

use,⁶⁰⁵ but an averment of public use or sale must fix the time of such use or sale as being more than two years before the application was filed on which the patent in suit issued;⁶⁰⁶ if the patent in suit is a reissue, the allegation should relate to the application for the original patent.⁶⁰⁷ The answer need not recite that the prior public use or sale was with the consent or allowance of the patentee; that averment was necessary under the Act of 1836, but is now obsolete.⁶⁰⁸ An allegation that an alleged anticipating device was built by certain persons named, is not an allegation of use by them.⁶⁰⁹ Where abandonment of the invention is relied upon it should be pleaded definitely and specifically, though an objection to an indefinite allegation is too late when presented for the first time upon appeal.⁶¹⁰

§ 402. Cross-bills defined.

Bouvier defines the cross-bill as "one which is brought by a defendant in a suit against a plaintiff in or against other defendants in the same suit, or against both, touching the matters in question in the original bill."⁶¹¹ The employment of cross-bills in patent causes is somewhat rare, but their efficacy and appropriateness in proper cases warrants a presentation in this work of their functions and requisites.

605. Phillips v. Page, 65 U. S. (24 How.) 164, 16 L. Ed. 639.

606. Agawam Woolen Co. v. Jordan, 74 U. S. (7 Wall.) 583, 19 L. Ed. 177.

607. Agawam Woolen Co. v. Jordan, 74 U. S. (7 Wall.) 583, 19 L. Ed. 177.

608. Campbell v. New York, 35 Fed. Rep. 504, 505; Andrews v.

Hovey, 123 U. S. 267, 31 L. Ed. 160.

609. Tatum v. Eby, 60 Fed. Rep. 408.

610. Western Elec. Co. v. Sperry Elec. Co., 58 Fed. Rep. 186, 192, 7 C. C. A. 164.

611. Bouvier, Dict. (Rawle Rev.), title "Cross-bill."

§ 403. Function of the cross-bill.

We are indebted to Judge Sanborn for this summary of the functions of the cross-bill:

“The office of a cross-bill is either to warrant the grant of affirmative relief to the defendant in the original suit, to obtain a discovery in aid of the defense in that suit, to enable the defendant to interpose a more complete defense than that which he could present by answer, or to obtain full relief to all parties, and a complete determination of all controversies which arise out of the matters charged in the original bill. The fact that the cross-bill fairly tends to accomplish either of these purposes is generally a sufficient ground for its interposition. It must seek equitable relief, but, subject to this qualification, a complainant who has brought a defendant into a court of equity in order to subject him to an adjudication of his rights in a certain subject-matter, cannot be heard to say that there is no equity in a cross-bill which seeks an adjudication of all the rights of the parties to the original suit in the same subject-matter. The issues raised by the cross-bill must be so closely connected with the cause of action in the original suit that the cross suit is a mere auxiliary or dependency upon the original suit, but, subject to this qualification, new facts and new issues may properly be presented by a cross-bill.”⁶¹² Within the limitation that its subject-matter must relate, or be germane, to that of the original bill, it is no objection to the cross-bill that it may contain additional facts.⁶¹³

By means of a cross-bill, a defendant manufacturer may secure an injunction restraining the complainant,

612. *Springfield Milling Co. v. Barnard & Leas Mfg. Co.*, 81 Fed. Rep. 261, 263, 26 C. C. A. 389; citing, *Meissner v. Buek*, 28 Fed. Rep. 161-163; *Chicago, Milwaukee*

& St. P. Ry. Co. v. Third Nat. Bank, 134 U. S. 276, 33 L. Ed. 900.

613. *Kingsbury v. Buckner*, 134 U. S. 650, 33 L. Ed. 1047.

pending the suit, from prosecuting suits for infringement against the defendant's customers, wherever located.⁶¹⁴

§ 404. Complainant's election of procedure after answer filed.

Of the several courses, leading to settlement of the issues after the answer is filed, which may be followed by the complainant, Mr. Justice Gray has said:

“Upon the coming in of defendant's answer, several courses are open to the plaintiff:

“First. The plaintiff may, upon motion, without notice to the defendant, have leave to amend his bill, with or without the payment of costs, as the court may direct. Equity Rules 29, 45.

“Second. The plaintiff may file exceptions to the answer for insufficiency. Equity Rule 61. If the defendant does not submit to the exception, and file an amended answer, the plaintiff may set down the exceptions for hearing. Equity Rule 63. If the exceptions are thereupon allowed by the court, the defendant must put in a full and complete answer; otherwise, the plaintiff may take the bill, so far as the matter of exceptions is concerned, as confessed. Equity Rule 64.

“Third. If the answer is not excepted to, or if it is adjudged or deemed sufficient, the plaintiff may file a general replication; whereupon the cause is to be deemed, to all intents and purposes, at issue, without further pleading on either side. Equity Rule 66.

“Fourth. A demurrer to the answer is unknown in equity practice. But the plaintiff may set down the case for hearing upon bill and answer; whereupon all the facts alleged in the bill and not denied in the answer.

614. Consolidated Rubber Tire Co. v. Finley Rubber Tire Co., 106 Fed. Rep. 175.

as well as all new facts alleged in the answer, are deemed admitted, as upon a demurrer to an answer in an action at law. Equity Rule 41, as amended at December term, 1871, 80 U. S. (13 Wall.), 11, 20 L. Ed. 914; Equity Rule 60; Leeds v. Marine Ins. Co., 15 U. S. (2 Wheat.) 380, 4 L. Ed. 266; Reynolds v. First Nat. Bank, 112 U. S. 405, 409, 28 L. Ed. 733, 735; Banks v. Manchester, 128 U. S. 244, 250, 251, 32 L. Ed. 425, 428.

“For the purpose of the hearing upon exceptions to an answer, the facts alleged in the bill and in the answer must indeed be considered as admitted, and only matter of law is presented for decision, as in a case set down for hearing upon bill and answer. But the difference between the two cases is this: When a case in equity is set down for hearing on bill and answer, the whole case is presented for final decree in favor of either party. But when the matter set down for hearing is the plaintiff’s exceptions to the answer, the case is not ripe for a final decree; the only question to be decided is the sufficiency of the answer; and no final decree can be entered against either party, unless it declines or omits to plead further.”⁶¹⁵

§ 405. Replication.

Equity Rule 66 provides that “whenever the answer of the defendant shall not be excepted to, or shall be adjudged or deemed sufficient, the plaintiff shall file the general replication thereto on or before the next succeeding rule day thereafter; and in all cases where the general replication is filed, the cause shall be deemed, to all intents and purposes, at issue, without any rejoinder or other pleading on either side.” By this rule,

615. Re Sanford Fork & Tool Co., 160 U. S. 247, 256, 40 L. Ed. 416, 417.

the special replication of the ancient practice, introducing new matter in avoidance of the allegations of the answer, has been abolished, and the practice of amending the bill has taken its place. It has been held that after an answer is filed on any rule day, if the complainant files no exceptions, he has until the second rule day thereafter to file the general replication.⁶¹⁶

“The purpose of the general replication is to put in issue any new matter set forth in the answer. It does not nullify the effect of an admission in the answer of an allegation of the bill.”⁶¹⁷ In affirming the case just quoted from, the Supreme Court said: “Courts of equity are frequently required to act on the admissions of the answer without other proof. Thus, when a cause is heard upon bill and answer, the decree is based entirely on the admissions of the answer without other testimony.”⁶¹⁸

A replication filed out of time and without leave of court may be permitted to stand, in the discretion of the court,⁶¹⁹ or, on application, it may be permitted to be filed, *nunc pro tunc*, as of a date within time, after the cause has been set down for hearing upon the proofs,⁶²⁰ or referred for hearing on bill and answer.⁶²¹

“A general replication admits the sufficiency of the answer as a discovery, and is a waiver of any objection to the form in which its defenses are presented.”⁶²²

616. Hendrickson v. Bradley, 85 Fed. Rep. 508, 29 C. C. A. 303.

617. McCrary, J., in Cavendar v. Cavender, 8 Fed. Rep. 641, 642.

618. Cavendar v. Cavender, 114 U. S. 464, 29 L. Ed. 212.

619. Fischer v. Hayes, 6 Fed. Rep. 76.

620. Jones v. Brittan, 1 Woods 667, Fed. Case 7455.

621. Pierce v. West, Peters C. C. 351, Fed. Case 10,909.

622. Sanborn, J., in People's United States Bank v. Gilson, 161 Fed. Rep. 286, 294, 88 C. C. A. 332; citing, McGorray v. O'Connor, 87 Fed. Rep. 586, 588, 31 C. C. A. 114, 116.

§ 406. Testimony in equity cases.

The taking of testimony in equity is provided for by the Equity Rules as follows:

67.

“After the cause is at issue, commissions to take testimony may be taken out in vacation as well as in term, jointly by both parties, or severally by either party, upon interrogatories filed by the party taking out the same in the clerk’s office, ten days’ notice thereof being given to the adverse party to file cross-interrogatories before the issuing of the commission; and if no cross-interrogatories are filed at the expiration of the time the commission may issue *ex parte*. In all cases the commissioner or commissioners may be named by the court or by a judge thereof; and the presiding judge of the court exercising jurisdiction may, either in term time or in vacation, vest in the clerk of the court general power to name commissioners to take testimony.

“Either party may give notice to the other that he desires the evidence to be adduced in the cause to be taken orally, and thereupon all the witnesses to be examined shall be examined before one of the examiners of the court, or before an examiner to be specially appointed by the court. The examiner, if he so request, shall be furnished with a copy of the pleadings.

“Such examination shall take place in the presence of the parties or their agents, by their counsel or solicitors, and the witnesses shall be subject to cross-examination and re-examination, all of which shall be conducted as near as may be in the mode now used in common law courts.

“The depositions taken upon such oral examination shall be reduced to writing by the examiner, in the form of question put and answer given; provided, that, by

consent of parties, the examiner may take down the testimony of any witness in the form of narrative.

“At the request of either party, with reasonable notice, the deposition of any witness shall, under the direction of the Examiner, be taken down either by a skillful stenographer or by a skillful typewriter, as the Examiner may elect, and when taken stenographically shall be put into typewriting or other writing; provided, that such stenographer or typewriter has been appointed by the court, or is approved by both parties.

“The testimony of each witness, after such reduction to writing, shall be read over to him and signed by him in the presence of the examiner and of such of the parties or counsel as may attend; provided, that if the witness shall refuse to sign his deposition so taken, then the examiner shall sign the same, stating upon the record the reasons, if any, assigned by the witness for such refusal.

“The examiner may, upon all examinations, state any special matters to the court as he shall think fit, and any question or questions which may be objected to shall be noted by the examiner upon the deposition, but he shall not have power to decide on the competency, materiality, or relevancy of the questions; and the court shall have power to deal with the costs of incompetent, immaterial, or irrelevant depositions, or parts of them, as may be just.

“In case of refusal of witnesses to attend, to be sworn, or to answer any question put by the examiner, or by counsel or solicitor, the same practice shall be adopted as is now practiced with respect to witnesses to be produced on examination before an examiner of said court on written interrogatories.

“Notice shall be given by the respective counsel or solicitors to the opposite counsel or solicitors, or parties,

of the time and place of the examination, for such reasonable time as the examiner may fix by order in each cause.

“When the examination of witnesses before the examiner is concluded, the original depositions, authenticated by the signature of the examiner, shall be transmitted by him to the clerk of the court, to be there filed of record, in the same mode as prescribed in Section 865 of the Revised Statutes.

“Testimony may be taken on commission in the usual way, by written interrogatories and cross-interrogatories, on motion to the court in term time, or to a judge in vacation, for special reasons, satisfactory to the court or judge.

“Where the evidence to be adduced in a cause is to be taken orally, as before provided, the court may, on motion of either party, assign a time within which the complainant shall take his evidence in support of the bill, and a time thereafter within which the defendant shall take his evidence in defense, and a time thereafter within which the complainant shall take his evidence in reply; and no further evidence shall be taken in the cause unless by agreement of the parties or by leave of court first obtained on motion for cause shown.

“The expense of the taking down of depositions by a stenographer and of putting them into typewriting or other writing, shall be paid in the first instance by the party calling the witness and shall be imposed by the court, as part of the costs, upon such party as the court shall adjudge should ultimately bear them.

“Upon due notice given, as prescribed by previous order, the court may, at its discretion, permit the whole or any specific part of the evidence to be adduced orally in open court upon final hearing.”

68.

“Testimony may also be taken in the cause after it is at issue, by deposition, according to the act of Congress. But in such case, if no notice is given to the adverse party of the time and place of taking the deposition, he shall, upon motion and affidavit of the fact, be entitled to a cross-examination of the witness either under a commission or by a new deposition taken under the acts of Congress if a court or judge thereof shall, under all the circumstances, deem it reasonable.”

69.

“Three months and no more, shall be allowed for the taking of testimony after the cause is at issue, unless the court, or a judge thereof shall, upon special cause shown by either party, enlarge the time; and no testimony taken after such period shall be allowed to be read in evidence at the hearing. Immediately upon the return of the commissions and depositions containing the testimony into the clerk’s office, publication thereof may be ordered in the clerk’s office by any judge of the court upon due notice to the parties, or it may be enlarged, as he may deem reasonable, under all the circumstances; but, by consent of the parties, publication of the testimony may at any time pass into the clerk’s office, such consent being in writing and a copy thereof entered into the order books or indorsed upon the deposition or testimony.”

TESTIMONY DE BENE ESSE.

70.

“After any bill filed and before the defendant hath answered the same, upon affidavit made that any of the plaintiff’s witnesses are aged and infirm, or going out of the country, or that any one of them is a single wit-

ness to a material fact, the clerk of the court shall, as of course, upon the application of the plaintiff, issue a commission to such commissioner or commissioners as a judge of the court may direct, to take the examination of such witness or witnesses *de bene esse* upon giving due notice to the adverse party of the time and place of taking his testimony.’’

FORM OF THE LAST INTERROGATION.

71.

“The last interrogatory in the written interrogatories to take testimony now commonly in use shall in the future be altered and stated in substance thus: ‘Do you know, or can you set forth any other matter or thing which may be a benefit or advantage to the parties at issue in this cause, or either of them, or that may be material to the subject of this your examination, or the matters in question in this cause? If yea, set forth the same fully and at large in your answer.’ ”

§ 407. The method of taking testimony.

As indicated by the rule (67) the testimony may be taken in open court,⁶²³ or by commission.⁶²⁴ In practice the testimony is usually taken before a notary public, the clerk of a court of the United States, or an United States Commissioner, under stipulation that he may act as a special examiner by consent of the parties.

Examiners may be appointed to take testimony outside of the territorial jurisdiction of the court.⁶²⁵

The Examiner will note all objections, and will note the exceptions taken, but cannot decide upon their validity. He must take down the entire examination in

623. *In re Clarke*, 9 Blatchf. 372, Fed. Case 2801.

624. *Bischoffsheim v. Baltzen*, 10 Fed. Rep. 1.

625. *White v. Toledo, St. L. & K. C. R. Co.*, 79 Fed. Rep. 133, 24

C. C. A. 467.

writing and send it to the court with the objections noted. The same method is followed regardless of whether the testimony is taken under the Equity Rule, or under the acts of Congress, or otherwise. After the deposition is filed further exceptions may be taken before the court.⁶²⁶

The matter to which objections are directed must be pointed out, and specific grounds of objection stated.⁶²⁷

§ 408. The scope of examination of witnesses.

A very wide latitude of examination in equity causes was established by the Supreme Court in the leading case of *Blease v. Garlington*,⁶²⁸ of which it has been said: "The Supreme Court ruled that in suits in equity all the evidence sought by either party, whether it was received or rejected by the trial court, should be elicited, and in case of an appeal, presented to the Supreme Court, to the end that, if that court were of the opinion that the evidence rejected below should have been received, it might consider it and render a final decree without remanding the suit to procure the rejected evidence."⁶²⁹ It has also been said of *Blease v. Garlington*: "The rationale of that decision is to prevent new trials in equity causes, and to that end to give the court of last resort a complete record, upon which it can finally dispose of the cause. For this reason, the objections for irrelevancy and immateriality are not to be considered. The only limitation upon the extent of the examination is apparently that it should be confined to the issues and shall not violate the personal privileges of witnesses."⁶³⁰

626. *Appleton v. Ecaubert*, 45 Fed. Rep. 281, 282.

627. *Persons v. Bealing*, 116 Fed. Rep. 877.

628. 92 U. S. 1, 23 L. Ed. 521.

629. *Dowagiac Mfg. Co. v.*

Lochren, 143 Fed. Rep. 211, 213, 74 C. C. A. 341.

630. *Continental Securities Co. v. Interborough Rapid Transit Co.*, 183 Fed. Rep. 132.

The proper method of raising the question of the privilege of the witness or the evidence sought to be adduced is for the witness to refuse to answer the question, which refusal is usually done under the advice of counsel noted in the Examiner's record,⁶³¹ and thereupon an application is made by counsel seeking to elicit testimony, to the proper Federal Judge in the district where the testimony is being taken.⁶³²

When such an application is made, if the court applied to directs the witness to answer, he may still decline to answer, and be committed for contempt; the order committing him for contempt is a final order and is reviewable on writ of error by the Circuit Court of Appeals.⁶³³ If the lower court refuses to direct the witness to testify, a writ of mandamus may be sought by petition in the Circuit Court of Appeals to review the judgment of the lower court upon the question.⁶³⁴ Where there is doubt as to the relevancy of the question the witness will be directed to answer.⁶³⁵

The Act of March 9, 1892, ch. 14, 27 Stat. at L. 7, provides: "That in addition to the mode of taking the depositions of witnesses in causes pending at law or equity in the district and circuit courts of the United States, it shall be lawful to take the depositions or testimony of witnesses in the mode prescribed by the laws of the State in which the courts are held."

This Act, so far as equity cases are concerned, has not enlarged or altered the rights of the party desiring to take testimony; the Act being intended only to simplify

631. *Independent Baking Powder Co. v. Boorman*, 137 Fed. Rep. 995.

632. *Independent Baking Powder Co. v. Boorman*, 137 Fed. Rep. 995.

633. *Butler v. Fayerweather*, 91 Fed. Rep. 458, 33 C. C. A. 625.

634. *Dowagiac Mfg. Co. v. Lochren*, 143 Fed. Rep. 211, 213, 74 C. C. A. 341.

635. *Perry v. Rubber Tire Wheel Co.*, 138 Fed. Rep. 836.

the practice of taking depositions by providing that the mode of taking in instances authorized by the Federal laws might conform to the mode prescribed by the laws of the State in which Federal courts were held, and not to authorize the taking of depositions in instances not heretofore authorized by the Federal statutes, or to confer additional rights to obtain proofs by interrogatories addressed to the adverse party in actions at law.⁶³⁶

§ 409. Subpoenas *duces tecum*.

The subpoena *duces tecum* is employed to compel the production of documents in the possession of one who is not a party to the suit. It has been held that it may issue from the clerk's office, in the district in which the testimony is being taken, without application to the court.⁶³⁷ It may be used to compel the production of drawings,⁶³⁸ but cannot be used to reach models, or patterns.⁶³⁹ The subpoena *duces tecum* may be employed to compel the production by a party of copies of his correspondence with the Patent Office.⁶⁴⁰

The better rule appears to be that subpoenas *duces tecum* will issue only upon a formal application reciting the specific documents desired, and their materiality.⁶⁴¹ Where the subpoena *duces tecum* calls for a large number of books and papers, many of which apparently are immaterial, the party disobeying it may not be punished

636. National Cash Register Co. v. Leland, 94 Fed. Rep. 502, 505, 37 C. C. A. 388.

637. Johnson Steel Street Rail Co. v. North Branch Steel Co., 48 Fed. Rep. 191.

638. Johnson Steel Street Rail Co. v. North Branch Steel Co., 48 Fed. Rep. 191.

639. In re Shephard, 3 Fed. Rep. 12; Johnson Steel Street Rail Co. v. North Branch Steel Co., 48 Fed. Rep. 191.

640. Edison Elec. Light Co. v. U. S. Electric Light Co., 44 Fed. Rep. 294.

641. Dancel v. Goodyear Shoe Mach. Co., 128 Fed. Rep. 753.

for contempt, and the moving party may be required to take out separate subpoenas, each to be considered upon its merits.⁶⁴²

§ 410. The master's appointment and proceedings before him—
For what purposes appointed.

The master in chancery has been defined by Mr. Justice Field to be "an officer appointed by the court to assist it in various proceedings incidental to the progress of a cause before it, and is usually employed to take and state accounts, to take and report testimony, and to perform such duties as require computation of interest, the value of annuities, the amount of damages in particular cases, the auditing and ascertaining of liens upon property involved, and similar services. * * * It is not within the general province of a master to pass upon all the issues in an equity case, nor is it competent for the court to refer the entire decision of a case to him without the consent of the parties. It cannot, of its own motion, or upon the request of one party, abdicate its duty to determine by its own judgment the controversy presented, and devolve that duty upon any of its officers. But when the parties consent to the reference of a case to a master or other officer to hear and decide all the issues therein, and report his findings, both of fact and of law, and such reference is entered as a rule of the court, the master is clothed with very different powers from those which he exercises upon ordinary references, without such consent; and his determinations are not subject to be set aside and disregarded at the mere discretion of the court. A reference, by consent of parties, of an entire case for the determination of all its issues, though not

642. *Miller v. Mutual Reserve Fund Life Assn.*, 139 Fed. Rep. 864.

strictly a submission of the controversy to arbitration—a proceeding which is governed by special rules—is a submission of the controversy to a tribunal of the parties' own selection, to be governed in its conduct by the ordinary rules applicable to the administration of justice in tribunals established by law. Its findings, like those of an independent tribunal, are to be taken as presumptively correct, subject, indeed, to be reviewed under the reservation contained in the consent and order of the court, where there has been manifest error in the consideration given to the evidence, or in the application of the law, but not otherwise.

“The reference of a whole case to a master, as here, has become in late years a matter of more common occurrence than formerly, though it has always been within the power of a court of chancery, with the consent of parties, to order such a reference. The power is incident to all courts of superior jurisdiction.⁶⁴³ By statute, in nearly every State, provision has been made for such references of controversies at law. And there is nothing in the nature of the proceeding, or in the organization of a court of equity, which should preclude a resort to it in controversies involving equitable considerations.”⁶⁴⁴

Where a court refers all the issues to a master without the consent of the parties, “his report is not clothed with that presumption in its favor which attends reports made on reference by consent;”⁶⁴⁵ but such an order of reference is not treated as reversible error where the record shows that the trial court heard the case *de novo*

643. Citing *Newcomb v. Wood*, 97 U. S. 581, 583, 24 L. Ed. 1085, 1086.

644. *Kimberly v. Arms*, 129 U. S. 512, 32 L. Ed. 764, 769.

645. *Adams, J., in Mastin v. Noble*, 157 Fed. Rep. 506, 508, 85 C. C. A. 98.

on exceptions to the report, and reached an independent judgment on the proof.⁶⁴⁶

Where the entire case has been referred to the master in disregard of the protest of either party the appellate court will not give to his findings of fact or conclusions of law the weight to which they would have been entitled had he been appointed by consent, and will independently examine and pass upon the record.⁶⁴⁷

Where a record is silent as to whether such a reference was by consent, the appellate court will presume that the order of reference was consented to.⁶⁴⁸

“The master is a judicial officer, acting as the representative and substitute of the court which appointed him.”⁶⁴⁹

In view of the authorities above referred to a reference of the whole case is seldom made in patent causes. When it is, as indicated by Mr. Justice Field, the proceedings will be governed by the ordinary rules applicable to such procedure in equity causes generally.

Usually, the master is appointed in patent causes as an incident to the entry of an interlocutory decree finding the patent or patents in suit to be valid and infringed, the general rule being that where the patent is sustained and infringement is admitted or proven, the complainant is entitled to a reference for an accounting as a matter of right.⁶⁵⁰

But this rule is not inexorable. A court is without power to order an accounting as to a patent that had

646. *Mastin v. Noble*, 157 Fed. Rep. 506, 508, 85 C. C. A. 98; *Babcock v. De Mott*, 160 Fed. Rep. 882, 887, 88 C. C. A. 64.

647. *Garinger v. Palmer*, 126 Fed. Rep. 906, 910, 61 C. C. A. 436.

648. *Haight & Freese Co. v. Weiss*, 156 Fed. Rep. 328, 334, 84 C. C. A. 224.

649. *Wales, J., in Bate Refrigerating Co. v. Gillette*, 28 Fed. Rep. 673, 674.

650. *Campbell Printing Press Co. v. Manhattan R. Co.*, 49 Fed. Rep. 930, 932; *Keystone Mfg. Co. v. Adams*, 151 U. S. 139, 38 L. Ed. 103-105.

expired before the bill was filed; this being ruled in a case involving two patents, one of which had expired before the bill was filed.⁶⁵¹

An accounting has been denied upon the ground that the complainant's device was too costly to have any commercial value.⁶⁵²

The Circuit Court of Appeals of the Fifth Circuit has said:

“A reference will not be made to state an account without some evidence to show the necessity for the accounting. An order for an accounting is not made to enable the complainant to make out his case before the master. There must be, at least, sufficient evidence to show the right to demand the accounting.”⁶⁵³

In patent causes, as in any other class of litigation, a court of equity may always refer pleadings to a master, and it is its duty so to do where the pleadings do not conform to the rules. In a case involving an ancillary bill, Judge Putnam said: “Some of these matters (vague and otherwise improper allegations) are mere surplusage, and some are of a character, which are available only on special demurrer, but would unnecessarily open out a field without limits or bounds, as we have said, if allowed to remain in the bill. Therefore, before proceeding with such a bill the Circuit Court should send it to a master to be purged of everything which is found not to conform to the standard rules of equity pleading. Equity Rule 27 may not be sufficiently broad to reach this case; but, so long as any bill fails to comply with the standard maxims of pleading to which we have referred, and especially fails to comply with Equity Rule 26, it is within

651. *Creamer v. Bowers*, 30 Fed. Rep. 185, 187.

652. *Bradford v. Belknap Motor Co.*, 105 Fed. Rep. 63, 65.

653. *Per Curiam*, in *Columbia*

Equipment Co. v. Mercantile Trust & Deposit Co., 113 Fed. Rep. 23, 25, 51 C. C. A. 33; citing, *Railroad Co. v. Williams*, 94 Va. 422, 26 S. E. 841.

the general powers of the court, when it becomes necessary for its own protection so to do, to proceed of its own motion in the way we have pointed out.”⁶⁵⁴

It would seem that a court of equity under our Federal practice may invoke the assistance of the master in the course of its labors, to any extent short of referring all of the issues raised by the pleadings, without the consent of the parties. Thus, an application being made during the taking of proof to compel the respondent to repeat certain experiments in the presence of complainant's witnesses, Judge Putnam said:

“The complainant represents that the respondent was invited to witness its experiments, but that the respondent's experiments were made aside from the complainant; and the practical object of the motion is to compel the respondent to repeat its experiments in the presence of the complainant's witnesses. The experiments on either side were not conducted by persons of merely ordinary skill in the art, but by experts. The complainant produces to the court no precedent sustaining its motion, the authorities cited by it going only to the matter of inspection, which is a well-known branch of incidental equitable proceedings. It is not, however, safe to undertake to set a limit to what can be worked out by the equity courts in the direction of just and proper investigation with reference to any topics concerned in legal or equitable proceedings; but it is entirely clear that such extraordinary relief as the complainant asks should not be granted except when it is plainly necessary. As is usual with motions of an interlocutory character touching the progress of a complicated suit in equity in advance of a final hearing, it is impracticable for the court, without

654. *Hobbs Mfg. Co. v. Gooding*, 176 Fed. Rep. 259, 263, — C. C. A. —; citing, *Kelley v. Boettcher*, 85 Fed. Rep. 55, 61, 29 C. C. A. 14.

very elaborate investigation, to understand clearly the current condition of the litigation, so as to be reasonably certain that it can adjudicate correctly. It appears to us that the probable results of the experiments which the complainant desires the court to order would not be of such a character as to justify unusual, and perhaps unprecedented, proceedings. Moreover, it may well be doubted whether the issue to which the motion relates is a relevant one, and whether, in accordance with the general rule that the law applicable to patents is practical in its nature, the questions of anticipation developed by the uses to which prior inventions may be applied extend to all which can be worked out by the ingenuity of experts, and are not limited to uses apparent to persons of ordinary skill in the art. To make these matters certain would require an examination of the pleadings and proofs in the case, which cannot be expected of the court on an interlocutory matter of this nature.

“Under the circumstances of this application, the complainant cannot be charged with laches in the matter; so that if, on opening the record on final hearing on bill, answer, and proofs, it should appear that the court needs the assistance of such experiments as are now desired by the complainant, the court has no doubt that it can do complete justice by sending to a master so much of the case as is now brought to its attention, to report on the issue underlying the present motion, and for that purpose to make experiments under proper directions. While it is well settled in the Federal practice that the chancellor cannot abnegate his duty to hear the fundamental issue in a cause without the same being clouded or prejudiced by a master’s report (*Kimberly v. Arms*, 129 U. S. 512, 524, 32 L. Ed. 764, 769; *Davis v. Schwartz*, 155 U. S. 631, 637, 39 L. Ed. 289), yet it is a common practice to permit inquiries by a master incidental to the

principal labor which rests on the court (*Field v. Holland*, 6 Cranch 8, 22, 3 L. Ed. 303; *Lawrence v. Dana*, 4 Cliff. 1, Fed. Case 8136). Indeed, on bills for specific performance it has been the settled course in England to direct a preliminary inquiry as to title by a master. Having no doubt of our power to obviate in this way the difficulty which the complainant thinks now meets it, if it becomes necessary to do so, we deny complainant's motions, without prejudice to its right to apply for a master, as we have indicated, in connection with the final hearing." ⁶⁵⁵

§ 411. The appointment of the master.

Equity Rule 82 provides, in part, that:

"The Circuit Courts may appoint standing masters in chancery in their respective districts (a majority of all the judges thereof, including the justice of the Supreme Court, the Circuit Judges, and the District Judge for the district concurring in the appointment) and they may also appoint a master *pro hac vice* (for the occasion), in any particular case."

The statutory provisions concerning the persons who may be appointed as master are as follows:

"No clerk of the District or Circuit Courts of the United States or their deputies shall be appointed a receiver or a master in any case except where the judge of said court shall determine that special reasons exist therefor to be assigned in the order of appointment." (20 Stat. at L. 415, 4 Fed. Stat. Ann. 81). See § 68, The Judicial Code.

