36 Fed. Rep. 186, 190.

361. *La Baw v. Hawkins*, Fed. Case No. 7961; 2 Bann. & Ard. 561.

362. *Colgate v. Western Elec. Mfg. Co.*, 28 Fed. Rep. 146-148.

363. *Yale Lock Co. v. Sargent*, 117 U. S. 536, 29 L. Ed. 954; *Boesch v. Graff*, 133 U. S. 697, 33 L. Ed. 787.

territory, the application of this rule is simple; otherwise, manifestly, it presents great practical difficulty.

2. That the defendant's purchasers would have bought from the plaintiff but for the defendant's infringing sales.³⁶⁴

3. That the defendant (where defendant merely used or sold) would have been supplied by plaintiff, had defendant not purchased the infringing article from another.³⁶⁵

4. That defendant's infringing competition compelled plaintiff to reduce his selling price,³⁶⁶ and the extent to which it was reduced.³⁶⁷

§ 372. Damages based upon value of the invention at the time of the infringement.

In an action at law for damages for patent infringement, the value of the invention must be fixed as of the date of the alleged infringement. The reason for this doctrine has been thus developed by Judge Woods: "The plaintiff's counsel insists that no comparison shall be made with any implement that had not been in use, or been invented—if it was a patented implement—before the patent sued upon was issued. I am not able to agree fully with that position. The action being for damages (not profits), I suppose the defendants are liable—if they are liable for anything—for the value of the invention at the time they appropriated it. A patent issued on a particular day for a particular contrivance, might, with reference to the business of the community,

364. *Dobson v. Dornan*, 118 U. S. 243; *Yale Lock Manufacturing Co. v. Sargent*, 117 U. S. 536, 29 L. Ed. 63.

365. *Rose v. Hirsch*, 94 Fed. Rep. 177, 36 C. C. A. 132.

366. *Holmes v. Truman*, 67 Fed. Rep. 542, 545; 14 C. C. A. 517; *Fitch v. Bragg*, 16 Fed. Rep. 243; *Cornely v. Marckwald*, 131 U. S. 159, 33 L. Ed. 117; *Boesch v. Graff*, 133 U. S. 697, 33 L. Ed. 787.

and the uses to which it could be put, be worth a given sum on that day and at that time. If it was the only contrivance that could be used to accomplish the purpose for which it was adapted, it would of course constitute a monopoly, and would command the market for whatever price should be fixed upon it. If shortly after it was invented and put into use some new contrivance, entirely different, and not infringing it in any respect, but useful for accomplishing the same purpose, should be invented and brought into use, it is evident that competition would arise, and the first patent, instead of then being the sole occupant of the field, would have to meet the competition of the new, and might not be worth so much as when it was first produced. I think the jury have the right to look to the facts as they existed at the time of the infringement. If the patent was useful when invented, and was an improvement of actual value over what then existed, the fact that something else was invented afterwards that was better than it, would not take away its entire value, so that the one who should prefer to use it or manufacture it could say, 'I shall pay nothing for that because I might have taken something better.' '' 368

§ 373. The effect of competing co-existing devices upon the measure of damages.

The existence of other means for accomplishing the same result may be considered in fixing the damages. It is obvious, however, that if such other machines or processes are covered by existing patents other than the one in suit, they should have negligible bearing as to a defendant who has merely elected to infringe the one in

368. National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co., 19 Fed. Rep. 514, 518.

suit. The rule is thus announced by Judge Woods: "A man who has a patent owns it as property, and if anybody sees fit to infringe he is bound to pay for its fair value; and the fact that there may be something else just as good as that or better does not destroy its value, but it may effect your judgment of what the actual value is. The fact that this company chose to make this implement, with the combined parts—that is, if you find those combined parts are an infringement of this patent—is conclusive upon the company that they regarded it as a valuable instrument, thus combined, and its actual value in use, under the circumstances existing at the time, the value of that combination, which constitutes the patent, should be awarded to the plaintiff in damages; but the existence of these other implements, patented or unpatented, is a matter that you have a right to consider in arriving at what your judgment of its actual value shall be. Of course, if the rival implements are patented, the existence of them could have no effect, or but little effect, upon the value of the invention in suit, except as they furnished competition in the market. If there existed some contrivance that was not patented at all, or that was free to everybody, which subserved substantially the same purpose, that might still further in your minds depreciate the value of this; but the mere fact that such a thing did exist would not destroy entirely, and could only be treated as modifying, the value of this at the time." ³⁶⁹

§ 374. When proof of infringer's profits may be resorted to as a basis of assessing damages.

It is possible that where the facts of a case do not afford any other basis of assessing damages in an action

369. National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co., 19 Fed. Rep. 514, 519.

at law for patent infringement, the defendant's profits may be shown, and used as a basis for a judgment. The Supreme Court has stated this doctrine as follows: "Profits are not the primary or true criterion of damages for infringement in an action at law. That rule applies eminently and mainly to cases in equity, and is based upon the idea that the infringer shall be converted into a trustee, as to those profits, for the owner of the patent which he infringes; a principle which is very difficult to apply in a trial before a jury, but quite appropriate on a reference to a master, who can examine defendant's books and papers, and examine him on oath, as well as all his clerks and employees.

"On the other hand, we have repeatedly held that sales of licenses of machines, or of a royalty established, constitute the primary and true criterion of damages in the action at law.

"No doubt, in the absence of satisfactory evidence of either class in the forum to which it is most appropriate, the other may be resorted to as one of the elements on which the damages or the compensation may be ascertained; but it cannot be admitted, as the prayer which was refused implies, that in an action at law the profits which the other party might have made is the primary or controlling measure of damages."³⁷⁰

The rule thus announced should be considered in connection with the rule stated by the Supreme Court in another case, that "in cases where there is no established patent or license fee in the case, or even an approximation to it, general evidence must necessarily be resorted to."³⁷¹

370. Mr. Justice Miller, in *Burdell v. Denig*, 92 U. S. 716-723, 23 L. Ed. 765, 766.

371. *Suffolk Co. v. Hayden*, 70 U. S. (3 Wall.) 315, 18 L. Ed. 76;

quoted and followed in *Washington Steam Packet Co. v. Sickles*, 86 U. S. (19 Wall.) 611, 22 L. Ed. 203.

Both of the foregoing expressions amount to holding that an action for damages will not be rendered fruitless by the fact that the patent in suit has never acquired a fixed rate of royalty or license fee.

§ 375. The proceeding in equity—The basis of equitable jurisdiction.

The suit in equity for patent infringement is instituted by the filing of a bill of complaint, usually referred to tersely as a bill, in the office of the clerk of the District Court of the United States for the proper Federal Judicial District, and in the proper division of that district, if the district is divided.

The remedy at law, as we have seen, exists both by virtue of common-law and statutory authority. The remedy in equity is not limited, as is the remedy at law, to the recovery of damages for past infringements. It is based upon the broader grounds of avoiding a multiplicity of suits and vexatious litigation, of preventing threatened future injury, and the power inherent in courts of equity to compel discovery of the extent and manner of the alleged infringement, and the past gains and profits realized by the infringer.

There are two cogent reasons why a treatise of this specialized character should not enter upon a detailed consideration of the history, development and scope of the principles involved, in equitable suits for infringement; the first, that the ablest text-writers of Great Britain and America have exhaustively explored and developed the subject; the second, that the remedy in patent cases in the United States finds its express foundation in the statute. "Section 4921, R. S. U. S. The several courts vested with jurisdiction of cases under the patent laws shall have power to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any right secured by patent,

on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for an infringement the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby; and the court shall assess the same or cause the same to be assessed under its direction.”

§ 376. The parties to the bill.

The parties plaintiff are the person or persons interested, whether as patentees, assignees or grantees of the exclusive right for a particular district.

If an assignee has the whole interest for a certain territory he may sue alone;³⁷² if less than the whole interest (a licensee) he must join the patentee, which he may do, whether the patentee is willing or unwilling.³⁷³ The assignee having such whole interest, when suing jointly with the patentee, cannot have the benefit of a disclaimer filed by the patentee alone.³⁷⁴ A mere licensee, though exclusive, must join the owner of the legal title,³⁷⁵ a trustee must join his *cestui que trust*.³⁷⁶ An executor or administrator must join the heirs or equitable owners of the patent.³⁷⁷ The defendants in equity are substantially the same as in actions at law. Persons who have committed independent infringements cannot be joined as co-defendants.³⁷⁸

372. *Waterman v. Mackenzie*, 138 U. S. 252, 34 L. Ed. 923.

373. *Excelsior Wooden Pipe Co. v. City of Seattle*, 117 Fed. Rep. 140, 143, 55 C. C. A. 156.

374. *Wyeth v. Stone*, 1 Story 273, Fed. Case No. 18,107.

375. *Nelson v. McMany*, Fed. Case 10,109; *Bowers Hydraulic*

Dredging Co. v. Vare, 112 Fed. Rep. 63, 64.

376. *Dibble v. Augur*, Fed. Case 3879.

377. *Northwestern Fire Extinguisher Co. v. Philadelphia Fire Extinguisher Co.*, Fed. Case 10,337.

378. *Woodworth v. Wilson*, 4 How. 712, 11 L. Ed. 1171.

§ 377. The bill.

The bill should be addressed to the judges of the court in which it is filed, as provided by Equity Rule 20,³⁷⁹ should recite the names of the parties (whose citizenship and residence are usually given, but are immaterial), should set out the fact of invention³⁸⁰ prior to the application, the filing of that application, the fact that no application for foreign patent had been filed by the applicant or one in privity with him more than twelve months prior to the said application,³⁸¹ and that the subject-matter of the application had not been in public use or on sale for more than two years prior to said application,³⁸² and that it had not been previously patented or described in any printed publication in this or any foreign country.³⁸³ It is unnecessary to allege that it had not been abandoned.³⁸⁴

Then follow recitals that the applicant complied with all the prerequisites imposed upon him by law, that the Letters Patent were issued in due form, attested by the proper officer,³⁸⁵ on a given date, entitled by their short

379. As to the district, see The Judicial Code, ch. 5 and § 48; also ante, § 324.

380. The bill must recite that the applicant named was the original and first inventor. *Tucker v. Tucker Mfg. Co.*, Fed. Case No. 14,227.

381. *Victor Talking Machine Co. v. Lee's & Catlin Co.*, 165 Fed. Rep. 931, 934; contra, see *American Cereal Co. v. Oriental Food Co.*, 145 Fed. Rep. 649. See § 4887, R. S. U. S.

382. *Hayes-Young Tie Plate Co. v. St. Louis Transit Co.*, 137 Fed. Rep. 80, 81, 70 C. C. A. 1; *Krick v. Jansen*, 52 Fed. Rep. 823, 824; *Nathan Mfg. Co. v.*

Craig, 47 Fed. Rep. 522, 524; *Blessing v. John Trageser Steam Copper Works*, 34 Fed. Rep. 753.

383. *Diamond Match Co. v. Ohio Match Co.*, 80 Fed. Rep. 117; *American Cable Ry. Co. v. City of New York*, 42 Fed. Rep. 60; *Oberman Wheel Co. v. Elliott Hickory Cycle Co.*, 49 Fed. Rep. 859.

384. *Warren Featherbone Co. v. Warner Bros. Co.*, 92 Fed. Rep. 990; *Fichtel v. Barthel*, 173 Fed. Rep. 489, 490.

385. Profert of the original patent obviates this requirement. *Fichtel v. Barthel*, 173 Fed. Rep. 489.

title (given verbatim), bearing a certain number, and that they were delivered to the patentee.

Beyond this it is unnecessary to set forth or quote from the contents of the patent, but proof of the original or a duly certified copy should be made,³⁸⁶ and it is customary to attach to and file with the bill a printed, uncertified, Patent Office copy.

If the device of the patent has gone into considerable use, that fact and the extent of use may be recited. If the patent has been sustained in prior litigation, either at law or in equity, such prior judgment or decree may be pleaded.³⁸⁷ Where the subject-matter of the patent in suit has been patented in foreign countries, whose patent departments make examinations as to novelty, the fact is sometimes recited in the bill as being confirmatory of the action of the United States Patent Office, and tending to fortify the *prima facies* of the patent in suit.

The bill should recite the present ownership of the patent rights necessary to maintain the bill by the complainant; it need not recite the chain of title.³⁸⁸

Any facts intimately relating to the patent in suit, such as a disclaimer, or its history prior to the reissue application, if it be a reissued patent, should be set out. Unless the patent in suit be for a process, or the bill shows that nothing has been made, used or sold under the authority of the patent, the marking or notice to the defendant, required by the statute (§ 4900, R. S. U. S.), should be pleaded.

The bill should then aptly charge the infringement.³⁸⁹ If more than one patent is in suit the bill should aver

386. *La Republique Francaise v. Schultz*, 57 Fed. Rep. 37; *Enterprise Mfg. Co. v. Snow*, 67 Fed. Rep. 235.

387. *Allis v. Stowell*, 15 Fed. Rep. 242; *Steam Gauge & Lan-*

tern Co. v. McRoberts, 26 Fed. Rep. 765.

388. *Nourse v. Allen*, Fed. Case No. 10367.

389. Infringement must be directly averred. A statement on

the subject-matter of the patents in suit to be capable of conjoint use in a single structure, and that the infringement embodies the claims of both, jointly infringed in and by a single structure.³⁹⁰ The infringement should be specifically charged as to having been committed, being threatened, or both. If more than one defendant, the manner of participation of the defendants in the infringing acts (by making, using or selling), should be charged.³⁹¹ The inadequacy of the remedy at law should be alleged.³⁹²

The continuing nature of the infringement is usually alleged.

The prayer of the bill is for a discovery and answer (an answer under oath being usually expressly waived, as otherwise the cause may, at the defendant's election, be set down for hearing on bill and answer) to the bill, as well as to any interrogatories that may be set forth, numbered and signed by counsel; for a decree of injunction against the further continuance of the alleged infringement, for the impounding and destruction of the infringing articles,³⁹³ for a reference to a master for accounting of profits and damages, and for a *subpoena ad respondendum* directed to the defendants.

information and belief is insufficient. *Wyckoff v. Wagner Typewriter Co.*, 88 Fed. Rep. 515. But a statement that complainant is informed and believes, and therefore avers the fact to be, etc., or its equivalent, is sufficient. *Fichtel v. Barthel*, 173 Fed. Rep. 489, 491.

390. *Kaiser v. Bortel*, 162 Fed. Rep. 902, 907.

391. "Whoever invades any one of these rights is an infringer." *Philadelphia Trust, etc., Co. v. Edison Elec. Light Co.*, 65 Fed. Rep. 551, 554, 13 C. C. A. 43.

392. *Perry v. Corning*, Fed. Case 11,004. The Judicial Code provides (§ 267) that "suits in equity shall not be sustained in any court of the United States in any case where a plain, adequate, and complete remedy may be had at law."

393. This practice is authorized, "when the whole machine is an infringement of the patent," by *Birdsell v. Shaliol*, 112 U. S. 485, 28 L. Ed. 768. To the same effect, see, *American Bell Tel. Co. v. Kitsell*, 35 Fed. Rep. 521, 523.

Every bill must have the signature of counsel annexed to it, "which shall be considered as an affirmation on his part that, upon the instructions given to him and the case laid before him, there is good ground for the suit in the manner in which it is framed" (Equity Rule 24).

If a preliminary injunction is sought, the prayer of the bill should so state, and the bill should be sworn to or supported by affidavit. Otherwise the affidavit is unnecessary.³⁹⁴ A single bill may charge patent infringement and unfair competition without being multifarious.³⁹⁵ But the defendant sued for patent infringement cannot have relief for unfair competition,³⁹⁶ and a bill is multifarious that combines a charge of patent infringement with a charge of unfair competition which relates to acts done before the issuance of the patent.³⁹⁷

A bill is demurrable for multifariousness in which joint owners of one patent, one of whom is sole owner of another patent, charge the infringement of both patents. This is probably correct doctrine. In the single case in which it has been ruled, the bill alleged that both patents were capable of conjoint use in a single structure.³⁹⁸

Where one complainant was the sole owner of one patent in suit, and joint owner with his co-complainant of the other patent in suit, said co-complainant being an exclusive oral licensee under the former patent, and the

394. Shiras' Equity Practice, § 40; United States Mitis Co. v. Detroit Steel & Spring Co., 122 Fed. Rep. 863, 59 C. C. A. 589; Fichtel v. Barthel, 173 Fed. Rep. 489, 491.

395. Jaros Hygienic Underwear Co. v. Fleece Hygienic Underwear Co., 60 Fed. Rep. 622; Weed v. Gay, 160 Fed. Rep. 695.

396. George Frost Co. v. Kora Co., 140 Fed. Rep. 987, 71 C. C. A. 19.

397. Ball & Socket Fastener Co. v. Cohn, 90 Fed. Rep. 664, 665.

398. Kaiser v. Bortel, 162 Fed. Rep. 902, 906.

defendant being found to infringe both patents in a single machine, the bill was held good on final hearing, the court remarking that "the entire right to both patents is in the plaintiffs, between them, without any outstanding interest to menace the defendant in any other suit."³⁹⁹

A bill is not multifarious which, in addition to the charge of patent infringement, sets out a contract between the complainant and the defendants whereby the defendants bound themselves not to contest the validity of the patent in suit.⁴⁰⁰ The history of the invention, the prior history of the art, and its development through the inventions of the inventor of the patent in suit or others may all be properly averred in the bill.⁴⁰¹

While a bill is not demurrable which charges the defendant with infringing "the claims" of a patent containing a plurality of claims, the court may, on motion, require the complainant to specify which claims he will attempt to prove to have been infringed.⁴⁰² A reference to the patent in suit by its date and its short title only, is insufficient and renders the bill defective; and that defect is not cured by the fact that the Letters Patent were filed on motion for preliminary injunction, as such filing does not make the Letters Patent part of the record.⁴⁰³

It has been held that the bill should, where the patent in suit has many claims, specify the claims alleged to be

399. Wheeler, J., in *Sharples v. Moseley & Stoddard Mfg. Co.*, 75 Fed. Rep. 595.

400. *Dunham v. Bent*, 72 Fed. Rep. 60.

401. *Steam Gauge & Lantern*

Co. v. McRoberts, 26 Fed. Rep. 765.

402. *Russell v. Winchester Repeating Arms Co.*, 97 Fed. Rep. 634.

403. *Electrolibration Co. v. Jackson*, 52 Fed. Rep. 773.

infringed;⁴⁰⁴ but that practice has been condemned in some jurisdictions as being improper save in exceptional cases.⁴⁰⁵

§ 378. Amendments to the bill and amended bills.

The equity rules relating to amendment of the bill are as follows:

28. The plaintiff shall be at liberty, as a matter of course, and without payment of costs, to amend his bill, in any matters whatsoever, before any copy has been taken out of the clerk's office, and in any small matters afterwards, such as filling blanks, correcting errors of dates, misnomer of parties, misdescription of premises, clerical errors and generally in matters of form. But if he amend in a material point (as he may do, of course) after a copy has been so taken, before any answer or plea or demurrer to the bill, he shall pay to the defendant the costs occasioned thereby, and shall, without delay, furnish him a fair copy thereof, free of expense, with suitable references to the places where the same are to be inserted. And if the amendments are numerous, he shall furnish, in like manner, to the defendant, a copy of the whole bill as amended; and if there be more than one defendant a copy shall be furnished to each defendant affected thereby.

29. After an answer, or plea, or demurrer is put in, and before replication, the plaintiff may, upon motion or petition, without notice, obtain an order from any judge of the court to amend his bill on or before the next succeeding rule day, upon payment of costs or without payment of costs, as the court or judge thereof may in his discretion direct. But after replication filed, the plain-

404. *Russell v. Winchester Repeating Arms Co.*, 97 Fed. Rep. 634.

405. *Johnson v. Columbia Phonograph Co.*, 106 Fed. Rep. 319.

tiff shall not be permitted to withdraw it and to amend his bill, except upon a special order of a judge of the court, upon motion or petition, after due notice to the other party, and upon proof by affidavit that the same is not made for the purpose of vexation or delay, or that the matter of the proposed amendment is material and could not with reasonable diligence have been sooner introduced into the bill, and upon the plaintiff's submitting to such other terms as may be imposed by the judge for speeding the cause.

The subject of amendment of equity pleadings is one concerning which rules are of small moment, as the principles upon which amendments are allowed were well settled in chancery practice long before the promulgation of our equity rules, and those principles, like the rules above quoted, left the matter to the discretion of the chancellor, with but small restriction. The foregoing rules relate solely, as their terms indicate, to amendments made before the hearing of the cause. Amendments may be made at any stage of equitable procedure, before or after the decree. "Allowing amendments is incidental to the exercise of all judicial power, and is indispensable to the ends of justice. Usually, to permit or refuse rests in the discretion of the court; and the result in either case is not assignable for error."⁴⁰⁶

In view of the limitless latitude assumed by applications for leave to amend, the courts have been cautious to confine their observations, in ruling upon applications for leave to amend, to the particular case at bar, realizing the inherent danger of generalizations. Mr. Justice Harlan is the author of the following brief epitome of the subject:

406. Mr. Justice Swayne, in *Tilton v. Coffield*, 93 U. S. (3 Otto) 163, 23 L. Ed. 858.

“In reference to amendments of equity pleadings, the courts have found it impracticable to lay down a rule that would govern all cases. Their allowance must, at every stage of the cause, rest in the discretion of the court; and that discretion must depend largely on the special circumstances of each case. It may be said, generally, that in passing upon applications to amend, the ends of justice should never be sacrificed to mere form, or by too rigid an adherence to technical rules of practice. Undoubtedly, great caution should be exercised where the application comes after the litigation has continued for some time, or when the granting of it would cause serious inconvenience or expense to the opposite side. And an amendment should rarely, if ever, be permitted where it would materially change the very substance of the case made by the bill, and to which the parties have directed their proofs.”⁴⁰⁷

As an illustration of liberality in allowing amendments in patent cause, a bill charging infringement of an original patent, and filed after that original patent had been surrendered for reissue, and the reissue granted, was permitted to be amended to charge infringement of the reissue.⁴⁰⁸

After final hearing, where the complainant was defeated because he had declared only on his composition of matter patent, instead of joining a charge of infringement of the process patent, which covered the method of producing the composition of matter, he was permitted to amend to bring in the charge of infringement of the process patent, on terms of his obligation to pay all the costs of the further testimony for both parties.⁴⁰⁹

407. *Hardin v. Boyd*, 113 U. S. 756, 28 L. Ed. 1141.

408. *Reay v. Raynor*, 19 Fed. Rep. 308.

409. *Underwood v. Gerber*, 37 Fed. Rep. 796; a noteworthy case. See *Underwood v. Gerber*, 37 Fed. Rep. 682.

Under Equity Rule 28, an amendment of the bill before answer, plea or demurrer filed is a matter of course, and the amendment requires no supporting affidavit.⁴¹⁰

The latitude to be allowed in amending the bill is not enlarged by the fact that the defendant has appeared to the action. In a case where two defendants, one a resident individual, and the other a non-resident corporation, were charged by the bill with having conspired and confederated together to infringe the patents in suit within the district by using and causing to be used structures furnished by the corporation to the individual, we find exhibited a proper restriction of the right to amend. The defendant corporation having appeared to the action, and having filed, with its co-defendant, a joint and several answer, the complainant moved for leave to amend, first, by dismissing the bill as to the individual defendant; and, second, by substituting for the original charge of conspiracy to infringe by use, a charge that the defendant corporation had infringed in the district and elsewhere in the United States, by making, using, and selling. In denying the motion, Judge Chatfield said: "The purpose of the amendment asked here is not merely to substitute a different cause of action, with additional parties. It is an attempt to bring in alleged causes of action which could not have been brought for lack of jurisdiction in the district where this suit was begun. The sole ground for this attempt to try other suits than the one stated is the argument that the defendant in the particular action has waived his right to object to the jurisdiction of that action by general appearance. The effect of granting the present motion would be to remove the defendant Gahagan from the ac-

410. Chase Electric Const. Co.
v. Columbia Const. Co., 136 Fed.
Rep. 699.

tion, and to allow every infringement by the defendant company of the two patents claimed by the complainant to be tried in this district and in this suit.”⁴¹¹

§ 379. The distinction between an amended bill and amendments to the bill.

As to the distinction between an amended bill and amendments to the bill, amendments to the original bill become incorporated in that bill, and take effect as of the date of its filing; while an amended bill supersedes the original bill, and its averments speak as of the later date, of its own filing.⁴¹²

§ 380. Has the defendant the right to compel the complainant to amend his bill?

While there are open to the defendant the methods of attacking the bill by demurrer and exceptions, it seems to be settled that the defendant has no right by motion to compel the complainant to amend his bill. Judge Sanborn has said that “in a suit in equity the defendant has no right to have plaintiff amend his bill, nor is it required of him so to do, nor to expose defects or supposed defects in his case.”⁴¹³

This doctrine is frequently invoked in patent causes in response to the defendant’s motion to compel the complainant to specify which of the several claims of the patent in suit are charged to be infringed. It is not necessary that the bill should so state, in order to be good against demurrer.⁴¹⁴ It follows, under the equity plead-

411. *Western Wheeled Scraper Co. v. Gahagan*, 152 Fed. Rep. 648, 651.

412. *Columbia Valley R. Co. v. Portland & S. Ry. Co.*, 162 Fed. Rep. 603, 609, 89 C. C. A. 361.

413. *North Chicago Street R. Co. v. Chicago Union Traction*

Co., 150 Fed. Rep. 612, 634; to the same effect, see, *Phelps v. Elliott*, 26 Fed. Rep. 881, 883.

414. *American Bell Tel. Co. v. Southern Tel. Co.*, 34 Fed. Rep. 803; *Morton Trust Co. v. American Car & Foundry Co.*, 121 Fed. Rep. 132.

ing above stated that the defendant cannot compel the complainant to amend his bill in this respect.⁴¹⁵ The case of *Russell v. Winchester Repeating Arms Co.* (97 Fed. Rep. 634) sometimes cited in support of such motions is not authoritative, as its syllabus is not sustained by the text of the opinion; the court ordered the complainant to so amend his bill in response to a stipulation of the parties.

§ 381. Amendment of the bill in response to the answer.