"That no person related to any justice or judge of any court of the United States by affinity or consanguinity within the degree of first cousin shall hereafter be

655. *Simonds Rolling Mach. Co. v. Hathorn Mfg. Co.*, 83 Fed. Rep. 490, 491.

appointed by such court or judge to, or employed by such court or judge in, any office or duty in any court of which such justice or judge may be a member.” (25 Stat. at L. 437, 4 Fed. Stat. Ann. 69). See § 67, The Judicial Code.

Where a clerk or deputy clerk is appointed master, without a special reason being assigned in the order, his acts have been upheld as valid, so far as the public and third persons are concerned, as those of a *de facto* officer.⁶⁵⁶ Where the parties consent to the appointment of the clerk or deputy clerk as the master, their consent is a special reason and should be assigned in the order of appointment. A failure under such circumstances to state the special reason in the decree may be cured after the coming in of the master's report, by an amendment, *nunc pro tunc*, as of the date of the original order.⁶⁵⁷ If the court in fact has determined that a special reason exists justifying such an appointment of a clerk or deputy clerk, the omission of the special reason from the order will not be treated as reversible error on appeal, where the opinion of the court below recites the reason.⁶⁵⁸

§ 412. The procedure before the master.

Judge Lowell outlined the course of procedure before the master as follows:

“The practice which we approve is this: The master appoints a day for proceeding with the reference, and gives notice, by mail or otherwise, to the parties or their solicitors. We think the solicitor should be notified,

656. *Northwestern Mutual L. Ins. Co. v. Seaman*, 80 Fed. Rep. 357; *Seaman v. Northwestern Mutual L. Ins. Co.*, 86 Fed. Rep. 493, 30 C. C. A. 212; *Elgutter v. North-*

western L. Ins. Co., 86 Fed. Rep. 500, 30 C. C. A. 218.

657. *Fischer v. Hayes*, 22 Fed. Rep. 92, 93.

658. *Briggs v. Neal*, 120 Fed. Rep. 224, 56 C. C. A. 572.

whether the party is or not; though, probably, under Rule 75, notice to the party is a good notice. If the defendant does not appear, the master proceeds, *ex parte*, and makes out the profits and damages, if he can, from the evidence produced by the plaintiff. If it appears that an account of profits is necessary to a just decision of the cause, and is desired by the plaintiff, he makes an order that the defendant furnish an account by a certain day, and adjourns the hearing to that day. The defendant should be served personally with a notice of this adjournment, and of the order to produce his account, if it is intended to move for an attachment in case he fails to appear. The service may be made by any disinterested person, and need not be by the marshal. If the defendant then fails to appear and account, he will be in contempt.

“The mode of proceeding which we do not approve, is for the plaintiff to take out a notice, in the first instance, before any hearing has been or can lawfully be had, requiring the defendant to furnish an account by a certain day on pain of punishment for contempt. We doubt the power of the master to make such an order upon a mere inspection of the record, and we consider the practice inexpedient if it is lawful.”⁶⁵⁹

The Equity Rules relating to references, provide as follows:

“74. Whenever any reference of any matter is made to a master to examine and report thereon, the party at whose instance and for whose benefit the reference is made shall cause the same to be presented to the master for a hearing on or before the next rule day succeeding the time when the reference was made; if he shall omit to do so, the adverse party shall be at liberty forthwith

659. Kerosene Lamp Heater
Co. v. Fisher, 1 Fed. Rep. 91, 92.

to cause proceedings to be had before the master, at the cost of the party securing the reference.”

“75. Upon every such reference it shall be the duty of the master, as soon as he reasonably can, after the same is brought before him, to assign a time and place for proceedings in the same, and to give due notice thereof to each of the parties or their solicitors; and if either party shall fail to appear at the time and place appointed, the master shall be at liberty to proceed *ex parte*, or, in his discretion, to adjourn the examination and proceedings to a future day, giving notice to the absent party or his solicitor of such adjournment; and it shall be the duty of the master to proceed with all reasonable diligence in every such reference, and with the least practicable delay, and either party shall be at liberty to apply to the court, or a judge thereof, for an order to the master to speed the proceedings and to make his report, and to certify to the court or judge the reasons for any delay.”

“77. The master shall regulate all the proceedings in every hearing before him, upon every such reference; and he shall have full authority to examine the parties in the cause, upon oath, touching all matters contained in the reference; and also to require the production of all books, papers; writings, vouchers, and other documents applicable thereto; and also to examine on oath, *viva voce*, all witnesses produced by the parties before him, and to order the examination of other witnesses to be taken, under a commission to be issued upon his certificate from the clerk's office, or by deposition, according to the act of Congress, or otherwise, as hereinafter provided; and also to direct the mode in which the matters requiring evidence shall be proved before him; and generally to do all other acts and direct all other inquiries and proceedings in the matters before him, which he may

deem necessary and proper to the justice and merits thereof and the rights of the parties.”

“79. All parties accounting before a master shall bring in their respective accounts in the form of debtor and creditor; and any of the other parties who shall not be satisfied with the accounts so brought in shall be at liberty to examine the accounting party, *viva voce*, or upon interrogatories in the master’s office, or by deposition, as the master shall direct.”

“80. All affidavits, depositions, and documents which have been previously made, read or used in the court, upon any proceeding in any cause or matter, may be used before the master.”

Where a defendant has produced the contracts under which infringing machines were sold, the master may properly require him to produce before him the correspondence relating to said contracts, under the provisions of the 77th Rule.⁶⁶⁰

While the master may at all times apply to the court for directions, he must, at least in the first instance, rule upon the order of proof, such as the admission, in rebuttal, of testimony not rebuttal in character.⁶⁶¹

Judge Wheeler has interpreted Rule 80 to mean that any part of the antecedent record in the case may be brought before the master without being retaken, by calling his attention to the desired part so that it may be answered or explained on the other side; but that it will not suffice to merely refer to such former testimony in argument and requests for findings; so that an exception to the master’s report based upon his failure to make findings in accordance with a record not offered before him, must be overruled.⁶⁶²

660. Goss Printing Press Co. v. Scott, 119 Fed. Rep. 941.

661. Wooster v. Gumbirner, 20 Fed. Rep. 167.

662. Bell v. United States Stamping Co., 32 Fed. Rep. 549, 550.

§ 413. Master's duties in assessing profits and damages.

The courts have realized the difficulty, in equity, "of making sufficient proof to satisfy the law under either head,"⁶⁶³ consequently where a master's report showed that while he believed the proof sufficient to make out a case for damages, he also reported his conclusions as to the evidence supporting the complainant's claim for profits, the Court of Appeals for the Sixth Circuit endorsed this method of formulating his report as being "well advised, as conducive to a proper result."⁶⁶⁴

The master should include in the accounting all of the infringing acts, down to the time of filing his report. If the defendant has made machines of changed construction, he should report as to them.⁶⁶⁵ If there is any dispute between the parties as to infringement which has not been concluded by the decree, it is open to be passed upon by the master.⁶⁶⁶

"There may be cases where the differences are so great and the question of infringement in such doubt that neither the master nor the court will feel justified in going into them, and where the complainant may properly be put to at least a supplemental, if not a new, bill."⁶⁶⁷

The modern practice is for the master to refuse to admit testimony he deems irrelevant, permitting the

663. Severens, J., in *P. P. Mast Co. v. Superior Drill Co.*, 154 Fed. Rep. 45, 51, 83 C. C. A. 157.

664. *P. P. Mast Co. v. Superior Drill Co.*, 154 Fed. Rep. 45, 51, 83 C. C. A. 157.

665. *Hoe v. Scott*, 87 Fed. Rep. 220.

666. *Wooster v. Thornton*, 26 Fed. Rep. 274; *Thomas v. Electric Porcelain Co.*, 114 Fed. Rep. 407; *Hanifen v. Armitage*, 117 Fed. Rep. 845, 851; *Westinghouse Mfg.*

Co. v. Sangamo Elec. Co., 128 Fed. Rep. 747.

667. Archbald, J., in *Walker Patent Pivoted Bin Co. v. Miller*, 146 Fed. Rep. 249, 252; citing, *California Artificial Stone Paving Co. v. Molitor*, 113 U. S. 609, 28 L. Ed. 1106; *Westinghouse Air Brake Co. v. Christensen Engineering Co.*, 126 Fed. Rep. 764; *Chicago Grain Door Co. v. Chicago, B. & Q. R.*, 137 Fed. Rep. 101.

party ruled against to bring the question at once to the court for review and instructions.⁶⁶⁸

§ 414. The master's report.

At the conclusion of the testimony the master's next duty is the preparation of his report. Equity Rules 83 and 84 provide:

"83. The master, as soon as his report is ready, shall return the same into the clerk's office, and the day of the return shall be entered by the clerk in the order book. The parties shall have one month from the time of filing the report to file exceptions thereto; and if no exceptions are within that period filed by either party, the report shall stand confirmed on the next rule day after the month is expired. If exceptions are filed they shall stand for hearing before the court, if the court is then in session; or, if not, then at the next sitting of the court which shall be held thereafter by adjournment or otherwise."

"84. And in order to prevent exceptions to reports from being filed for frivolous causes, or for mere delay, the party whose exceptions are overruled shall, for every exception overruled, pay costs to the other party, and for every exception allowed shall be entitled to costs, the costs to be fixed in each case by the court by a standing rule of the circuit court."

It is the practice in some circuits for the master to prepare a draft or tentative report and submit it to the parties for their suggestions and objections; their objections should be reduced to writing and filed with the master,⁶⁶⁹ and it is certainly the better practice to decline

668. Walker Patent Pivoted Bin Co. v. Miller, 146 Fed. Rep. 249, 252; Coddington v. Propfe, 112 Fed. Rep. 1016. To the same effect, see, Murray v. Orr & Lock-

ett Hdw. Co., 153 Fed. Rep. 369, 82 C. C. A. 445.

669. Gaines v. New Orleans, 1 Woods 104, Fed. Case 5177; Troy v. Corning, 6 Blatchf. 328, Fed.

to entertain any exceptions to the report as to matters which the master did not have called to his attention.⁶⁷⁰

A loose practice as to the master's report obtains in some jurisdictions, rendering the draft report unnecessary, the reasons in support of which were fully discussed by Judge Gresham.⁶⁷¹ Judge Wallace has held that, even under the practice requiring a draft report and exceptions thereto before the master, no exceptions are necessary as to the ultimate question of fact decided by the master, nor does the failure to except before the master preclude the parties from being heard as to the correctness of his legal conclusions.⁶⁷²

In the absence of a requirement in the order of reference, the master need not annex to his report all the testimony taken before him;⁶⁷³ and the 76th Equity Rule governs the making up of his report, as follows:

“76. In the reports made by the master to the court, no part of any state of facts, charge, affidavit, deposition, examination, or answer brought in or used before them shall be stated or recited. But such state of facts, charge, affidavit, deposition, examination, or answer shall be identified, specified, and referred to, so as to inform the court what state of facts, charge, affidavit, deposition, examination or answer were so brought in or used.”

The procedure upon the filing of the report is fixed by Equity Rule 83:

Case 14,196; *Fischer v. Hayes*, 16 Fed. Rep. 469; *McNamara v. Home Land & Cattle Co.*, 105 Fed. Rep. 202, 204; *Celluloid Mfg. Co. v. Cellonite Mfg. Co.*, 40 Fed. Rep. 476.

670. *Gay Mfg. Co. v. Camp*, 68 Fed. Rep. 66, 68, 15 C. C. A. 226.

671. *Hatch v. Indianapolis & S. R. Co.*, 9 Fed. Rep. 856; *Jen-*

nings v. Dolan, 29 Fed. Rep. 861; *Celluloid Mfg. Co. v. Cellonite Mfg. Co.*, 40 Fed. Rep. 476, 477.

672. *Celluloid Mfg. Co. v. Cellonite Mfg. Co.*, 40 Fed. Rep. 476, 477.

673. *Sheffield & B. Co. v. Gordon*, 151 U. S. 285, 293, 38 L. Ed. 164; *Weiss v. Haight & Freese Co.*, 148 Fed. Rep. 399.

“83. The master, as soon as his report is ready, shall return the same into the clerk’s office, and the day of the return shall be entered by the clerk in the order book. The parties shall have one month from the time of filing the report to file exceptions thereto; and if no exceptions are within that period filed by either party, the report shall stand confirmed on the next rule day after the month is expired. If exceptions are filed they shall stand for hearing before the court, if the court is then in session; or, if not, then at the next sitting of the court which shall be held thereafter by adjournment or otherwise.”

The term of “one month” in this rule means a calendar month.⁶⁷⁴ Exceptions may be filed at any time within a month, under this rule,⁶⁷⁵ but if filed out of time will be overruled.⁶⁷⁶

§ 415. Exceptions, requirements of.

“Exceptions to the report of a master should be set out specifically.”⁶⁷⁷ They need not be as full and specific as a special demurrer,⁶⁷⁸ and they need not be artistically drawn.⁶⁷⁹ An exception to a finding as not being “supported by the proofs” is not sufficiently specific to enable the court to review it.⁶⁸⁰

674. *Gasquet v. Crescent City Brewing Co.*, 49 Fed. Rep. 496.

675. *Fidelity Ins. & Safe Dep. Co. v. Shenandoah Iron Co.*, 42 Fed. Rep. 872.

676. *Syz v. Redfield*, 11 Fed. Rep. 799.

677. *Sheffield & B. R. Co. v. Gordon*, 151 U. S. 285, 38 L. Ed.

164; to the same effect, see, *Neal v. Briggs*, 110 Fed. Rep. 473, 478.

678. *Foster v. Goddard*, 66 U. S. (1 Black) 506, 17 L. Ed. 228.

679. *Story v. Livingston*, 38 U. S. (13 Peters) 359, 10 L. Ed. 200; *Central Trust Co. v. Wabash, St. L. & P. R. Co.*, 57 Fed. Rep. 441.

680. *Haller v. Clark*, 21 App. D. C. 128.

§ 416. Effect of master's report.

“The findings of fact by a master are supported by a strong presumption of correctness, and will not be set aside or modified in the absence of mistake or error.”⁶⁸¹

Immaterial mistake or error, not affecting the result, is not ground for recommitting or of setting aside the report.⁶⁸²

A re-reference is not necessary where errors in the report can readily be corrected by the court.⁶⁸³ Where the evidence is substantially conflicting the report will be sustained.⁶⁸⁴

Parts of the report not specifically excepted to are taken as admitted.⁶⁸⁵

§ 417. Damages in equity—When established license fee the basis of recovery in equity.

Where there is an established license fee it is the measure of the damages to be recovered for an infringement;⁶⁸⁶ although it “constitutes no element affecting the profits derived by the defendant.”⁶⁸⁷

Proof of an established license fee, therefore, in equity as at law, bears only upon damages and is irrelevant upon the subject of the complainant's recovery of profits.

Prior to the Act of 1870, profits and damages were not recoverable in a single suit, profits only being assessable

681. Lurton, J., in *Columbus, S. & H. R. Co. Appeals*, 109 Fed. Rep. 177, 218, 48 C. C. A. 275; citing, *Camden v. Stuart*, 144 U. S. 104, 36 L. Ed. 363; *Lake Erie & W. R. Co. v. City of Fremont*, 92 Fed. Rep. 721, 34 C. C. A. 625; *Girard Life Ins. Co. v. Cooper*, 162 U. S. 529, 40 L. Ed. 1062.

682. *Gottfried v. Crescent Brewing Co.*, 22 Fed. Rep. 433.

683. *Witters v. Sowles*, 43 Fed. Rep. 405.

684. *Jaffrey v. Brown*, 29 Fed. Rep. 476; *Huttig Sash & Door Co. v. Fuelle*, 143 Fed. Rep. 363.

685. *General Fire Extinguisher Co. v. Lamar*, 141 Fed. Rep. 353, 72 C. C. A. 501.

686. *Suffolk Co. v. Hayden*, 3 Wall. 315, 18 L. Ed. 76.

687. *Sawyer, J.*, in *Knox v. Great Western Quicksilver Mining Co.*, 6 Sawyer 430, 4 Bann. & Ard. 25, 14 Off. Gaz. 897, Fed. Case, No. 7907.

in equity, and damages only being imposed as the remedy at law.⁶⁸⁸ Section 55 of that act gave to courts of equity the power to award or multiply damages, in addition to the accounting of profits.⁶⁸⁹ The legislative purpose in this enactment was to provide for a complete and adequate remedy in equity, in those cases where the defendant could not be shown to have made any profit,⁶⁹⁰ and in the cases where the defendant's proven profits were manifestly inadequate compensation to the complainant.⁶⁹¹

§ 418. Damages in equity—How proven.

The general rule is that damages in equity may be proven just as in actions at law. They may be awarded even in the absence of any proof as to the defendant's profits.⁶⁹² An established royalty is a proper standard by which to measure the damages,⁶⁹³ and it may be proven by licensing contracts made during the pendency of the case.⁶⁹⁴

The complainant may invoke his own profits on the patented article as a basis for the assessment of damages. He "is not required to show by direct evidence that he would have made all or some part of the sales which were made by his competitor, and, indeed, it would generally be impossible to do so; but he must prove facts and circumstances which legitimately create the pre-

688. *Willimantic Thread Co. v. Clark Thread Co.*, 27 Fed. Rep. 865.

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

690. *Marsh v. Seymour*, 97 U. S. 348, 24 L. Ed. 963; *Yale Lock Co. v. Sargent*, 117 U. S. 536, 29 L. Ed. 954; *Burdett v. Estey*, 3 Fed. Rep. 566.

691. *Simpson v. Davis*, 22 Fed. Rep. 444.

692. *Locomotive Safety Truck Co. v. Pennsylvania R. R. Co.*, 2 Fed. Rep. 671, 681.

693. *Locomotive Safety Truck Co. v. Pennsylvania R. R. Co.*, 2 Fed. Rep. 671, 682.

694. *P. P. Mast & Co. v. Superior Drill Co.*, 154 Fed. Rep. 45, 51.

sumption that he would have made the sales himself had it not been for the sales of the infringer.”⁶⁹⁵ But there is no presumption that the complainant would have made such sales, and where the master estimated damages on the basis of such a presumption the cause was referred back to him with leave to the complainant to introduce further testimony.⁶⁹⁶

Where the proper foundation has been laid, the profits which the complainant might have made on sales to the extent of the defendant’s sales may be awarded to him as damages, though in excess of the defendant’s profits, but it is not proper to add his losses to the defendant’s profits.⁶⁹⁷

The complainant must show that he was able to supply the demand supplied by the defendant, in order to recover damages upon the basis of what his profits would have been had he sold the number of devices sold by the defendant.⁶⁹⁸

§ 419. Profits—Difficulty of proving.

In approaching the question of profits in equity, we find that the burden of proof placed upon the complainant renders the recovery of substantial profits a matter of the utmost difficulty. The defendant was not held accountable for either substantial profits or substantial damages in any appreciable number of the reported cases. The general rule was thus expressed by the Supreme Court:

“The patentee must in every case give evidence tending to separate or apportion the defendant’s profits and

695. Wallace, J., in *Covert v. Sargent*, 38 Fed. Rep. 237. To the same effect, see, *Kinner v. Shepard*, 107 Fed. Rep. 952.

696. *Jennings v. Rogers Silver Plate Co.*, 105 Fed. Rep. 967.

697. *Westinghouse v. New York Air Brake Co.*, 131 Fed. Rep. 607.

698. *McSherry Mfg. Co. v. Dowagiac Mfg. Co.*, 160 Fed. Rep. 948.

the patentee's damages between the patented features and the unpatented features, and such evidence must be reliable and tangible, and not conjectural and speculative; or he must show by equally reliable and satisfactory evidence that the profits and damages are to be calculated on the whole machine, for the reason that the entire value of the whole machine as a marketable article is properly and legally attributable to the patented feature." 699

The problem of separating the patented from the unpatented features has proved a bulwark of safety for the infringer in numerous cases. The Circuit Court of Appeals for the Second Circuit has conceded that "in many cases, where it is obvious that the patented invention has contributed a great part of the profits realized from selling the infringing article or apparatus embodying unpatented features, it is practically impossible for the complainant to establish affirmatively the proportionate part." 700 It has been argued that the infringer is in the position of a trustee *ex maleficio*, and should be subjected to the ordinary rule that a trustee who has commingled trust funds with his own, so that they cannot be segregated, must account for the whole. Of this argument, the Court of Appeals last quoted from has said, "such a rule would work unjustly in many cases, as where the patented feature is of an insignificant part of a machine or article; and it is probably because of its manifest inequity in such cases that the courts have placed upon the complainant the burden of proof." 701

699. *Garretson v. Clark*, 111 U. S. 120, 28 L. Ed. 311, quoting the language of Mr. Justice Blatchford in the circuit court in *Garretson v. Clark*, 15 Blatchf. 70, Fed. Case 5248.

700. *Wales v. Waterbury Mfg.*

Co., 101 Fed. Rep. 126, 41 C. C. A. 250.

701. *Wales v. Waterbury Mfg. Co.*, 101 Fed. Rep. 126, 41 C. C. A. 250; quoted and followed, in *Westinghouse v. New York Air Brake Co.*, 140 Fed. Rep. 545, 549, 72 C. C. A. 61.

The practical application of the rule of *Garretson v. Clark* has been to greatly impair the value of patent property, by giving to infringer the benefit of a rule with which the plaintiff can rarely comply. It is entirely probable that the Supreme Court may modify or qualify that rule in the future, and mitigate the evils which have arisen under it. In Great Britain we find high authority saying that "the fact that only part of the machine is an infringement is immaterial, since each thing produced by the assistance of such part is itself an infringement of the plaintiff's patent, and to that extent occasions damage by interfering with the plaintiff's trade."⁷⁰² And we find their courts averse to the practice of setting aside judgments for damages for infringement because of the difficulties attending the proof; saying, for example, "no one can doubt that in this case there was substantial damage, and the difficulty and impossibility of stating the precise ground for assessing it at any particular figure does not seem to be a sufficient reason for giving only a nominal sum."⁷⁰³

§ 420. Some suggestions preliminary to analysis of the cases bearing on profits.

In endeavoring to summarize the chaotic decisions relating to the recovery of profits in equity, these general suggestions may aid in laying a general foundation. *Imprimis*, it was never the intent of Congress to place upon the patentee or his assigns the burden and difficulty which now make the complainant in an accounting wander through an endless labyrinth. The tortuous course of the account is a monument to judicial obstructions cast in the way of a statutory remedy.

702. Terrell on Patents (Fourth Edition, 1906), p. 331.

703. Wright, J., in *Ungar v. Sugg*, 8 P. O. R. 388.

The patent act provides for treble damages; the Equity Rules direct the accounting party to bring in his account in the form of debtor and creditor (Rule 79); the first remedy shows the solicitude of Congress that the inventor should be made whole by the tortfeasor, the second, that the Supreme Court in establishing the Equity Rules intended that the procedure on accounting should be speedy and simple, and that the burden of proof should be upon the defendant on accounting, and not on the complainant.

As to the burden of proof the inequity of shifting it from the one who has done the wrong to the one who has suffered the injury, is a strange perversion of the status of the parties. To extend that doctrine to the length of compelling the complainant to segregate what part of the total profits realized by the defendant was due to the infringement, from that which was not, fits strangely with the definitions of equity. Are these strange doctrines founded on statute? If not, where do they find their counterpart or analogy in the general principles of equity?

The question of the burden of proof lies very near the inception of the tangled and confusing judge-made doctrines affecting, and well-nigh prohibiting, the recovery of money judgments for patent infringement in equity. But the question of the burden of proof should be considered apart from, and not inextricably interwoven with, the established doctrines which may be thus tabulated:

1. That the right of the owner of a patent to recover profits in equity depends upon the status of the patent in its art, no matter how exact the infringement may be.

2. That the extent of the recovery of profits in equity depends upon the extent to which the infringement makes the article containing the infringement salable, no matter how exact the infringement may be.

3. That the extent of the recovery of profits in equity is controlled by the fact that there was open to the infringer some unpatented machine or method by which he could have accomplished the same, or a similar result, no matter how exact the infringement may be.

§ 421. The fundamental rule as to profits.

A proper understanding of the law governing the assessment of profits for patent infringement must begin with the basic rule which was expressed by Mr. Justice Gray, as follows:

“Upon a bill in equity by the owner against infringers of a patent, the plaintiff is entitled to recover the amount of gains and profits that the defendants have made by the use of his invention.

“This rule was established by a series of decisions under the Patent Act of 1836, which simply conferred upon the courts of the United States general equity jurisdiction, with the power to grant injunctions, in cases arising under the patent laws.”⁷⁰⁴

The foregoing extract is of value because it clearly sets forth the elementary rule concerning the assessment of profits, and because it shows that the rule was judi-

704. Mr. Justice Gray, in *Tilghman v. Proctor*, 125 U. S. 136, 161, 31 L. Ed. 664, 666; citing *Livingston v. Woodworth*, 56 U. S. (15 How.) 546, 14 L. Ed. 809; *Dean v. Mason*, 61 U. S. (20 How.) 198, 15 L. Ed. 876; *Providence Rubber Co. v. Goodyear*, 76 U. S. (9 Wall.), 788, 19 L. Ed. 566; *Mowry v. Whitney*, 81 U. S. (14 Wall.) 620, 20 L. Ed. 860; *Littlefield v. Perry*, 88 U. S. (21 Wall.) 205, 229, 22 L. Ed. 577, 581; *Mason v. Gra-*

ham, 90 U. S. (23 Wall.), 261, 23 L. Ed. 86; *Tremolo Patent*, 90 U. S. (23 Wall.) 518, 23 L. Ed. 97; *Cawood Patent*, 94 U. S. 695, 24 L. Ed. 238; *Mevs v. Conover*, 131 U. S. cxlii, 11 Off. Gaz. 1111, 23 L. Ed. 1008; *Elizabeth v. American Nicholson Pavement Co.*, 97 U. S. 126, 24 L. Ed. 1000; *Root v. Lake Shore & M. S. R. Co.*, 105 U. S. 189, 26 L. Ed. 975.

cially developed in the absence of any statutory provision concerning profits. Reading further from the same opinion we find the following:

“The reasons that have led to the adoption of this rule are that it comes nearer than any other to doing complete justice between the parties; that in equity the profits made by the infringer of a patent belong to the patentee and not the infringer; and that it is inconsistent with the ordinary principles and practice of courts of chancery, either on the one hand, to permit the wrongdoer to profit by his own wrong, or, on the other hand, to make no allowance for the cost and expense of conducting his business, or to undertake to punish him by obliging him to pay more than fair compensation to the person wronged.

“The infringer is liable for actual, not for possible gains. The profits, therefore, which he must account for, are not those which he might reasonably have made, but those which he did make, by the use of the plaintiff's invention; or, in other words, the fruits of the advantage which he derived from the use of that invention, over what he would have had in using other means then open to the public and adequate to enable him to obtain an equally beneficial result. If there was no such advantage in his use of the plaintiff's invention, there can be no decree for profits, and the plaintiff's only remedy is by an action at law for damages.

“But if the defendant gained an advantage by using the plaintiff's invention, that advantage is the measure of the profits to be accounted for, even if from other causes the business in which that invention was employed by the defendant did not result in profits. If, for example, the unauthorized use by the defendant of a patented process produced a definite saving in the cost of manufac-

ture, he must account to the patentee for the amount so saved. This application or corollary of the general rule is as well established as the rule itself."⁷⁰⁵

§ 422. The subordinate rules.

The cases relating to the measure of profits recoverable for patent infringement appear to fall within three groups. These groups, and the rule of profit attaching to each are as follows:⁷⁰⁶

A. This rule we have before referred to as the rule of *Garretson v. Clark*.⁷⁰⁷ It may best be stated in the language of the court:

“When a patent is for an improvement and not for an entirely new machine or contrivance, the patentee must show in what particulars his improvement has added to the usefulness of the machine or contrivance. He must separate its results distinctly from those of the other parts, so that the benefits derived from it may be distinctly seen and appreciated.”⁷⁰⁸

This rule applies only where the patent in suit relates to an improvement upon a pre-existing and operative machine adapted to accomplish the same result, as Judge Sanborn has pointed out.⁷⁰⁹

This rule may be best understood by reference to the facts in some of the cases in which it has been applied. In the leading case of *Garretson v. Clark*⁷¹⁰ the improve-

705. Mr. Justice Gray, in *Tilghman v. Proctor*, 125 U. S. 136, 161, 31 L. Ed. 664, 667.

706. This division is suggested by Judge Sanborn's remarks, in his dissenting opinion, in, *Westinghouse Elec. & Mfg. Co. v. Wagner Elec. & Mfg. Co.*, 173 Fed. Rep. 361, 375, 97 C. C. A. 621.

707. 111 U. S. 120, 28 L. Ed. 371.

708. Mr. Justice Field, in *Garretson v. Clark*, 111 U. S. 120, 28 L. Ed. 371.

709. *Westinghouse Elec. & Mfg. Co. v. Wagner Elec. & Mfg. Co.*, 173 Fed. Rep. 361, 375, 97 C. C. A. 621.

710. 111 U. S. 120, 28 L. Ed. 371.

ment of the patent was a slight change in the jaw of the pre-existing and operative mop head.

Some of the other cases are as follows:

Where the improvement of the patent was a driver's seat used upon a pre-existing and successfully operative harvesting machine.⁷¹¹ Where the improvement of the patent provided a coupling for canal boats combined with steering apparatus so as to enable both boats to be steered by means of one mechanism, the coupling of the boats and their separate steering means being old;⁷¹² where the improvement of the patent was a revolving winged shaft attached to a pre-existing and operative corn sheller, the improvement being adapted to facilitate the movement of the corn into the sheller.⁷¹³

B. Where the invention of the patent in suit relates to but one part of a structure, which structure embodies the invention of other subsisting patents. As stated in the leading case, in applying this rule, "inventions covered by other patents were embraced in those machines. It was not shown how much of the profit was due to those other patents, nor how much of it was manufacturer's profit. The complainant was, therefore, entitled only to nominal damages."⁷¹⁴

On principle, this class of cases cannot be distinguished from those just referred to, where the prior machine or structure is unaffected by existing patents. So far as the rights of the parties to the litigation are concerned, it is immaterial whether the part of the defendant's structure embracing things foreign to the invention of the patent in suit, is made in infringement of

711. *Seymour v. McCormick*, 57 U. S. (16 How.) 480, 14 L. Ed. 1024.

712. *McCreary v. Pennsylvania Coal Co.*, 141 U. S. 459, 35 L. Ed. 817.

713. *Keystone Mfg. Co. v. Adams*, 151 U. S. 139, 38 L. Ed. 103.

714. Mr. Justice Swayne, in *Robertson v. Blake*, 94 U. S. 728, 24 L. Ed. 245.

other patents, is made under license under other patents, or is not patented at all.

C. The third group of cases, embraces those cases where the entire profits derived by the defendant from the use or sale of the infringing structure as a whole are recoverable. There is great difficulty in determining whether a case falls within this class. To make this difficulty clear, we will advert to a few of the principal cases, and note the language employed by the courts in distinguishing patents within this class.

“We see no reason, in the record, for disturbing the conclusions of the master and the Circuit Court, that the entire commercial value of the valves made and sold by the defendant was due to the improvement covered by the patent of 1866, and that the plaintiff’s valves of commerce all of them contain the improvements covered by the patent of 1866. Moreover, the master reports profits only, and finds that the plaintiff has suffered no damages in addition to the profits to be assessed against the defendant. If there had been an award of damages, and the loss of trade by the plaintiff, in consequence of the competition of the defendant, had been an element entering into those damages, it would have been a material fact to be shown by the plaintiff that it was putting on the market goods embodying the Richardson invention; but, as the plaintiff recovers only the profits made by the defendant in using in its business the Richardson invention, it is immaterial whether or not the plaintiff itself employed that invention. The profits made by the defendant cannot be increased or diminished by any act on the part of the plaintiff; and the amount of them is not affected by the question whether during the same time the plaintiff did or did not use the patented invention.

“In regard to the holding by the master and the court that all the profits of the defendant from the valves it

made and sold were to be attributed to the employment by it of the improvement covered by the patent of 1866, we hold that, in view of what was determined in the former opinion of this court, and on the whole case, the safety valves known to the art and open to be used by the defendant would not do the same work as the Richardson invention covered by the patent of 1866, or have any commercial value; and that, within the case of *Garretson v. Clark*,⁷¹⁵ it appears, by reliable and satisfactory evidence, that the profits made by the defendant are to be calculated in reference to the entire valve made and sold by it, for the reason that the entire value of the valve, as a marketable article, is properly and legally attributable to the patented feature of the patent of 1866.”⁷¹⁶

Where the patent was for an improved process of manufacturing car wheels, the Supreme Court said: “The question to be determined * * * is, what advantage did the defendant derive from using the complainant’s invention over what he had in using the other processes then open to the public, and adequate to enable him to obtain an equally beneficial result. The fruits of the advantage are his profits.”⁷¹⁷

This phase of the subject has been admirably supplemented by Mr. Chief Justice Waite, as follows:

“It does not necessarily follow from this that where the patent is for one of the constituent parts and not for the whole of a machine, the profits are to be confined to what can be made by the manufacture and sale of the patented part separately. If, without the improvement, a machine adapted to the same use, can be made, which

715. 111 U. S. 120, 28 L. Ed. 371.

716. Mr. Justice Blatchford, in *Crosby Steam Gage & Valve Co. v. Consolidated Safety Valve Co.*,

141 U. S. 441, 458, 35 L. Ed. 809, 814.

717. Mr. Justice Strong, in *Mowry v. Whitney*, 14 Wall. 620, 20 L. Ed. 860.

will be valuable in the market and saleable, then, as was further said in *Movry v. Whitney*,⁷¹⁸ the inquiry is 'What was the advantage in cost, in skill required, in convenience of operation or marketability' gained by the use of the patented improvement? If the improvement is required to adapt the machine to a particular use, and there is no other way open to the public of supplying the demand for that use, then it is clear the infringer has by his infringement secured the advantage of a market he would not otherwise have had, and that the fruits of this advantage are the entire profits he has made in that market. Such, we think, is this case. Pumps for all ordinary and many extraordinary uses, were very old, but in the new developments of business something was wanted to take the gas from the casing of an oil well and conduct it safely to the furnace of the engine. 'With that special purpose in view,' this inventor took the well known parts of an ordinary double-action pump, changed some of them slightly in form, added a new device, and produced something which would do what was wanted. While nominally he only made an improvement in pumps, he actually made an improved pump. For ordinary uses the improvement added nothing to the value of the old pump, but for the new and special purpose in view, the old pump was useless without the improvement. The testimony shows that there was no market for pumps adapted to this particular use, except in the oil producing regions of Pennsylvania and Canada. The demand was limited as well as local. Less than a thousand pumps actually supplied all who wanted them. But for that particular use no other pump could at the time be sold. If the appellant kept the control of its monopoly under the patent, it alone had the advantage of this market.

718. 81 U. S. (14 Wall.) 620,
651, 20 L. Ed. 860.

Unless the appellees got the improved pump, they could not become competitors in that field, and just to the extent they got into the field they drove the appellant out. Through their infringement they got the advantage of selling the pumps that had upon them the patented improvement. Without it no such sales would have been effected. The fruits of the advantage they gained by their infringement were, therefore, necessarily the profits they made on the entire sale.

“This is an exceptional case. A limited locality required a particular kind of pump, to be used only in that locality for a special purpose. The market was not only limited to a particular locality, but it was unusually limited in demand. A single manufacturer, possessing the facilities the appellant had, could easily and with reasonable promptness fill every order that was made. There was no other pump that could successfully compete with that controlled by the patent. Under these circumstances, it is easy to see that what has been the appellees’ gain in this business must necessarily have been the appellant’s loss and, consequently, the appellant’s damages are to be measured by the appellees’ profits derived from their business in that special and limited market. This, as it seems to us, is the logical result of the rule which has been stated. By infringing on the appellant’s rights, the appellees obtained the advantage of the increased marketability of their pumps. The action of the court below, therefore, limiting the field of inquiry as to damages, cannot be sustained.”⁷¹⁹

In another case the Supreme Court has said: “Where the patented invention is for a new article of manufacture, which is sold separately, the patentee is entitled to

719. Mr. Chief Justice Waite,
in *Goulds Mfg. Co. v. Cowing*, 105
U. S. 253, 26 L. Ed. 987.

damages arising from the manufacture and sale of the entire article." And in the same opinion the court throws an important sidelight upon the subject by saying: "It is further claimed that the master ought to have reported nominal damages only, because there was evidence before him to the effect that the defendants, at the time they made and sold the complainant's grate, likewise made and sold another kind of a grate, called the Hathaway grate, and that the same price was received for both kinds. From this it is said to follow that there was no advantage derived by the defendants from the manufacture and sale of the complainant's grate, above that which they would have received had they made and sold the Hathaway grate only. We do not think that the consequence suggested necessarily follows as matter of fact, nor that it has any relevancy as matter of law." 720

In another case before the Supreme Court the claims were:

"1. A concrete pavement laid in detached blocks or sections, substantially in the manner shown and described.

"2. The arrangement of tar-paper or its equivalent between adjoining blocks of concrete, substantially as and for the purpose set forth."

The position of the patent in its art is thus described: "The invention of Schillinger was a very valuable one. The evidence is that it entirely superseded the prior practice of laying concrete pavements in a continuous, adhering mass."

The Supreme Court sustained the award of the entire profits, saying:

720. Mr. Justice Shiras, in Warren v. Keep, 155 U. S. 265, 268, 39 L. Ed. 144, 145.

“As to the amount of the decree, we think the court properly awarded the sum of four cents per square foot as the profits of the defendant, and that it was right to give to the plaintiff the entire profits made by the defendant by the laying by him of his concrete flagging, in view of the testimony in the case. It clearly appears that the defendant’s concrete flagging derived its entire value from the use of the plaintiff’s invention, and that if it had not been laid in that way it would not have been laid at all.”⁷²¹

This rule as to profits has been recognized upon facts coming within the scope of the leading cases from which we have quoted, in many cases on circuit and in the Circuit Court of Appeals, some of which are collected in the footnote.⁷²²

A noteworthy feature of the rules which we have been considering is, that it is apparent that there are gradations which the courts cannot deal with properly by forcing patents into either one or the other of the classes which we have indicated as A, B and C. And it is curious that this whole subject of the measure of profits appears to be hopelessly mixed up with the question of the burden of proof.

It is manifest that the extent to which the infringing structure owes its saleability to the infringement ought to be the basis of the complainant’s recovery.

It is manifest that in any event short of an absolute copy of the patented device, with nothing added, it is impossible for any court to exactly determine to what de-

721. Mr. Justice Blatchford, in *Hurlbut v. Schillinger*, 130 U. S. 456, 32 L. Ed. 1011.

722. *Zane v. Peck*, 13 Fed. Rep. 475; *Fifield v. Whittemore*, 33 Fed. Rep. 835; *Creamer v. Bowers*, 35 Fed. Rep. 206; *Brennan & Co.*

v. Dowagiac Mfg. Co., 162 Fed. Rep. 472, 475, 89 C. C. A. 392, 395; *Dowagiac Mfg. Co. v. Superior Drill Co.*, 162 Fed. Rep. 479, 481, 89 C. C. A. 399; *Orr & Lockett Hdw. Co. v. Murray*, 163 Fed. Rep. 54, 56, 89 C. C. A. 492.

gree the salability of the structure depends upon the infringement. It is like the error which we have noted, of forcing all patents into one of two classes, pioneer or secondary. It is a convenient way of disposing of troublesome questions of fact, but expediency is one thing, and the equitable award of profits is quite another.

It is worth noting, also, in this connection, that on the question of the salability of the infringing device the physical structure of the device apparently is the only thing that has been considered.

In the earlier stages of the same litigation the question of extensive sales as proof of the presence of invention is frequently met with evidence that the sales were due to extensive advertising, rather than to the merits of the invention.

Why is it not equally competent to make such proof upon the accounting, to demonstrate that the profits were due, to a greater or less extent, to advertising? In the case of small articles, such as hand-tools and toys, the finish, color, or method of packing may have quite as much to do with inducing extensive sales as a minor part of the structure, which infringes the patent in suit. The writer believes that all of these facts, and any others which actually bear upon the salability of the defendant's structure, should equitably be considered in fixing that portion of his profits for which the defendant should account where the salability of the structure is not entirely due to the infringement.

§ 423. The complainant's burden of proof as to profits.

What the infringer makes is "profits;" what the owner of the patent loses by the infringement is "damages."⁷²³ The burden rests upon the complainant to

723. *Diamond Stone Sawing Mach. Co. v. Brown*, 166 Fed. Rep. 306, 92 C. C. A. 224.

establish, in every suit for patent infringement the validity of his patent (save where the respondent is estopped to deny it), and its infringement by the respondent; the right to an accounting is incidental to the right of injunction,⁷²⁴ unless it appears from the record that the respondent has realized no profits, or that the complainant has failed either to mark or give notice under § 4900, R. S. U. S.⁷²⁵

When the accounting is entered upon, therefore, there is against the respondent the finding that he has infringed, and, as the accounting party, he may properly be directed by the master to bring in his account in the form of debtor and creditor, under Equity Rule 79.

Where the infringing structure merely embodies the infringement, the recovery of the entire profits is merely a matter of debit and credit, under rules set out elsewhere in this book, all of which rest upon comparatively well-settled doctrine. But where the structure containing the infringement also embodies other matter, patented or unpatented, which is a factor in the profits realized by its use or sale, the burden of proof, as the decisions now stand, is upon the complainant to segregate the part of the profits arising from the infringement from the general profits accrued from the infringement.⁷²⁶ This principle, Judge Severens has said, "is well settled; but, before it can be applied, it is incumbent on the defendant to prove that the peculiar characteristic features or some substantial part of such peculiarities of the former patents (or other matter foreign to the infringed claim) were embodied in the patented articles sold, and that

724. *Stevens v. Gladding*, 58 U. S. 447, 15 L. Ed. 155.

725. *Standard Elevator Co. v. Crane Elevator Co.*, 76 Fed. Rep. 767, 22 C. C. A. 549.

726. *Garretson v. Clark*, 111 U. S. 120, 28 L. Ed. 371; *Canda Bros. v. Michigan Malleable Iron Co.*, 152 Fed. Rep. 178, 81 C. C. A. 420.

they were of such a character that they probably contributed to the profits.⁷²⁷ On this being shown, the burden of proof is devolved on the party seeking to recover the profits to prove what part of the entire profits are due to the use of his own invention. He must make the separation of values and show to the court how much is his rightful proportion.⁷²⁸ Here is the rock on which many patent causes have been stranded at the end of their course, for, though it can sometimes be done, it is generally next to impossible to distinguish the profit due to one rather than another of the characteristics of the article sold, or manufactured to be sold. The price is single, and it would rarely happen that either the buyer or the seller would contemplate the price as made up of components grounded on such a distinction. The facts are similar to those which in other cases would condemn the guilty party to suffer the consequences of his mingling indistinguishably the property of an innocent party with his own or that of another. Counsel for defendant has argued this question upon the theory that the rule laid down in the case of *Elizabeth v. Pavement Co.* was an exception merely to that stated in *Garretson v. Clark*, and seems to suppose that, in every case where some element or elements of a combination found in a former patent is found also in the infringing article, the burden is cast upon the plaintiff to prove either that it did not affect the selling price of the article, or, if it did, to show what part of the price was due to his own invention. But such a rule would be inconsistent with the decision in *Elizabeth v. Pavement Co.* We think the two cases above mentioned are not inconsistent, and that they are easily reconciled upon the assumption that the rule

727. *Elizabeth v. Nicholson* 728. *Garretson v. Clark*, 111
Pavement Co., 97 U. S. 126, 24 L. U. S. 120, 28 L. Ed. 371.
Ed. 1000.

of the first case is applicable to the question of the burden of proof of showing the presence of the extraneous element and the probability that it has affected the price, and that the rule in the second case relates to the burden of proof after those facts are established. Thus, in the later case of *Keystone Mfg. Co. v. Adams*,⁷²⁹ in summing up the conclusions reached thereon, one was stated to be 'that where the infringed device was a portion only of defendant's machine, which embraced inventions covered by patents other than that for the infringement of which the suit was brought, in the absence of proof to show how much of that profit was due to such other patents, and how much was a manufacturer's profit, the complainant is entitled to nominal damages only,' from which it seems that the conditions stated must have been made to appear before the rule stated could be applied.

“Where the extraneous matter is another invention which is the subject of a monopoly in some other person, the reasons for the rule requiring a distinguishing of profits becomes clearer because of the necessity of preventing a double liability on the part of the defendant; but the reasons for its application to any other case are vague, and the practice difficult. In the present cause the court below held that it was not proven that the inventions of the Cushing and Thornburgh patents, or either of them, were embodied in the casings on which the profits were calculated, or contributed thereto, and in this we entirely agree. An examination of the testimony in the record shows that some of the forms or parts of the combinations of those patents are to be found in the Canada patent, but nothing which represents any patented device of Cushing or of Thornburgh. Nor do we find any substantial thing deserving of being reckoned as a

729. 151 U. S. 145, 148, 38 L. Ed. 103.

factor to which a portion of the price was due. It was settled as between these parties by the former decree that there was nothing in the prior art which anticipated the invention of the patent in suit, and that conclusion cannot now be disputed. The unpatented elements of the Cushing and Thornburgh patents (and they were all singly unpatented) were common property. Any other inventor might take them, if he did not take an entire combination, and use them as parts of his own structure, and, if they were a fit embodiment of his own ideas, they, in his combination, represented parts of his invention, and the invention pervaded the whole structure. We therefore conclude that there was no error in disallowing this exception."⁷³⁰

The foregoing application of the doctrine to concrete facts, as well as the incidental elucidation of the general doctrine, are well worthy of careful consideration.

This doctrine is generally known as the rule of *Garretson v. Clark*,⁷³¹ and its application in the several circuits has made the recovery of more than nominal amounts a rare occurrence in patent cases. From the notable cases in which it is presented we extract the following.

Judge Townsend, in a case involving a numbering stamp, has said:

“These facts indicate that the device covered by the claim of the patent in suit were mere improvements, and, as stated by complainant’s own officers, were in the line of simplicity of construction and consequent saving in cost of manufacture. There is no satisfactory evidence that the machine was more saleable by reason of these improvements; the testimony of defendants, re-

730. *Canda Bros. v. Michigan Malleable Iron Co.*, 152 Fed. Rep. 178, 181, 81 C. C. A. 420. 731. 111 U. S. 120, 28 L. Ed. 371.

ferred to above, tends to show that their sales were unaffected by the presence or absence of said devices. There is no evidence that the improvements introduced any new function or result, nor any satisfactory proof that the machines were by reason thereof more convenient or practical for the user, or more commercially successful. In short, there is no evidence that the patented improvements were a dominant feature of the machine, or contributed to its sale, or created a new article, or obviated prior objections in practical operation, or which shows that the sales may not have depended upon advertising, changed discounts, and other mere business methods. Furthermore, there is evidence that other machines, not containing these patented improvements, were on the market, and were salable. In these circumstances, the defendant is only liable for profits realized from the use of that part of the patented invention which is new, and which he has wrongfully appropriated, and the complainant must furnish evidence from which the profits may be thus apportioned, or he cannot recover.”⁷³²

One of the ablest commentaries upon the rule of *Garretson v. Clark* is that of Judge Severens, from which we quote:

“Counsel relies upon the case of *Garretson v. Clark* (111 U. S. 120, 28 L. Ed. 371), to support the conclusion which he states as follows:

“ ‘The action of the court in rendering judgment against defendant for any amount whatever, in the total absence of any evidence even tending to show that the defendant has made any profits growing out

732. *Force v. Sawyer-Boss Mfg. Co.*, 143 Fed. Rep. 894, 897, 75 C. C. A. 102; citing, *Ingels v. Mast*, 6 Fish. Pat. Cas. 415, Fed. Case 7033; *McCreary v. Pennsylvania Canal Co.*, 141 U. S. 459, 35 L. Ed. 817; *Brickill v. Mayor of New York*, 112 Fed. Rep. 65, 50 C. C. A. 1.

of his use of the patented invention, as distinguished from that part of the device which belonged to the public, was clearly erroneous and should be reversed.'

"The unanimity with which infringers seek the shelter of that case is something remarkable. But it is a misconception to suppose that it has any application to a case like this, as must be seen upon a due consideration of it. It was a case founded on patents for improvements 'in the method of moving and securing in place the movable jaw or clamp of a mop-head,' as Mr. Justice Field puts it. To be more precise, it was for the provision of a nut to be connected with the collar of the movable clamp and adapted to move up or down on the threaded shank of the handle. And, as the learned justice says, 'with the exception of this mode of clamping, mop-heads like the plaintiff's had been in use time out of mind.' Then he proceeds to state the rule so often cited:

" 'When a patent is for an improvement, and not for an entirely new machine or contrivance, the patentee must show in what particulars his improvement has added to the usefulness of the machine or contrivance. He must separate its results distinctly from those of the other parts, so that the benefits derived from it may be distinctly seen and appreciated. The rule on this head is aptly stated by Mr. Justice Blatchford in the court below: "The patentee," he says, "must in every case give evidence tending to separate or apportion the defendant's profits and the patentee's damages between the patented feature and the unpatented features, and such evidence must be reliable and tangible, and not conjectural or speculative; or he must show, by equally reliable and satisfactory evidence, that the profits

and damages are to be calculated on the whole machine, for the reason that the entire value of the whole machine, as a marketable article, is properly and legally attributable to the patented feature.”’

“Thus it is seen that what he is speaking of is a patent for an improvement, and not of an entirely new machine or contrivance, and its application to the latter is further excluded when he speaks of the apportionment ‘between the patented feature and the unpatented features.’ Now when we remember that there are two classes of patents, one for simple elements, and another for combinations of elements, and the distinguishing characteristics of the two classes, it is readily seen how impossible it is to apply this language to the other class of patents than those of the class specified. In a combination patent there are no unpatented features in the sense that they are separable from patented ones, and no one of the elements is patented. They may all be old and not patentable at all unless there is some new combination of them. The point to be emphasized is that the law looks not at the elements or factors of an invented combination as a subject for a patent, but only to the combination itself as a unit distinct from its parts, and in such case there could be no comparison of patented and unpatented parts.

“On the other hand, an improvement presupposes something already existing and which would remain if the improvement were to be taken off. In such a case there would be little difficulty in finding the value of the former structure, if it had any, and comparing it with the improvement added; and of course the difference would be the value of the improvement. Such a case was *Garreston v. Clark*. Another good illustration is the case of the harvester improved by the driver’s seat, in *Seymour v. McCormick* (16 How. 480, 14 L. Ed. 1024), to

which we referred in a former discussion of this subject. By parity of reasoning, if the combination were in itself but part of the structure in which it is located, the question would be upon a comparison of the value of the other parts without the patented combination and the value of all the parts assembled in a structure. This distinction was referred to by us in the case of *Brennan & Co. v. Dowagiac Mfg. Co.* (162 Fed. Rep. 475, 89 C. C. A. 392). But it was not new. It was distinctly implied, if not expressed in *Garretson v. Clark*. It has been made the basis of decision by Judge Wheeler in *Ruggles v. Eddy* (2 Ban. & A. 627, Fed. Case 12116); by Judge Shipman in *Zane v. Peck* (13 Fed. Rep. 475), distinguishing *Garretson v. Clark*; by Judge Colt in *Fifield v. Whittemore* (33 Fed. Rep. 835), and by Judge Wales in *Creamer v. Bowers* (35 Fed. Rep. 206). It seems to us that this distinction would, if attended to, go far toward relieving the embarrassment which has sometimes been encountered from the assumption that the rule laid down in *Garretson v. Clark* applies to the infringement of patents of all descriptions.’’⁷³³

§ 424. The liability of the user for profits.

The liability of one who infringes by use alone, is settled by the Supreme Court as follows:

“On the second hearing before the master, it was shown and he so found and reported, that there were methods and furnaces, other than those of the plaintiff’s and other than those burning dry fuel alone, which would produce the same results in generating heat, for the purposes for which the defendants used the heat, and which methods and furnaces they had a right to use, and that

733. *Yesbera v. Hardesty Mfg. Co.*, 166 Fed. Rep. 120-124, 92 C. C. A. 46.

the saving to them of profits made by them, by use of the plaintiff's inventions, over the other furnaces, was not proved. Such being the case, the report could not have been otherwise than as it was.

“It does not always follow that because a party may have made an improvement in a machine and obtained a patent for it, another using the improvement and infringing upon the patentee's rights will be mulcted in more than nominal damages for the infringement. If other methods in common use produce the same results, with equal facility and cost, the use of the patented invention cannot add to the gains of the infringer, or impair the just rewards of the inventor. The inventor may indeed prohibit the use, or exact a license fee for it, and if such license fee has been generally paid, its amount may be taken as the criterion of damage to him when his rights are infringed. In the absence of such criterion, the damages must necessarily be nominal.”⁷³⁴

The curious suggestion of the foregoing quotation is that there may be a valid patent for a new machine which produces the same results, with the same facility and at the same cost as the machines of the prior art. But from another view point it would seem that these expressions were employed to show that unless the complainant shows a saving, in time, money or otherwise by the use of his invention, or that it accomplishes a new result, it cannot be presumed that the defendant user has profited by the use of the invention; if no such saving or advantage in the use of the patent exists, it can hardly possess the essential requirements of a valid patent, and it is, indeed, difficult to see why an accounting should be ordered, as against one who infringes by use alone.

734. Mr Justice Field, in *Black v. Thorne*, 111 U. S. 122, 28 L. Ed. 372.

§ 425. Defendant's credits upon the accounting.

The extent of the defendant's sales, and the gross amount received therefrom, are matters of simple calculation where the books of account are available. The credits which the defendant may claim as lessening his profit are the subject of numerous reported cases.

a. As to the allowance of interest on the capital invested, if the plant is wholly devoted to the manufacture of the infringing article, probably the allowance should be made;⁷³⁵ but where other articles are manufactured in the same plant, no allowance can be made unless the evidence shows clearly what the proper apportionment of interest between the various kinds of business should be.⁷³⁶

b. The cost of material is allowable.⁷³⁷

c. Salaries of managing officers will be allowed, except where they are excessive, and really a division of profits under the guise of salaries, when only so much will be allowed as appears reasonable.⁷³⁸

d. Salaries and wages of salesmen and workmen are allowable,⁷³⁹ but these must be reasonable, and connected directly with the infringing work, and where defendant's daily production was only one-half the capacity of his machine, his allowance was made on the basis of one-half the pay given the operatives of the machine.⁷⁴⁰

e. Taxes are not allowable.⁷⁴¹

735. *Goulds Mfg. Co. v. Cowing*, 105 U. S. 257, 26 L. Ed. 988.

736. *Seabury & Johnson v. Am Ende*, 152 U. S. 561, 38 L. Ed. 553.

737. *National Folding Box & Paper Co. v. Dayton Paper Novelty Co.*, 95 Fed. Rep. 991, 992.

738. *Callaghan v. Myers*, 128 U. S. 663, 664, 32 L. Ed. 547; *Winchester Repeating Arms Co. v.*

American Buckle & Cartridge Co., 62 Fed. Rep. 279, 280.

739. *National Folding Box & Paper Co. v. Dayton Paper Novelty Co.*, 95 Fed. Rep. 991, 993.

740. *Kinner v. Shepard*, 117 Fed. Rep. 48.

741. *Winchester Repeating Arms Co. v. American Buckle & Cartridge Co.*, 62 Fed. Rep. 278, 281.

- f. Premiums for fire ⁷⁴² and employer's liability ⁷⁴³ insurance are not allowable.
- g. No allowance will be made for the use of real estate owned by the infringer.⁷⁴⁴
- h. Attorney's fees are not allowable.⁷⁴⁵
- i. No allowance will be made for a physician's charge for attending an injured employee.⁷⁴⁶
- j. Sums paid a reporting agency for credit information will be allowed.⁷⁴⁷
- k. Advertising expenditures will be allowed.⁷⁴⁸
- l. Commissions paid on sales are allowable.⁷⁴⁹
- m. Rental paid for office and factory premises is allowable.⁷⁵⁰
- n. Court costs, record printing and the like, expended in other litigation, are not allowable.⁷⁵¹

§ 426. Increasing damages by the court.

Under § 4921, R. S. U. S., damages may be increased by the court, in equity as well as at law.⁷⁵²

742. Winchester Repeating Arms Co. v. American Buckle & Cartridge Co., 62 Fed. Rep. 278, 281.

743. National Folding Box & Paper Co. v. Dayton Paper Novelty Co., 95 Fed. Rep. 991, 992.

744. Winchester Repeating Arms Co. v. American Buckle & Cartridge Co., 62 Fed. Rep. 278, 281.

745. Winchester Repeating Arms Co. v. American Buckle & Cartridge Co., 62 Fed. Rep. 278, 281; Piaget Novelty Co. v. Headley, 123 Fed. Rep. 896.

746. Winchester Repeating Arms Co. v. American Buckle &

Cartridge Co., 62 Fed. Rep. 278, 281.

747. Winchester Repeating Arms Co. v. American Buckle & Cartridge Co., 62 Fed. Rep. 278, 281.

748. Goulds Mfg. Co. v. Cowing, 105 U. S. 257, 26 L. Ed. 988.

749. Kissinger-Ison Co. v. Bradford Belting Co., 123 Fed. Rep. 91, 94, 59 C. C. A. 221.

750. Piaget Novelty Co. v. Headley, 123 Fed. Rep. 897, 898.

751. Piaget Novelty Co. v. Headley, 123 Fed. Rep. 897, 898.

752. Carew v. Boston Elastic Fabric Co., 5 Fisher 90, Fed. Case No. 2397.

They may be increased wherever the infringement was flagrant,⁷⁵³ or because it was continued after the institution of the suit,⁷⁵⁴ where the defendant has destroyed its books of account relating to the infringement,⁷⁵⁵ or gave an indemnity bond and cut his price to get the business of a licensee of the plaintiff.⁷⁵⁶

Where the damages are increased by the court, its action will not be reviewed upon appeal unless it amounts to an abuse of discretion.⁷⁵⁷

§ 427. Interest.

Interest may be allowed on damages from the date of the interlocutory decree.⁷⁵⁸

“By a uniform current of decisions of this court, beginning thirty years ago, the profits allowed in equity, for the injury that a patentee has sustained by the infringement of his patent, have been considered as a measure of unliquidated damages which, as a general rule, and in the absence of special circumstances, do not bear interest until after their amount has been judicially ascertained; and the provision introduced in the Patent Act of 1870, regulating the subject of profits and damages, made no mention of interest, and has not been understood to affect the rule as previously announced.”⁷⁵⁹

753. *Lyon v. Donaldson*, 34 Fed. Rep. 789.

754. *Fox v. Knickerbocker Engraving Co.*, 165 Fed. Rep. 442, 91 C. C. A. 386.

755. *Fox v. Knickerbocker Engraving Co.*, 165 Fed. Rep. 442, 91 C. C. A. 386.

756. *Fox v. Knickerbocker Engraving Co.*, 165 Fed. Rep. 442, 91 C. C. A. 386.

757. *Topliff v. Topliff*, 145 U. S. 156, 12 Sup. Ct. 825, 36 L. Ed. 658; *Day v. Woodworth*, 13 How.

363, 372, 14 L. Ed. 181; *Weston v. Empire Co.*, 155 Fed. Rep. 301; *Folding Box Co. v. Elsas*, 81 Fed. Rep. 197, affirmed, 86 Fed. Rep. 917, 30 C. C. A. 487; *Lyon v. Donaldson*, 34 Fed. Rep. 789, 793; *Fox v. Knickerbocker Engraving Co.*, 165 Fed. Rep. 442, 91 C. C. A. 386.

758. *Graham v. Geneva Lake Crawford Mfg. Co.*, 24 Fed. Rep. 642.

759. Mr. Justice Gray, in *Tilghman v. Proctor*, 125 U. S. 136, 31 L. Ed. 664; citing, *Silsby v. Foote*,

§ 428. Costs, in actions at law.

At common law costs were not awarded, as costs, to either party, until the Statute of Gloucester (6 Edw. I, c. 1) was enacted, giving costs in cases where the plaintiff recovered damages;⁷⁶⁰ "in various actions this statute gave to a successful plaintiff damages which were to cover 'the costs of his writ purchased.'" ⁷⁶¹ But in Federal practice, at least, costs follow the result as a matter of right,⁷⁶² except that they may be refused because of delay in filing a disclaimer.⁷⁶³

§ 429. In equity.

Costs generally, in proceedings in equity, are subject to the discretion of the court.⁷⁶⁴ In the institution of suits in equity in the Federal courts, there is no uniformity of rule as to the requirement for a cost deposit, or bond for security for costs. In certain districts a cost bond is required when the bill is filed, and in all districts some deposit of money is required at that time,

61 U. S., (20 How.) 378, 387, 15 L. Ed. 953, 956; *Mowry v. Whitney*, 81 U. S. (14 Wall.) 620, 621, 20 L. Ed. 860, 866; *Littlefield v. Perry*, 88 U. S. (21 Wall.) 205, 229, 22 L. Ed. 577, 581; *Parks v. Booth*, 102 U. S. 96, 106, 26 L. Ed. 54, 58; *Root v. Lake Shore & M. S. R. Co.*, 105 U. S. 189, 198, 200, 204, 26 L. Ed. 975, 978-980; *Illinois Cent. R. R. v. Turrill*, 110 U. S. 301, 303, 28 L. Ed. 154, 155. To the same effect, see, *National Folding Box Co. v. Dayton Paper Novelty Co.*, 97 Fed. Rep. 331; *Campbell v. New York*, 105 Fed. Rep. 631; *Yale Lock Mfg. Co. v. Sargent*, 117 U. S. 536, 29 L. Ed.