The abolition of special replications by Rule 45 has led to wide latitude for the purpose of introducing response to the matter in the bill, which formerly could be pleaded in the replication. The rule reads:

“45. No special replication to any answer shall be filed. But if any matter alleged in the answer shall make it necessary for the plaintiff to amend his bill, he may have leave to amend the same, with or without the payment of costs, as the court, or a judge thereof, may in his discretion direct.”

Under this rule the complainant should petition for leave to file the amended bill, but if no objection is made in the trial court to the filing of the amended bill without leave, the objection is waived and cannot be taken upon appeal.⁴¹⁶ The rule probably contemplates amendment of the bill, rather than the filing of an amended bill.⁴¹⁷

415. *Thatcher Heating Co. v. Carbon Stove Co.*, 4 B. & A. 68, Fed. Case 13,864; *Morton Trust Co. v. American Car & Foundry Co.*, 129 Fed. Rep. 916, 64 C. C. A. 367; *Johnson v. Columbia Phonograph Co.*, 106 Fed. Rep. 319.

416. *Clements v. Nicholson*, 73 U. S. (6 Wall.) 299, 18 L. Ed. 786.

417. *Wilson v. Stolly*, 4 McLean 275, Fed. Case 1963; *Coleman v. Martin*, 6 Blatchf. 291, Fed. Case 2986.

§ 382. Supplemental bills.

Of the function and nature of the supplemental bill, Mr. Justice McLean has said "a supplemental bill is filed on leave, and for matter happening after the filing of the bill, and is designed to supply some defect in the structure of the original bill."⁴¹⁸ Bouvier defines it as "a bill brought as an addition to an original bill to supply some defect in its original-frame or structure which cannot be supplied by amendment."⁴¹⁹ Judge Hazel has said: "It is elementary that any matter which has happened since the filing of the bill may be brought in by supplemental bill. It has been held in this circuit (the Second) that facts accruing after the filing of the original bill, showing, for instance, infringement, of a patented device by the subsequently modified structure, where there was infringement before suit was brought, did not warrant filing a supplemental bill."⁴²⁰ In such cases the scope of the original bill is deemed broad enough to include later charges of infringement, and, if the evidence under the original bill establishes the wrongful acts, the new infringing acts are provable upon the accounting, and proper relief may be afforded. * * *

The law abhors a multiplicity of suits; and when the parties are the same, and the subject-matter is of the same general character, courts will be slow to refuse leave to aver in an amended or supplemental bill additional actionable facts which will assist in a final disposition of the grievances which are the subject of the litigation. Although the allegations of later infringements are separate and distinct from earlier assertions of infringement, yet they are not so inseparable, when al-

418. *Kennedy v. Bank of Georgia*, 8 How. 586, 610, 12 L. Ed. 1209, 1218.

419. Bouvier, Dict. 1071, Title "Supplemental Bills."

420. *Westinghouse Air Brake Co. v. Christensen Engineering Co.*, 121 Fed. Rep. 558.

leged in a supplemental bill, as to entirely preclude a determination in the pending action."⁴²¹

Judge Shelby has dealt with the subject lucidly, as follows: "If he (the complainant) had no cause of action (at the time of the filing of the original bill), he cannot, by amendment or supplemental bill, introduce a cause of action that accrued thereafter, even though it arose out of the same transaction that was the subject of the original bill."⁴²² But where a cause of action exists at the filing of the bill which is defectively presented by the bill, the defects may be remedied by amendment (Equity Rules 28, 29), and matters occurring after the filing of the bill may be presented by supplemental bill.⁴²³ Where material facts have occurred subsequent to the beginning of the suit, the court may give the plaintiff leave to file a supplemental bill, and where such leave is given the court will permit other matters to be introduced into the supplemental bill which might have been incorporated in the original bill by way of amendment.⁴²⁴ But in cases where the plaintiff had no cause of action when the bill was filed, neither amendment nor supplemental bill presenting occurrences subsequent to the filing of the bill can prevent its dismissal."⁴²⁵

A supplemental bill cannot properly be employed to bring into a pending case the reissue of the original patent in suit, but the irregularity may be waived by the respondent, by pleading to the supplemental bill.⁴²⁶

421. *Banks Law Pub. Co. v. Lawyers' Co-operative Pub. Co.*, 139 Fed. Rep. 701.

422. Citing, *Straughan v. Hallwood*, 30 W. Va. 274, 4 S. E. Rep. 394, 8 Am. St. Rep. 29; *Hill v. Hill*, 10 Ala. 527.

423. Citing, *Hoxie v. Carr*, 1 Sumn. 173, Fed. Case 6802; *Jen-*

kins v. International Bank of Chicago, 127 U. S. 484, 32 L. Ed. 189.

424. *Stafford v. Howlett*, 1 Paige, Ch. 200.

425. *Mellor v. Smither*, 114 Fed. Rep. 116, 120, 52 C. C. A. 64.

426. *Kennedy v. Scott*, 90 U. S. (23 Wall.) 352, 23 L. Ed. 109.

The 57th Equity Rule provides as follows:

Whenever any suit in equity shall become defective from any event happening after the filing of the bill (as, for example, by change of interest in the parties), or for any other reason, a supplemental bill, or a bill in the nature of a supplemental bill, may be necessary to be filed in the cause, leave to file the same may be granted by any judge of the court on any rule day, upon proper cause shown and due notice to the other party. And if leave is granted to file such supplemental bill, the defendant shall demur, plead, or answer thereto on the next succeeding rule day after the supplemental bill is filed in the clerk's office, unless some other time shall be assigned by a judge of the court.

Of this rule Judge Hammond has said: "Considering the time of the promulgation of that rule, and its place in the code of rules designed to regulate our practice, I am led to believe that it relates as well to defects arising from the voluntary alienation of interests by the deed or contract of the parties, as to those defects arising from the devolution of any interest by operation of law. The language of the rule is broad enough to cover all such defects, and, being a rule of practice, it is best to so liberally construe it as to include all."⁴²⁷

The granting of leave to file a supplemental bill is discretionary with the trial court.⁴²⁸ The application for leave to file it should be made as soon as the new matter sought to be pleaded by it is discovered, and if it relates to facts which were in existence and known to the complainant at the time of the filing of the original bill, the application should be denied.⁴²⁹ The application

427. *Hazleton Tripod Boiler Co. v. Citizens' St. R. Co.*, 72 Fed. Rep. 325, 327.

428. *Sheffield & B. Coal I. & R. Co. v. Newman*, 77 Fed. Rep. 787.

429. *City of Omaha v. Redick*, 63 Fed. Rep. 1, 5, 11 C. C. A. 1.

should be made by petition, which should state the grounds for the application.⁴³⁰

It is provided by the 58th Equity Rule that, "it shall not be necessary in any * * * supplemental bill to set forth any of the statements in the original suit, unless the special circumstances of the case may require it." Speaking of a supplemental bill that embraced 178 pages of typewritten matter Judge Hawley said:

"A supplemental bill should state the original bill and the proceedings thereon, and, if it is occasioned by any event subsequent to the original complaint, it must state that event, and the consequent alteration with respect to the parties. There was no necessity to copy the original or amended complaint or answer in the supplemental bill; nor was it absolutely essential that the agreements, contracts, deeds, leases, and other documents should be copied in *haec verba* in the bill. A plain, clear and concise statement of the facts as to the existence, character, and substance of these documents would have been sufficient. By a strict observance of this rule, it is safe to say that all the necessary and essential facts could easily have been stated with legal accuracy in less than one-half the space covered by the present bill. But the fact that they are set out in *haec verba* furnishes no substantial reason for expunging them from the record. They do not contain any irrelevant matter. They are all pertinent to the issues raised. Equity Rule 58 was adopted in order to relieve the pleader from copying the formal pleadings *in haec verba*."⁴³¹

Under the general rule above considered, that the supplemental bill cannot make good a case which was bad in its inception, Judge Acheson has said "a plaintiff can-

430. Parkhurst v. Kinsman, 2 Blatchf. 72, Fed. Case 10,758.

431. Nevada Nickel Syndicate v. National Nickel Co., 86 Fed. Rep. 486, 487.

not support a bad title by acquiring another after the filing of the original bill, and bringing it in by supplemental bill.”⁴³²

§ 383. Original bills in the nature of supplemental bills.

Bills of this character have been aptly distinguished from supplemental bills by Judge Woods: “The right to introduce new parties, or to substitute one party for another, in equity, when there has been a change of interest pending the suit, is so well recognized that the books treat not so much of the right as of the method of accomplishing the substitution. It is done either by a supplemental bill, or by an original bill in the nature of a supplemental bill—the former being applicable properly to those cases where the same parties or the same interests remain before the court, while the latter is properly applicable when new parties, with new interests arising from events since the institution of the suit, are brought before the court. If a complainant, suing in his own right, parts with less than his entire interest, or if he is deprived of his entire interest but he is not the sole complainant, the defect in either case may be supplied by means of a supplemental bill. But if a sole complainant suing in his own right is deprived of his whole interest, as in the case of bankruptcy, or if he assigns his whole interest to another, he is no longer able to prosecute the suit, for want of interest, and the assignee may be made complainant in his stead; but, as the title of the latter may be litigated, the substitution must be accomplished by means of an original bill in the nature of a supplemental bill.”⁴³³

Accordingly, where it appears upon appeal that the patent in suit has been assigned pending the suit, and

432. *Emerson v. Hubbard*, 34 Fed. Rep. 327.

433. *Ross v. City of Ft. Wayne*, 63 Fed. Rep. 466, 470, 11 C. C. A. 288.

the assignee has not become a party, the appellate court may by mandate instruct the Circuit Court to permit the assignee to file an original bill in the nature of a supplemental bill within a designated time, and, if the assertion of title so made be not successfully attacked, to enter a decree in favor of the assignee.⁴³⁴

It is no objection to a bill of this character that it is filed by a corporation, as assignee of the patent in suit, where the assignment shows grantees other than the original complainants; as, if the complainants were not the sole owners of the patent at the time of the filing of the bill, that defense could be availed of as fully as it could against the original bill.⁴³⁵

§ 384. Supplemental bills in the nature of bills of review.

A supplemental bill in the nature of a bill of review may be employed after an interlocutory decree, to bring newly discovered evidence before the court; it differs from a bill of review in that the latter cannot be filed until after a final decree.⁴³⁶ If such a bill is sought to be filed after an appeal has been heard and decided, affirming the interlocutory decree, the application for leave to present the petition to the Circuit Court should be made to the appellate court, even after the issuance of the mandate, and after the expiration of the term at which the judgment was rendered.⁴³⁷

In the Sixth Circuit it has been held that a petition for a rehearing is the proper method of broaching the introduction of newly discovered evidence, after the interlocutory, and before the final, decree.⁴³⁸

434. *Ecaubert v. Appleton*, 67 Fed. Rep. 917, 924, 15 C. C. A. 73.

435. *Haarmann-De Laire-Schaffer Co. v. Leuders*, 135 Fed. Rep. 120.

436. *In re Gamewell Fire Alarm Tel. Co.*, 73 Fed. Rep. 908, 912, 20 C. C. A. 111.

437. *In re Gamewell Fire Alarm Tel. Co.*, 73 Fed. Rep. 908, 20 C. C. A. 111; *Municipal Signal Co. v. Gamewell Fire Alarm Tel. Co.*, 77 Fed. Rep. 452.

438. *C. & A. Potts & Co. v. Creager*, 71 Fed. Rep. 574.

 § 385. Bills of revivor.

A bill of revivor is the pleading employed in equity to advise the court of the abatement of the cause by the marriage, death or dissolution of a party to the cause, and to secure the continuation of the cause in the names of those succeeding in interest to the party whose death or change of status has caused the abatement.

“The death of either party pending the suit does not, where the cause of action survives, amount to a determination of the suit. It might in suits at common law, upon the mere principles of that law, have produced an abatement of the suit, which would have destroyed it. But in courts of equity, an abatement of the suit by the death of a party has always been held to have a different effect; for such abatement amounts to a mere suspension, and not to a determination of the suit. It may again be put in motion by a bill of revivor, and the proceedings being revived, the cause proceeds to its regular determination as an original bill. The bill of revivor is not the commencement of a new suit, but is the mere continuation of the old suit. It is upon a ground somewhat analogous that the Circuit Courts are held to have jurisdiction in cases of cross bills and injunction bills, touching suits and judgments already in those courts; for such bills are treated not strictly as original bills, but as supplementary or dependent bills, and so properly within the reach of the court; although the defendant (who was plaintiff in the original suit) lives out of the jurisdiction.”⁴³⁹ The practice as to bills of revivor in the Federal courts is regulated by the provisions of Equity Rule 56, which is as follows:

439. Mr. Justice Story, in *Clarke v. Mathewson*, 12 Peters 164, 171, 9 L. Ed. 1041, 1044. To the same effect, see, *Hone v. Dil-*

lon, 29 Fed. Rep. 465, 468; *Brooks v. Laurent*, 98 Fed. Rep. 647, 652, 39 C. C. A. 201.

“56. Whenever a suit in equity shall become abated by the death of either party, or by any other event, the same may be revived by a bill of revivor, or a bill in the nature of a bill of revivor, as the circumstances of the case may require, filed by the proper parties entitled to revive the same, which bill may be filed in the clerk’s office at any time; and upon suggestion of the facts, the proper process of subpoena shall, as of course, be issued by the clerk, requiring the proper representatives of the other party to appear and show cause, if any they have, why the cause should not be revived. And if no cause shall be shown at the next rule day which shall occur after fourteen days from the time of the service of the same process, the suit shall stand revived, as of course.”