954; *Crosby Steam Gage & V. Co. v. Consolidated Safety Valve Co.*, 141 U. S. 441, 35 L. Ed. 809.

760. *Day v. Woodworth*, 54 U. S. (13 How.) 363, 372, 14 L. Ed. 181, 185.

761. *Pollock & Maitland, History of English Law*, Vol. II, p. 597.

762. *Coburn v. Schroeder*, 8 Fed. Rep. 519, 522.

763. *Dunbar v Meyers*, 94 U. S. 187, 24 L. Ed. 34; *Sessions v. Romadka*, 145 U. S. 799, 36 L. Ed. 609.

764. *Wlegand v. Copeland*, 14 Fed. Rep. 118, 122.

ranging from ten to fifty dollars. Additional deposits, or a bond, are usually required as the cause progresses.⁷⁶⁵

In the taking of testimony in equity causes, each party primarily pays the costs incurred by it.

Upon the interlocutory decree being entered, if adverse to the complainant, the costs are assessed against him. If an interlocutory decree is entered without an order for accounting, the decree will embrace costs, usually against the respondent. If the order of reference for accounting is made, the court may award the accrued costs, or the interlocutory decree may be silent as to costs, and their award be left until the entry of the final decree upon the report of the master.⁷⁶⁶

Generally, the successful complainant will be awarded costs, as they are the result of the defendant's wrongful acts;⁷⁶⁷ but where the defendant has been successful as to one or more of several claims or patents charged to be infringed, it is the usual practice to apportion the costs, in proportion to the relative success of the parties.⁷⁶⁸ But in one case where the complainant prevailed as to two of the patents in suit, but failed to prove infringement as to the third, he was awarded all the costs,⁷⁶⁹ and the Sixth Circuit Court of Appeals has said, "in equity causes this court directs the imposition of costs according to the circumstances, and apportions them or denies cost altogether by no iron-clad rule. In-

765. *Deprez v. Thomson-Houston Elec. Co.*, 66 Fed. Rep. 22.

766. *Avery v. Wilson*, 20 Fed. Rep. 856.

767. *Urner v. Kayton*, 17 Fed. Rep. 845.

768. *Stewart v. Mahoney*, 5 Fed. Rep. 302; *Albany Steam Trap Co. v. Felthousen*, 20 Fed. Rep. 633; *Hayes v. Bickelhaupt*, 21 Fed. Rep. 567; *Marks Adjustable Folding Chair Co. v. Wilson*,

43 Fed. Rep. 302; *Green v. Lynn*, 81 Fed. Rep. 387; *Idé v. Trorlicht, Duncker & Renard Carpet Co.*, 115 Fed. Rep. 137, 53 C. C. A. 341; *St. Louis Street Flushing Mach. Co. v. Sanitary Street Flushing Mach. Co.*, 161 Fed. Rep. 725, 88 C. C. A. 585; *Metallic Extraction Co. v. Brown*, 110 Fed. Rep. 665, 49 C. C. A. 147.

769. *Green v. Lynn*, 81 Fed. Rep. 387.

deed, such a rule could not be well prepared, and would more often than otherwise lead to injustice.”⁷⁷⁰

Incidental costs may be specially taxed during the progress of the cause which will not be subject to reclamation in the final decree; such as costs imposed on a defendant as a penalty for filing an insufficient demurrer,⁷⁷¹ the notarial fees paid by a defendant for affidavits used in successfully resisting an application for preliminary injunction,⁷⁷² or the costs of an incidental contempt proceeding.⁷⁷³

When, before any proofs are taken, the defendant offers to submit to a decree as prayed in the bill of complaint, if the complainant proceeds with the proofs the entire costs of the proofs will be assessed against complainant.⁷⁷⁴

§ 430. Costs on accounting.

The usual course followed as to the costs pending the reference to the master on accounting is to require each party to pay one-half the current allowances to the master, or to pay his own costs as the accounting progresses, subject to the entry of the award of costs on final decree,⁷⁷⁵ though in some instances the complainant has been required to pay the master's compensation in the first instance,⁷⁷⁶ and in others the defendant has been required to advance all the costs of the accounting.⁷⁷⁷

770. Lurton, J., in *Johnson v. Foos Mfg. Co.*, 141 Fed. Rep. 73, 90, 72 C. C. A. 105; citing, *Northern Trust Co. v. Snyder*, 77 Fed. Rep. 818, 23 C. C. A. 480.

771. *New York Belting & Packing Co. v. New Jersey Car Spring & Rubber Co.*, 32 Fed. Rep. 755.

772. *Atwood v. Jacques*, 63 Fed. Rep. 561.

773. *Spill v. Celluloid Mfg. Co.*, 28 Fed. Rep. 870.

774. *Brunswick-Ealke-Collender Co. v. Klump*, 131 Fed. Rep. 92.

775. *United States Printing Co. v. American Playing Card Co.*, 81 Fed. Rep. 506.

776. *Macdonald v. Shepard*, 10 Fed. Rep. 919.

777. *Urner v. Kayton*, 17 Fed. Rep. 539.

§ 431. What taxable as costs.

Neither party is entitled to an allowance for any expenses beyond the taxable costs enumerated in the statutes.⁷⁷⁸ The cost of brief printing is not taxable,⁷⁷⁹ nor are premiums paid a surety company for appeal or supersedeas bonds in the cause,⁷⁸⁰ and in the absence of a rule of the Circuit Court on the subject, the expense of printing pleadings and evidence for use in that court has been refused taxation, even though stipulated for by counsel, as not being embraced in the costs made taxable by § 823, R. S. U. S.⁷⁸¹ It may be observed, however, that in many districts the rules of the Circuit Court require the printing of the testimony in patent causes for use on the hearing in that court; where such rules obtain, the cost of such printing is, of course, taxable.⁷⁸²

The recent act of February 13, 1911, (see Appendix) has for the first time established the uniform rule that the record must be printed in the lower court.

Traveling expenses of counsel incurred in taking testimony are not taxable as costs.⁷⁸³

The docket fee of \$20 provided to be taxed in favor of the successful party by § 824, R. S. U. S., has been the subject of many controversies. It has been held that when a demurrer to a bill in equity is sustained, the docket fee is taxable in favor of the defendant,⁷⁸⁴ but it cannot be taxed when the demurrer is overruled with

778. *Parks v. Booth*, 102 U. S. 96, 26 L. Ed. 54.

779. *Kursheedt Mfg. Co. v. Naday*, 108 Fed. Rep. 918, 48 C. C. A. 140; *Lee Injector Mfg. Co. v. Penberthy Injector Co.*, 109 Fed. Rep. 964, 48 C. C. A. 760.

780. *Lee Injector Mfg. Co. v. Penberthy Injector Co.*, 117 Fed. Rep. 192, 48 C. C. A. 760; *Edison v. American Mutoscope Co.*, 117 Fed. Rep. 192.

781. *Lee v. Simpson*, 42 Fed. Rep. 434.

782. *Hake v. Brown*, 44 Fed. Rep. 734.

783. *Hamilton v. The William Branfoot*, 48 Fed. Rep. 914; affirmed, *The William Branfoot v. Hamilton*, 52 Fed. Rep. 390, 3 C. C. A. 155.

784. *Price v. Coleman*, 22 Fed. Rep. 694; *Greener v. Steinway*, 48 Fed. Rep. 708.

leave to the defendant to answer.⁷⁸⁵ It is not allowable when the suit is voluntarily dismissed by the complainant before any hearing, interlocutory or final,⁷⁸⁶ though one court, reasoning by the analogy of law actions, allowed a docket fee of \$5.⁷⁸⁷

The prevailing view would seem to be that the docket fee is taxable but once, and then upon that hearing of the law or facts that results in a final decree;⁷⁸⁸ though an additional docket fee has been allowed the party prevailing in a successful motion for rehearing,⁷⁸⁹ and where the cause has been heard and reheard upon the merits two docket fees have been allowed the party prevailing on both hearings.⁷⁹⁰

The docket fee is not taxable in favor of a defendant when the complainant dismisses as to one of several patents charged in the bill to be infringed.⁷⁹¹

The cost of carbon copies of testimony for the use of a party or his counsel is not taxable,⁷⁹² unless the rules of the court require the record to be printed, and the copies are secured for that purpose.⁷⁹³

Section 983, R. S. U. S., provides for the taxation as costs of "lawful fees for exemplifications and copies and papers necessarily obtained for use on trials." This section extends to copies of models in the Patent Office.⁷⁹⁴

785. *McLean v. Clark*, 23 Fed. Rep. 861.

786. *Consolidated Bunging Apparatus Co. v. American Process Fermentation Co.*, 24 Fed. Rep. 658.

787. *Kaempfer v. Taylor*, 78 Fed. Rep. 795.

788. *Cleaver v. Traders' Ins. Co.*, 40 Fed. Rep. 863.

789. *Peck, Stow & Wilcox Co. v. Fray*, 92 Fed. Rep. 947.

790. *American Diamond Rock Boring Co. v. Sheldon*, 28 Fed. Rep. 217.

791. *Luxfer Prism Patents Co. v. Elkins*, 99 Fed. Rep. 29.

792. *Atwood v. Jacques*, 63 Fed. Rep. 561; *Roundtree v. Rembert*, 71 Fed. Rep. 255.

793. *Brewster v. Shuler*, 38 Fed. Rep. 549.

794. *Wooster v. Handy*, 23 Fed. Rep. 49.

§ 432. How affected by disclaimer.

Section 4922, R. S. U. S., relating to disclaimers, provides in part as follows: "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 section does not permit a defendant to attack the validity of claims of the patent in suit which he is not charged to have infringed, for the mere purpose of settling the costs.⁷⁹⁵ Where the answer averred in general terms that a disclaimer was necessary, the patent in suit having several claims, and the complainant, on taking testimony, having limited the issues to one claim, as to which it succeeded on final hearing, the court declined to withhold an award of costs to the complainant, on the defendant's suggestion that the other claims required a disclaimer.⁷⁹⁶ The section very clearly limits the effect of delaying the filing of disclaimers, to the recovery of costs.⁷⁹⁷

§ 433. Costs must be included in decree.

Costs "are to be awarded as a part of the decree or they cannot be recovered, although they may be, and generally are, taxed after the decree."⁷⁹⁸ This is usually accomplished by a recital in the decree to the effect that it is decreed that the party shall have and recover from his opponent "his costs herein, to be taxed by the clerk under the direction of the court."

795. American Bell Telephone Co. v. Spencer, 8 Fed. Rep. 509.

796. Gamewell Fire-Alarm Telegraph Co. v. Municipal Signal Co., 77 Fed. Rep. 490, 492, 23 C. C. A. 250.

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

798. Wheeler, J., in Coburn v. Schroeder, 8 Fed. Rep. 521, 522; citing and following Sizer v. Many, 57 U. S. (16 How.) 98, 14 L. Ed. 861.

§ 434. Appellate review of orders as to costs.

No appeal lies from a mere decree respecting costs and expenses.⁷⁹⁹ This rule applies wherever no substantial question save that of costs is presented by an appeal.⁸⁰⁰

On appeal from a final decree, however, the appellate court has entire control of the question of costs as well as the merits.⁸⁰¹ But, upon appellate review, where there is an affirmance on the merits, an apportionment of the costs by the court below will not be disturbed unless there has been an abuse of its discretion.⁸⁰²

The general doctrine as to appellate review does not apply to costs awarded as between solicitor and client, nor to allowances made out of a trust fund, such questions being reviewable upon appeal, without regard to the merits.⁸⁰³ While this exception to the rule has not arisen in cases involving patents, it is obvious that it might arise.

An appellate court will revise an erroneous interpretation of its own decree apportioning costs.⁸⁰⁴

§ 435. Expert and opinion evidence in patent causes—The Patent Office Examiner as an expert.

At least theoretically, the examining corps of the Patent Office is a staff of experts, dealing with those questions of the arts and sciences to which their respective official duties relate. Their opinions, as embodied in the file of the proceedings resulting in the patent, are always

799. *Canter v. American Ins. Co.*, 3 Peters 307, 7 L. Ed. 427.

800. *Glendale Elastic Fabric Co. v. Smith*, 100 U. S. 110, 25 L. Ed. 547; *Stuart v. Boulmare*, 133 U. S. 78, 33 L. Ed. 568.

801. *Trustees of Florida Int. Imp. Fund v. Greenough*, 105 U. S. 527, 26 L. Ed. 1157.

802. *Burns v. Rosenstein*, 135 U. S. 449, 34 L. Ed. 193.

803. *Trustees of Florida Int. Imp. Fund Co. v. Greenough*, 105 U. S. 527, 26 L. Ed. 1157.

804. *Kell v. Trenchard*, 146 Fed. Rep. 245, 76 C. C. A. 611.

admissible, and are at times of considerable weight, in litigation arising under the patent, in which the validity or scope of its claims is to be determined. "That office employs the best experts in mechanics which it can secure in this and other countries. Its examinations are, indeed ex parte in form, but they are, nevertheless, conducted under hot and skilled contestation in every case of importance; and its decisions, though not conclusive, are entitled to great respect. * * * That ruling takes rank here as the testimony of experts of the highest experience, skill, and knowledge in mechanics." ⁸⁰⁵

§ 436. The qualifications of an expert witness.

Robinson, concurring with Curtis (Curtis on Patents, §§ 479-481) says: "Patent experts are of two classes—scientific experts and mechanical experts. A scientific expert is a witness who has made himself familiar, by study or experiments, with the principles of any science, and has thereby become qualified to understand, distinguish, and explain the properties of the objects to which such science appertains. A mechanical expert is a witness who, by practical training in an art, has acquired a degree of skill in its rules and manipulations which enables him to comprehend and apply its various instruments and methods. The spheres of these two classes of experts are entirely distinct." (3 Robinson on Patents, § 1013.) While this distinction is interesting, it cannot be said to be supported by the cases. The writer is inclined to prefer the simple definition of the Supreme Court of Indiana: "from the Latin, *experti*, which signifies instructed by experience. Persons who are selected

805. Boyden Power-Brake Co. v. Westinghouse Air-Brake Co., 70 Fed. Rep. 816, 827, 17 C. C. A. 430; to the same effect, see *Ideal Stopper Co. v. Crown Cork & Seal Co.*, 131 Fed. Rep. 244, 248, 65 C. C. A. 436.

by the courts or the parties in a cause, on account of their knowledge or skill, to examine, estimate and ascertain things, and make a report of their opinion.”⁸⁰⁶

§ 437. How qualifications of expert may be proven.

It is customary to prove the qualifications of the expert witness by his own testimony, and McKelvey has stated that they must be established in that manner (McKelvey, Evidence, p. 182). But that his qualifications may be established by the testimony of other witnesses has been shown in Elliott on Evidence (§ 1034) on the authority of numerous cases.⁸⁰⁷

The qualification of the expert witness is a question for the trial court. “Whether a witness called to testify to any matter of opinion has such qualifications and knowledge as to make his testimony admissible is a preliminary question for the judge presiding at the trial; and his decision of it is conclusive, unless clearly shown to be erroneous in matter of law.”⁸⁰⁸ “It is difficult to lay down any exact rule in respect to the amount of knowledge a witness must possess; and the determination of this matter rests largely in the discretion of the trial judge.”⁸⁰⁹

§ 438. The weight to be given expert testimony.

A general statement embodied by Judge Woodruff in a charge to a jury is commendable as indicating the respective values of the fact and the opinion evidence of

806. Nelson v. Johnson, 18 Ind. 329, 334.

807. State v. McMaynes, 61 Iowa 119, 15 N. W. Rep. 864; Mason v. Phelps, 48 Mich. 126; Wright v. Schnaier, 70 N. Y. S. 128; Laros v. Commonwealth, 84 Pa. St. 200.

808. Mr. Justice Gray, in Stillwell & Bierce Mfg. Co. v. Phelps, 130 U. S. 520, 32 L. Ed. 1035.

809. Mr. Justice Brewer, in Montana Railway Co. v. Warren, 137 U. S. 348, 34 L. Ed. 681.

the expert witness, as well as the importance attaching not only to his skill but his integrity. "The value of the opinions of experts differs largely in degree, in different cases. It is of first importance that the facts upon which they are founded be satisfactorily established. It is, next, of importance, that the integrity and skill of the witness be known. Where the expert states precise facts in science as ascertained and settled, or states the necessary and invariable conclusion which results from the facts stated, his opinion is entitled to great weight, Where he gives only the probable inference from the facts stated, his opinion is of less importance, because it states only a probability. Where the opinion is speculative, theoretical, and states only the belief of the witness, while yet some other opinion is consistent with the facts stated, it is entitled to but little weight."⁸¹⁰

§ 439. What may be shown by expert testimony.

The field of the expert witness in patent litigation has been thus defined by Lord Justice Lindley: "It is necessary to examine the patent, and to ascertain first what the patented invention really is; and secondly, whether the defendants have used that invention. In this, as in all cases, the nature of the invention must be ascertained from the specification, the interpretation of which is for the judge and not for any expert. The judge may, and indeed generally must, be assisted by expert evidence to explain technical terms, to show the practical working of machinery described or drawn, and to point out what is old and what is new in the specification. Expert evidence is also admissible and is often required to show the particulars in which an alleged invention has been

⁸¹⁰. Gay v. Union Mutual Ins. Co., 9 Blatchford 142, Fed. Case No. 5282.

used by an alleged infringer, and the real importance of whatever difference there may be between the plaintiff's invention and whatever is done by the defendant. But, after all, the nature of the invention for which a patent is granted must be ascertained from the specification, and has to be determined by the judge and not by the jury, nor by any expert or other witness. This is familiar law, although apparently often disregarded when witnesses are being examined."⁸¹¹

There are to be found in the reported cases, illustrations of many of the uses of expert testimony. The following is an attempt to enumerate the most usual and important subjects upon which expert testimony has been employed in patent litigation.

1. As to the meaning of terms and expressions used in the arts.⁸¹²

2. To explain drawings, models and machines, their operation, purpose and effect, and the differences existing in the various devices involved in their construction.⁸¹³

3. To state an opinion on the question of equivalency.⁸¹⁴

4. To show the inoperativeness of an alleged anticipating patent, or of the patent in suit.⁸¹⁵ Of course expert testimony on this point is of inferior value to fact testimony that the device was actually worked.⁸¹⁶ "The alleged inoperative character of the invention in suit is also dwelt upon by the defendant. It is true that the

811. *Brookes v. Steele & Currie*, 1897, 14 P. O. R. 73.

812. *Corning v. Burden*, 15 Howard 252, 14 L. Ed. 683; *Winans v. N. Y. & Erie Railroad*, 21 Howard 88, 16 L. Ed. 68; *Panzl v. Battle Island Paper Co.*, 138 Fed. Rep. 48, 70 C. C. A. 474.

813. *Norton v. Jensen*, 49 Fed.

Rep. 859, 1 C. C. A. 452; *Winans v. N. Y. & Erie Railroad*, 21 Howard 88, 16 L. Ed. 68.

814. *Foss v. Herbert*, 2 Fisher 31, Fed. Case 4957.

815. *Seymour v. Marsh*, 6 Fisher 115, Fed. Case No. 12,687.

816. *Tannage Patent Co. v. Zahn*, 66 Fed. Rep. 986, 992.

drawings in the specification were diagrammatic, were not working drawings, and that, after the principle of the invention was shown, subsequent mechanics could develop it in a better form or more perfect details than were used by the inventor before the test of actual and practical use had been applied to it; but in this case, as in many others, it is vain for a subsequent inventor, after having taken the new principle of a prior invention and having worked improved details into his mode of operation, to decry the original invention as inoperative and crude. The original invention was workable, and, while it has been improved, it has been used abundantly.”⁸¹⁷

§ 440. Criticism of expert testimony.

The reported cases abound in criticism of expert witnesses, as a class. They have been characterized as “auxiliary counselors;”⁸¹⁸ and as being “necessarily partisans of the side calling them, and essentially advocates;”⁸¹⁹ but it is believed that these strictures are unwarranted. In the argument of technical cases before courts having, at the best, limited knowledge of the arts, the expert testimony in the record is seldom useless, almost invariably of considerable value, and often controlling as to the result. Indeed, the Supreme Court has said: “As it cannot be expected that the court will possess the requisite knowledge for this purpose (i. e., the interpretation of a technical specification), it becomes necessary that it should avail itself of the light furnished by the evidence to enable it to understand the terms used in the patent and the devices and operations described or

817. Shipman, J., in Thomson-Houston Electric Co. v. Lorain Steel Co., 103 Fed. Rep. 641, 644.

818. Steam Gauge & Lantern

Co. v. Ham Mfg. Co., 28 Fed. Rep. 618.

819. Ideal Stopper Co. v. Crown Cork & Seal Co., 131 Fed. Rep. 244, 248, 65 C. C. A. 436.

alluded to therein.”⁸²⁰ In another case, the Circuit Court of Appeals for the Second Circuit criticized a defendant for failing to offer expert testimony as to alleged anticipating patents, saying: “In the absence of any expert testimony to explain these patents, or indicate what they contain tending to negative the novelty of the complainant’s patent, we do not feel called upon to examine them.”⁸²¹

§ 441. Expert opinion testimony is not binding upon the court.

It follows from the very nature of expert testimony, that the court is at liberty to disregard it entirely.

“A judge may obtain information from them (expert witnesses), if he desire it, on matters which he does not clearly comprehend, but cannot be compelled to receive their opinions as matter of evidence.”⁸²² And opinion testimony of an expert will almost invariably be disregarded when he gives no reason for his conclusions, unless they are clearly apparent to the court.⁸²³

§ 442. Of decrees in equity, generally.

The judgments of courts of equity are designated as decrees. Their drafting is left to counsel, usually, in the first instance, to counsel for the prevailing party.⁸²⁴ In practice, counsel usually agree upon the form of the decree, or, failing so to do, single out those parts concerning which they fail to agree, and submit them to the

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

821. *Waterman v. Shipman*, 55 Fed. Rep. 982, 5 C. C. A. 371; to the same effect, see *Greene v. Buckley*, 135 Fed. Rep. 520, 68 C. C. A. 70; *Fay v. Mason*, 127 Fed. Rep. 325, 62 C. C. A. 159.

822. Mr. Justice Grier, in *Winans v. N. Y. & Erie Railroad*, 21 Howard 88, 16 L. Ed. 68.

823. *Hanifen v. E. H. Godshalk Co.*, 84 Fed. Rep. 649, 28 C. C. A. 507.

824. *Shute v. Morley Sewing Mach. Co.*, 64 Fed. Rep. 368, 12 C. C. A. 356.

court for settlement. It is not the duty of the court or the clerk to draft a decree, consequently, where an opinion was on file, containing the court's conclusion that the bill should be dismissed with costs, but no decree had ever been filed in pursuance of the opinion, the court held that the opinion should be treated as an informal decree, in which the complainant must be held, by years of inaction, to have acquiesced, and a bill of revivor filed twelve years after the opinion was stricken from the record.⁸²⁵

All decrees in equity are either final or interlocutory, of which classification Judge Aldrich has said: "This single division of decrees into two classes, and two only, interlocutory and final, has been generally accepted by lawyers and judges in this country and England. * * * It will be observed, from an examination of the cases in the Supreme Court of the United States, that a decree in patent cases, declaring the patent in question valid, and that it has been infringed, and for an injunction and an accounting, has uniformly been referred to as an interlocutory decree, and the cases are numerous, * * * where, upon an appeal from a decree determining the general property right, granting an injunction and an order for an accounting before a master, it has been held that the decree was not final or appealable."⁸²⁶

Usually, the determination whether a decree is interlocutory or final in character, is of importance only in relation to the question of the right to appeal. But the fact that the injunction granted by the decree is perpetual in terms, if the decree is otherwise interlocutory in character, does not make it a final decree.⁸²⁷

825. *Hubbell v. Lankenau*, 63 Fed. Rep. 881.

826. *Richmond v. Atwood*, 52 Fed. Rep. 10, 21, 2 C. C. A. 596.

827. *Dudley E. Jones Co. v. Munger Improved Cotton Mach. Mfg. Co.*, 50 Fed. Rep. 785, 1 C. C. A. 668.

“The decree rests upon the pleadings, and must follow them. This is the well-settled rule in equity pleading and practice.”⁸²⁸ As the Court of Appeals of the Second Circuit has said: “Considering the uses to which decrees and decretal orders in patent cases are applied, and the frequent inability of the great public with which they are used to ascertain the circumstances under which they issue, we have several times cautioned parties complainant that they must be careful to limit their decrees and decretal orders to precisely what was determined by the court.”⁸²⁹

§ 443. Interlocutory decrees.

The interlocutory decree “has been repeatedly defined as any decree made before final decision, and for the purpose of ascertaining matter of law or fact preparatory to a final decree.”⁸³⁰

As Judge Pardee has pointed out, referring to Daniell’s Chancery Practice (5th Ed.), 986, “the courts have not laid down any satisfactory definition of what is an ‘interlocutory decree.’ It is said that the difficulty is in the subject itself, for, by various gradations the interlocutory decree may be made to approach the final decree until the line of discrimination becomes too fine to be readily perceived. It is further said that the difficulty has been increased by the fact that the definition of a final decree has often been made to turn, not upon the nature of the determination, but upon the construction of the statutes regulating appeals.”⁸³¹

828. Severens, J., in *Edison Elec. Light Co. v. Peninsular Light, Power & Heat Co.*, 95 Fed. Rep. 669, 676.

829. Putnam, J., in *Hatch Storage Battery Co. v. Electric Storage Battery Co.*, 100 Fed. Rep. 975, 983, 41 C. C. A. 133.

830. Aldrich, J., in *Richmond v. Atwood*, 52 Fed. Rep. 10, 20, 2 C. C. A. 596.

831. *Dudley E. Jones Co. v. Munger Improved Cotton Mach. Mfg. Co.*, 50 Fed. Rep. 785, 1 C. C. A. 668.

The United States Supreme Court has expressly held that a decree in equity "establishing the validity of a patent, and referring the case to a master to compute and report the damages, is interlocutory merely."⁸³²

"An interlocutory decree directing an accounting of 'the gains, profits, savings and advantages of the infringement,' instead of profits merely, is proper."⁸³³

One distinguishing feature of the interlocutory decree is that it remains under the control of the court and subject to its revision until the entry of the final decree.⁸³⁴

§ 444. Final decrees.

A final decree is one which finally disposes of a cause, so that nothing further is left for the court to adjudicate.⁸³⁵

The United States Supreme Court has recognized the difficulty which frequently attends the ascertainment of the character of a decree in equity. "Probably no question of equity practice has been the subject of more frequent discussion in this court than the finality of decrees. It has usually arisen upon appeals taken from decrees claimed to be interlocutory, but it has occasionally happened that the power of the court to set aside such a decree at a subsequent term has been the subject of dispute. The cases, it must be conceded, are not altogether harmonious. * * * It may be said in general that if the court make a decree fixing the rights and liabilities of the parties, and thereupon refer the case to him (the master) as a subordinate court, and for a judi-

832. *McGourkey v. Toledo & Ohio Railway*, 146 U. S. 545, 36 L. Ed. 1079. To the same effect, see, *Smith v. Vulcan Iron Works*, 165 U. S. 524, 41 L. Ed. 810; *Australian Knitting Co. v. Gormly*, 138 Fed. Rep. 92, 103.

833. *Coburn v. Schroeder*, 8 Fed. Rep. 521.

834. *Wooster v. Handy*, 23 Fed. Rep. 51, 53; *Perkins v. Fourniquet*, 6 Howard 206, 209, 12 L. Ed. 406.

835. *Bouvier Dict.* (Rawle's Rev.), Vol. 1, 521, title "Decree."

cial purpose, as to state an account between the parties upon which a further decree is to be entered, the decree is not final. * * * But even if an account be ordered taken, if such accounting be not asked for in the bill, and be ordered simply in execution of the decree, and such decree be final as to all matters within the pleadings, it will be regarded as final.”⁸³⁶

Judge Showalter has pointed out that “one portion of a given decree may be final, and for that reason reviewable on appeal, while the remainder may be interlocutory, and for that reason not appealable.”⁸³⁷

To be final, the decree must terminate the suit as to all the parties. Where the decree appealed from was against but one of several parties defendant, the Supreme Court has held that as the suit was still pending against the other defendants; the decree was not final and consequently was not appealable.⁸³⁸

“A decree may be none the less final because it is incomplete in failing to provide for its own execution, and to so end the litigation. If no reservation be made in such decree, the power of the court over it ceases with the term at which it was recorded, and a new bill must be filed, if need be, in order to carry into execution the adjudications in such final decree.”⁸³⁹

§ 445. The order in which the issues should be determined by the decree.

The hearing of the issues in a patent case in equity upon all the proofs, is called the final hearing. If that

836. Mr. Justice Brown, in *McGurkey v. Toledo & O. C. Ry. Co.*, 146 U. S. 586, 36 L. Ed. 1079.

837. *Standard Elevator Co. v. Crane Elevator Co.*, 57 Fed. Rep. 773, 6 C. C. A. 100.

838. *Hohorst v. Hamburg-*

American Packet Co., 148 U. S. 262, 37 L. Ed. 443.

839. Showalter, J., in *Standard Elevator Co. v. Crane Elevator Co.*, 76 Fed. Rep. 767, 771, 22 C. C. A. 549. To the same effect, see *Harmon v. Struthers*, 48 Fed. Rep. 260.

hearing results in the dismissal of the bill of complaint upon any ground, the decree will be final. A final decree likewise results when a demurrer to the bill is sustained upon any ground (such as the invalidity of the patent upon its face) which cannot be cured by amendment.

There are certain established rules as to the order in which the issues should be disposed of, which are sometimes disregarded, but which may properly be noticed here. Where the jurisdiction of the court is questioned, either by the parties or by the court of its own motion, the jurisdictional question should first be disposed of, before the consideration of any other issue.⁸⁴⁰

Where the testimony warrants a dismissal of the bill upon both the grounds of invalidity of the patent or non-infringement by the defendant, the dismissal ought to be based upon the latter ground, "it being well recognized that courts are reluctant to decree patents invalid when a decree can be based on non-infringement;"⁸⁴¹ and this rule is effective both in directing courts in their disposition of patent cases,⁸⁴² and also in the interpretation of decrees of dismissal which are general in terms. In construing such decrees, the court will presume that the dismissal was predicated upon non-infringement.⁸⁴³

§ 446. Correction of decree.

In patent litigation in courts of equity the decree, especially when too broad, is peculiarly subject to rectification by the court, in view of the incidental interest of the public in the subject-matter. A decree should

840. *Standard Elevator Co. v. Crane Elevator Co.*, 76 Fed. Rep. 767, 770, 22 C. C. A. 549.

841. *Buffington, J., in Wilcox & Gibbs Sewing Machine Co. v. Sherborne*, 123 Fed. Rep. 875, 877, 59 C. C. A. 363.

842. *McMichael & Wildman Mfg. Co. v. Ruth*, 123 Fed. Rep. 888, 890.

843. *Wilcox & Gibbs Sewing Machine Co. v. Sherborne*, 123 Fed. Rep. 875, 877, 59 C. C. A. 363.

never be permitted to stand when it is broader than the findings of the court. Where the decree is open to this objection it is the duty of the court to correct it of its own motion. In so correcting a decree, the Circuit Court of Appeals for the First Circuit declined to award costs of appeal to either party, finding that the counsel of both parties had been at fault, the solicitor for the complainant having failed to perform his duty of drawing out a proper decree, and the appellant having failed to assign the breadth of the decree as error.⁸⁴⁴

§ 447. Aids to the interpretation of the decree.

It is frequently necessary to go beyond the bare terms of a decree, both to ascertain the reasons for the decree, as well as to determine what has been decreed. The drafting of the decree is at times a matter of great difficulty, and a decree which is both adequate in expressing within itself what has been determined, and free from ambiguity, requires at times the highest exercise of care and skill on the part of the pleader. For these reasons resort may be had to the opinion of the court in which the decree was entered, as an aid in the interpretation of the decree.⁸⁴⁵ This rule is entirely consistent with the rule that "an assignment of error which is predicated upon the opinion of the court, or upon a reason given by the court for its ruling or decree, is not available."⁸⁴⁶

In determining the scope of a decision as a precedent,

844. *Shute v. Morley Sewing Machine Co.*, 64 Fed. Rep. 368, 12 C. C. A. 356.

845. *Carson v. Three States Lumber Co.*, 149 Fed. Rep. 377, 382, 79 C. C. A. 197.

846. *Woods, J., in Evans v. Suess Ornamental Glass Co.*, 83

Fed. Rep. 706, 709, 28 C. C. A. 24, citing, *Caverly's Adm'r v. Deere & Co.*, 66 Fed. Rep. 305, 13 C. C. A. 452; *Russell v. Kern*, 69 Fed. Rep. 94, 16 C. C. A. 154; *Clark v. Deere & Mansur Co.*, 80 Fed. Rep. 534, 25 C. C. A. 619.

the court may look into, and it is proper to offer in evidence, the entire record in the case in which the decision was rendered.⁸⁴⁷

§ 448. Supersedeas.

Applications for supersedeas are commonly made by a defendant enjoined by interlocutory decree, to the end of staying the operation of the injunction pending the appeal. Mr. Justice Lurton, when circuit judge, wrote the following:

“When an appeal was allowed from the decree granting the perpetual injunction, the Circuit Court, as it was authorized to do under section 7 of the Courts of Appeals Act, granted an appeal with supersedeas, on a bond conditioned that the defendant should prosecute the said appeal to effect and pay all costs and damages if it failed to make said appeal good, ‘as well as all damages and profits resulting from its manufacture and sale of the infringing sweepers after the date of the said decree.’ This only operated to stay or suspend the injunction pending the appeal. It had no effect or operation as a license to defendant. The status of the defendant was simply that of persons engaged in infringing, and not restrained by operation of the injunction. But, however this may be, so soon as the appeal had been determined adversely to the appellant, the injunction was instantly reinstated, the supersedeas having expired by its own limitation. The clear effect of the decree now complained of was to dissolve this injunction *pro tanto*. More

847. American Bell Tel. Co. v. Wallace Electric Co., 37 Fed. Rep. 672; Adams v. Tannage Patent Co., 81 Fed. Rep. 179, 26 C. C. A. 326; Rose v. Fretz, 98 Fed. Rep. 112; Liebig's Extract of Meat

Co. v. Libby, 103 Fed. Rep. 87, 89; N. Y. Filter Mfg. Co. v. Jackson, 112 Fed. Rep. 678, 680; Liebig Extract of Meat Co. v. Walker, 115 Fed. Rep. 822, 825.

than this, the decree seems to have gone so far as in terms to grant a license to the defendant to continue its infringement, by authorizing it to complete the manufacture of structures begun, and to sell others, to be sold or used—sweepers already complete, as well as those to be finished under the order. Before the provision for an appeal from an interlocutory order or decree granting an injunction, it was not unusual or improper to suspend the operation of an injunction awarded by a decree determining the merits, and referring the case to a master for accounting. The propriety of such a suspension was due to the fact that, while the injunction might be awarded upon a decree which was final to the merits, yet it was not final under the rulings of the Supreme Court as to what constituted an appealable decree, within the terms of section 692, R. S. U. S. Very great hardships frequently resulted from the operation of such an injunction, due to the fact that very often a long and expensive accounting intervened between the allowance of the injunction and the rendition of the final decree from which an appeal would lie. To prevent as much as possible the severe consequence incident to the practical enforcement of interlocutory decrees affecting the merits of the controversy, though not appealable, the Supreme Court, at an early day, admonished trial judges as to their duty to alleviate as far as possible all such consequences, by saying:

“ ‘It is exceedingly important, therefore, that the Circuit Courts of the United States, in framing their interlocutory orders, and in carrying them into execution, should keep in view the difference between the right of appeal as practiced in the English chancery jurisdiction and as restricted by the act of Congress, and abstain from changing unnecessarily the possession of property

or compelling the payment of money by an interlocutory order.’⁸⁴⁸

“An application to suspend the operation of such an injunction came on to be heard before Justice Swayne, when holding a Circuit Court, who took occasion, in granting the application, to say:

“ ‘An application is made that this final decree shall be suspended, as it regards the injunction, until the account shall be determined upon, and the decree shall be finally made upon that account, and when the defendant, for the first time, will have the right to appeal. He cannot appeal from the decree as it at present stands, because, although the decision is final as to the merits of the case, it is in form an interlocutory decree only, and the rule established by the Supreme Court is that an appeal can be taken only from a final decree. It has been held, in this class of cases, that a decree is not to be considered final for the purposes of an appeal until after the coming in of the master’s report. I have no doubt of the power of the court to sustain this motion. Such power is incidental, in my judgment, to equity proceedings. There is no question, in my judgment, of the power of the court to stay a judgment at law. And it is a constant practice of the State Courts and the Circuit Courts of the United States, where the equities between the parties require it, to make such an order. If I had any doubt of it, the authority of *Barnard v. Gibson*, 48 U. S. (7 How.) 650, 12 L. Ed. 857, is conclusive.’⁸⁴⁹

“If an appeal be allowed from an interlocutory order or decree granting an injunction, the injunction will continue in force pending the appeal, unless stayed by order of the court granting the appeal. The granting of a

⁸⁴⁸. *Forgay v. Conrad*, 47 U. S. (6 How.) 201, 205, 12 L. Ed. 653.

⁸⁴⁹. *Potter v. Mack*, 3 Fisher 428, Fed. Case 11,331.

supersedeas rests in the judicial discretion of the court, and its discretion to grant or refuse a supersedeas will not be controlled by mandamus."⁸⁵⁰

§ 449. Bills of review.

The bill of review is defined by Bouvier as "One which is brought to have a decree of the court reviewed, altered, or reversed."⁸⁵¹ The bill of review is employed for three purposes; to correct errors of law appearing upon the record or in the decree,⁸⁵² or because of newly discovered evidence,⁸⁵³ or because of fraud in obtaining the decree.⁸⁵⁴

"A court of law is powerless to change or modify, in substantial respects, its judgments after the rising of the court for the term in which the judgment was rendered. But a court of equity may, by bill of review, filed after the term, modify or vacate its decrees. If the bill of review is based upon errors appearing upon the record, it must be filed within the time in which an appeal could have been taken. If, however, the bill of review is based upon fraud in obtaining the decree, or for newly discovered evidence, the time within which it should be filed is governed by the general equitable rules of laches. Bill of review has always been recognized as the proper remedy in case of newly discovered evidence.* * * A bill of review should state when the fraud or new evidence was discovered, so that the court may see that the party has not been guilty of laches, and, like other bills

850. *Bissell Carpet Sweeper Co. v. Goshen Sweeper Co.*, 72 Fed. Rep. 545, 546, 19 C. C. A. 25; citing, *In re Haberman Mfg. Co.*, 147 U. S. 525, 37 L. Ed. 266.

851. Bouvier, Dict. (Rawle's Rev.), Vol. 1, p. 244, title "Bill of Review."

852. *Whiting v. Bank of the United States*, 13 Peters 6, 14, 10 L. Ed. 33, 37.

853. *Taylor v. Easton*, 180 Fed. Rep. 363, 368, — C. C. A. —.

854. *Terry v. Commercial Bank of Alabama*, 92 U. S. 454, 456, 23 L. Ed. 620.

in equity, should contain a prayer for subpoena or process."⁸⁵⁵

Proper notice of the application for leave to file the bill of review should be given to the opposing party.⁸⁵⁶ The hearing upon such an application is governed as to its scope by the discretion of the court, and counter affidavits may be admitted upon the hearing.⁸⁵⁷ The application is not granted as a matter of right, but purely in the exercise of the court's discretion.⁸⁵⁸

Leave to file the bill of review having been granted, and the bill filed, the opposing party may plead or answer to the bill, joining the issues as to the facts pleaded.⁸⁵⁹ Should the opposing party fail to plead or answer the bill may be taken *pro confesso*.⁸⁶⁰

The bill of review may be demurred to, although a general demurrer must be overruled if the bill makes out a case for equitable relief against the decree.⁸⁶¹ If the bill recites the evidence upon which the decree was founded, a special demurrer upon this ground will be sustained.⁸⁶² Upon the hearing of the demurrer all facts recited in the bill which are inconsistent with the decree are taken as true.⁸⁶³

The award of costs, upon a bill of review being sustained, is purely discretionary both as to the costs of the original proceedings and those accruing after the filing of the bill of review.⁸⁶⁴ A bill of review may be filed

855. Munger, W. H., J., in Taylor v. Easton, 180 Fed. Rep. 363, 368, — C. C. A. —.

856. Wallamet Iron Bridge Co. v. Hatch, 19 Fed. Rep. 347.

857. Blandy v. Griffith, 6 Fisher 434, Fed. Case 1530.

858. Ricker v. Powell, 100 U. S. 104, 25 L. Ed. 527.

859. Dexter v. Arnold, 5 Mason 303, Fed. Case 3856.

860. United States v. Samter-yac, 1 Hempst. 118, Fed. Case 16,216a.

861. Buffington v. Harvey, 95 U. S. 99, 24 L. Ed. 381.

862. Buffington v. Harvey, 95 U. S. 99, 24 L. Ed. 381.

863. Shelton v. VanKleeck, 106 U. S. 532, 27 L. Ed. 269.

864. Miller v. Clark, 52 Fed. Rep. 900.

without leave of court where it seeks to correct error apparent upon the face of the record or decree,⁸⁶⁵ provided that it is filed within the time within which an appeal may be taken.⁸⁶⁶

Where the bill of review sought to be filed is based upon newly discovered evidence, or fraud in obtaining the decree, it can only be filed by leave of court.⁸⁶⁷ If the application for leave to file such a bill is made after an appellate court has obtained jurisdiction of the case, the application must be made to the appellate court to file the bill of review in the lower court, and where the appellate court denies such a motion, the filing of the bill of review will not be permitted by the lower court.⁸⁶⁸ The application for leave to file the bill of review should be made by petition, describing the new evidence specifically, setting forth its relevancy to the decree, and when it was discovered.⁸⁶⁹ It should be supported by an affidavit covering these points and stating why the new matter could not be availed of prior to the decree.⁸⁷⁰

The following summary of the functions of the bill of review, by Judge Sanborn, is supplementary to what has just been presented:

“The purpose of a bill of review is to obtain a reversal or modification of a final decree. There are but three grounds upon which such a bill can be sustained. They are (1) error of law apparent on the face of the

865. *Ross v. Prentiss*, 4 McLean 106, Fed. Case 12,078; *Copeland v. Bruning*, 104 Fed. Rep. 169.

866. *M'Donald v. Whitney*, 39 Fed. Rep. 466.

867. *Ross v. Prentiss*, 4 McLean 106, Fed. Case 12,078.

868. *McClintock v. City of Pawtucket*, 180 Fed. Rep. 320; *Southard v. Russell*, 57 U. S. (16

How.) 547, 570, 14 L. Ed. 1052; *Kingsbury v. Buckner*, 134 U. S. 650, 670, 672, 33 L. Ed. 1047; *In re Potts*, 166 U. S. 263, 41 L. Ed. 994.

869. *Dexter v. Arnold*, 5 Mason 303, Fed. Case 3856.

870. *Ricker v. Powell*, 100 U. S. 104, 25 L. Ed. 527; *Barton v. Barbour*, 104 U. S. 126, 26 L. Ed. 672.

decree and the pleadings and proceedings upon which it is based, exclusive of the evidence; (2) new matter which has arisen since the decree; and (3) newly-discovered evidence, which could not have been found and produced, by the use of reasonable diligence, before the decree was rendered. No departure has ever been made from the rules applicable to such a bill, which were declared by Lord Chancellor Bacon, in the first of his ordinances in chancery, in these words:

“ ‘No decree shall be reversed, altered, or explained, being once under the great seal, but upon bill of review. And no bill of review shall be admitted, except it contain either error in law, appearing in the body of the decree, without further examination of matters in fact, or some new matter, which hath arisen in time after the decree, and not any new proof, which might have been used, when the decree was made. Nevertheless, upon new proof, that is come to life after the decree was made, which could not possibly have been used at the time when the decree passed, a bill of review may be grounded by the special license of the court, and not otherwise.’ (Beames, Orders Ch. 1.)

“The error in law which will maintain a bill of review must consist of the violation of some statutory enactment, or of some recognized or established principle or rule of law or equity, or of the settled practice of the court. Error in matter of form or in the propriety of a decree, which is not contrary to any statute, rule of law, or to the settled practice of the court, is not sufficient to maintain a suit to review a final decree.⁸⁷¹ Resort cannot be had to the evidence to discover this error of law. It must be apparent from the pleadings, proceedings, and decree, without a reference to the evidence, or

871. Citing *Freeman v. Clay*, 52 Fed. Rep. 1, 7, 2 C. C. A. 587, 593; *Hoffman v. Pearson*, 50 Fed. Rep. 484, 490, 1 C. C. A. 535, 541.

it will not avail to sustain a bill of review.⁸⁷² The new matter which will authorize a review of a final decree must have arisen after its rendition. The newly-discovered evidence which may form the basis of such a review must be, not only evidence which was not known, but also such as could not, with reasonable diligence, have been found before the decree was made.”⁸⁷³

§ 450. Threats (trade slander and libel relating to patents).

It is the well-settled rule in England that “the court will interfere by injunction where statements are made with reference to the infringement of a patent, or the invasion of a trademark and the like, if it is proved to the satisfaction of the court that these statements are untrue.”⁸⁷⁴

Judge Wheeler was one of the first American judges, if not the first, to formulate a rule in accordance with that which had been established by the courts of Great Britain. He said: “Courts of equity have no jurisdiction of libel or slander affecting title to property or property rights, or any other slander or libel, unless threatened or apprehended repetition makes preventive relief proper and necessary. The remedy for past injuries of that nature is understood to be wholly at law.”⁸⁷⁵

So in a case involving an application to enjoin the circulation of letters charging certain articles to be infringements of the writer’s patent, and threatening suits for infringement, where the only proof adduced related to the sending of but one letter of this character, Judge

872. Citing *Whiting v. Bank*, 38 U. S. (13 Pet.) 5, 14, 10 L. Ed. 33; *Kennedy v. Bank*, 49 U. S. 586, 609, 12 L. Ed. 1209; *Putnam v. Day*, 89 U. S. (22 Wall.) 60, 66, 22 L. Ed. 764; *Buffington v. Harvey*, 95 U. S. 99, 24 L. Ed. 381.

873. *Hill v. Phelps*, 101 Fed. Rep. 650, 651, 41 C. C. A. 569.

874. *Chitty, J.*, in *Anderson v. Liebig's Extract of Meat Co.*, 45 L. T. N. S. 757, 758.

875. *Palmer v. Travers*, 20 Fed. Rep. 501.

Coxe said: "I have been referred to no case, and know of none, where a single letter of this kind has been held sufficient to warrant the issuing of a preliminary injunction."⁸⁷⁶

In the asperity always aroused to a greater or less degree by patent litigation, or keen competition where one or both competitors are operating under patents, the cases have in several instances dealt with threats of the character under consideration, and as the decisions are somewhat confused, we have thought it best to begin their consideration with the principles above set forth. Summarized, we start with the knowledge,

1. That a single threat will not of itself suffice as a basis for equitable relief, at least *in limine*,
2. That the representation sought to be enjoined must be untrue,
3. That equitable relief cannot be had, in any event, except as to threatened or apprehended repetition in the future.

In the first reported case in this country of injunction sought to restrain the defendant's use of threatening circulars, the court found that the defendants had not made false or fraudulent statements. "They have freely expressed their opinion, and this opinion may be an erroneous one; but nothing beyond this is shown." Suit for infringement was pending—the defendant in the later suit being plaintiff in the prior suit—and the circulars merely warned the trade that the suit had been brought, and if successful, all infringers would be prosecuted.⁸⁷⁷

In the next case of this character the injunction was sought by an unsuccessful defendant manufacturer, as against the successful complainant, while the suit was pending on accounting, to restrain the plaintiff from col-

876. *George Frost Co. v. Kora*
Co., 136 Fed. Rep. 487, 489.

877. *Chase v. Tuttle*, 27 Fed.
Rep. 110.

lecting royalties from the users of the infringing machines made by the defendant. There was here no element of libel or slander. The plaintiff was acting strictly within its rights, and the injunction was refused on that ground.⁸⁷⁸ There was another reason why the relief could not be granted; the same judge (Coxe) later stated it thus: "The defendant in an infringement suit cannot convert the action into one for affirmative relief upon an entirely separate and distinct cause of action."⁸⁷⁹

So far, there is no difficulty in reconciling the facts in the reported cases with the law as it is today. In *Baltimore Car Wheel Co. v. Bemis*,⁸⁸⁰ the recital of facts in the opinion is too meager to render the case intelligible.

A little later Judge Blodgett was called upon to pass on an application for injunction against threats of the kind under consideration. The recital of facts in his opinion is too lengthy to be even digested here. The application was resisted upon the authority of *Kidd v. Horry*,⁸⁸¹ and the court, properly distinguishing the case at bar upon the facts said:

"*Kidd v. Horry* was an application for an injunction restraining the defendant from publishing certain circular letters alleged to be injurious to the patent rights and business of the complainant, and from making and uttering libelous and slanderous statements, written or oral, concerning the business of complainants, or concerning the validity of their Letters Patent, or of their title thereto, pending the trial and adjudication of a suit which had been brought to restrain the infringement of said patents; and Mr. Justice Bradley in deciding the case said:

878. *Tuttle v. Matthews*, 28 Fed. Rep. 98.

879. *George Frost Co. v. Kora Co.*, 136 Fed. Rep. 487, 489.

880. 29 Fed. Rep. 95.

881. 28 Fed. Rep. 773.

“ ‘The application seems to be altogether a novel one, and is urged principally upon a line of recent English authorities, such as *Dixon v. Holden*, L. R., 7 Eq. 488; *Food Co. v. Massam*, 14 Ch. Div. 763; *Thomas v. Williams*, Id. 864; and *Loag v. Bean*, 26 Ch. Div. 306. An examination of these and other cases relied on convinces us that they depend on certain acts of the Parliament of Great Britain, and not on the general principles of equity jurisprudence. * * * But neither the statute law of this country, nor any well-considered judgment of a court, has introduced this new branch of equity into our jurisprudence. There may be a case or two looking that way, but none that we deem of sufficient authority to justify us in assuming the jurisdiction. * * * We do not think that the existence of malice in publishing a libel, or uttering slanderous words, can make any difference in the jurisdiction of the court. Malice is charged in almost every case of libel; and no cases or authority can be found, we think, independent of statute, in which the power to issue an injunction to restrain a libel or slanderous words has ever been maintained, whether malice was charged or not.’

“The principle of this case, concisely stated, is that a court of equity has no jurisdiction to restrain the publication of a libel or slander. But it seems to me the case now under consideration is fairly different and distinguishable from the case relied upon by the defendant in what seems to me a material and vital feature. In *Kidd v. Horry* the owner of a patent sought the interference of a court of equity to restrain the defendants from publishing and putting in circulation statements challenging the validity of his patent, and of his title thereto, on the ground that such publications were libelous attacks upon his property. Here the complainant seeks to restrain

the defendants from making threats intended to intimidate the complainant's customers under the pretext that complainant's goods infringe a patent owned or controlled by defendants, and threats that if such customers deal in complainant's goods they will subject themselves to suit for such infringement; the bill charging, and the proof showing, that these charges of infringement are not made in good faith, but with a malicious intent to injure and destroy the complainant's business. While it may be that the owner of a patent cannot invoke the aid of the court of equity to prevent another person from publishing statements denying the validity of such patent by circulars to the trade, or otherwise, yet, if the owner of a patent, instead of resorting to the courts to obtain redress for alleged infringements of his patent, threatens all who deal in the goods of a competitor with suits for infringement, thereby intimidating such customers from dealing with such competitor, and destroying his competitor's business, it would seem to make a widely different case from *Kidd v. Horry*, and that such acts of intimidation should fall within the preventive reach of a court of equity. It may be libelous for the owner of a patent to charge that an article made by another manufacturer infringes his patent; and notice of an alleged infringement may, if given in good faith, be a considerate and kind act on the part of the owner of the patent; but the *gravamen* of this case is the attempted intimidation by defendants of complainant's customers by threatening them with suits which defendants did not intend to prosecute; and this feature was not involved in *Kidd v. Horry*. I cannot believe that a man is remediless against persistent and continued attacks upon his business, and property rights in his business, such as have been perpetrated by these defendants against the complainant, as shown by the proofs in this case. It shocks my sense of justice to say that a

court of equity cannot restrain systematic and methodical outrages like this, by one man upon another's property rights. If a court of equity cannot restrain an attack like this upon a man's business, then the party is certainly remediless, because an action at law in most cases would do no good, and ruin would be accomplished before an adjudication would be reached. True, it may be said that the injured party has a remedy at law, but that might imply a multiplicity of suits which equity often interposes to relieve from; but the still more cogent reason seems to be that a court of equity can, by its writ of injunction, restrain a wrongdoer, and thus prevent injuries which could not be fully redressed by a verdict and judgment for damages at law. Redress for a mere personal slander or libel may perhaps properly be left to the courts of law, because no falsehood, however gross and malicious, can wholly destroy a man's reputation with those who know him; but statements and charges intended to frighten away a man's customers, and intimidate them from dealing with him, may wholly break up and ruin him financially, with no adequate remedy if a court of equity cannot afford protection by its restraining writ."⁸⁸²

There is little doubt that Mr. Justice Bradley in *Kidd v. Horry* has correctly attributed the development in England of the use of the writ of injunction against trade libel and slander to the common-law procedure act of 1854 (17 & 18 Vict. c. 125, §§ 79, 81, 82). But his argument that because the development of this branch of equity jurisprudence in England was fostered and facilitated by an Act of Parliament, the Federal equity procedure of this country must stand still, has met with but small favor.

⁸⁸². Blodgett, J., in *Emack v. Kane*, 34 Fed. Rep. 46, 49, 51.

The law as it stands today indicates that our courts of equity have, without any legislative enlargement of the remedy by writ of injunction, overtaken and are keeping pace with those of Great Britain in the suppression of threats made in bad faith.⁸⁸³

Judge Dallas has accurately stated the present rule as follows:

“Where notices are given or circulars distributed in good faith to warn against infringement, no wrong whatever is committed; but where, as is here averred, they are not made or issued with such intent, but in bad faith, and solely for the purpose of destroying the business of another, a very different case is presented. In such a case property rights are fraudulently assailed, and a court of chancery, whose interposition is invoked for their protection, should not refuse to accord it.”⁸⁸⁴

Judge Wallace, in speaking of this doctrine, has said:

“Undoubtedly the owner of a patent is acting within his rights in notifying infringers of his claims, and threatening them with litigation if they continue to disregard them; nor does he transcend his rights when, the infringer being a manufacturer, he sends such notices to the manufacturer’s customers, if he does so in good faith, believing his claims to be valid, and in an honest effort to protect them from invasion. The question whether the patent owner is acting in good faith in advertising

883. Hopkins on Trademarks (2d Edition), § 20.

884. A. B. Farquhar Co. v. National Harrow Co., 102 Fed. Rep. 714, 715, 42 C. C. A. 600, 49 L. R. A. 755; citing, Emack v. Kane, 34 Fed. Rep. 46; Kelley v. Manufacturing Co., 44 Fed. Rep. 23, 10 L. R. A. 686; Casey v. Union, 45 Fed. Rep. 135, 12 L. R. A. 193; Toledo, A. A. & N. M. Ry. Co. v. Pennsyl-

vania Co., 54 Fed. Rep. 730, 19 L. R. A. 387; Computing Scale Co. v. National Computing Scale Co., 79 Fed. Rep. 962; Lewin v. Light Co., 81 Fed. Rep. 904; Railway Co. v. McConnell, 82 Fed. Rep. 65; Adriance, Platt & Co. v. National Harrow Co., 98 Fed. Rep. 118; In re Debs, 158 U. S. 564, 39 L. Ed. 1092.

his claims to the manufacturer's customers by circulars or letters can seldom be determined from the contents of the communication alone, and, like all questions of intent, must generally be determined by the extrinsic facts. It is always easy to frame such circulars in guarded terms, which will not commit the sender to any definite libelous charges, omitting specific statements of fact, and substituting statements of opinion; and when they are sent for an illegitimate purpose they are likely to be so framed. * * * When the manufacturer is financially responsible, is accessible, and his infringements readily provable, and when the patent owner is financially able, and is one who makes it his sole business to grant licenses, and is under a duty to his licensees to prosecute extensive infringers, the sending of such letters to customers would seem to be merely a preliminary or cumulative measure, and the bringing of an infringement action the paramount and imperative proceeding. As, ordinarily, the patent owner would be prompt and zealous to assert his claims, if he halts and purposely procrastinates, and attempts to effect by threats and manifestoes that which he can compel by the strong hand of the law, a strong inference arises that he has not any real confidence in his pretensions. This inference becomes irresistible if he refuses to bring suit during a considerable period of time when the alleged infringement is open, notorious, and defiant, and so extensive as to threaten destruction to his alleged exclusive rights."⁸⁸⁵

From which we see the damaging effect of laches, in the prosecution of the alleged infringement, after threats made.

⁸⁸⁵. *Adriance, Platt & Co. v. National Harrow Co.*, 121 Fed. Rep. 827, 829, 30 C. C. A. 94; reversing, *Adriance, Platt & Co. v. National Harrow Co.*, 111 Fed. Rep. 637.

§ 451. Interferences—The statute.

Section 4904, R. S. U. S. “Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the Primary Examiner to proceed to determine the question of priority of invention. And the Commissioner may issue a patent to the party who is adjudged the prior inventor, unless the adverse party appeals from the decision of the Primary Examiner, or of the Board of Examiners-in-Chief, as the case may be, within such time, not less than twenty days, as the Commissioner shall prescribe.”

§ 452. “Interference” defined.

“Interference means a dispute on the question of priority of invention.”⁸⁸⁶ It is purely a statutory proceeding, arising solely under the authority of § 4904, and is a contest between rival applicants for a patent, or a contest between one or more applicants for patent, and the owner of one or more outstanding letters patent.⁸⁸⁷

§ 453. How created.

Interferences are created by the Patent Office by an action which is termed a “declaration of interference.” Prior to such declaration being made, the claims involved must be determined by the Patent Office to be patentable generally.⁸⁸⁸ The failure of the Patent Office to declare an interference between a pending original application and a reissue application is not to be construed as a

886. Blatchford, C. J., in *U. S. & Foreign Salamander Felting Co. v. Asbestos Felting Co.*, 4 Fed. Rep. 813, 815.

887. *Western Electric Mfg. Co.*

v. Chicago Electric Mfg. Co., 14 Fed. Rep. 691.

888. *American Bell Telephone Co. v. U. S.*, 68 Fed. Rep. 542, 15 C. C. A. 569.

decision that the claims of the respective applications are for different inventions.⁸⁸⁹

Judge Sanborn has given this interesting summary of the Patent Office Interference procedure: "When an application for a patent is filed, an officer known as the 'Primary Examiner' decides whether the application on its face shows patentable invention. Rules 95, 96. No appeal lies from his decision. Rule 124. Patentability being affirmed, it may occur that the application discloses the same invention as another application on file or as a patent already issued. If so, an 'interference' exists, and the patent officers are then required, according to the practice and rules of the office, to set on foot an interference proceeding, in order to determine which of the hostile claimants first discovered the invention. This proceeding is carried on before the Examiner of Interferences, and is a proceeding *inter partes*, and results either in a decision awarding priority to one, and denying it to the other, or for some particular reason denying priority to either.

"This question of priority of invention, meaning priority in time, has become the important and almost sole question for consideration in the interference proceeding. Other questions may arise in the Patent Office, such as whether one or both parties has the right to make claim, whether he has really disclosed in his drawings the invention claimed, whether he is the real inventor, whether he is guilty of laches or estoppel to claim priority, whether his device is operative, whether both claim the same invention so as to actually show interference. By the course of practice in the Patent Office, however, the interference proceeding is confined to the question of priority in time, other questions being raised by mo-

⁸⁸⁹. Hicks v. Shaver, Fed. Case No. 6462.

tion before the Primary Examiner. The Examiner of Interferences may also call the attention of the Commissioner to facts showing that no interference exists, or that the declaration of interference was irregular, and the Commissioner may then suspend the interference proceedings, and remand the case to the Primary Examiner for consideration of the questions so raised. Rule 126. It may also appear in the interference proceedings that while both applications disclose patentability and interference, and one is clearly prior in time, yet that neither party is entitled to a judgment of priority against the other, because it would operate inequitably against the other. This happened in *Bechman v. Wood*, 15 App. D. C. 484, where Wood first discovered a broad invention, but made only a narrow claim, and the junior applicant, Bechman, claimed a specific device in the same field, and also claimed the broad invention. Wood was adjudged not entitled to the broad claim because this would defeat Bechman's specific apparatus, and Bechman was not entitled to it because he was not the first inventor. But in the ordinary case an award of priority follows as a matter of course.