Suits for patent infringement are not terminated by the death of the plaintiff⁴⁴⁰ or the defendant.⁴⁴¹

Upon the death of the plaintiff the cause may be prosecuted to final judgment or decree by his personal representatives,⁴⁴² while the estate of a deceased defendant is liable for the profits and damages which would have been recoverable against him, and the estate is reached by the continued prosecution of the suit against his personal representatives.⁴⁴³

So when a defendant corporation is dissolved pending the suit for infringement, the suit does not abate, and will proceed by the bringing in, by a bill of revivor, or a supplemental bill in the nature of a bill of revivor, the statutory assignee⁴⁴⁴ or receiver⁴⁴⁵ of the corporation.

440. *Illinois Cent. R. Co. v. Turrilli*, 110 U. S. 301, 28 L. Ed. 154; *May v. Logan Co.*, 30 Fed. Rep. 250.

441. *Kirk v. Dubois*, 28 Fed. Rep. 460; *Hohorst v. Howard*, 37 Fed. Rep. 97; *Head v. Porter*, 70 Fed. Rep. 498.

442. *Illinois Cent. R. Co. v. Turrilli*, 110 U. S. 301, 28 L. Ed. 154.

443. *Head v. Porter*, 70 Fed. Rep. 498.

444. *Chester v. Life Assn. of America*, 4 Fed. Rep. 487.

445. *Griswold v. Hilton*, 87 Fed. Rep. 256.

The court has no power to compel a plaintiff to revive a suit interrupted by the death or dissolution of a defendant; he may revive the suit or not, as he chooses.⁴⁴⁶ But if he elects to revive the suit he is entitled to do so as a matter of right.⁴⁴⁷

Where the patent in suit is assigned pending the suit, the assignee properly succeeds the original complainant by an original bill in the nature of a supplemental bill.⁴⁴⁸ Equity Rule 58 provides that "it shall not be necessary in any bill of revivor * * * to set forth any of the statements in the original suit, unless the special circumstances of the case may require it."

§ 386. Restraining orders.

Upon the filing of the bill, if the exigencies of the case are sufficiently urgent, the complainant will present the bill and supporting affidavits to the court, and move for a temporary restraining order, without notice, under the provisions of § 718, R. S. U. S.

§ 718. Whenever notice is given of a motion for an injunction out of a circuit or district court, the court or judge thereof may, if there appears to be danger of irreparable injury from delay, grant an order restraining the act sought to be enjoined until the decision upon the motion; and such order may be granted with or without security, in the discretion of the court or judge.

This section unqualifiedly gives to the District Court the power to grant restraining orders without notice in any urgent case. But even in the absence of this section there is no doubt of the power conferred by § 4921, R. S. U. S., to grant such orders in patent cases without previous notice.⁴⁴⁹

446. *Chester v. Life Assn. of America*, 4 Fed. Rep. 487, 489.

447. *Fitzpatrick v. Domingo*, 14 Fed. Rep. 216, 217.

448. *Haarmann-DeLaire-Schaffer Co. v. Leuders*, 135 Fed. Rep. 120.

449. *Yuengling v. Johnson*, 1 Hughes 607, Fed. Case 18,195.

As used in this section, the word "whenever" means "at" whatever time the notice is given, and does not mean "after" that time. The restraining order may be, therefore, and in practice usually is, granted and issued simultaneously with the rule upon the defendant directing him to show cause why a preliminary injunction should not issue.⁴⁵⁰ This is properly done wherever the very act of giving notice to the defendant of the complainant's intention to make the motion for preliminary injunction might itself precipitate the mischief whose commission is sought to be restrained.⁴⁵¹

A district judge is powerless to entertain such an application save in his own district, or a district in the same circuit to which he is assigned by the circuit judge or circuit justice, or the Chief Justice of the United States (§§ 591, 592, 593, R. S. U. S.).

When sitting in his own district or one to which he has been properly assigned his authority in holding circuit court is coextensive with that of a circuit judge or circuit justice.

The purpose of the restraining order contemplated by § 718, R. S. U. S., is to prevent threatened injury until the motion for preliminary injunction can be heard. "A restraining order is substantially the same thing as a preliminary injunction, and its essential characteristic is that it is granted until notice can be given."⁴⁵²

The restraining order is limited in its duration to the time during which the motion for preliminary injunction is pending. If that motion is granted, the preliminary injunction takes the place of the restraining order; if de-

450. *Yuengling v. Johnson*, 1 Hughes 607, Fed. Case 18,195.

451. *United States v. Coal Dealer's Assn.*, 85 Fed. Rep. 252.

452. *Elliott, General Practice*, § 390.

nied, the restraining order is usually vacated and set aside in express terms.

“The function of a restraining order is to protect the plaintiff, without unnecessarily oppressing or annoying the defendant. * * * Hence, the form of the order varies with the circumstances.”⁴⁵³

§ 327. The application for preliminary injunction.

The moving papers upon an application for preliminary injunction comprise the bill of complaint (which should preferably be verified),⁴⁵⁴ affidavits upon the merits, and a motion which usually recites the reasons for the application with greater fullness and detail than the allegations of the bill.

Upon the presentation of these documents, and any accompanying exhibits, to the court, or a single judge thereof in vacation, an order is issued addressed to the parties defendant directing them at a time and place therein named to show cause why a preliminary injunction should not issue as moved. All of these documents, including the order to show cause, are then served upon the parties defendant, such service being usually made by the marshal. If the case is of such urgency that a restraining order has been issued, that order will usually be served at the same time.

While affidavits upon the facts are necessary, they cannot so amplify the allegations of the bill as to sustain an application for preliminary injunction if the bill's averments are too indefinite.⁴⁵⁵

The affidavits used upon the application must be entitled in the cause, as otherwise they are mere extra-

453. Treat, J., in Kirby Bung Mfg. Co. v. White, 1 Fed. Rep. 604, 605.

454. The affidavit may take the place of a verification. Smith v.

Schwed, 6 Fed. Rep. 455.

455. Leo v. Union Pac. Ry. Co., 17 Fed. Rep. 273.

judicial oaths upon which perjury cannot be assigned.⁴⁵⁶ It cannot be properly entitled in the cause until the bill is filed.⁴⁵⁷ Consequently affidavits made prior to the filing of the bill are not competent. They are frequently used without objection, but will always be excluded if timely objection is interposed.

The defense may respond to the order to show cause by plea, answer, demurrer to the bill or counter-affidavits. If such affidavits introduce new matter in avoidance of the complainant's allegations, leave to file rebuttal affidavits may be given; affidavits in sur-rebuttal are not usually permitted.⁴⁵⁸ The summary nature of the proceedings are such as to require strict enforcement of the time limits assigned for the filing of affidavits; when filed out of time, without a stipulation or an order of the court permitting it, they will not be considered.⁴⁵⁹

§ 388. Preliminary injunctions.

The granting or withholding of interim relief by way of preliminary injunction in patent cases does not differ in the least from the administration of such relief in other cases.

The broad principle is that "the right must be clear, the injury impending and threatened, so as to be averted only by the protecting preventive process of injunction."⁴⁶⁰

Applying these requirements to the showing made of infringement of a patent, on motion for preliminary

456. *Buerk v. Imhaeuser*, Fed. Case 2107a; *Goldstein v. Whelan*, 62 Fed. Rep. 124.

457. *Baldwin v. Bernard*, Fed. Case 797.

458. *Day v. New England Car Co.*, 3 Blatchf. 154, Fed. Case 3686; *Benbow-Brammer Co. v.*

Simpson Mfg. Co., 132 Fed. Rep. 614.

459. *American Paper Barrel Co. v. Laraway*, 28 Fed. Rep. 141.

460. Mr. Justice Grier, in *Truly v. Wanzer*, 5 Howard 141, 142, 12 L. Ed. 88, quoting from Baldwin's Rep. 218.

injunction, the following conclusions are justified. The right must be clear. Before the right can be clear it must be shown that the complainant's legal or equitable title to the patent is unclouded.⁴⁶¹

The next consideration is more difficult; namely, what evidence of the validity of the patent is required to make the complainant's right clear in that respect?

The fact that a patent has not been adjudicated "is not sufficient ground for refusing preliminary injunction, unless there is some substantial question as to validity."⁴⁶² "When the specification shows that, assuming facts of common knowledge, it will probably need some affirmative evidence to indicate the presence of invention, or when some testimony put in by defendant as to prior state of the art, slight though it be, indicates that there may be some arguable question as to validity, or as to a construction of the claims broad enough to cover the device complained of, then preliminary injunction on affidavits is refused. But where the patent appears to be novel, useful, and ingenious, and there is no evidence at all assailing its validity, the presumption arising from issue of letters patent will be sufficient to warrant injunctive relief. The same rule should apply where the sole evidence as to prior art is wholly unconvincing."⁴⁶³

"It cannot be denied that a preliminary injunction may properly issue in a patent suit, where the validity of the patent is clear, although it has not been sustained by a prior adjudication or public acquiescence."⁴⁶⁴

461. *Nilsson v. Jefferson*, 78 Fed. Rep. 366.

462. *Lacombe, J., in Lambert Snyder Vibrator Co. v. Marvel Vibrator Co.*, 138 Fed. Rep. 82.

463. *Lacombe, J., in Fuller v. Gilmore*, 121 Fed. Rep. 129, 130.

464. *Putnam, J., in Wilson v. Consolidated Store Service Co.*, 88 Fed. Rep. 286, 287, 31 C. C. A. 533.

In the cases last quoted from, the patents in suit were of recent date, and this fact is noted by the court in connection with the quoted dicta. But the dicta as they stand above are undoubtedly sound, even though they may not be in accord with the bulk of the modern decisions. The argument that a preliminary injunction should never be granted upon a patent unless it has been adjudicated, though often made, and often effective, disregards the *prima facies* which attend the grant of a patent. The courts in denying the motion have often said in substance that the motion must be denied in the absence of former adjudication "or unless it be shown by clear and satisfactory evidence that the patent is valid."⁴⁶⁵ To formal statements of this kind no technical objection can be made. They state the rule correctly. But what of the *prima facies* of the patent? True, the presumptions raised by the grant are slight, but they are entitled to consideration for what they are worth.

A decision in an interference is a sufficient adjudication to serve as the foundation of a motion for preliminary injunction by the successful against the losing parties,⁴⁶⁶ though it cannot be so used in a suit against one who was a stranger to the interference.⁴⁶⁷

A judgment or decree sustaining a patent, from which an appeal has been taken, loses its weight as a former adjudication, pending the determination of the appeal.⁴⁶⁸

On a motion for preliminary injunction a prior adjudication sustaining the patent in suit is conclusive as to its validity unless a new defense is interposed by

465. Bowers Dredging Co. v. New York Dredging Co., 77 Fed. Rep. 980, 984.

466. Celluloid Mfg. Co. v. Chrolithian Collar & Cuff Co., 24 Fed. Rep. 275.

467. Wilson v. Consolidated Store Service Co., 88 Fed. Rep. 286, 31 C. C. A. 533.

468. Bowers Dredging Co. v. New York Dredging Co., 77 Fed. Rep. 980, 984.

evidence persuasive that, if employed in the former case, it would have changed the result.⁴⁶⁹

In the absence of former adjudication, long recognition by a trade or industry of the utility and value of the patent, or the continued acquiescence of the public may be deemed the equivalent of such an adjudication for the purpose of the motion for preliminary injunction.⁴⁷⁰ It will be noticed that this recognition or acquiescence is somewhat hazy and nebulous. Read with close scrutiny it is dangerously near a judicial proclamation of one law for the poor, another for the rich patentee. The one of limited means and local business has but small chance of proving public acquiescence or recognition, while the large producer, engaged in interstate business and employing national advertising, so strong financially that his competitor is afraid to risk infringing his patents, falls automatically within the purview of the rule.

“The special presumption of the validity of the patent arising from public acquiescence is not indulged, unless such acquiescence exists when it would not be for the interest of manufacturers and users that it should be yielded, and so exhibiting a genuine conviction of the validity of the patent based upon investigation, and

469. *Doig v. Morgan Mach. Co.*, 91 Fed. Rep. 1001, 33 C. C. A. 683; *Bresnahan v. Tripp Giant Leveler Co.*, 72 Fed. Rep. 920, 19 C. C. A. 237.