“While the question whether the interference was properly declared, or any interference in fact exists, cannot be directly raised in the interference proceeding, it may be by a motion to dissolve the interference. It is the practice to present to the Examiner of Interferences a motion to transmit the motion to dissolve to the Primary Examiner, together with the motion to dissolve. If the latter motion is in proper form he transmits it to the Primary Examiner, and he may at the same time proceed with the interference. Rule 123. When the Primary Examiner has decided the motion, an appeal may be taken to the Commissioner, but no further appeal is permitted, the motion being regarded as an interlocutory proceeding. *U. S. ex rel. Lowry v. Allen*, 203 U. S.

476, 27 Sup. Ct. 141, 51 L. Ed. 281. If the motion to dissolve is denied, the Examiner of Interferences, in the usual case, renders judgment awarding priority of invention to one of the contestants, and also fixes the limit of appeal from such judgment. If no appeal be taken letters patent are issued to the successful party, and the Primary Examiner notifies the other party that his claims stand finally rejected. (§ 4904, Rev. St. U. S. Comp. St. 1901, p. 3389.) Rule 132. If the defeated party desires to appeal he may do so within the time limited. The appeal first goes to the Examiners-in-Chief (§ 4909, U. S. Comp. St. 1901, p. 3390), then to the Commissioner in person (§ 4910, U. S. Comp. St. 1901, p. 3391), and from his decision to the Court of Appeals of the District of Columbia (Act Feb. 9, 1893, c. 74, 27 Stat. 436, § 9, U. S. Comp. St. 1901, p. 3391).''⁸⁹⁰

§ 454. What issues formed, and how.

The issues in interferences are established by the incorporation in the conflicting applications, or conflicting patent (or patents) and applications, of claims identical in terms. "The question of interference is determined by the claims, not by the general appearance and functions of the machine, shown but not claimed."''⁸⁹¹ "Patents interfere only when they claim the same invention, in whole or in part. * * * It has been held that an interference does not exist, within the meaning of the statute, between a patent having a dominant broad claim and a junior patent having a subordinate specific claim."''⁸⁹² The issue in interference is limited to the

890. *Westinghouse v. Hien*, 159 Fed. Rep. 936, 939, 87 C. C. A. 142.

891. *Buffington, J.*, in *Dedrick v. Fox*, 56 Fed. Rep. 714, 718.

892. *Acheson, J.*, in *Stonemetz Printers' Mach. Co. v. Brown*

Folding Mach. Co., 57 Fed. Rep. 601, 605; citing, *Morris v. Kempshall Mfg. Co.*, 20 Fed. Rep. 121; *Pentlarge v. N. Y. Bung & Bushing Co.*, 20 Fed. Rep. 314.

claims actually interfering,⁸⁹³ and is strictly limited to the question of priority of invention.⁸⁹⁴

Upon the issues of the interference being fixed, the parties are required to file preliminary statements, within a time fixed by the Patent Office, setting forth the dates claimed for conception, disclosure to others, the first drawings or sketches, models, and actual reduction to practice. The parties are held to these dates with a strictness which obtains in no other branch of civil law practice of which we have knowledge.⁸⁹⁵ The "utmost care and diligence" are required of the parties in preparing the preliminary statements.⁸⁹⁶ In no other procedure known to us is it so difficult to obtain leave to amend. A delay of four months and a half has been held sufficient to justify the refusal of leave to amend,⁸⁹⁷ and the motion for leave to amend is considered not only upon the supporting affidavits which must accompany it, but upon the entire record.⁸⁹⁸

"As a theoretical problem, or a question of first impression, it would appear to be clear that the interference proceeding logically involves the fundamental question whether there is, in fact, any interference, whether one or both claims be patentable, and whether either party has the right to make the claim. A judgment of priority would seem to have no force if the rival claims do not conflict, or if the junior claim be not patentable, or either party be not the real inventor. Likewise, it would seem that an appeal from the judgment of prior-

893. *Porter v. Loudon*, 7 App. D. C. 64; *Rosell v. Allen*, 16 App. D. C. 559.

894. *Ironclad Mfg. Co. v. Jacob J. Vollrath Mfg. Co.*, 52 Fed. Rep. 143, 145.

895. *Stevens v. Seher*, 81 Off. Gaz. 1932.

896. *Henderson v. Noakes*, 59 Off. Gaz. 1762.

897. *Gornall v. Lovejoy*, 56 Off. Gaz. 927.

898. *Foster v. Bent*, 77 Off. Gaz. 1781.

ity should raise these fundamental questions, and the result on appeal dispose of the whole case, and all these questions. But such has not been the rule of the Patent Office, nor of the Court of Appeals.

“By the rule actually in force in the Patent Office the term ‘priority of invention’ is used in the narrow sense of first in time, and not as involving interference in fact or the right to make claim. And this limited meaning is also given it by Mr. Justice McKenna in *U. S. ex rel. Lowry v. Allen*, 203 U. S. 476, 51 L. Ed. 281. This use of the term seems to have resulted from the practice of trying the questions of interference in fact and right to claim by motion before the Primary Examiner, and thus treating these as interlocutory questions. Since priority means only first in time, a judgment awarding priority is deemed to establish only that the successful party was the first inventor of the device or article claimed by him, without involving the question whether he had the right to claim it, or whether the other party claimed in substance the same invention. This conclusion has been reached many times in the decisions of the Patent Office and Court of Appeals. The judgment of priority is not a direct decision that the defeated party is not entitled to a patent, and he may appeal, *ex parte*, from the final rejection of his application. *Ex parte Schupphaus*, 100 Off. Gaz. 2775, 1902 C. D. 339; *Ex parte Guilbert*, 85 Off. Gaz. 454, 1898 C. D. 225. The right to make the claim does not relate to priority of invention, but should be presented on a motion to dissolve. *Woods v. Waddell*, 106 Off. Gaz. 2017, 1903 C. D. 393. The question of interference in fact will not be considered on appeal from a judgment awarding priority. *Schupphaus v. Stevens*, 95 Off. Gaz. 1452, 1901 C. D. 369, citing many cases in the Court of Appeals; *Ex parte Lyon*, 124 O. G. 2905.

“It is true that the Court of Appeals has held that it will, in extreme cases, on appeal from a judgment awarding priority, review the decision of the Commissioner declaring the interference, or refusing to dissolve it. This was held in *Seeberger v. Dodge*, 24 App. D. C. 476 (1905); and the same conclusion is stated, though not actually applied, in *Podlesak v. McInnerney*, 26 App. D. C. 399, 120 Off. Gaz. 2127 (1906). But this is quite a different thing from holding that in all cases, including this, a judgment establishing priority in time settles the question of interference in fact, and precludes the defeated party from ever raising that question, by further proceedings in the Patent Office. The *Podlesak Case*, supra, is relied on by appellants as conclusive. But the Court of Appeals in that case, as appellants admit and expressly state, refused to reverse on the ground that there was no interference in fact, but remanded the case to the Commissioner for further consideration as to the identity of invention, with the statement that, if the Commissioner should adhere to the opinion that there was interference in fact, the court would further consider the case. This falls far short of a decision that a judgment of priority necessarily involves the question of identity or interference.”⁸⁹⁹

§ 455. Procedure.

The statutory provision for the taking of testimony in interference cases is as follows:

Section 4905, R. S. U. S. “The Commissioner of Patents may establish rules for taking affidavits and depositions required in cases pending in the Patent Office, and such affidavits and depositions may be taken before any

899. Sanborn, J., in *Westinghouse v. Hien*, 159 Fed. Rep. 936, 940, 87 C. C. A. 142.

officer authorized by law to take depositions to be used in the courts of the United States, or of the State where the officer resides.”

In interference cases “the ordinary rules of evidence, and those decisions of the courts in which the same questions are discussed, are followed.”⁹⁰⁰ Judicial notice is taken of matters of public notoriety.⁹⁰¹ Judicial notice is taken by the Patent Office of decisions of the Court of Appeals of the District of Columbia,⁹⁰² and of its own official entries.⁹⁰³ “The process of taking judicial notice does not necessarily imply that the judge at the moment actually knows and feels sure of the truth of the matter submitted; it merely relieves the party from offering evidence because the matter is one which the judge either knows or can easily discover.”⁹⁰⁴

The order of proof in interference cases is somewhat rigidly insisted upon, and testimony taken improperly as rebuttal will not be considered; the Court of Appeals of the District of Columbia suggesting, in such case, that the offending party might have obtained leave to reopen his case-in-chief.⁹⁰⁵

Section 4908, R. S. U. S., which protects witnesses against disclosure of a secret discovery, or invention, does not protect a witness who is a party to an interference.⁹⁰⁶

The doctrine of equitable estoppel applies to interference cases.⁹⁰⁷ Due weight is given any estoppel created by the act of a party either before or after the issuance

900. Duell, Commissioner, in *Berry v. Stockwell*, 9 Off. Gaz. 404, 405.

901. *Anson v. Woodbury*, 12 Off. Gaz. 1.

902. *Ex parte Tournier*, 108 Off. Gaz. 798.

903. *Cain v. Park*, 86 Off. Gaz. 797, 14 App. D. C. 42.

904. *McComas, J.*, in *Ball v. Flora*, 121 Off. Gaz. 2668, 26 App. D. C. 394.

905. *Woodbridge v. Winship*, 145 Off. Gaz. 1250, 1252.

906. *Dornan v. Keefer*, 49 Fed. Rep. 462.

907. *In re Mower*, 88 Off. Gaz. 191, 15 App. D. C. 144.

of his patent, which prevents him claiming his alleged invention in its entirety.⁹⁰⁸ An applicant is estopped from urging the non-patentability of his claim after it has been put in interference.⁹⁰⁹

As to appeals in interference cases, §§ 4909, 4910, R. S. U. S., provide for successive appeals, from the Examiner of Interferences to the Board of Examiners-in-Chief, and from that Board to the Commissioner; and from his decision § 4912, read in connection with the act establishing the Court of Appeals for the District of Columbia, gives the right of appeal to that court. Patent Office Rule 147 provides that "Appeals in interference cases must be accompanied by brief statements of the reasons therefor." But such statement has been held not to be of the substance of the appeal, and not a condition precedent to the validity of the appeal.⁹¹⁰

Rule 123 provides that the filing of a motion for rehearing does not operate to stay the running of the limit of appeal.⁹¹¹ There is no appeal from a decision denying a motion for rehearing.⁹¹²

Rule 109 provides for the addition of counts after the interference is declared. Proceedings under this Rule follow the procedure on motions to dissolve,⁹¹³ and from a decision granting the motion to add counts no appeal lies, as the opposing party may contest the right of his opponent to make the claims upon final hearing, under the provisions of Rule 130.⁹¹⁴

908. *Computing Scale Co. v. Automatic Scale Co.*, 119 Off. Gaz. 1586, 26 App. D. C. 238.

909. *Sauche v. Electrolibration Co.*, 4 App. D. C. 453.

910. *Pitney v. Smith & Egge*, 49 Off. Gaz. 129; *Holmes & Holmes v. Coler*, 51 Off. Gaz. 1622.

911. *Naulty v. Cutler*, 126 Off.

Gaz. 389; *Felsing v. Nelson*, 122 Off. Gaz. 1722; *Carmichael v. Fox*, 104 Off. Gaz. 1656.

912. *Naulty v. Cutler*, 126 Off. Gaz. 389.

913. *Joslyn v. Hulse*, 132 Off. Gaz. 844.

914. *Leonard v. Pardee*, 164 Off. Gaz. 249.

§ 456. Evidence—The burden of proof.

The burden of proof is determined by the order of seniority of the parties, and this order, in time, is determined by the filing dates of the respective applications.⁹¹⁵ Therefore, the party who was the last to file his application in the Patent Office, and who is called the junior party, has the burden of proof as against the party or parties whose filing dates are earlier, even though his application has resulted in the issuance of a patent.⁹¹⁶ The issuance of a patent under such circumstances (i. e., during the pendency of prior applications embodying interfering subject-matter), is necessarily the result of inadvertence on the part of the Patent Office, and it would be manifestly unfair to shift the burden of proof by giving the usual *prima facie* value to the grant of the patent;⁹¹⁷ the junior party in such a case need only establish his priority by a preponderance of evidence.⁹¹⁸

§ 457. The measure of proof.

As between pending applications, the burden of proof being upon the junior party, in the event of no proofs, the senior party would prevail, the application being *prima facie* evidence of the right of the senior party to prevail in the interference.⁹¹⁹ Evidence being taken, the burden is upon the junior party to establish his superior right by a preponderance of the weight of testimony.⁹²⁰

915. Hunter v. Stikeman, 85 Off. Gaz. 610, 13 App. D. C. 214; Smith v. Smith, 136 Off. Gaz. 850, 31 App. D. C. 518.

916. Hunt v. McCaslin, 79 Off. Gaz. 861, 10 App. D. C. 527.

917. Shaffer v. Dolan, 108 Off. Gaz. 2146, 23 App. D. C. 79; Cutler v. Leonard, 136 Off. Gaz. 438, 31 App. D. C. 297.

918. Andrews v. Nilson, 123 Off. Gaz. 1667, 27 App. D. C. 451.

919. Funk v. Haines, 100 Off. Gaz. 1764, 20 App. D. C. 285.

920. Huebel v. Bernard, 90 Off. Gaz. 751, 15 App. D. C. 510; Estey v. Newton, 86 Off. Gaz. 799, 14 App. D. C. 50.

This burden upon the junior party is increased in weight by the concurring decisions of the several tribunals of the Patent Office (the Examiner of Interferences, Board of Examiners-in-Chief, and Commissioner),⁹²¹ and where all of these tribunals have concurred, their unanimity of decision places a very heavy burden (though probably not amounting to proof beyond a reasonable doubt) upon the appellant, when the cause is appealed to the Court of Appeals of the District of Columbia.⁹²²

Where the junior party is an applicant and the senior a patentee, the burden is upon the junior party to prove his case beyond a reasonable doubt,⁹²³ and this degree of proof rests very heavily upon an applicant as against a patentee, when the applicant's filing date is later than the date of the grant of the patent;⁹²⁴ especially so, when the applicant testifies that he was induced to file his application by reading the patent.⁹²⁵

§ 458. What the judgment determines.

If the interference is between two applicants for patent the decision in favor of one determines the questions of priority of invention, novelty, utility, and patentability in his favor and against the unsuccessful party.⁹²⁶

“If the interference is between a patentee and an applicant, a decision in favor of the applicant determines all these points in his favor; but a decision against the

921. *Turnbull v. Curtis*, 123 Off. Gaz. 2312, 27 App. D. C. 241.

922. *Talbot v. Monell*, 109 Off. Gaz. 280, 23 App. D. C. 108; *In re Adams*, 114 Off. Gaz. 2093, 24 App. D. C. 275.

923. *Gedge v. Cromwell*, 98 Off. Gaz. 1486, 19 App. D. C. 192; *Dashiell v. Tasker*, 103 Off. Gaz. 2174, 21 App. D. C. 64; *Sendelbach v. Gillette*, 109 Off. Gaz. 276,

22 App. D. C. 168; *Meyer v. Serfert*, 102 Off. Gaz. 1555, 21 App. D. C. 26.

924. *Gallagher v. Hastings*, 103 Off. Gaz. 1165, 21 App. D. C. 88.

925. *Kelley v. Flynn*, 92 Off. Gaz. 1237, 16 App. D. C. 573.

926. *Dickerson v. De La Vergne Refrigerating Mach. Co.*, 35 Fed. Rep. 143, 146.

applicant does not necessarily determine all these points the other way. Thus, although satisfied that the applicant was in reality the prior inventor, the commissioner may refuse to issue the patent to him, because since the first patent was issued the Patent Office may have become convinced that the subject-matter was not patentable or novel. The statute, which has given him no power to recall an issued patent, has provided for no official action by which he can pronounce it valid or invalid, except that by granting a patent for the same invention to an interfering applicant he decides the invention to be meritorious, but the first patentee not entitled to it."⁹²⁷

The doctrine of *res adjudicata* applies generally to decisions of the Patent Office.⁹²⁸ The declaration of the interference renders all questions *res adjudicata* except that of priority of invention, to the extent that no other question can be considered on an appeal.⁹²⁹ When a second interference is declared between the same applications on an issue relating to the same subject-matter, the final decision in the first interference renders the question of priority *res adjudicata* unless it appears that the second case raises a question that neither was or could have been raised and determined in the first case;⁹³⁰ and it is the duty of the tribunal trying the second case to raise the question of *res adjudicata* of its own motion, if it is not raised by a party.⁹³¹

The rulings as to *res adjudicata* just considered have been those of the Patent Office and the Court of Appeals of the District of Columbia.

927. Lacombe, J., in Dickerson v. De La Vergne Refrigerating Mach. Co., 35 Fed. Rep. 143, 146.

928. Blackford v Wilder, 127 Off. Gaz. 1255, 28 App. D. C. 535.

929. Herman v. Fullman, 109 Off. Gaz. 1888, 23 App. D. C. 259.

930. Blackford v. Wilder, 127 Off. Gaz. 1235, 28 App. D. C. 535.

931. Carroll v. Hallwood, 135 Off. Gaz. 896, 31 App. D. C. 165.

Whether the decision of the Patent Office or of that Court of Appeals renders the question of priority *res adjudicata* as between the parties does not appear to be settled. It has been held that the decision of the Commissioner, unappealed from, must be accepted in further litigation between the parties as controlling, in the absence of evidence carrying thorough conviction to the contrary; this rule being announced both in cases under § 4915, R. S. U. S., to compel the grant of a patent,⁹³² and in suits for infringement brought by the party succeeding in the interference.⁹³³ An admission of priority, consisting in withdrawing from an interference and taking a license from the opposing party, is binding as an estoppel in subsequent litigation.⁹³⁴

§ 459. The application of the doctrine of *res adjudicata* to patent causes.

The splitting up of appellate jurisdiction into nine appellate tribunals has led to much confusion and uncertainty in the adjudication of rights under letters patent. The enormous property values represented by important patents, as well as the natural and proper desire of competent judges to do justice in each particular case, has led the several circuit courts of appeals to give no undue weight to the decisions of each other, while recognizing the propriety of the circuit court following the decision of the court of appeals of another circuit. Thus, in many instances, we find expressions such as the following, which was employed by Judge Coxe in speaking for the Circuit Court of Appeals of the Second Circuit: "The

932. *Morgan v. Daniels*, 153 U. S. 120, 124, 38 L. Ed. 657; *Standard Cartridge Co. v. Peters Cartridge Co.*, 77 Fed. Rep. 630, 632, 23 C. C. A. 367.

933. *R. Thomas & Sons Co. v. Electric Porcelain & Mfg. Co.*, 111 Fed. Rep. 923, 929.

934. *Shoemaker v. Merrow*, 61 Fed. Rep. 945, 10 C. C. A. 181.

judge of the Circuit Court naturally and properly followed the decisions of the Circuit Court of Appeals for the seventh Circuit. That decision is entitled to the greatest respect, but we are reluctantly constrained to a different conclusion."⁹³⁵

It is only when the former adjudication has the force of an estoppel that the doctrine of *res adjudicata* applies; and the doctrine can never be extended beyond the bounds which have been limited as follows:

“It is well settled that in order to render a matter *res adjudicata*, there must be a concurrence of the four conditions, viz.: (1) identity in the thing sued for; (2) identity of the cause of action; (3) identity of persons and parties to the action; and (4) identity of the quality in the persons for or against whom the claim is made.”⁹³⁶

Where all of these elements or conditions are found to exist, it makes no difference whether the former decree was by default.⁹³⁷

In order to prevent a decree of dismissal from operating as a bar to a subsequent suit upon the same patent between the same parties (assuming that the infringement alleged is identical in both cases), it should contain the recital that the dismissal was without prejudice. “Where words of qualification, such as ‘without prejudice,’ or other terms indicating a right or privilege to take further legal proceedings on the subject, do not accompany the decree, it is presumed to be rendered on the merits.”⁹³⁸

935. *Eldred v. Kirkland*, 130 Fed. Rep. 342, 347, 64 C. C. A. 588; referring to *Eldred v. Kessler*, 106 Fed. Rep. 509, 45 C. C. A. 454.

936. *Lyon v. Perin & Gaff Mfg. Co.*, 125 U. S. 698, 31 L. Ed. 839.

937. *Lyon v. Perin & Gaff Mfg. Co.*, 125 U. S. 698, 31 L. Ed. 839.

938. *Durant v. Essex Co.*, 74 U. S. (7 Wall.) 107, 109, 19 L. Ed. 154, 156; *Lyon v. Perin & Gaff Mfg. Co.*, 125 U. S. 698, 31 L. Ed. 839.

§ 460. Identity of the issues—How pleaded and proven.

Each of the conditions or elements enumerated in the rule of *res adjudicata* must be separately considered upon its facts and the law applicable to them.

A plea based upon a former decree of dismissal for want of equity is not sufficient as a bar to a later action upon the same patent against the same defendant.

“For the want of equity may have come from a finding that the patent was void, or from a finding that the patent was valid, but not infringed, or from findings of both invalidity and non-infringement. An adjudication that the patent was void would protect defendant against a new attack by plaintiff on the same patent. But an adjudication that defendant was doing something that did not infringe a valid patent would not justify defendant in doing something else that does infringe.”⁹³⁹

The plea of *res adjudicata* should state with particularity the issues raised, heard, and decided in the former suit, and specify their identity with the subject-matter of the later suit, as to the patent and the acts or devices alleged to infringe it.⁹⁴⁰

Where a complainant in the former case has elected to charge infringement of certain claims, less than all, it would appear proper to treat a judgment or decree against him as a bar to a later suit on other claims of the same patent, against the same defendant, and the same alleged infringing acts or devices, under the general rule that the former adjudication concludes not only what was heard and decided, but all that might have been so disposed of. In speaking of a former adjudication the Supreme Court has said: “It is a finality as to the claim or demand in con-

939. Baker, J., in *Robinson v. American Car & Foundry Co.*, 150 Fed. Rep. 331, 80 C. C. A. 127.

940. *Robinson v. American Car & Foundry Co.*, 159 Fed. Rep. 131, 86 C. C. A. 321.

troverſy, 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.”⁹⁴¹

The precise point has not been found to be adjudicated, but under the general rule, the failure of the complainant to aſſert infringement of any particular claim ought not to ſubject the defendant to a ſubſequent ſuit for infringement of that claim, the alleged infringing matter being identical in both ſuits.

A general verdict of damages for infringement of a patent containing two claims has been held not concluſive in a ſubſequent ſuit between the ſame parties upon one of thoſe claims. This, upon the general requirement of certainty in an eſtoppel. Mr. Juſtice Field ſaid:

“It is undoubtedly ſettled law that a judgment of a court of competent juriſdiction, upon a queſtion directly involved in one ſuit, is concluſive as to that queſtion in another ſuit between the ſame parties. But to this operation of the judgment it muſt appear, either upon the face of the record or be ſhown by extrinſic evidence, that the precise queſtion was raiſed and determined in the former ſuit. If there be any uncertainty on this head in the record—as, for example; if it appear that ſeveral diſtinct matters may have been litigated, upon one or more of which the judgment may have paſſed, without indicating which of them was thus litigated, and upon which the judgment was rendered—the whole ſubject-matter of the action will be at large, and open to a new contention, unleſs this uncertainty be removed by extrinſic evidence ſhowing the precise point involved and determined. To

941. *Cromwell v. County of Sac*, 94 U. S. 351, 352, 24 L. Ed. 195.

apply the judgment, and give effect to the adjudication actually made, when the record leaves the matter in doubt, such evidence is admissible.

“Thus, in the case of the Wash., Alex. & Georgetown Steam Packet Co. v. Sickles, reported in the 24th of Howard, 65 U. S. 333, 16 L. Ed. 650, verdict and judgment for the plaintiff in a prior action against the same defendant on a declaration, containing a special count upon a contract, and the common counts, was held by this court not to be conclusive of the existence and validity of the contract set forth in the special count, because the verdict might have been rendered without reference to that count, and only upon the common counts. Extrinsic evidence showing the fact to have been otherwise was necessary to render the judgment an estoppel upon those points.

“When the same case was before this court the second time, Wash., Alex. & Georgetown Packet Co. v. Sickles (5 Wall.), 72 U. S. 580, 18 L. Ed. 550, the general rule with respect to the conclusiveness of a verdict and judgment in a former suit between the same parties, when the judgment is used in pleading as an estoppel, or is relied upon as evidence, was stated to be substantially this; that, to render the judgment conclusive, it must appear by the record of the prior suit that the particular matter sought to be concluded was necessarily tried or determined; that is, that the verdict in the suit could not have been rendered without deciding that matter, or it must be shown by extrinsic evidence, consistent with the record, that the verdict and judgment necessarily involved the consideration and determination of the matter.

“Tested by these views, the question presented by the plaintiff in this case, upon the effect as evidence of the verdict and judgment in the action at law, is of easy solution. The record of that action does not disclose the nature of the infringement for which damages were re-

covered. The declaration only avers that the plaintiff was the original and first inventor of a new and useful improvement in the preparation of leather, and that he obtained a patent for the same and, on its surrender, a new patent, with an amended specification, without describing with other particularity the nature and operation of the invention; and alleges, as the infringement complained of, that the defendants have made and used the invention, and have caused others to make and use it. The patent contains two claims; one for the use of fat liquor generally in the treatment of leather, and the other for a process of treating bark-tanned lamb or sheep-skin by means of a compound composed and applied in a particular manner. Whether the infringement for which the verdict and judgment passed consisted in the simple use of fat liquor in the treatment of leather, or in the use of the process specified, does not appear from the record. A recovery for an infringement of one claim of the patent is not of itself conclusive of an infringement of the other claim, and there was no extrinsic evidence offered to remove the uncertainty upon the record; it is left to conjecture what was in fact litigated and determined. The verdict may have been for an infringement of the first claim; it may have been for an infringement of the second; it may have been for an infringement of both. The validity of the patent was not necessarily involved, except with respect to the claim which was the basis of the recovery. A patent may be valid as to a single claim and not valid as to the others. The record wants, therefore, that certainty which is essential to its operation as an estoppel, and does not conclude the defendants from contesting the infringement or the validity of the patent in this suit.

“According to Coke an estoppel must ‘be certain to every intent;’ and if upon the face of a record anything is

left to conjecture as to what was necessarily involved and decided, there is no estoppel in it when pleaded, and nothing conclusive in it when offered as evidence.”⁹⁴²

§ 461. Interfering patents—The statute.

The statute: § 4918, R. S. U. S. “Whenever there are interfering patents, any person interested in any one of them, or in the working of the invention claimed under either of them, may have relief against the interfering patentee, and all parties interested under him, by suit in equity against the owners of the interfering patent; and the court, on notice to adverse parties, and other due proceedings had according to the course of equity, may adjudge and declare either of the patents void in whole or in part, or inoperative, or invalid in any particular part of the United States, according to the interest of the parties in the patent or the invention patented. But no such judgment or adjudication shall affect the right of any person except the parties to the suit and those deriving title under them subsequent to the rendition of such judgment.”

§ 462. The nature of the action.

The procedure indicated by § 4918, R. S. U. S., may be invoked whenever interfering subject-matter exists in two contemporaneous patents. As the action is absolutely dependent upon the existence of the interference, the proceedings will be dismissed whenever it is established that interference in fact is not present.⁹⁴³

942. *Russell v. Place*, 94 U. S. 606-610, 24 L. Ed. 214-215.

943. *Putnam v. Hutchinson*, 12 Fed. Rep. 131; *Morris v. Kempshall Mfg Co.*, 20 Fed. Rep. 121, 122; *Electrical Accumulator Co. v.*

Brush Electric Co., 44 Fed. Rep. 602, 605; *Nathan Mfg. Co. v. Craig*, 49 Fed. Rep. 370; *Lowry v. Cowles Electric Smelting Co.*, 56 Fed. Rep. 488; *Dederick v. Fox*, 56 Fed. Rep. 714; *Stonemetz*

“It has become well-settled law, that two patents interfere, within the meaning of this section, only when they claim, in whole or in part, the same invention.”⁹⁴⁴ It is essential that there should be two alleged interfering patents in existence. The action will not lie at the suit of one who is merely an applicant for a patent.⁹⁴⁵ A dictum in a Supreme Court opinion, where the answer did not deny, but impliedly admitted, interference in fact, says, “In view of such pleadings, it is hardly necessary to inquire whether there is an interference.”⁹⁴⁶ This statement is unsound. The point being jurisdictional, it is always the duty of the court to make the inquiry *suo sponte*; the consent of the parties cannot confer jurisdiction. But in another case, it was expressly held that because interference was not denied in the answer, it would not be considered on the hearing;⁹⁴⁷ so that if the defendant does not admit, he should expressly deny the allegation of the bill as to interference in fact. This question may be raised by demurrer to the bill; but the demurrer should not be sustained unless the court is satisfied from an inspection of the patents, that it is impossible to sustain the allegation of interference by any evidence possible to be adduced.⁹⁴⁸ The bill is demurrable if it fails to allege ownership of the alleged interfering patent by the defendant.⁹⁴⁹

Printers' Mach. Co. v. Brown Mach. Co., 57 Fed. Rep. 601; Norton v. Jensen, 90 Fed. Rep. 415, 35 C. C. A. 141; Mowry v. Whitney, 81 U. S. 434, 440, 20 L. Ed. 858.

944. Colt, J., in Nathan Mfg. Co. v. Craig, 49 Fed. Rep. 370.

945. Hoeltge v. Hoeller, 2 Bond, 386, Fed. Case No. 6574.

946. Garratt v. Seibert, 98 U. S. 75, 25 L. Ed. 84.

947. Gold & Silver Ore Separating Co. v. U. S. Disintegrating Ore Co., 6 Blatchf. 307, Fed. Case No. 5508.

948. Simplex Railway Appliance Co. v. Wands, 115 Fed. Rep. 517, 523, 53 C. C. A. 171.

949. Nathan Mfg. Co. v. Craig, 47 Fed. Rep. 522.

§ 463. What issues may be considered.