470. *Edward Barr Co. v. New York & N. H. Automatic Sprinkler Co.*, 32 Fed. Rep. 79; *Hat Sweat Mfg. Co. v. Davis Sewing Mach. Co.*, 32 Fed. Rep. 401; *Raymond v. Boston Woven Hose Co.*, 39 Fed. Rep. 365; *National Cash*

Register Co. v. Boston Cash Indicator & Recorder Co., 41 Fed. Rep. 144; *Standard Elevator Co. v. Crane Elevator Co.*, 56 Fed. Rep. 718, 6 C. C. A. 100; *Williams v. Breitling Metal Ware Mfg. Co.*, 77 Fed. Rep. 285, 23 C. C. A. 171; *St. Louis Street Flushing Mach. Co. v. Sanitary Street Flushing Mach. Co.*, 161 Fed. Rep. 725, 88 C. C. A. 585.

continuing for such length of time, that it may be said the conviction was generally entertained.”⁴⁷¹

Proof of acquiescence must be convincing as to the nature and extent of the acquiescence. “While acquiescence, even of a qualified or doubtful nature, may give aid to a patent on a final hearing, yet, when relied on to support a temporary injunction it must be clear in its character and extent.”⁴⁷²

To give the complainant the right to the preliminary injunction there must be no doubt as to the existence, past, present or threatened, of the infringement. “It is not essential that there shall have been any actual infringement, in order to entitle a complainant to an injunction. The selling and offering for sale (of parts or elements) with the intent and purpose to bring about an infringement are enough to entitle complainant to an injunction to prevent the threatened injury.”⁴⁷³ It is no defense to the motion that the defendant, who has manufactured the infringing article for sale, and advertised it for sale, has not used or sold any of them,⁴⁷⁴ nor is it a defense that the extent of the infringement is small,⁴⁷⁵ or that the defendant does not intend to make further use of the infringing machine still in his possession.⁴⁷⁶

471. Jenkins, J., in *George Ertel Co. v. Stahl*, 65 Fed. Rep. 519, 521, 13 C. C. A. 33.

472. Putnam, J., in *Wilson v. Consolidated Store Service Co.*, 88 Fed. Rep. 286, 290, 31 C. C. A. 533.

473. Lurton, J., in *Rupp & Wittgenfeld Co. v. Elliott*, 131 Fed. Rep. 730, 733, 65 C. C. A. 544; citing and following, *Thomson-Houston Electric Co. v. Kelsey Electric Ry. Co.*, 75 Fed. Rep. 1005, 1008, 22 C. C. A. 1; *Thomson-Houston Electric Co. v. Ohio*

Brass Co., 80 Fed. Rep. 712, 722, 26 C. C. A. 107; *Wallace v. Holmes*, Fed. Case 17,100.

474. *Butz Thermo-Electric Regulator Co. v. Jacobs Electric Co.*, 36 Fed. Rep. 191.

475. *Carter & Co. v. Wollschlaeger*, 53 Fed. Rep. 573.

476. *Sawyer Spindle Co. v. Turner*, 55 Fed. Rep. 979; *Celluloid Mfg. Co. v. Arlington Mfg. Co.*, 34 Fed. Rep. 324; *New York Filter Mfg. Co. v. Chemical Bldg. Co.*, 93 Fed. Rep. 827.

On the motion for preliminary injunction the former adjudication will not avail the complainant if the issues as to infringement are not identical with those in the former litigation;⁴⁷⁷ and the motion will be denied when the proof of infringement is not clear and convincing.⁴⁷⁸

A decree by consent is not the equivalent of an adjudication resulting from a bona fide contest, so as to serve as the foundation for obtaining a preliminary injunction.⁴⁷⁹

Wherever the right to a preliminary injunction is not clear, under the rules we have considered, the motion for injunction should be denied. There must be, in the language of Judge (now Mr. Justice) McKenna, "a clear title and a clear detriment. An injunction certainly interrupts action. It may interrupt rights, and therefore do, instead of preventing, an irreparable injury, unless great care be used."⁴⁸⁰

Some of the elements which have led courts to refuse preliminary injunctions in patent cases may profitably be considered. Irreparable damage being an indispensable element in an application for provisional injunction,⁴⁸¹ the application, in any but a perfectly clear case, will be denied where the defendant is financially responsible, and the complainant is sure of adequate compensation should he prevail on final hearing of the case.⁴⁸² Especially does the consideration of the financial responsi-

477. Hatch Storage Battery Co. v. Electric Storage Battery Co., 100 Fed. Rep. 975, 41 C. C. A. 133.

478. Whippany Mfg. Co. v. United Indurated Fibre Co., 87 Fed. Rep. 215, 30 C. C. A. 615, reversing, United Indurated Fibre Co. v. Whippany, 83 Fed. Rep. 485.

479. De Ver Warner v. Bassett, 7 Fed. Rep. 468.

480. Nilsson v. Jefferson, 78 Fed. Rep. 366.

481. Pullman v. B. & O. R. Co., 5 Fed. Rep. 72; New York Grape Sugar Co. v. American Grape Sugar Co., 10 Fed. Rep. 835; Zinsser v. Cooledge, 17 Fed. Rep. 538; Smith v. Sands, 24 Fed. Rep. 470; Keyes v. Pueblo Smelting & Refining Co., 31 Fed. Rep. 560.

482. Pullman v. B. & O. R. Co., 5 Fed. Rep. 72; Whitcomb v. Girard Coal Co., 47 Fed. Rep. 315, 318; Williams v. McNeely, 56 Fed.

bility of the defendant have weight where he is merely a user, and not the manufacturer of the alleged infringing thing.⁴⁸³

Laches on the part of the complainant is a weighty consideration against granting the injunction,⁴⁸⁴ especially where the defendant has used the alleged infringing device for a number of years.⁴⁸⁵

Application for preliminary injunctions against public or quasi-public corporations are to be dealt with according to the peculiar equities of each case. Where the officers of a municipal corporation purchased electric fixtures with full knowledge that litigation might ensue, and took an indemnity bond from the dealer, and other fixtures were capable of being substituted with little delay, the Circuit Court of Appeals for the 2nd Circuit said "we perceive no equity in favor of the city," and directed a preliminary injunction to issue.⁴⁸⁶ But while cities are liable in their corporate capacity for patent infringement,⁴⁸⁷ even where the infringing acts are done by a separately incorporated fire department,⁴⁸⁸ the rule, in applications of the character under consideration is that wherever the safety or convenience of the public would suffer by the abrupt discontinuance of the infringing device the application will be denied.⁴⁸⁹

Rep. 265; *Rogers Typographic Co. v. Mergenthaler Linotype Co.*, 58 Fed. Rep. 693, 694; *George Ertel Co. v. Stahl*, 65 Fed. Rep. 517, 13 C. C. A. 29; *Nilsson v. Jefferson*, 78 Fed. Rep. 366; *Overweight Counterbalance Elevator Co. v. Cahill & Hall Elevator Co.*, 86 Fed. Rep. 338, 339; *Scoville Mfg. Co. v. Patent Button Co.*, 99 Fed. Rep. 743, 744.

483. *Williams v. McNeely*, 56 Fed. Rep. 265.

484. *Keyes v. Eureka Consoli-*

dated Mining Co., 158 U. S. 150, 39 L. Ed. 929.

485. *Keyes v. Pueblo Smelting & Refining Co.*, 31 Fed. Rep. 560, 561.

486. *Pelzer v. Binghamton*, 95 Fed. Rep. 823, 37 C. C. A. 288.

487. *Munson v. New York*, 3 Fed. Rep. 338.

488. *Brickill v. New York*, 7 Fed. Rep. 479.

489. *Southwestern Brush Elec. L. & P. Co. v. Louisiana Elec. L. Co.*, 45 Fed. Rep. 893; *Consoli-*

The same rule applies to a private corporation engaged under contract in furnishing alleged infringing guns to the government of the United States.⁴⁹⁰

The argument of public inconvenience, however, especially when invoked by a quasi-public corporation (as, a corporation engaged in operating stock cars), has well defined limitations. Judge Putnam has said, "so far as public inconvenience is concerned, while that may, under some conditions, be taken into account, yet it should not be under such circumstances as to deprive a patentee of his property without just compensation, or to put him in a position where there is substantial danger of that result."⁴⁹¹ That danger may be avoided by suspending the operation of the preliminary injunction for a sufficient time to enable the defendant to substitute non-infringing equipment.⁴⁹²

Where possible, in the case of a device essential to public safety (as, a hose-coupling used by a fire department), the court, even on a final hearing, will endeavor to secure compensation for the complainant without granting an injunction.⁴⁹³ So an injunction was denied on final hearing where the defendant municipality was found to have infringed a wooden pavement patent.⁴⁹⁴

§ 389. The motion to dissolve.

A motion to dissolve and vacate an order granting a preliminary injunction may be made at any time after

dated *Roller-Mill Co. v. Coombs*, 39 Fed. Rep. 803, 804; *McElroy v. Kansas City*, 21 Fed. Rep. 257.

490. *American Ordnance Co. v. Driggs-Seabury Co.*, 87 Fed. Rep. 947.

491. *Westinghouse Air Brake Co. v. Burton Stock Car Co.*, 70 Fed. Rep. 619, 620.

492. *Thomson-Houston Elec. Co. v. Union Ry. Co.*, 78 Fed. Rep. 365.

493. *Bliss v. Brooklyn*, 4 Fish. 596, Fed. Case No. 1544.

494. *Ballard v. Pittsburg*, 12 Fed. Rep. 783.

the entry of the order sought to be dissolved,⁴⁹⁵ upon reasonable notice to the complainant,⁴⁹⁶ which may be given by setting down in the order book.⁴⁹⁷ The motion may be addressed to vacating the order in whole or in part.⁴⁹⁸

As a general rule the motion to dissolve an *ex parte* injunction order may be made before answer,⁴⁹⁹ though in some jurisdictions it has been held that unless the equities of the bill have been fully traversed by answer, a motion to dissolve must be overruled.⁵⁰⁰

If the injunction order is framed in the usual way, to remain in force and effect during the pendency of the suit, and the patent should expire during the pendency of the suit, a motion to dissolve will be sustained under the general rule of equity practice that an injunction will be dissolved whenever it has ceased to subserve any useful purpose;⁵⁰¹ but a motion to dissolve based upon any other ground than the expiration of the patent should be filed promptly, or the laches of the moving party will weigh heavily against the motion.⁵⁰² Unless in the presence of such urgency as to require immediate action, a motion to dissolve or modify will only be entertained by the judge who made the order against which the motion is addressed;⁵⁰³ and in the event of the death

495. *Westerly Waterworks v. Town of Westerly*, 77 Fed. Rep. 783.

496. *Caldwell v. Waters*, 4 Cranch 577, Fed. Case 2305; *Burford v. Ringgold*, 1 Cranch 253, Fed. Case 2152; *Stoddert v. Waters*, Fed. Case 13,472.

497. *Wilkins v. Jordan*, 3 Wash. 226, Fed. Case 17,665.

498. *Wilkins v. Jordan*, 3 Wash. 226, Fed. Case 17,665.

499. *Metropolitan Grain & Stock Exchange v. Chicago Board*

of Trade, 15 Fed. Rep. 847; *Fenwick Hall Co. v. Town of Old Saybrook*, 66 Fed. Rep. 389.

500. *Northern Pacific R. Co. v. Barnesville & M. R. Co.*, 4 Fed. Rep. 298.

501. *In re Jackson*, 9 Fed. Rep. 493.

502. *Holmes Electric Protective Co. v. Metropolitan Burglar Alarm Co.*, 31 Fed. Rep. 562.

503. *Klein v. Fleetford*, 35 Fed. Rep. 98; *Ide v. Crosby*, 104 Fed. Rep. 582.

of that judge having intervened, it has been held advisable that two judges should sit to hear the motion.⁵⁰⁴ The power to vacate, suspend or modify a preliminary injunction remains in the court which granted it, even after an affirmance of the order on appeal.⁵⁰⁵ The motion may be presented in vacation.⁵⁰⁶

§ 390. Enlarging or extending the injunction.

Where, after the granting of a preliminary injunction, a supplemental bill is filed charging the defendant with acts of the same general character as those charged in the bill, the injunction may be enlarged and extended in terms commensurate with the allegations of the supplemental bill.⁵⁰⁷

§ 391. The moving papers on the motion to dissolve.

The motion may be based solely upon alleged error of law in granting the injunctive order, or upon questions of fact which were not presented at the hearing of the application for injunction. As usual in all motions in Federal practice, courtesy demands, and the court generally insists upon, the service of a copy of the motion and copies of all the accompanying moving papers upon opposing counsel in advance of the hearing.⁵⁰⁸ If the motion is based upon matters of fact which have not become matters of record in the cause, they will usually be presented by affidavit, and the affidavits must be entitled in the cause or they cannot be considered.⁵⁰⁹

504. *Westerly Waterworks v. Town of Westerly*, 77 Fed. Rep. 783.

505. *Edison Electric Light Co. v. United States Electric Lighting Co.*, 59 Fed. Rep. 501, 8 C. C. A. 200.

506. *Adams v. Douglass County*, Fed. Case 52.

507. *Parkhurst v. Kinsman*, 2 Blatchf. 78, Fed. Case 10,760.

508. *Hardt v. Liberty Hill Consol Mining & Water Co.*, 27 Fed. Rep. 788.

509. *Buerk v. Imhaeuser*, 10 Off. Gaz. 907, Fed. Case 2107a; *Goldstein v. Whelan*, 62 Fed. Rep. 124.

§ 392. Grounds of dissolution.

As a basic rule, lack of jurisdiction is always ground for vacating an injunctive order.⁵¹⁰ As already indicated, the expiration of the patent in suit will be ground for dissolving the injunction, which can thereafter subsist no useful purpose.⁵¹¹ If the bill is dismissed, the dismissal should vacate the preliminary injunction.⁵¹² The assignment of the patent in suit by the complainant is ground for dissolution.⁵¹³ The motion may be granted because of the intentional delay of the complainant in the prosecution of his case.⁵¹⁴ Where it is made to appear that the suit is defective for want of an indispensable party, a preliminary injunction will be dissolved.⁵¹⁵ Any evidence which would have sufficed to prevent the issuance, will be sufficient for the dissolution, of the injunction.⁵¹⁶ Consequently, a showing by affidavit of alleged prior use which is sufficient to raise a serious doubt as to the novelty of the subject-matter of the patent in suit, will be sufficient to justify vacation of the injunction.⁵¹⁷

A showing that the court erred in a matter of law in granting the injunction may be presented by the motion for dissolution.⁵¹⁸

510. *Adams v. Douglas Co.*, Fed. Case 52.

511. *In re Jackson*, 9 Fed. Rep. 493; *Bate Refrigerating Co. v. Gillett*, 31 Fed. Rep. 809.

512. *Coleman v. Hudson River Bridge Co.*, 5 Blatchf. 56, Fed. Case 2983.

513. *Parkhurst v. Kinsman*, 1 Blatchf. 488, Fed. Case 10,757; *Edison Electric Light Co. v. Buckeye Electric Co.*, 59 Fed. Rep. 691.

514. *Read v. Consequa*, 4 Wash. 174, Fed. Case 11,606; *Robinson v. Randolph*, 4 Ban. & A. 317, Fed. Case 11,963.

515. *Eldred v. American Palace Car Co. of New Jersey*, 105 Fed. Rep. 457, 44 C. C. A. 554.

516. *Cary v. Domestic Spring Bed Co.*, 26 Fed. Rep. 38.

517. *Cary v. Domestic Spring Bed Co.*, 26 Fed. Rep. 38.

518. *Steam Gauge & Lantern Co. v. Miller*, 11 Fed. Rep. 718.

Of course the burden is upon the moving party to show reason for granting the motion, and if he fails to meet this burden the motion will be denied.⁵¹⁹

Where a motion for dissolution is based upon a newly discovered reference, if it appears probable that the patent in suit can be made to stand as against that reference by a disclaimer, the motion will be denied.⁵²⁰

§ 393. Security in lien of preliminary injunction.

In the wide latitude of discretion vested in courts of equity, there are numerous instances in which a preliminary injunction has been refused upon condition that, pending the cause, a bond be given by the defendant to answer to and pay any sum awarded against him as money judgment, on final decree.

The order usually runs, that should the defendant fail to file such bond, with sureties acceptable to the complainant or approved by the court, within a time limited by the order, the injunction may issue.⁵²¹

Such an order may be made even where the patent in suit has been held valid in former litigation.⁵²²

Some of the reasons for orders of this class are; that the defendant is using the alleged infringing device as a minor part of complicated brake mechanism upon stock cars, in use all over the country, which would have to be recalled to a common point for removal, in event of injunction, to the expense and inconvenience of the pub-

519. *Perry v. Littlefield*, 2 Fed. Rep. 264.

520. *Huntington v. Hartford Heel Plate Co.*, 33 Fed. Rep. 838.

521. As illustrations, see, *Westinghouse Air Brake Co. v. Burton Stock Car Co.*, 77 Fed. Rep. 301, 23 C. C. A. 174; *Edison Elec. Light Co. v. Columbia Incandescent Lamp Co.*, 56 Fed. Rep. 496;

Geo. A. Macbeth Co. v. Lippencott Glass Co., 54 Fed. Rep. 167.

522. *McMillan v. Conrad*, 16 Fed. Rep. 128; *Westinghouse Air Brake Co. v. Burton Stock Car Co.*, 77 Fed. Rep. 301, 23 C. C. A. 174; *Edison Elec. Light Co. v. Columbia Incandescent Lamp Co.*, 56 Fed. Rep. 496.

lic;⁵²³ that the complainant is not operating under his patent;⁵²⁴ that the defendant urges, as against the adjudicated patent in suit, a prior use which was not presented in the former litigation;⁵²⁵ that, similarly to the case last referred to, the novelty of the patent in suit is in doubt;⁵²⁶ that the file-wrapper of the patent in suit renders the construction and scope of its claims uncertain;⁵²⁷ that the defendant's expert affidavits present the question of aggregation, as a possibly successful defense;⁵²⁸ that the design patent in suit appears to relate to a mechanical structure, not bought by consumers because of its artistic beauty, but because it is mechanically useful.⁵²⁹

Orders of this character are extraordinary, and are not apt to be made in accordance with sound doctrine. A preliminary injunction should never be granted except in a clear case; where a clear case is not presented—i. e., where validity is not clearly established, or infringement is doubtful—the motion should invariably be denied. Some of the cases show that the order for security was made largely because of the defendant's lack of financial responsibility;⁵³⁰ and in a case where the complainant shows that the defendant corporation has been formed with a small capital for the purpose of limiting its lia-

523. *Westinghouse Air Brake Co. v. Burton Stock Car Co.*, 77 Fed. Rep. 301, 23 C. C. A. 174.

524. *Duplex Printing Press Co. v. Campbell Printing Press & Mfg. Co.*, 69 Fed. Rep. 250, 16 C. C. A. 220; *Hoe v. Knap*, 27 Fed. Rep. 204.

525. *Edison Elec. Light Co. v. Columbia Incandescent Lamp Co.*, 56 Fed. Rep. 496.

526. *Greenwood v. Bracher*, 1 Fed. Rep. 856; *New York Belting*

& Packing Co. v. Magowan, 23 Fed. Rep. 596.

527. *National Enameling Co. v. New England Enameling Co.*, 123 Fed. Rep. 436, 438.

528. *Consolidated Rubber Tire Co. v. Finley Rubber Tire Co.*, 106 Fed. Rep. 175, 178.

529. *Marvel Co. v. Pearl*, 114 Fed. Rep. 946.

530. *Duplex Printing Press Co. v. Campbell Printing Press & Mfg. Co.*, 69 Fed. Rep. 250, 16 C. C. A. 220.

bility for infringement, this fact may properly call for security, where the application would otherwise be refused upon its merits.⁵³¹

But where the patent is shown to be valid, and infringement is clear, security should not be substituted for the injunction,⁵³² even if the patent in suit has nearly expired,⁵³³ except where the injunction would injure the general public.⁵³⁴ Judge Coxe has expressed the reason for the general rule thus forcibly: "The case is not one for a bond. The defendant is not a manufacturer, but a user. Neither is the suggestion tenable that the injunction should be withheld because the infringement is so small that it does not seriously imperil the complainant's business. A sufficient answer is that it will not seriously imperil the defendant's business to stop infringing, and as the complainant is in the right and the defendant is in the wrong, the latter should give way."⁵³⁵ The knowledge by the defendant of the complainant's patent, prior to engaging in the infringement, is at times a cogent factor in determining the court's action upon the motion for preliminary injunction. In a case where the defendants bought the infringing machine with full knowledge, Judge Kirkpatrick, in enjoining them, said "they will not be subjected to any inconvenience which they might not have anticipated."⁵³⁶

531. Edison Elec. Light Co. v. Columbia Incandescent Lamp Co., 56 Fed. Rep. 496.

532. McWilliams Mfg. Co. v. Blundell, 11 Fed. Rep. 419, 422.

533. American Bell Tel. Co. v. Western Tel. Const. Co., 58 Fed. Rep. 410.

534. As, in Westinghouse Air Brake Co. v. Burton Stock Car Co., 77 Fed. Rep. 301, 23 C. C. A. 174.

535. Carter & Co., Ltd. v. Wollschlaeger, 53 Fed. Rep. 573, 576.

536. Campbell Printing Press Co. v. Prieth, 77 Fed. Rep. 976, 978.

§ 394. Proceedings after the filing of the bill.

Proceedings immediately following the filing of the bill are governed by the Equity Rules, as follows:

RULE 11.

Subpoena, when to issue.—No process of subpoena shall issue from the clerk's office in any suit in equity until the bill is filed in the office.

RULE 12.

When returnable.—Whenever a bill is filed the clerk shall issue the process of subpoena thereon, as of course, upon the application of the plaintiff, which shall be returnable into the clerk's office the next rule day, or the next rule day but one, at the election of the plaintiff, occurring after twenty days from the time of the issuing thereof. At the bottom of the subpoena shall be placed a memorandum that the defendant is to enter his appearance in the suit in the clerk's office on or before the day at which the writ is returnable; otherwise the bill may be taken *pro confesso*. Where there are more than one defendant a writ of subpoena may, at the election of the plaintiff, be sued out separately for each defendant, except in the case of husband and wife defendants, or a joint subpoena against all the defendants.

RULE 13.

Service, how made.—The service of all subpoenas shall be by a delivery of a copy thereof by the officer serving the same, to the defendant personally, or by leaving a copy thereof at the dwelling-house or usual place of abode of each defendant, with some adult person who is a member or resident in the family.

RULE 14.

Alias subpoena.—Whenever any subpoena shall be returned not executed as to any defendant, the plaintiff shall be entitled to another subpoena, *toties quoties* against such defendant, if he shall require it, until due service is made.

RULE 15.

Who to make service.—The service of all process, mesne and final, shall be by the marshal of the district, or his deputy, or by some other person specially appointed by the court for that purpose, and not otherwise. In the latter case, the person serving the process shall make affidavit thereof.

RULE 16.

Entry on docket on return.—Upon the return of the subpoena as served and executed upon any defendant, the clerk shall enter the suit upon his docket as pending in the court, and shall state the time of the entry.

§ 395. Appearance.

The Equity Rules provide as follows:

RULE 17.

Day of.—The appearance day of the defendant shall be the rule day to which the subpoena is made returnable, provided he has been served with the process twenty days before that day; otherwise his appearance day shall be the next rule day succeeding the rule day when the process is returnable.

§ 396. Decrees pro confesso.

The Equity Rules are as follows:

RULE 18.

Default.—It shall be the duty of the defendant, unless the time shall be otherwise enlarged, for cause shown, by a judge of the court upon motion for that purpose, to file his plea, demurrer, or answer to the bill in the clerk's office, on the rule day next succeeding that of entering his appearance. In default thereof the plaintiff may, at his election, enter an order (as of course) in the order book that the bill be taken *pro confesso*; and thereupon the cause shall be proceeded in *ex parte*, and the matter of the bill may be decreed by the court at any time after the expiration of thirty days from and after the entry of said order, if the same can be done without an answer, and is proper to be decreed; or the plaintiff, if he requires any discovery or answer to enable him to obtain a proper decree, shall be entitled to process of attachment against the defendant, to compel an answer, and the defendant shall not, when arrested upon such process, be discharged therefrom, unless upon filing his answer, or otherwise complying with such order as the court or judge thereof may direct, as to pleading to or fully answering the bill, within a period to be fixed by the court or judge, and undertaking to speed the cause.

RULE 19.

Decree on default.—When the bill is taken *pro confesso* the court may proceed to a decree at any time after the expiration of thirty days from and after the entry of the order to take the bill *pro confesso*, and such decree rendered shall be deemed absolute, unless the court shall at the same term set aside the same, or enlarge the time for filing the answer, upon cause shown upon motion and affidavit of the defendant. And no such motion shall be granted, unless upon the payment of the costs of the plaintiff in the court up to that time, or such part thereof

as the court shall deem reasonable, and unless the defendant shall undertake to file his answer within such time as the court shall direct, and submit to such other terms as the court shall direct, for the purpose of speeding the cause.

The procedure is elaborately treated in the several works on practice in the Federal courts. But for the convenience of the patent practitioner the following holdings regarding decrees *pro confesso* may be noted:

“Rule Day” is defined by Bouvier as being “the regularly appointed day on which to make orders to show cause returnable” (Bouvier, Dict., title “Rule Day”).

In Federal practise it is the first Monday of each month, and is designated by Equity Rule 2. By the provisions of Rule 12, the bill may be taken *pro confesso* where the defendant fails to enter his appearance on or before the Rule Day to which the subpoena is returnable.

Rule 17 provides for the keeping of an “order book” by the clerk. This rule is not always complied with, and several clerks’ offices have no order book. In any event the safest course is for counsel to sign a memorandum of appearance and file the same in the cause. As in all procedure looking to the taking of a judgment or decree by default, the courts are liberal in setting aside orders *pro confesso*, and as a rule, this will be done if the defendant appears and tenders his answer after the order has been entered and before the decree is entered upon the order.⁵³⁷ A decree *pro confesso* should not be entered, and will be vacated, where the record fails to show jurisdiction over and proper service upon the defendant.⁵³⁸

Where the bill does not make out a case of which the court has jurisdiction, and an amendment is made

537. Halderman v. Halderman, Fed. Case 5908.

538. Non-Magnetic Watch Co. v. Association Horlogere Suisse, 45 Fed. Rep. 210.

alleging facts which give the court jurisdiction, the defendant is entitled to have a reasonable time to answer the bill as amended; the court has no discretion to deny the defendant this right, and a decree *pro confesso* entered under the original bill cannot stand.⁵³⁹ But where an amended bill is withdrawn, which has been filed after the default in the defendant's appearance, the amended bill not having been served upon or a copy given to the defendant, the complainant's right to a decree *pro confesso* remains unaffected by the filing of the amended bill.⁵⁴⁰ A part of the bill may be taken as confessed.⁵⁴¹

Where the bill upon its face shows that the defendant is under disability (a minor, insane or *feme covert*) the court cannot proceed to a decree without the appointment of a guardian *ad litem*.⁵⁴²

The order taking the bill *pro confesso* need not be served.⁵⁴³

The decree *pro confesso* is not to be entered arbitrarily in accordance with prayer of the bill; the bill is taken to be true as to all matters alleged with sufficient certainty and the decree will be framed by the court upon an examination of the allegations.⁵⁴⁴ A decree *pro confesso* may be entered upon a crossbill, but it will not be entered while there is pending, undetermined, a motion to dismiss the suit for want of jurisdiction.⁵⁴⁵ After the entry of the order, a defendant who has appeared but failed to plead is entitled to a notice of the applica-

539. *Nelson v. Eaton*, 66 Fed. Rep. 376, 378, 13 C. C. A. 523.