The scope of the inquiry in cases brought under § 4918 has led to wide divergence of opinion; some cases holding that interference and priority of invention are the only issues that can be raised or considered in such an action, and that the question of the general patentability of the issue was immaterial and could not be litigated in the proceeding.⁹⁵⁰

This theory was based upon the idea that under § 4918 the court may declare either patent void, but cannot do so as to both.⁹⁵¹ But the better reasoning appears to be to the contrary, and that the court may declare "one or the other, or all, of the patents void or valid,"⁹⁵² and the argument of Judge Severens in support of this conclusion is as follows:

"It is agreed by counsel on both sides that the only question which the court has authority to consider and determine is that of the relative priority of the dates of the invention by Palmer and Huss, respectively, although much of the argument of the counsel relates to wider questions. It is said that § 4918, above quoted, was intended to subserve the single purpose of enabling parties to obtain an adjudication of priority of invention covered by interfering patents, with the consequent authority to declare the patent of the later inventor void. Consequently, it is urged, the court has no authority to inquire whether the supposed invention which is the sub-

950. *Pentlarge v. Pentlarge*, 19 Fed. Rep. 817; *Lockwood v. Cleveland*, 20 Fed. Rep. 164; *Sawyer v. Massey*, 25 Fed. Rep. 144; *American Clay-Bird Co. v. Ligowski Clay-Pigeon Co.*, 31 Fed. Rep. 466; *Electric Accumulator Co. v. Brush Electric Co.*, 44 Fed. Rep. 602.

951. *American Clay-Bird Co. v. Ligowski Clay Pigeon Co.*, 31 Fed. Rep. 466.

952. *Nixon, J.*, in *Lockwood v. Cleveland*, 6 Fed. Rep. 721, 724. To the same effect, see, *Foster v. Lindsay*, 3 Dillon 126, Fed. Case No. 4976; *Palmer Pneumatic Tire Co. v. Lozier*, 90 Fed. Rep. 732, 735, 33 C. C. A. 255.

ject of the controversy is patentable or not. It appears from the opinion of the learned judge who decided this in the court below, found in the record, that this construction of the statute was there accepted upon the authority of certain cases cited in the opinion, without any original consideration of the question by him; but we are unable to agree that the court is so rigidly tied down as such a construction of the statute would imply. On the contrary, we think the court is bound to determine whether, upon identifying the subject-matter of the interfering patents, the invention therein stated is patentable. If it is not, and the court should go on and pronounce a decree of nullity against one of the patents, it would do so at the instance of one who has no right to protect, and consequently no standing on which to assail his adversary. The parties would not stand on equal ground in such a litigation, and the power of the court would be perverted to the determination of an unprofitable inquest as to who was the first discoverer of a nullity. The outcome would be that, while one pretender would be dislodged, the other would occupy the field unscathed. We think that if, upon inspection of the patents, or in the course of the investigation it must make in order to determine the nature of the alleged invention, the court should see that the patents are void for lack of patentable subject-matter, it ought not to proceed to an inquiry as to who first discovered the thing which the court finds to be null, and the decree thereon, but should dismiss the bill. Manifestly, it is necessary that the court should know what the invention is which supports the patents, not generally, what the patents are about, but what is the particular discovery for which each of the patents was granted.”⁹⁵³

953. *Palmer Pneumatic Tire Co. v. Ozier*, 90 Fed. Rep. 732, 735, 33 C. C. A. 255.

§ 464. The pleadings.

The proceeding, although the creature of § 4918, is strictly equitable and instituted by bill in equity; but the nature of the action makes it an exception to the general rule that the defendant cannot be granted affirmative relief except by cross-bill,⁹⁵⁴ although the usual practice is to file a cross-bill praying the cancellation of the patent on which the bill is based.⁹⁵⁵ As we have seen, the question of interference in fact may be raised by demurrer,⁹⁵⁶ and a failure to plead that the defendant owns the alleged interfering patent may be reached by special demurrer.⁹⁵⁷ Objections to allegations in the bill as to an interference between the complainant's assignor and a stranger to the bill, should be raised by exception, and not by demurrer.⁹⁵⁸ Where a bill under § 4918 was brought against a defendant who had pending a suit at law against the complainant's licensee, a prayer for preliminary injunction to restrain the prosecution of the law action was denied; but the court based its action upon the fact that both cases were pending in the same court and under its control, and granted an injunction restraining the defendant from prosecuting any other or further suits against "any of the users or dealers with the complainant."⁹⁵⁹ Disclaimers filed in the Patent Office by the complainant after the filing of the bill, may be set

954. *Lockwood v. Cleveland*, 6 Fed. Rep. 721, 724; *Electrical Accumulator Co. v. Brush Electric Co.*, 44 Fed. Rep. 602; *Union Paper Bag Mach. Co. v. Crane*, 6 Off. Gaz. 801, Fed. Case No. 14,388.

955. *Ecaubert v. Appleton*, 67 Fed. Rep. 917, 918, 15 C. C. A. 73.

956. *Simplex Railway Appli-*

ance Co. v. Wauds, 115 Fed. Rep. 517, 523, 53 C. C. A. 171.

957. *Nathan Mfg. Co. v. Craig*, 47 Fed. Rep. 522.

958. *Stonemetz Printers' Mach. Co. v. Brown Folding Mach. Co.*, 46 Fed. Rep. 72, 73.

959. *Palmer Pneumatic Tire Co. v. Lozier*, 69 Fed. Rep. 346, 350.

up by supplemental bill,⁹⁶⁰ and the assignee *pendente lite* of the patent upon which the bill is based, may be made a party to the suit by an original bill in the nature of a supplemental bill.⁹⁶¹

As is the rule in suits in equity generally, where the defendant seeks affirmative relief, either by answer alleging the invalidity of the complainant's patent, or by a cross-bill, the complainant will not be permitted to dismiss his bill.⁹⁶²

A bill brought under § 4918 may have incorporated therein allegations of infringement and a prayer for injunctive relief. The joinder of causes of action is proper and demurrer will not lie.⁹⁶³

§ 465. Relief.

As we have seen, either or all of the patents involved may be held void,⁹⁶⁴ and where the pleadings and facts warrant, full injunctive relief will be granted either party to protect the subject-matter of the suit, and to preserve the *status quo* pending the litigation.⁹⁶⁵ If the court finds either of the patents involved void, it should decree the annulment of the patent and not merely dismiss the

960. Electrical Accumulator Co. v. Brush Electric Co., 44 Fed. Rep. 602.

961. Ecaubert v. Appleton, 67 Fed. Rep. 917, 15 C. C. A. 73.

962. Electrical Accumulator Co. v. Brush Electric Co., 44 Fed. Rep. 602.

963. Ayling v. Hull, 2 Cliff. 494, Fed. Case No. 686; Leach v. Chandler, 18 Fed. Rep. 262; Swift v. Jenks, 19 Fed. Rep. 642; Holliday v. Pickhardt, 29 Fed. Rep.

853; American Roll Paper Co. v. Knopp, 44 Fed. Rep. 611; Stonemetz Printers' Mach. Co. v. Brown Folding Mach. Co., 46 Fed. Rep. 72.

964. Palmer Pneumatic Tire Co. v. Lozler, 90 Fed. Rep. 732, 33 C. C. A. 255.

965. Potter v. Dixon, 5 Blatchf. 160, Fed. Case No. 11,325; Palmer Pneumatic Tire Co. v. Lozler, 69 Fed. Rep. 346, 350.

bill or enter a judgment against the defendant; and the decree may be for annulment, in part only, of either patent.⁹⁶⁶

§ 466. The proceeding in equity to compel the grant of a patent.

This proceeding is founded on the following statute: Section 4915, R. S. U. S. "Whenever a patent on application is refused, either by the Commissioner of Patents or by the Supreme Court (now the Court of Appeals) of the District of Columbia upon appeal from the Commissioner, the applicant may have remedy by bill in equity; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the Commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication, and otherwise complying with the requirements of law. In all cases, where there is no opposing party, a copy of the bill shall be served on the Commissioner; and all the expenses of the proceeding shall be paid by the applicant, whether the final decision is in his favor or not."

"These provisions, while they do not in express terms confer upon the courts of equity of the United States the power to annul or vacate a patent, show very clearly the sense of Congress that if such power is to be exercised anywhere it should be in the equity jurisdiction of those courts. The only authority competent to set a patent aside, or to annul it, or to correct it, for any rea-

966. *Foster v. Lindsay*, 8 Off. Gaz. 1032, 3 Dill. 126, Fed. Case No. 4976.

son whatever, is vested in the Judicial Department of the Government, and this can only be effected by proper proceedings taken in the Courts of the United States.”⁹⁶⁷

This section was not repealed by the Act creating the Court of Appeals of the District of Columbia.⁹⁶⁸ This section applies to applications for a reissue as well as to original applications.⁹⁶⁹

§ 467. Nature of the proceeding.

The proceeding under this section is virtually an appeal.⁹⁷⁰ “The statute applies primarily to ordinary cases which are heard *ex parte* in the Patent Office, and though the language is broad enough to include a case where there has been a contest, yet it is plainly, an independent, original jurisdiction which is given to the courts.”⁹⁷¹ “A bill in equity in a court of the United States, under § 4915, by a party against whom an interference has been decided by the Commissioner of Patents, is a suit within the ordinary jurisdiction in equity of the courts of the United States; the court itself gives notice to adverse parties; the statute contains no provision requiring the case to be heard upon the evidence produced before the Commissioner, or restricting the effect of the decree; and, as has been held in this and other circuits, the court may receive new evidence, and has the same powers as in other cases in equity.”⁹⁷² “The bill in equity provided for by § 4915 is

967. Mr. Justice Miller, in *United States v. American Bell Telephone Co.*, 128 U. S. 315, 32 L. Ed. 450.

968. *Bernardin v. Northall*, 77 Fed. Rep. 840.

969. *Ingersoll v. Holt*, 104 Fed. Rep. 682.

970. *Dover v. Greenwood*, 177

Fed. Rep. 946, 947; *Dover v. Greenwood*, 143 Fed. Rep. 136, 138; *Bernardin v. Northall*, 77 Fed. Rep. 840.

971. Lowell, J., in *Whipple v. Miner*, 15 Fed. Rep. 117.

972. Mr. Justice Gray, in *Butler v. Shaw*, 21 Fed. Rep. 321, 326.

wholly different from the proceeding by appeal from the decision of the Commissioner under consideration in this case. The one is in the exercise of original, the other, of appellate, jurisdiction.”⁹⁷³

Where the Secretary of the Interior, without authority, undertook to reverse the Commissioner of Patents in an interference case, and the defeated party brought mandamus proceedings, in reversing a judgment of the supreme Court of the District of Columbia granting the writ of mandamus, the United States Supreme Court said: “The remedy by bill in equity under § 4915 is not appropriate, because it applies only when the Commissioner decides to reject an application for a patent, on the ground that the applicant is not, on the merits, entitled to it. So that if, in such a case, a decree for a patent could be considered, *ex proprio vigore*, as equivalent to a patent or could be enforced by direct process in execution of it, nevertheless, the present is not a case where such a bill would lie.”⁹⁷⁴

When § 4894 provided two years as the limit for amendments after action of the Patent Office “unless it be shown to the satisfaction of the Commissioner of Patents that such delay was unavoidable,” it was held by the Supreme Court of the United States that a proceeding by bill in equity under § 4915 was a part of the application for the patent, in which the court would pass upon the question whether the delay was unavoidable, under an allegation to that effect in the bill.⁹⁷⁵

In holding that the decision of the Court of Appeals of the District of Columbia in an interference case did not render the issues *res adjudicata*, Judge Baker said:

973. Mr. Chief Justice Fuller, *Butterworth v. United States*, 112 U. S. 50, 28 L. Ed. 656.
 n re Hien, 166 U. S. 432, 439, 41 U. S. 50, 28 L. Ed. 656.
 L. Ed. 1066. 975. *Gandy v. Marble*, 122 U. S. 432, 30 L. Ed. 1223.
 974. Mr. Justice Matthews, in

“The Appellate Court hears and decides an executive or administrative question in aid of the Patent Office on the record made up in that office, while the Circuit Court hears the case upon a bill in equity in due course of judicial procedure, not only on the evidence heard by the Commissioner of Patents and the Court of Appeals, but upon such additional evidence as either party to the suit may choose to present. The trial before the Court of Appeals is restricted, and is in aid of an executive duty, rather than a judicial hearing. The trial in the Circuit Court is in the strictest sense a judicial hearing by original bill, with all the powers of a court of equity at the service of the parties to the suit. The salutary principle that an inventor shall have his day in court, and a right to a judicial hearing, before being finally barred of his right to a patent, secured by § 4915 of the Revised Statutes, in my opinion, remains unaffected by the act to establish the Court of Appeals of the District of Columbia.”⁹⁷⁶

Under this section the court has no authority to enjoin the Commissioner of Patents from issuing letters patent to one whom he has adjudged to be entitled thereto; “the prayer of a bill of complaint exhibited to the court under and by virtue of this section would be for a decree that the complainant has established his right to have letters patent issued to him. So far may the decree of this court go, but no further.”⁹⁷⁷

§ 468. Pleading.

The bill of complaint will be held good on demurrer unless, for want of proper allegations, it is “an absolutely certain and clear proposition that the bill would be

976. Baker, J., in *Bernardin v. Northall*, 77 Fed. Rep. 849, 852.

977. Green, J., in *Illingworth v. Atha*, 42 Fed. Rep. 141, 144.

dismissed at the hearing on the merits.⁹⁷⁸ When the bill alleges an invention, it covers the fact of reduction to practice without specific allegation thereof.⁹⁷⁹ If it charges falsehood and perjury in the interference record, it should specify the matters to which those charges are addressed.⁹⁸⁰ As the inquiry extends to the invention as an entirety sought by the plaintiff to be secured by letters patent, "the bill should fully disclose the facts upon which the invention is claimed, and the particulars of the application for patent."⁹⁸¹ A cross-bill may be filed under this section by the defendant in an interference which resulted in the issuance of the patent in suit.⁹⁸² Where, in a suit under this section, the two contending interests unite, the suit is not thereby abated, the Commissioner of Patents being a party.⁹⁸³

§ 469. Parties to the bill of complaint.

Where a defendant patentee has assigned his patent, the assignee is a necessary party defendant,⁹⁸⁴ and an assignee of an application for patent may bring the bill in his own name,⁹⁸⁵ and it is no objection to the bill that the assignment was made after the rejection of the application.⁹⁸⁶

A bill brought by a complainant who had assigned his application for patent, his assignee not joining, will be

978. Prindle v. Brown, 155 Fed. Rep. 531, 533, 84 C. C. A. 45, reversing 136 Fed. Rep. 616.

979. Prindle v. Brown, 155 Fed. Rep. 531, 533, 84 C. C. A. 45, reversing 136 Fed. Rep. 616.

980. Illingsworth v. Atha, 42 Fed. Rep. 141, 143.

981. Morrow, J., in Ingersoll v. Holt, 104 Fed. Rep. 682, 684.

982. Schmertz Wire Glass Co. v. Pittsburg Plate Glass Co., 168

Fed. Rep. 73, 87; Appert v. Brownsville Plate Glass Co., 144 Fed. Rep. 115.

983. Schmertz Wire Glass Co. v. Pittsburg Plate Glass Co., 168 Fed. Rep. 73, 87.

984. Graham v. Teter, 25 Fed. Rep. 555.

985. Gay v. Cornell, 1 Blatchf. 506, Fed. Case No. 5280.

986. Gay v. Cornell, 1 Blatchf. 506, Fed. Case No. 5280.

dismissed on demurrer.⁹⁸⁷ The Secretary of the Interior is not a proper party to the bill.⁹⁸⁸ The Commissioner of Patents is not a necessary party to the bill if there is an opposing party.⁹⁸⁹

§ 470. Evidence.

The evidence in suits under this section is taken as in other suits in equity. The record of the testimony in the interference case (if there has been an interference) is not admissible without proof that the witnesses are dead or unavoidably absent.⁹⁹⁰

Where an interference has involved the question of the laches of the defeated party, the issue will be disposed of *de novo* in a suit under this section; and where the process and apparatus had been invented, but the inventor delayed applying for patents while making persistent efforts to overcome difficulties, not due to defects in his inventions, but to the material used in their practice, the court held his delay excused, and directed the granting of patents, under his cross-bill.⁹⁹¹

Upon the death of a party to a suit under this section, the suit may be revived by the suggestion of his death, and the substitution of his executor or administrator as a party; such a revivor is not a new suit, is merely a continuation of the original suit, and is a matter of right.⁹⁹²

987. *Smith v. Thompson*, 177 Fed. Rep. 721.

988. *Kirk v. Commissioner of Patents*, 37 Off. Gaz. 451.

989. *Graham v. Teter*, 25 Fed. Rep. 555.

990. *Clow v. Baker*, 36 F. l. Rep. 692; *Stonemetz Printers' Mach. Co. v. Brown Folding Mach. Co.*, 57 Fed. Rep. 601, 604;

Ecaubert v. Appleton, 67 Fed. Rep. 917, 15 C. C. A. 73; *Dover v. Greenwood*, 177 Fed. Rep. 946.

991. *Appert v. Brownsville Plate Glass Co.*, 144 Fed. Rep. 115, 120.

992. *Schmertz Wire-Glass Co. v. Pittsburg Plate Glass Co.*, 168 Fed. Rep. 73, 87.

Where a bill is brought under this section to obtain the grant of the patent after the application has been abandoned by failure to prosecute the application within the time limited, it must recite that the delay was unavoidable.⁹⁹³

§ 471. Costs.

“The last clause of § 4915 of the Revised Statutes, requiring the applicant to pay all the expenses of the proceeding whether the final decision is in his favor or not, is, in manifest intention, if not by unavoidable construction, limited to cases in which there is no opposing party other than the Commissioner of Patents, and in which, therefore, the costs, if not paid by the applicant, would fall upon the Commissioner, and upon the government whose officer he is. Whenever there are opposing parties, as in a contested case of interference, the ordinary rule should be followed, and costs be awarded to the party prevailing.”⁹⁹⁴

§ 472. Qui tam actions—Defined.

By *qui tam* actions, those forms of actions at law are meant which are brought under statutes imposing penalties for doing or failing to do a certain act; the name being derived from the Latin “*qui tam*” (who as well), which words were the emphatic words in the Latin form of declaration in an act by an informer for a penalty.

The classification, therefore, relates to actions for the recovery of penalties under statutes which award a part of the penalty to the informer and the other part to the United States, the State, or to some public or charitable fund.⁹⁹⁵

993. *Gandy v. Marble*, 122 U. S. 432, 30 L. Ed. 1223.

994. Mr. Justice Gray, in *Butler v. Shaw*, 21 Fed. Rep. 321, 328. To the same effect, see *Standard*

Cartridge Co. v. Peters Cartridge Co., 69 Fed. Rep. 408, 412

995. *Anderson Law Dict.* p. 27; *Bouvier Dict.* (Rawle Ed.), Vol. 2, p. 807.

§ 473. The general characteristics of *qui tam* actions.

Mr. Justice Brewer, on Circuit, has said, referring to an action of this character: "This action is what is known as a *qui tam* action; it is civil in form, but is to recover a penalty imposed by a penal statute, and is therefore, partially at least, criminal in its nature."⁹⁹⁶

Consequently, the Federal Statutes which we are about to consider, and which provide for *qui tam* actions growing out of the false marking of articles as patented, come within the general rules of construction applicable to penal statutes.

"Such penal statutes," in the language of Judge Brown, "are always construed strictly; that is, they are not to be extended to acts which do not clearly come within the plain meaning and ordinary acceptation of the words used. The offense, being created by statute, does not extend, and cannot in such cases be construed by the courts as extending, beyond the fair meaning of the language employed in designating the offense."⁹⁹⁷

And in the language of Judge Betts:

"The language of the statute is to be particularly adhered to in the construction of penal laws, and, when it has a natural and plain meaning, an artificial or forced one is not to be adopted. 1 Bl. Comm. 88; Dwar. St. 707, 711; Van Valkenburgh v. Torrey, 7 Cow. 252. Courts will not give an equitable construction to a penal law, even for the purpose of embracing cases clearly within the mischief intended to be remedied. U. S. v. Sheldon, 2 Wheat. (15 U. S.) 119; Myers v. Foster, 6 Cow. 567; Daggert v. State, 4 Conn. 61. They sedulously limit the action of penal statutes to the precise

996. State ex rel. Barton County v. Kansas City, Ft. S. & G. R. Co., 32 Fed. Rep. 722, 726.

997. Brown, J., in Pentlarge v. Kirby, 19 Fed. Rep. 501, 503.

cases described in them, and reject an interpretation tending to comprehend matters not named by the Legislature, although analogous.”⁹⁹⁸

§ 474. The terms of the statute.

The section of the Revised Statutes of the United States which serves as a foundation for *qui tam* actions in relation to a patented article for the use of words in relation to unpatented articles importing that they are patented, forbids three classes of acts.

“§ 4901. (*Penalty for falsely marking or labeling articles as patented.*)

“Every person who, in any manner, marks upon anything made, used, or sold by him for which he has not obtained a patent, the name or any imitation of the name of any person who has obtained a patent therefor without the consent of such patentee, or his assigns or legal representatives; or

“Who, in any manner, marks upon or affixes to any such patented article the word ‘patent’ or ‘patentee,’ or the words ‘letters-patent,’ or any words of like import, with intent to imitate or counterfeit the mark or device of the patentee, without having the license or consent of such patentee or his assigns or legal representatives; or

“Who, in any manner, marks upon or affixes to any unpatented article the word ‘patent,’ or any word importing that the same is patented, for the purpose of deceiving the public, shall be liable, for every such offense, to a penalty of not less than one hundred dollars, with costs; one-half of said penalty to the person who shall sue for the same, and the other

998. Betts, J., in *Ferrett v. Atwill*, Fed. Case 4747, 1 Blatchf. 151.

to the use of the United States, to be recovered by suit in any district court of the United States within whose jurisdiction such offense may have been committed.”

§ 475. The purpose of the act.

While the section quoted embraces three distinct classes of offenses, they are all of the same kind. It is obviously in accord with the spirit of our patent laws that the public, from whom, in the aggregate, the patent monopoly has been granted to the patentee, shall be advised by an appropriate marking upon the articles made under the patent, that a patent exists and when it will expire. These provisions are embodied in § 4900, R. S. U. S., which is considered elsewhere in this book; and that section itself penalizes the person failing to mark his article patented, to the extent of depriving him from the recovery of damages, except on proof that the defendant received actual notice that he was infringing and continued his infringement after such notice.

The first paragraph of § 4901 is addressed to the protection of the patentee against the use by another of the name of the patentee upon an infringing article. This paragraph refers only to the unlawful use in such connection of the name, or an imitation of the name, of such patentee.

The second paragraph of § 4901 relates to the use of the words “patent” or “patentee” or “Letters Patent” upon an article which is an infringement of a patent owned by another.

The limitation in this paragraph contained in the words “with the intent to imitate or counterfeit the mark or device of the patentee” would appear to be surplusage, unless the words “mark or device of the patentee” be construed to mean the marking required to be made by the patentee under § 4900.

The third paragraph defines the offenses which it prohibits of marking or affixing the word "patented" or word of like meaning, to any unpatented article for the purpose of deceiving the public.

Judge Deady said of this section: "The first two clauses of this section are evidently intended to protect the patentee of a patented article against the fraudulent use of his name or device upon a spurious article, and it is equally manifest that the third clause is intended to protect the public against the fraudulent use of the word 'patent.'" 999

The purposes of this act have been judicially stated in a number of cases. It has been said that "The statute is made for the protection of the public, and is intended to prevent unscrupulous persons from imposing upon the community by the unauthorized and false use of the word patent."¹

"To guard the public right to use such articles as have not been patented—to prevent deception on the public, by assertions that articles, not entitled to this privilege, have been patented."²

The statute applies to all articles, whether patentable or not. In an early case the opinion was expressed that the statute did not apply to non-patentable articles.³

In a later case, Judge Deady criticised the former opinion, stating that the expression was mere obiter and that he was unable to concur with the reasoning or conclusions.⁴

999. Deady, J., in *Oliphant v. Salem Flouring Mills Co.*, Fed. Cas. 10,486, 5 Sawy. 128.

1. Deady, J., in *Oliphant v. Salem Flouring Mills Co.*, Fed. Cas. 10,486, 5 Sawy. 128.

2. Sprague, J., in *Nichols v.*

Newell, Fed. Cas. 10,245, 1 Fish. 647.

3. *United States v. Morris*, Fed. Cas. No. 15,814. 3 Fish. 72.

4. Deady, J., in *Oliphant v. Salem Flouring Mills Co.*, Fed. Cas. 10,486, 5 Sawy. 128.

§ 476. Corporations as parties.

In an early case it was held that neither the United States nor any corporation could be an informer under this statute.⁵ But a corporation may be held as a defendant in the proceedings under this statute where the wrongful acts were committed by its superintendent.⁶

§ 477. Contempts—Contempts generally.

The power to preserve its dignity and authority by punishing interference with its proceedings or violation of its orders, is inherent in every court.⁷ The power of the Federal courts to punish for contempt was defined in § 725, R. S. U. S.,⁸ now repealed, and re-enacted as § 268 of the Judicial Code, chapter 11.

The enforcement of the decree of injunction by punishment for its violation is the form of contempt proceedings with which we are concerned. We will treat the branches of this subject in the orderly manner in which they are encountered in practice.

“The purpose of contempt proceedings is to uphold the power of the court, and also to secure to suitors therein the rights by it awarded.”⁹

This distinction divides contempt proceedings into two classes. In the first, the government, the courts and the people are interested; in the second, the party in whose

5. *United States v. Morris*, Fed. Cas. No. 15,814, 3 Fish. 72.

6. *Tomkins v. Butterfield*, 35 Fed. Rep. 556.

7. “The power to punish for contempt is inherent in all courts. Its existence is essential to the preservation of order in judicial proceedings, and consequently to the due administration of justice. The moment the courts of the

United States were called into existence and vested with jurisdiction over any subject, they become possessed of this power.” *Ex parte Robinson*, 19 Wall. 512, 22 L. Ed. 208.

8. *In re Perkins*, 100 Fed. Rep. 950, 952.

9. Mr. Chief Justice Fuller, in *Bessette v. W. B. Conkey Co.*, 194 U. S. 324, 327, 43 L. Ed. 997, 1001.

favor the judgment or decree alleged to be violated runs, is the real party in interest.¹⁰

Contempt proceedings are not the proper method of trying out a new question of infringement. "It is a question which the Circuit (District) Court must decide for itself in the ordinary way. If the judges disagree there can be no judgment of contempt, and the defendant must be discharged. The complainant may then either seek a review of that decision in this (Supreme) Court, or bring a new suit against the defendant for the alleged infringement. The latter method is by far the most appropriate one where it is really a doubtful question whether the new process adopted is an infringement or not. Process of contempt is a severe remedy and should not be resorted to where there is fair ground of doubt as to the wrongfulness of the defendant's conduct."¹¹

§ 478. Procedure.

Proceedings to punish a contempt are usually instituted by filing a petition reciting the facts alleged to constitute the contempt, and moving for an attachment for the contemnors. The courts having inherent power to punish in such cases, they have been reluctant to prescribe fixed methods of procedure. But the foregoing is a proper method.¹²

Where the showing thus made is sufficient, a rule to show cause why attachment should not issue is made; this rule must be personally served upon each of the contemnors;¹³ where personal service is not had the party will not be committed for contempt.¹⁴

10. *Re Nevitt*, 117 Fed. Rep. 448, 458, 54 C. C. A. 622, 632.

11. Mr. Justice Bradley, in *California Artificial Stone Paving Co. v. Molitor*, 113 U. S. 609, 618, 28 L. Ed. 1106, 1109.

12. *American Construction Co.*

v. Jacksonville, T. & K. W. Ry. Co., 52 Fed. Rep. 937, 938.

13. *American Construction Co. v. Jacksonville, T. & K. W. Ry. Co.*, 52 Fed. Rep. 937, 938.

14. *Lefavour v. Whitman Shoe Co.*, 65 Fed. Rep. 785.

§ 479. Who may institute contempt proceedings.

“No one can complain of a violation (of the injunction), unless it be some one who has a present interest in maintaining the injunction, nor unless he was a party to the suit in which the order was obtained, or for some reason stands in privity with one who was a party to the litigation.”¹⁵

§ 480. Against whom contempt proceedings may be instituted.

One not a party to the suit, but who becomes interested in the business of the defendants and bears the expense of the litigation may be punished for contempt in violating an injunctive order entered in the cause.¹⁶ But an injunction running against the defendant, a dealer, and his “manufacturer” (i. e., the maker of the infringing article), is not violated when the same manufacturer sells the same article through other dealers, for he is not then the defendant’s manufacturer.¹⁷

Defendants who, while the case is pending, organize a corporation to carry on the infringing business, are individually liable for contempt in violating the decree,¹⁸ and the corporation itself may be punished for contempt, though not a party to the suit.¹⁹

§ 481. Defenses.

It may be doubted whether contempt proceedings ought ever to be allowed to dispose of a new question of infringement, not raised in the original case. Naturally, it is difficult to say when the alleged contemnor is attempting to respect, and when he is trying to thwart, the de-

15. Thayer, J., in *Secor v. Singleton*, 35 Fed. Rep. 376, 378.

16. *Stahl v. Ertel*, 62 Fed. Rep. 920, 922.

17. *United States Playing*

Card Co. v. Spalding, 92 Fed. Rep. 368.

18. *American Graphophone Co. v. Walcutt*, 86 Fed. Rep. 468.

19. *Bernard v. Frank*, 179 Fed. Rep. 516, — C. C. A. —.

cree of injunction. He proceeds at his peril, and probably the majority of the courts dealing with patent infringements would entertain an application from a defendant under injunction for advice whether his changed device would escape the charge of contempt.

Where one who was a former employee of an enjoined corporation, and left its employ during the pendency of the suit, and before the injunction, but was served with the injunction, is on his own account practicing a process, as he claims, under a patent of his own, but claimed by the moving affidavits to be within the scope of the decree, the court will decline to dispose of the issue of identity of the processes in a proceeding for contempt.²⁰

§ 482. How triable.

Contempt proceedings are *sui generis*. It has been held that the issue presented is exclusively one of law and not of fact, wherefore it is not triable by jury,²¹ and that the summary trial of that issue by the court, without the intervention of a jury, is due process of law within the Fourteenth Amendment of the Constitution.²²

§ 483. Punishment.

Proof that the alleged contemnor acted unintentionally or under the advice of counsel will not be considered in determining whether his acts constitute a contempt, but will be considered as an extenuating circumstance in fixing the punishment.²³

20. *Donaldson v. Roksament Stone Co.*, 178 Fed. Rep. 103.

21. *Interstate Commerce Commission v. Brimson*, 154 U. S. 447, 38 L. Ed. 1047.

22. *Eilenbecker v. Plymouth County Court*, 134 U. S. 31, 33 L. Ed. 801.

23. *Atlantic Giant Powder Co. v. Dittmar Powder Mfg. Co.*, 9 Fed. Rep. 316; *Bate Refrigerating Co. v. Gillett*, 30 Fed. Rep. 683; *Pokegama Sugar Pine Lumber Co. v. Klamath River Lumber Co.*, 86 Fed. Rep. 316; *Queen & Co. v. Green*, 170 Fed. Rep. 611.