540. *Sheffield Furnace Co. v. Witherow*, 149 U. S. 574, 576, 37 L. Ed. 853.

541. *Hale v. Continental Life Ins. Co.*, 20 Fed. Rep. 344.

542. *O'Hara v. McConnell*, 93 U. S. 150, 23 L. Ed. 840.

543. *Bank of United States v. White*, 8 Peters 262, 8 L. Ed. 938.

544. *Andrews v. Cole*, 20 Fed. Rep. 410; *Thomson v. Wooster*, 114 U. S. 104, 113, 29 L. Ed. 105.

545. *Blythe v. Hinckley*, 84 Fed. Rep. 228.

tion for entry of the decree, to the end that he may be heard upon the question of the scope of the decree.⁵⁴⁶

A motion to vacate the decree should be made as soon as possible,⁵⁴⁷ and will not usually be entertained after the term at which the decree was entered.⁵⁴⁸

In patent cases the entry of a decree *pro confesso* brings the cause within the proviso of Rule 18 that "the cause shall be proceeded in *ex parte*;" the cause is usually referred for an accounting, and in the subsequent proceedings in the same suit the defendant will not be heard to defend upon the ground that the patent is void upon its face.⁵⁴⁹ The defendant is entitled to have notice and to appear before the master.⁵⁵⁰

§ 397. Demurrers in equity.

"A demurrer is an answer in law to the bill, though not in technical sense, an answer according to the common language of practice," is the expression of Mr. Chief Justice Marshall, in construing the filing of a demurrer to be a compliance with an order to appear and answer by a date certain.⁵⁵¹ Mr. Justice Wayne, a little later, wrote this definition: "A demurrer is an objection made by one party to his opponent's pleading, alleging that he ought not to answer it, for some defect in law in the pleading. It admits the facts, and refers the law arising thereon to the court. The opposite party (may demur) when his opponent's pleading is defective in substance or form, but there can be no demurrer for a

546. *Southern Pacific R. Co. v. Temple*, 59 Fed. Rep. 17.

547. *Comly v. Buchanan*, 81 Fed. Rep. 58.

548. *Stuart v. City of St. Paul*, 63 Fed. Rep. 644.

549. *Dobson v. Hartford Carpet Co.*, 114 U. S. 439, 29 L. Ed. 177.

550. *Austin v. Riley*, 55 Fed. Rep. 833; *Southern Pacific R. Co. v. Temple*, 59 Fed. Rep. 17; *Davis v. Garrett*, 152 Fed. Rep. 723.

551. *New Jersey v. New York*, 6 Peters 323, 8 L. Ed. 414.

defect not apparent in the pleadings. * * * A general demurrer lies only for defects in substance, and excepts to the sufficiency of the pleading in general terms, without showing specially the nature of the objection. A special demurrer is only for defects in form, and adds to the terms of a general demurrer a specification of the particular ground of exception.”⁵⁵²

The practice in patent causes differs from the general equity practice as to demurrers, in that the question of the validity of the patent in suit can be raised by demurrer. A patent of which *profert* is made in the bill is part of the bill and will be examined as such upon demurrer.⁵⁵³

This rule does not extend to prior patents to the same patentee referred to, without *profert*, in the bill.⁵⁵⁴ A demurrer may raise the question of want of identity between the reissued patent in suit and the original upon which it is founded; and in such a case, the bill making *profert* of the reissue, but not of the original, the original will nevertheless be considered and compared with the reissue on demurrer.⁵⁵⁵

The broad principle is everywhere recognized that the want of validity of the patent in suit, for any reason apparent upon its face, may be determined upon demurrer. In the leading case Mr. Justice Brown said: “While patent cases are usually disposed of upon bill, answer and proof, there is no objection, if the patent be manifestly invalid upon its face, to the point being raised on demurrer, and the case being determined upon the issue so formed.”⁵⁵⁶ In the case cited, the Supreme Court held the patent void for aggregation.

552. Tyler v. Hand, 7 Howard 573, 581, 12 L. Ed. 824, 827.

553. Fowler v. New York, 121 Fed. Rep. 747, 58 C. C. A. 113.

554. Bowers v. Bucyrus Co., 132 Fed. Rep. 39.

555. Edison v. American Mutoscope & Biograph Co., 127 Fed. Rep. 361.

556. Richards v. Chase Elevator Co., 158 U. S. 299, 301, 39 L. Ed. 991, 992.

Judge Severens has given this compact summary of the doctrine under consideration, and its underlying reason:

“It is no longer open to question that where the case as presented is clear, and the court finds no difficulty in understanding the character and scope of the invention from the patent itself when tested by the common knowledge pertaining to it, and thereupon discerns that the patent is not sustainable, the proper and expedient course is to dispose of the case on demurrer, and thus put an end to useless litigation.”⁵⁵⁷

Upon the consideration of the question of novelty upon demurrer, the extent to which the court will take judicial notice of pre-existing matters in the art to which the patent in suit relates, is involved in obscurity. Probably the narrowest view is that thus expressed by the Supreme Court: “Whether or not the design is new is a question of fact, which, whatever our impressions may be, we do not think it proper to determine by taking judicial notice of the various designs which may have come under our observation. It is a question which may and should be raised by answer and settled by proper proofs.”⁵⁵⁸ In this connection Judge Townsend has said that the court “will only take judicial notice of matters within the field of common knowledge.”⁵⁵⁹

557. *Strom Mfg. Co. v. Weir Frog Co.*, 83 Fed. Rep. 170, 172, 27 C. C. A. 502; citing, *Risdon Iron & Locomotive Works v. Medart*, 158 U. S. 68, 39 L. Ed. 899; *American Fibre Chamois Co. v. Buckskin Fibre Co.*, 72 Fed. Rep. 508, 18 C. C. A. 662.

558. Mr. Justice Bradley, in *New York Belting & Packing Co.*

v. New Jersey Car Spring Co., 137 U. S. 445, 34 L. Ed. 741, 743.

559. *Hanlon v. Primrose*, 56 Fed. 600, 601; to the same effect. see, *Kaolatype Eng. Co. v. Hoke*, 30 Fed. Rep. 444; *Eclipse Mfg. Co. v. Adkins*, 36 Fed. Rep. 554; *Root v. Sontag*, 47 Fed. Rep. 309; *Heaton Penninsular Button-Fastener Co. v. Schlochtmeier*, 67 Fed. Rep. 592.

The doctrine just stated, however, must be supplemented by an understanding of those avenues of general information which may be explored in order to ascertain what facts exist of which the court should take judicial notice. We are indebted to Mr. Justice Swayne for the following general statement:

“Of private and special facts, in trials in equity and at law, the court or jury, as the case may be, is bound carefully to exclude the influence of all previous knowledge. But there are many things of which judicial cognizance may be taken. ‘To require proof of every fact, as that Calais is beyond the jurisdiction of the court, would be utterly and absolutely absurd.’ Facts of universal notoriety need not be proved. Among the things of which judicial notice is taken, are: the law of nations; the general customs and usages of merchants; the notary’s seal; things which must happen according to the laws of nature; the coincidences of the days of the week with those of the month; the meaning of words in the vernacular language; the customary abbreviations of Christian names; the accession of the Chief Magistrate to office and his leaving it. In this country, such notice is taken of the appointment of members of the cabinet, the election and resignations of senators and of the appointment of marshals and sheriffs, but not of their deputies. The courts of the United States take judicial notice of the ports and waters of the United States where the tide ebbs and flows, of the boundaries of the several states and judicial districts, and of the laws and jurisprudence of the several states in which they exercise jurisdiction. Courts will take notice of whatever is generally known within the limits of their jurisdiction; and, if the judge’s memory is at fault, he may refresh it by resorting to any means for that purpose which he may deem safe and proper. This extends to

such matters of science as are involved in the cases brought before him.”⁵⁶⁰

Judge Putnam has, in considering a paper box machine patent, treated of the power and the duty of the court to take judicial notice of its own records, as follows:

“For the purpose of ascertaining the state of the art, when it concerns a matter of general interest, as it does in the determination of the construction of this class of letters patent, we are certainly authorized to take notice of our own records, and perhaps we may always do so.⁵⁶¹ As the question of the construction of the patent in issue concerns, not only the parties in this case, but also the public, so that, as is well settled, we have a certain duty to take notice of matters bearing upon questions of the existence and extent of patentability, we would not be justified in ignoring what our own records show us in *Beach v. Hobbs* on this point, in view of the fact that they are of so late a date that they cannot be presumed to have escaped our attention.”⁵⁶²

In a later case the same learned judge has said: “It is plain that the state of the art of which the court may take judicial notice, and as to which it can be assisted by the statements of the parties or their counsel, without proofs furnished in accordance with the rules of law, is a matter of general knowledge, and such judicial notice cannot extend to a single patent, relating to a particular fact in a limited art.”⁵⁶³ It is the general rule that the courts will not take judicial notice of the

560. *Brown v. Piper*, 91 U. S. 37, 23 L. Ed. 200, 201.

561. Citing *Butler v. Eaton*, 141 U. S. 240, 243, 35 L. Ed. 713; *Aspen Smelting Co. v. Billings*, 150 U. S. 31, 37 L. Ed. 986; *Creamer v. Washington*, 168 U. S. 129, 42 L. Ed. 407.

562. *Cushman Paper Box Mach. Co. v. Goddard*, 95 Fed. Rep. 664, 666, 37 C. C. A. 221.

563. *Parsons v. Seelye*, 100 Fed. Rep. 452, 454, 40 C. C. A. 484.

contents of letters patent,⁵⁶⁴ nor of structures exhibited upon the argument of a demurrer unless there is absolute certainty that the devices shown antedated the patent.⁵⁶⁵

Illustrative cases worthy of reference in this connection show the application of judicial notice, as follows: that metallic corner sockets for show cases were old;⁵⁶⁶ so of straps used to open and close the rear door of an omnibus from its front, devices for opening or closing steam and hydraulic valves at a distance, and devices used at railway switches for opening and closing the rails;⁵⁶⁷ so of hydraulic devices for removing sandy obstructions;⁵⁶⁸ so of a spring latch;⁵⁶⁹ so of two parallel co-operating cylinders;⁵⁷⁰ so of the compression of small packages for enclosure in a single large container;⁵⁷¹ so of methods of suspending lamps in railroad cars and in hand lanterns;⁵⁷² so of book cases used in banks and recording offices;⁵⁷³ so of the effect of pointing a round wire by pressure upon two of its sides.⁵⁷⁴

§ 398. Pleas in equity.

The proper office of a plea in equity "is to present some distinct fact, which of itself creates a bar to the

564. *Bottle Seal Co. v. De La Vergne Bottle & Seal Co.*, 47 Fed. Rep. 59, 63.

565. *Lalance & Grosjean Mfg. Co. v. Mosheim*, 48 Fed. Rep. 452.

566. *Terhune v. Phillips*, 99 U. S. 592, 25 L. Ed. 293.

567. *Aron v. Manhattan Ry. Co.*, 26 Fed. Rep. 314, 316; affirmed, in *Aron v. Manhattan Ry. Co.*, 132 U. S. 84, 33 L. Ed. 272.

568. *Knapp v. Benedict*, 26 Fed. Rep. 627.

569. *Ligowski Clay-Pigeon Co. v. American Clay-Pigeon Co.*, 34 Fed. Rep. 328-332.

570. *C. & A. Potts & Co. v. Creager*, 155 U. S. 597, 39 L. Ed. 275.

571. *King v. Gallun*, 109 U. S. 99, 27 L. Ed. 870.

572. *Lamson Consolidated Service Co. v. Siegel-Cooper Co.*, 106 Fed. Rep. 734.

573. *Specialty Mfg. Co. v. Fenton Mfg. Co.*, 174 U. S. 492, 497, 43 L. Ed. 1058.

574. *Heaton Peninsular Button-Fastener Co. v. Schlochtmeier*, 69 Fed. Rep. 592-597.

suit, or to the part (of the bill) to which the plea applies, and thus avoid the necessity of making the discovery asked for, and the expense of going into the evidence at large."⁵⁷⁵

In particular application to suits for patent infringement we find the following rulings as to the functions of pleas:

1. When the statute required the patent to bear date not more than six months later than the date of the notice of allowance, the defense that the date of the patent in suit was not within that limit was properly presented by plea.⁵⁷⁶

2. Laches not apparent on the face of the bill may be charged by plea;⁵⁷⁷ if it is apparent on the face of the bill, the question should be raised by demurrer.⁵⁷⁸

3. A plea setting up cessation of infringement before the filing of the bill will usually be held insufficient, upon the ground that the complainant is entitled to better protection against the recurrence of the infringement than the mere statement of the defendant;⁵⁷⁹ and such a plea may be stricken out when contradicted by evidence in the record.⁵⁸⁰

4. The defense of prior patenting or prior publication cannot be raised by plea.⁵⁸¹

575. Mr. Justice Gray, in *Farley v. Kittson*, 120 U. S. 303, 30 L. Ed. 684.

576. *Western Electric Co. v. North Electric Co.*, 135 Fed. Rep. 79, 67 C. C. A. 553.

577. *Woodmanse & Hewitt Mfg. Co. v. Williams*, 68 Fed. Rep. 489, 494, 15 C. C. A. 520.

578. *McLaughlin v. People's Railway Co.*, 21 Fed. Rep. 574; *Woodmanse & Hewitt Mfg. Co. v.*

Williams, 68 Fed. Rep. 489, 493, 15 C. C. A. 520; *Huntington Dry Pulverizer Co. v. Virginia-Carolina Chemical Co.*, 130 Fed. Rep. 558.

579. *General Electric Co. v. Bullock Electric Mfg. Co.*, 138 Fed. Rep. 412.

580. *Silver & Co. v. J. P. Eustis Mfg. Co.*, 130 Fed. Rep. 348.

581. *Carnrick v. McKesson*, 8 Fed. Rep. 807.

5. The defense of non-infringement cannot be raised by plea,⁵⁸² and such a plea will be stricken out on motion.⁵⁸³

6. The defense that the reissued patent in suit is void because it is for a different invention from the original may be presented by plea.⁵⁸⁴

7. In a suit upon two or more patents, the defense that the subject-matter is not conjointly used in a single structure by the defendant cannot be presented by plea.⁵⁸⁵

8. Where the infringement complained of has been committed by persons other than the defendant, that issue may be tendered by plea,⁵⁸⁶ and this doctrine applies where the individual defendant acted solely, as to the infringement, in his official capacity as the officer or agent of a corporation.⁵⁸⁷

§ 399. Requisites of the plea.

Equity Rule 31 requires the plea to be accompanied by the "certificate of counsel that in his opinion it is well founded in point of law." That rule also requires "the affidavit of the defendant" that the plea "is not interposed for delay," and, "is true in point of fact." The omission of these formal requirements entitles the complainant to disregard the plea,⁵⁸⁸ but he may waive

582. *Korn v. Wiebusch*, 33 Fed. Rep. 50; *Leatherbee v. Brown*, 69 Fed. Rep. 590; *Knox Rock Blasting Co. v. Rairdon Stone Co.*, 87 Fed. Rep. 969.

583. *Sharp v. Reissner*, 9 Fed. Rep. 445.

584. *Hubbell v. DeLand*, 14 Fed. Rep. 471.

585. *Union Switch & Signal Co. v. Phila. & R. R. Co.*, 69 Fed. Rep. 833.

586. *Boston Woven Hose Co. v.*

Star Rubber Co., 40 Fed. Rep. 167; *Leatherbee v. Brown*, 69 Fed. Rep. 590, 592.

587. *Mergenthaler Linotype Co. v. Ridder*, 65 Fed. Rep. 853, 856; *Leatherbee v. Brown*, 69 Fed. Rep. 590, 592.

588. *Secor v. Singleton*, 9 Fed. Rep. 809; *Filer v. Levy*, 17 Fed. Rep. 610; *Preston v. Finley*, 72 Fed. Rep. 850; *Sheffield Furnace Co. v. Witherow*, 149 U. S. 574, 37 L. Ed. 853.

the point by setting the plea down for argument.⁵⁸⁹ The fundamental rule is that a plea must present but a single issue.⁵⁹⁰ The plea may make profert of, or have attached and filed with it, documentary exhibits, which will be treated as a part of the plea in its interpretation.⁵⁹¹

§ 400. Proceedings under the plea, and their effect.

Mr. Justice Gray has treated the procedure under the plea elaborately in the opinion from which the following is taken:

“The plaintiff may either set down the plea for argument, or file a replication to it. If he sets down the plea for argument, he thereby admits the truth of all the facts stated in the plea, and merely denies their sufficiency in point of law to prevent his recovery. If, on the other hand, he replies to the plea, joining upon the facts averred in it, and so puts the defendant to the trouble and expense of proving his plea, he thereby, according to the English chancery practice, admits that if the particular facts stated in the plea are true, they are sufficient in law to bar his recovery; and if they are proved to be true, the bill must be dismissed, without reference to the equity arising from any other facts stated in the bill. That practice in this particular has been twice recognized by this court. *Hughes v. Blake*, 19 U. S. (6 Wheat.) 453, 472, 5 L. Ed. 303, 308; *Rhode Island v. Mass.*, 39 U. S. (14 Pet.) 210, 257, 10 L. Ed. 423, 445. But the case of *Rhode Island v. Massachusetts*, arose within its original jurisdiction in equity, for outlines of the practice in which the court has always looked

589. *Goodyear v. Toby*, 6 Safety Nitro-Powder Co., 19 Fed. Blatchf. 130, Fed. Case 5585. Rep. 509.

590. *Giant Powder Co. v.* 591. *Wheeler v. McCormick*, 4 Fisher 433, Fed. Case 17,498.

to the practice of the court of chancery in England. Rule 7 of 1791, 1 Cranch 17, and 1 How. 24; Rule 3 of 1858 and 1884, 21 How. 5, and 108 U. S. 574. And the case of *Hughes v. Blake*, which began in the Circuit Court, was decided here in 1821, before this court, under the authority conferred upon it by Congress, had established the Rules of Practice in Equity in the Courts of the United States, one of which provides that 'If upon an issue the facts stated in the plea be determined for the defendant, they shall avail him as far as in law and equity they ought to avail him.' The effect of this rule of court when the issue of fact joined on a plea is determined in the defendant's favor need not, however, be considered in this case, because it is quite clear that at a hearing upon plea, replication and proofs, no fact is in issue between the parties but the truth of the matter pleaded.

"In a case so heard, decided by this court in 1808, Chief Justice Marshall said: 'In this case the merits of the claim cannot be examined. The only questions before this court are upon the sufficiency of the plea to bar the action, and the sufficiency of the testimony to support the plea as pleaded.' *Stead v. Course*, 8 U. S. (4 Cranch) 403, 413, 2 L. Ed. 660, 663. In a case before the House of Lords a year afterwards, Lord Redesdale 'observed that a plea was a special answer to a bill, differing in this from an answer in the common form, as it demanded the judgment of the court, in the first instance, whether the special matter urged by it did not debar the plaintiff from his title to that answer which the bill required. If a plea were allowed, nothing remained in issue between the parties, so far as the plea extended, but the truth of the matter pleaded.' 'Upon a plea allowed, nothing is in issue between the parties but the matter pleaded, and the averments added to support the plea.' 'Upon argument of a plea, every fact stated in the bill, and not

denied by answer in support of the plea, must be taken for true.' *Roche v. Morgell.*, 2 Sch. & Lef. 721, 725, 727.

“The distinction between a demurrer and a plea dates as far back as the time of Lord Bacon, by the 58th of whose Ordinances for the Administration of Justice in Chancery, ‘a demurrer is properly upon matter defective contained in the bill itself, and no foreign matter; but a plea is of foreign matter to discharge or stay the suit, as that the cause hath been formerly dismissed, or that the plaintiff is outlawed or excommunicated, or there is another bill depending for the same cause, or the like.’ Lord Redesdale, in his *Treatise on Pleadings*, says: ‘A plea must aver facts to which the plaintiff may reply, and not in the nature of a demurrer, rest on facts in the bill.’ And Mr. Jeremy, in a note to this passage, commenting on the ordinance of Lord Bacon, observes: ‘The prominent distinction between a plea and a demurrer, here noticed, is strictly true, even of that description of plea which is termed negative, for it is the affirmative of the proposition which is stated in the bill:’ in other words, a plea which avers that a certain fact is not as the bill affirms it to be sets up matter not contained in the bill. That an objection to the equity of the plaintiff’s claim, as stated in the bill, must be taken by demurrer and not by plea is so well established that it has been constantly assumed and therefore seldom stated in judicial opinions; yet there are instances in which it has been explicitly recognized by other courts of chancery, as well as by this court.”⁵⁹²

§ 401. Answer.

If the defendant wishes to avail himself of more than one matter of defense, he should do so by answer, for

592. *Farley v. Kittson*, 120 U. S. 303, 30 L. Ed. 684.

the general rule is that a plea must not contain more defenses than one.⁵⁹³

What the defenses are which may be interposed by the answer, we have heretofore examined with some particularity. Our present inquiry will be limited to those general rules affecting the answer as to its form and substance, which should be considered by the pleader in conjunction with the former consideration of the defenses.

The fundamental rule as to the sufficiency of the answer was thus stated by Mr. Chief Justice Waite: "An answer, to be good, must overcome the case made out by the complainant. If the facts well pleaded in the complaint are admitted, * * * it must state other facts sufficient if true to defeat the action in whole or in part, or it will not avail as a defense."⁵⁹⁴

An answer in the form of a general denial, or admitting certain allegations of the bill and then denying every allegation of the bill not expressly admitted to be true, is improper. "In equity pleading, designed to search out the conscience of the party, and to put him to the very truth of the matter, all semblance of double and evasive pleading should be avoided, so as not to leave the adversary to seek out through the whole body of the pleading, and determine at his peril, precisely what is intended to be admitted and what controverted. Specific and direct denials or admissions not only tend to define and sharpen the issues, but better enable the parties to prepare for trial, and save costs and trouble in taking testimony on matters not in good faith controverted."⁵⁹⁵

It is no ground of exception to an answer that it is not properly entitled, but such a defect may be ground for

593. *Reissner v. Anness*, 3 B. & A. 148, Fed. Case 11,686.

594. *Gillette v. Bullard*, 87 U. S. (20 Wall.) 571, 22 L. Ed. 387.

595. *Philips, J., in Holton v. Guinn*, 65 Fed. Rep. 450, 451.

a motion to strike the answer from the files.⁵⁹⁶ "There is no equity rule requiring a certificate of counsel to an answer to the merits of the bill."⁵⁹⁷ Under Equity Rule 39 the defendant may properly join all matters of defense in his answer, whether in bar or to the merits of the bill.⁵⁹⁸

The rule for testing the pertinency of the answer, as adopted from the language of the State court of New Jersey by Judge Morrow, is:

"That all substantial doubts, whether the matters objected to are pertinent or not, are to be resolved in favor of their pertinency, and that nothing should be expunged from the answer which the defendant has a right to prove, and which, if proved, can have any influence on the judgment of the court, either in deciding whether or not the complainant is entitled to any relief whatever, or the nature, character, or extent of the relief to which he may be entitled, even down to the question whether he shall have relief with or without costs."⁵⁹⁹

As to the defense of want of novelty, the answer must conform to the requirement of the statute (§ 4920, R. S. U. S.), that "as to proof of previous invention, knowledge, or use of the thing patented, the defendant shall state the names of the patentees, and the dates of their patents, and when granted, and the names and residences of the persons alleged to have invented or to have had prior knowledge of the thing patented, and where and by whom it had been used." The word "dates" in the statute appears to the writer to be a clerical error for

596. *Osgood v. A. S. Aloe Instrument Co.*, 69 Fed. Rep. 291, 292.

597. Gilbert, J., in *McGorray v. O'Connor*, 87 Fed. Rep. 586, 588, 31 C. C. A. 114.

598. *Holton v. Guinn*, 65 Fed. Rep. 450.

599. *Leslie v. Leslie*, 50 N. J. Eq. 155, 24 Atl. Rep. 1029; quoted and followed in *Von Schroder v. Brittan*, 98 Fed. Rep. 169, 171.

“numbers,” because the succeeding words call for the dates “when granted.”

The “notice” named in this section, by its language applies only to actions at law, and the thirty days’ time of service before the trial is also applicable only to law actions; for the last sentence in the section provides that “the like defenses may be *pleaded* in any suit in equity,” and a notice is not a pleading. Judge Shipman said, “in all cases the issue raised in suits of this character must be raised by the allegations in the bill and answer, and whenever either the bill or answer is defective, the defect must be cured by amendment, and cannot be cured by filing special notices.”⁶⁰⁰

The usual practice in framing the answer as to the defenses of § 4920 is to plead those prior patents or uses and witnesses known to the pleader, and then pray leave to name other patents, uses or witnesses by amendment.⁶⁰¹ Thus, Mr. Justice Clifford has said “notices of the kind, when the suit is in equity, may be given in the answer or amended answer.”⁶⁰²

These defenses must be pleaded in strict accordance with the statutory requirements. The place of residence of the witness must be given by definite street location, if he resides in a large city; if his residence is in a small town, the name of the town will suffice.⁶⁰³ If a printed publication of considerable size is pleaded, it should be with page reference.⁶⁰⁴

It is not necessary to state the time when the person named made the use alleged, or had knowledge of the

600. Doughty v. West, 2 Fisher (24 How.) 164, 16 L. Ed. 639; 553, Fed. Case 4029.

601. Roemer v. Simon, 95 U. S. Case 8116; Lock v. Pennsylvania 214, 24 L. Ed. 384. R. Co., 1 N. J. L. J. 227, Fed. Case

602. Bates v. Coe, 98 U. S. (8 8438.
Otto) 31, 25 L. Ed. 68.

603. Phillips v. Page, 65 U. S. 218, 14 L. Ed. 394.

604. Silsby v. Foote, 14 How.