Where the defendant has changed the form of his machine in an honest belief that he could in that way most expeditiously determine whether the changed machine was within the scope of the decree of injunction, the defendant has been fined a nominal amount,²⁴ as is usually done when it appears that the contemnor has not acted willfully,²⁵ but has acted within what he supposed was his right.²⁶

A decree entered by consent is of the same force and effect in proceedings for contempt for its alleged violation, as if it were entered in due course after a *bona fide* contest.²⁷

It has been held that under § 725, R. S. U. S. (now the Judicial Code, § 268), the court has no power to assess any fine by way of damages or compensation to the plaintiff in the original action.²⁸ But this ruling appears to be unsupported by any authority. It has been uniformly held that the fine imposed upon the contemnor should be largely measured by the outlay and damage occasioned to the complainant, and should, when collected be paid over to him;²⁹ and this, even when the act of contempt does not appear to have been willful or defiant.³⁰ There appears to be no doubt of the absolute discretion of the court, however, to direct the fine, when collected, to be paid to the complainant, or to the United States, or to be divided between them.³¹

24. Westinghouse Electric Mfg. Co. v. Conduit Electrical Co., 173 Fed. Rep. 82.

25. Morss v. Domestic Sewing Machine Co., 38 Fed. Rep. 482.

26. Matthews v. Spangenberg, 15 Fed. Rep. 813.

27. Encyclopedia Britannica Co. v. Werner Co., 172 Fed. Rep. 1012, 1015.

28. United States v. Atchison,

T. & S. F. Ry. Co., 16 Fed. Rep. 853.

29. Wells, Fargo & Co. v. Oregon Ry. & Nav. Co., 19 Fed. Rep. 20; In re North Bloomfield Gravel Min. Co., 27 Fed. Rep. 795.

30. Matthews v. Spangenberg, 15 Fed. Rep. 813.

31. Westinghouse Electric Mfg. Co. v. Conduit Electrical Co., 173 Fed. Rep. 82.

§ 484. Appellate review of contempt proceedings.

It would appear, save for the sporadic holding to the contrary to which we will refer, that there can be no review in the Supreme Court, by appeal or writ of error, of convictions in contempt proceedings. It was specifically held in one case by the Supreme Court that "contempt of court is a specific criminal offense. The imposition of the fine was a judgment in a criminal case. That part of the decree is as distinct from the residue as if it were a judgment upon an indictment for perjury committed in a deposition had at the hearing." Hence that court refused to review the order imposing a fine for contempt committed during the pendency of the case in the court below, upon an appeal from the final decree.³²

And the Supreme Court has repeatedly said that "judgments in proceedings in contempt are not reviewable here on appeal or error."³³ Such, save for the case to which we will now advert, is the settled law. *Worden v. Searls* was a suit in equity for patent infringement. There was a preliminary injunction issued by the Circuit Court July 19, 1880, and a perpetual injunction on February 24, 1882. On March 6, 1882, the defendants were fined \$250 for a violation of the preliminary injunction. This order was opened for further hearing on April 29, 1882, and October 9, 1882, a fine of \$1182 was imposed for the violation of the preliminary injunction, to be paid to the clerk, "And by him to be paid over to the plaintiff for damages and costs, the defendants to

32. *New Orleans v. New York Mail Steamship Co.*, 87 U. S. 387, 22 L. Ed. 354.

33. Mr. Chief Justice Fuller, in *Ex parte Chetwood*, 165 U. S. 443, 462, 41 L. Ed. 782, 788; citing,

Hayes v. Fischer, 102 U. S. 212, 26 L. Ed. 95; *Re Debs*, 158 U. S. 573, 39 L. Ed. 1095. To the same effect, see, *Ex parte Fisk*, 113 U. S. 713, 718, 28 L. Ed. 1117, 1119.

stand committed until the same should be paid.” (13 Fed. Rep. 716.) The defendants were allowed an appeal from this order, and proceedings to collect the fine were stayed until the further order of the court. The cause went through an accounting, a final decree entered on the master’s report, and an appeal from that final decree brought the cause to the Supreme Court, where the case was reversed upon the merits, and the Circuit Court directed to dismiss the bill. As to the fines imposed for contempt, the orders of March 6, 1882 and October 9, 1882, were reversed, and all these orders were “without prejudice to the power and right of the Circuit Court to punish the contempt referred to in those orders, by a proper proceeding.”

The Supreme Court distinguishes this case, and takes it out of the general rule, by saying “though the proceedings were nominally those of contempt, they were really proceedings to award damages to the plaintiff, and to reimburse to him his expenses.”³⁴ We confess that this appears to be a distinction without much difference. The Circuit Court had it in its discretion to assess the sum it did assess, as a fine. The amount of the fine could not alter that legal rule. It had it within its discretion to direct the fines to be paid the plaintiff; the Supreme Court’s opinion says, “we say nothing as to the lawfulness or propriety of this direction.” But, the Supreme Court points out, the fines “were measured by the damages the plaintiff had sustained and the expenses he had incurred;” and it is upon this point that both contempt orders were reversed, although the order of March 6, 1882, made no reference to the plaintiff’s expenses or damages, and so far as the Supreme Court’s reversal of the facts disclosed, was assessed purely as a

34. *Worden v. Searls*, 121 U. S. 14, 30 L. Ed. 853.

fine, and without reference to or any testimony about the plaintiff's expenses or damages. It appears from the opinion that the order of March 6, 1882, was not superseded by the order of October 9, 1882, and they were separately and specifically reversed by the Supreme Court's order.

This extended consideration has been given *Worden v. Searls* because it is believed to be at variance with a settled line of decisions beginning long before it and extending down to the present time, and because, by the unwarranted consideration and reversal of the order of March 6, 1882, it has self-contained evidence that it was not produced with that deliberation and care which ought to characterize the opinions of Supreme Court.

We conclude, that *Worden v. Searls* is not in harmony with the *Debs* case and the long line of cases of which it is typical; and that our view of the doctrine of those cases is that the language of an order imposing a fine for contempt ought not to render that order reviewable by the Supreme Court on appeal or error. As Mr. Chief Justice Fuller has pointed out, judgments in contempt proceedings "may be reached for review by the Supreme Court by *certiorari* in the absence of any other adequate remedy,"³⁵ and they may be reached by *habeas corpus*.³⁶

But while we conclude that the right of review of contempt proceedings in the Supreme Court by appeal or error, never existed,³⁷ the establishment of the Circuit Courts of Appeals by the Act of March 3, 1891 (26 Stat. at L. 826, chap. 517, U. S. Comp. Stat. 1901, p. 547), now the Judicial Code, chapter 6, by giving those courts final jurisdiction "in all cases arising * * * under the crimi-

35. *Ex parte Chetwood*, 165 U. S. 443, 462, 41 L. Ed. 782, 788.

36. *Re Watts*, 190 U. S. 1, 47 L. Ed. 933.

37. *Bessette v. W. B. Conkey Co.*, 194 U. S. 324, 335, 48 L. Ed. 997, 1005.

nal laws'' (§ 6) conferred upon them appellate jurisdiction by writ of error in all criminal cases, including cases of contempt; although the decision of the Supreme Court so holding, is expressly limited to "cases in which the proceedings are against one not a party to the suit, and cannot be regarded as interlocutory." Of course on review by writ of error only matters of law can be considered, and the decision of the court below as to the facts is conclusive.³⁸

§ 485. Assignment of errors.

Rule 11 of each of the Circuit Courts of Appeal provides:

"The plaintiff in error or appellant shall file with the clerk of the court below, with his petition for the writ of error or appeal, an assignment of errors, which shall set out separately and particularly each error asserted and intended to be urged. No writ of error or appeal shall be allowed until such assignment of errors shall have been filed. When the error alleged is to the admission or to the rejection of evidence, the assignment of errors shall quote the full substance of the evidence admitted or rejected. When the error alleged is to the charge of the court, the assignment of errors shall set out the part referred to *totidem verbis*, whether it be in instructions given or in instructions refused. Such assignment of errors shall form part of the transcript of the record and be printed with it. When this is not done, counsel will not be heard, except at the request of the court; and errors not assigned according to this rule will be disregarded, but the court, at its option, may notice a plain error not assigned."

38. *Bessette v. W. B. Conkey Co.*, 194 U. S. 324, 338, 48 L. Ed. 997, 1006.

The assignment of errors must neither be vague nor indefinite, and it must be specific. Thus, the assignment as error that "the court erred in sustaining the Master's report to any extent, and in not overruling it altogether," is too indefinite and will not be considered on appeal. "This rule was prescribed as well for the benefit of the adverse party in preparing his case for hearing as for the convenience of the court in its examination of the record and disposition of the questions presented."³⁹

An assignment of error "founded upon an expression in the opinion of the judge, and not upon anything contained in the decree," is not proper and will not be considered on appeal.⁴⁰

§ 486. Appellate jurisdiction of the United States Circuit Courts of Appeals.

It was provided by § 6 of the Act of March 3, 1891, 26 Stat. at L. 828: "That the Circuit Courts of Appeals established by this act shall exercise appellate jurisdiction to review by appeal or by writ of error final decision in the district court and in the existing Circuit Courts in all cases other than those provided for in the preceding section of this act (Clause 1 of § 5 providing for appeals or writs of error direct to the Supreme Court "In any case in which the jurisdiction of the court is in issue; in such cases the question of jurisdiction alone shall be certified to the Supreme Court from the court be-

39. *P. P. Mast & Co. v. Superior Drill Co.*, 154 Fed. Rep. 45, 50, 83 C. C. A. 157. To the same effect, see, *Deering Harvester Co. v. Kelly*, 103 Fed. Rep. 261, 43 C. C. A. 225; *Rhode Island Locomotive Works v. Continental Trust Co.*, 108 Fed. Rep. 5, 9, 47 C. C. A. 147; *Chandler v. Pomeroy*, 96 Fed.

Rep. 156, 37 C. C. A. 430; *McFarlane v. Golling*, 76 Fed. Rep. 23, 22 C. C. A. 23; *Srith v. Hopkins*, 120 Fed. Rep. 921, 57 C. C. A. 193; *United States v. Lee Yen Tai*, 113 Fed. Rep. 465, 51 C. C. A. 299.

40. *P. P. Mast & Co. v. Superior Drill Co.*, 154 Fed. Rep. 45, 50, 83 C. C. A. 157.

low for decision”), unless otherwise provided by law, and the judgments or decrees of the Circuit Courts of Appeals shall be final in all cases in which the jurisdiction is dependent entirely upon the opposite parties to the suit or controversy, being aliens and citizens of the United States or citizens of different States; also in all cases arising under the patent laws, under the revenue laws, and under the criminal laws and in admiralty cases, excepting that in every such subject within its appellate jurisdiction the Circuit Court of Appeals at any time may certify to the Supreme Court of the United States any questions or propositions of law concerning which it desires the instruction of that court for its proper decision. And thereupon the Supreme Court may either give its instruction on the questions and propositions certified to it, which shall be binding upon the Circuit Courts of Appeals in such case, or it may require that the whole record and cause may be sent up to it for its consideration, and thereupon shall decide the whole matter in controversy in the same manner as if it had been brought there for review by writ of error or appeal.

“And excepting also that in any such case as is hereinbefore made final in the Circuit Court of Appeals it shall be competent for the Supreme Court to require, by *certiorari*, or otherwise, any such case to be certified to the Supreme Court for its review and determination with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court.

“In all cases not hereinbefore, in this section, made final there shall be of right an appeal or writ of error or review of the case by the Supreme Court of the United States where the matter in controversy shall exceed one thousand dollars beside costs. But no such appeal shall be taken or writ of error sued out unless within one year after the entry of the order, judgment, or decree sought to be reviewed.” So far as patent causes are concerned,

these provisions are preserved in the Judicial Code. §§ 128, 238, 239, 240, 241.

The history of the reasons why appeal does not lie except from a final decree, by analogy to the practice under writs of error, is given by Judge Putnam in a well-considered opinion.⁴¹ In fixing the finality of the decree appealed from, it has been determined that a complainant has no right of appeal from a decree dismissing the bill with reference to certain claims of the patent or patents in suit, when other claims were found valid and infringed, and a reference ordered as to them. In such a case, Judge Severens said: "It is further contended that, as the decree finally disposes of the first claim of the patent, an appeal would lie independently of the statute. But as that part of the decree did not finally dispose of the whole case, which was retained for the purpose of an accounting upon the claims held valid, the right to appeal from the dismissal of the bill as to the first claim would be suspended until the final decree, when that action and any other which might be prejudicial could be brought up on one appeal. The other course would sanction the bringing up of a case 'piece meal.' In thus holding we are in agreement with the opinion of the Circuit Court of Appeals for the First Circuit in *Marden v. Campbell Printing Press Co.*, 67 Fed. Rep. 809, 15 C. C. A. 26."⁴²

The same character of appeal lies to the Court of Appeals of the District of Columbia from the final decrees of the Supreme Court of the District of Columbia.⁴³

41. *Marden v. Campbell Printing Press & Mfg. Co.*, 67 Fed. Rep. 809, 15 C. C. A. 26. For an exhaustive discussion of the finality of decrees, examine the majority and dissenting opinions in *Standard Elevator Co. v. Crane Ele-*

vator Co., 76 Fed. Rep. 767, 793, 22 C. C. A. 549.

42. *Western Electric Co. v. Williams-Abbott Electric Co.*, 108 Fed. Rep. 952, 957, 48 C. C. A. 159.

43. *Whitson v. Columbia Phonograph Co.*, 18 App. D. C. 565, 98 Off. Gaz. 418.

§ 487. Appeals from interlocutory orders granting, refusing or dissolving injunctions.

Section 7 of the Act of March 3, 1891, 30 Stat. at L. 660, provided (the section being a substitute for § 7 as originally enacted): "That where, upon a hearing in equity in a District Court or in a Circuit Court, or by a judge thereof in vacation, an injunction shall be granted or continued or a receiver appointed, by an interlocutory order or decree, in a cause in which an appeal from a final decree may be taken under the provisions of this Act to the Circuit Court of Appeals, an appeal may be taken from such interlocutory order or decree granting or continuing such injunction or appointing such receiver to the Circuit Court of Appeals: *Provided*, That the appeal must be taken within thirty days from the entry of such order or decree, and it shall take precedence in the Appellate Court; and the proceedings in other respects in the court below shall not be stayed unless otherwise ordered by that court, or by the Appellate Court or a judge thereof, during the pendency of such appeal: *Provided further*, That the court below may in its discretion require as a condition of the appeal an additional bond."

As to appeals under this section the Supreme Court has ruled as follows: "The provision of § 7 of the Act of 1891, that where 'upon a hearing in equity' in a Circuit Court 'an injunction shall be granted or continued by an interlocutory order or decree,' in a cause in which an appeal from a final decree might be taken to the Circuit Court of Appeals, 'an appeal may be taken from such interlocutory order or decree granting or continuing such injunction' to that court, authorizes, according to its grammatical construction and actual meaning, an appeal to be taken from the whole of such interlocutory order or decree, and not from that part of it only which grants or

continues an injunction. The manifest intent of this provision read in the light of the previous practice in the courts of the United States, contrasted with the practice in courts of equity of the highest authority elsewhere, appears to this court to have been not only to permit the defendant to obtain immediate relief from an injunction, the continuance of which throughout the progress of the cause might seriously affect his interests, but also to save both parties from the expense of further litigation, should the Appellate Court be of opinion that the plaintiff was not entitled to an injunction because his bill had no equity to support it.

“The power of the Appellate Court over the cause, of which it has acquired jurisdiction by the appeal from the interlocutory decree, is not affected by the authority of the court appealed from, recognized in the last clause of the section, and often exercised by other courts of chancery, to take further proceedings in the cause, unless in its discretion it orders them to be stayed pending the appeal.”⁴⁴

The right of appeal has been extended to orders refusing or dissolving an injunction by The Judicial Code as follows:

Sec. 129. “Where upon a hearing in equity in a district court, or by a judge thereof in vacation, an injunction shall be granted, continued, refused, or dissolved by an interlocutory order or decree, or an application to dissolve an injunction shall be refused, or an interlocutory order or decree shall be made appointing a receiver, an appeal may be taken from such interlocutory order or decree granting, continuing, refusing, dissolving, or refusing to dissolve, an injunction, or appointing a re-

44. Mr. Justice Gray, in *Smith v. Vulcan Iron Works*, 165 U. S. 518, 525, 41 L. Ed. 810, 812.

ceiver, to the Circuit Court of Appeals, notwithstanding an appeal in such case might, upon final decree under the statutes regulating the same, be taken directly to the Supreme Court: *Provided*, That the appeal must be taken within thirty days from the entry of such order or decree, and it shall take precedence in the Appellate Court; and the proceedings in other respects in the court below shall not be stayed unless otherwise ordered by that court, or the Appellate Court, or a judge thereof, during the pendency of such appeal: *Provided, however*, That the court below may, in its discretion, require as a condition of the appeal an additional bond.”

§ 488. Appellate jurisdiction of the Supreme Court.

Prior to the creation of the Circuit Courts of Appeals (Act of March 3, 1891, c. 517, 26 Stat. at L. 826), appeals in patent causes were taken directly to the Supreme Court from the Circuit and District Courts of the United States, under § 690, R. S. U. S.

By § 6 of the Circuit Court of Appeals Act it was provided that “the judgments or decrees of the Circuit Courts of Appeals shall be final * * * in all cases arising under the patent laws.” U. S. Comp. Stat., p. 550. The provision now exists as § 128 of the Judicial Code.

The appellate jurisdiction of the Supreme Court being thus terminated, as to patent cases, there were left but two sources of jurisdiction in patent causes in that court, which are expressed in the exceptions named in § 6 of the Circuit Court of Appeals Act, as follows:

“Excepting that in every such subject within its appellate jurisdiction the Circuit Court of Appeals at any time may certify to the Supreme Court of the United States any questions or propositions of law concerning which it desires the instruction of that court for its proper decision. And thereupon the Supreme Court may either give its instruction on the questions and propositions certified to it, which shall be binding upon the Cir-

cuit Courts of Appeals, in such case, or it may require that the whole record and cause may be sent up to it for its consideration, and thereupon shall decide the whole matter in controversy in the same manner as if it had been brought there for review by writ of error or appeal. And excepting also that in any such case as is hereinbefore made final in the Circuit Court of Appeals it shall be competent for the Supreme Court to require, by *certiorari* or otherwise, any such case to be certified to the Supreme Court for its review and determination with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court.”

These provisions have been preserved in The Judicial Code, § 239.

Where an appeal in any case, however, brings the jurisdiction of the *nisi prius* court directly in question, the Circuit Court of Appeals is without jurisdiction to entertain the appeal, which lies directly to the Supreme Court. Thus Judge Bradford has said: “From a final decree of a Circuit or District Court on a question of jurisdiction, whether of the cause or of the person, the appeal lies directly to the Supreme Court, and this court is without jurisdiction to entertain it.”⁴⁵

Appeals from judgments at law.

The fundamental rule governing appellate review of actions at law is that only questions of law may be examined; the questions of fact being concluded by the verdict and judgment of the lower court.⁴⁶ But in patent cases, where the appellate court determines that it is

45. *L. E. Waterman Co. v. Parker Pen Co.*, 107 Fed. Rep. 141, 143, 46 C. C. A. 203; citing,

Shepard v. Adams, 168 U. S. 618, 42 L. Ed. 602.

46. *Hecker v. Fowler*, 69 U. S. (2 Wall.) 123, 17 L. Ed. 759.

apparent from the face of the patent that extrinsic evidence is not needed to explain the terms of art employed in the specification, and that it is able, from mere comparison, to determine whether the defendant's acts amount to infringement, "the question of infringement or no infringement is one of law" and subject to appellate review.⁴⁷

The only court from which a judgment at law could heretofore be taken to the United States Supreme Court for review on writ of error was the Court of Appeals of the District of Columbia,⁴⁸ but this law was repealed by § 250 of The Judicial Code. Actions at law are finally determinable by that court and the Circuit Courts of Appeals,⁴⁹ subject to the right of those courts to certify questions of law to the Supreme Court, and subject to the power of the Supreme Court to issue the writ of *certiorari*.⁵⁰ But where the writ of *certiorari* issues, it seems to be styled by the Supreme Court itself a "writ of error."⁵¹

§ 489. *Certiorari*.

The writ of *certiorari*, at least as applied to patent causes, is granted very seldom by the Supreme Court; the percentage of applications granted is small, and fluctuates but slightly from term to term. Whether such applications are, in theory or practice, assigned to the several Justices of that court, or considered only by the

47. *Heald v. Rice*, 104 U. S. 737, 26 L. Ed. 910; *Market Street Cable R. Co. v. Rowley*, 155 U. S. 621, 625, 39 L. Ed. 284, 287; *Singer Mfg. Co. v. Cramer*, 192 U. S. 265, 275, 48 L. Ed. 437, 444.

48. 27 Stat. at L., ch. 74, § 8, p. 436.

49. 26 Stat. at L., ch. 517, § 6.

50. 26 Stat. at L., ch. 517, § 6.

51. Note the language of the opinion of Mr. Justice White, in *Singer Mfg. Co. v. Cramer*, 192 U. S. 265, at page 275, 48 L. Ed. 437, 444. To the same effect, see, *Harris v. Barber*, 129 U. S. 366, 32 L. Ed. 697.

Chief Justice, is a question that has been frequently raised but never answered. The peculiar administration of the writ is one of the anomalies of the law. Its issuance is presumably determined by the general rules to which we are about to refer, but in practice it is refused or granted without apparent regard to any rules. Its issuance being entirely discretionary, and each writ issued being a direct addition to the labors of a court which is already overburdened with the most difficult and important judicial labors, it cannot be wondered at that the writ is granted sparingly.

The writ of *certiorari*, then, is not a writ of right, but is discretionary with the court.⁵² It is in the nature of a writ of error,⁵³ and is referred to by the Supreme Court, in cases brought before it by *certiorari*, as a "writ of error."⁵⁴

The general rule is that the writ of *certiorari* cannot be employed when there is any other equally adequate remedy.⁵⁵

That the final judgments or decrees of the Circuit Court of Appeals may be reviewed on *certiorari* by the Supreme Court was expressly provided by the Judiciary Act of March 3, 1891 (26 Stat. at L. 826, c. 517), and has been expressly ruled by the higher court;⁵⁶ the provision is now to be found as § 240 of The Judicial Code, § 251 making similar provisions as to the final judgments and decrees of the Court of Appeals of the District of Columbia.

52. *Re Hitz*, 111 U. S. 766, 28 L. Ed. 592.

53. *Harris v. Barber*, 129 U. S. 366, 32 L. Ed. 697. See editorial note, "Certiorari in United States Courts," 17 L. Ed. 69.

54. *Singer Mfg. Co. v. Cramer*,

192 U. S. 265, 275, 48 L. Ed. 437, 444.

55. *Re Tampa Suburban R. Co.*, 168 U. S. 583, 42 L. Ed. 589.

56. *Mueller v. Nugent*, 184 U. S. 1, 46 L. Ed. 405; *Louisville Trust Co. v. Cominger*, 184 U. S. 18, 46 L. Ed. 413.

The writ is properly employed by the Supreme Court to review judgments in contempt proceedings where no other adequate remedy exists.⁵⁷ Aside from this, that court has said that its power to issue the writ will be exercised but sparingly, and then only where its issuance is demanded by the importance of the question involved, the necessity of avoiding conflict between two or more Courts of Appeals, or between Courts of Appeals and the courts of a State, or some matter affecting the interest of the nation in its internal or external relations.⁵⁸ It can only be employed to review a final judgment, as to the Circuit Courts of Appeals,⁵⁹ and cannot properly be issued to review a decree of that court upon an appeal from an interlocutory decree, unless under unusual circumstances, and to prevent extraordinary embarrassment and inconvenience in the conduct of the cause.⁶⁰

Certiorari is the proper method for the review of a decision of the Circuit Court of Appeals dismissing for want of jurisdiction an appeal in a case within the classes of cases in which that court is given final jurisdiction by the Judiciary Act of March 3, 1891.⁶¹

Under extraordinary circumstances the writ will be issued in advance of the final decree of the Circuit Court of Appeals.⁶²

There is no rule or statute governing the time, after the final decree of the Circuit Court of Appeals, within which the writ must be applied for. It should be sought

57. *Re Chetwood*, 165 U. S. 443, 41 L. Ed. 782.

58. *Forsythe v. Hammond*, 166 U. S. 506, 41 L. Ed. 1095; *Parsons v. Chicago & N. W. R. Co.*, 167 U. S. 454, 42 L. Ed. 234.

59. *Chicago & N. W. R. Co. v. Osborne*, 146 U. S. 354, 36 L. Ed. 1002.

60. *American Constr. Co. v. Jacksonville, T. & K. W. R. Co.*, 148 U. S. 372, 37 L. Ed. 486.

61. *Kingman & Co. v. Western Mfg. Co.*, 170 U. S. 675, 42 L. Ed. 1192.

62. *Forsythe v. Hammond*, 166 U. S. 506, 41 L. Ed. 1095; *Harri- man v. Northern Securities Co.*, 197 U. S. 244, 49 L. Ed. 739.

with reasonable diligence, and a petition filed within one year has been held to be timely.⁶³

As to the practice in applications for *certiorari*, the clerk of the Supreme Court has issued the following circular letter of instructions:

INSTRUCTIONS AS TO APPLICATIONS FOR WRITS OF CERTIORARI
UNDER ACT OF MARCH 3, 1891.

The following are the requirements on applications for writs of *certiorari* under the act of March 3, 1891:

Petitions are docketed in this court as

—————, Petitioner, *vs.* —————, Respondent.

Before the petition will be docketed there must be furnished this office:

1. An original petition, with written signature of counsel.

2. A certified copy of the transcript of the record, including all proceedings in the Circuit Court of Appeals.

3. An appearance of counsel for petitioner, signed by a member of the bar of this court.

4. A deposit of \$25 on account of costs.

Before submission of the petition there must be furnished:

1. Proof of service of notice of date fixed for submission and of copies of petition and brief upon counsel for the respondent. About two weeks' notice should be given.

2. Twenty-five printed copies of the petition.

3. Twenty-five printed copies of brief in support of petition, if any such brief is to be filed.

4. At least nine uncertified copies of record, which must contain all the proceedings in the Circuit Court of

63. *The Conqueror*, 166 U. S. 110, 41 L. Ed. 937.

Appeals. These copies may be made up by using copies of the record as printed for the Circuit Court of Appeals and adding thereto printed copies of the proceedings in that court. If a sufficient number of records thus made up cannot be obtained, making it necessary to reprint the record for use on the hearing of the petition, fifty copies must be printed under my supervision, in order that, should the petition be granted, there may be a sufficient number for use on the final hearing.

Monday being motion day, some Monday must be fixed upon for the submission of the petition. No oral argument is permitted on such petitions, but they must be called up and submitted in open court by counsel for petitioner, or by some attorney in his behalf.

All papers in the case must be filed not later than the Saturday preceding the Monday fixed for the submission of the petition.

JAMES H. MCKENNEY,

Clerk of the Supreme Court of United States.

§ 490. Certification of questions to the Supreme Court.

§ 6 of the Judiciary Act of March 3, 1891 (26 Stat. at L. 826, Ch. 517) provides in part that "the judgments or decrees of the Circuit Courts of Appeals shall be final in all cases in which the jurisdiction is dependent entirely upon the opposite parties to the suit or controversy being aliens and citizens of the United States or citizens of different States; also in all cases arising under the patent laws, under the revenue laws, and under the criminal laws, and in admiralty cases, excepting that in every such subject within its appellate jurisdiction the Circuit Court of Appeals at any time may certify to the Supreme Court of the United States any questions or propositions of law concerning which it desires the instruction of that court for its proper decision. And thereupon the Supreme Court may either give its instruction on the ques-

tions and propositions certified to it, which shall be binding upon the Circuit Courts of Appeals in such case, or it may require that the whole record and cause may be sent up to it for its consideration, and thereupon shall decide the whole matter in controversy in the same manner as if it had been brought there for review by writ of error or appeal.

Under this provision the Supreme Court has adopted the following rule:

“37. CASES FROM CIRCUIT COURTS OF APPEALS.

“1. Where, under section 6 of the said act, a Circuit Court of Appeals shall certify to this court a question or proposition of law, concerning which it desires the instruction of this court for its proper decision, the certificate shall contain a proper statement of the facts on which such question or proposition of law arises.

“2. If application is thereupon made to this court that the whole record and cause may be sent up to it for its consideration, the party making such application shall, as a part thereof, furnish this court with a certified copy of the whole of said record.

“3. Where application is made to this court under section 6 of the said act to require a case to be certified to it for its review and determination, a certified copy of the entire record of the case in the Circuit Court of Appeals shall be furnished to this court by the applicant, as a part of the application.”

Questions certified under this provision must present a distinct point or proposition of law, and must not require the Supreme Court to practically determine whether the judgment or decree of the trial court should be affirmed or reversed, and should not involve an examination of the entire record.⁶⁴

64. *Felsenheld v. United* 1085; *Graver v. Faurot*, 162 U. S. States, 186 U. S. 126, 46 L. Ed. 435, 40 L. Ed. 1030.

The Circuit Court of Appeals may certify the question of the jurisdiction of the trial court, even when that question was not raised or placed in issue in the trial court.⁶⁵

Where the questions of law certified involve separate and distinct propositions of law in their determination, and which are not referred to in the certificate, the certificate will be dismissed.⁶⁶

Such a certificate is irregular and will not be considered when a quorum does not sit in the case in the Circuit Court of Appeals. This rule being made when it appeared that of three judges sitting, one was unwilling, and another disqualified, to sit upon the final hearing and determination of the appeal.⁶⁷

The certificate must contain a statement of the facts upon which the questions certified arise,⁶⁸ and the certificate must show that the instruction of the Supreme Court is desired upon the questions certified.⁶⁹

§ 491. The mandate—Definition and function.

Upon the entry of the decree of the Circuit Court of Appeals, and the disposition of the motion for rehearing, if there is one, or the lapsing of the time within which a petition for rehearing may be filed, the mandate of that court issues automatically, addressed to the court below and directing the affirmance, reversal, or modification of its judgment or decree. Sometimes, but rarely, the issuance of the mandate will be stayed upon the application of the defeated party, accompanied by the declaration

65. *United States v. Jahn*, 155 U. S. 109, 39 L. Ed. 87.

66. *Cross v. Evans*, 167 U. S. 60, 64, 42 L. Ed. 77, 78.

67. *Cincinnati, Hamilton & D. R. Co. v. McKeen*, 149 U. S. 259, 37 L. Ed. 725.

68. *Cincinnati, Hamilton & D.*

R. Co. v. McKeen, 149 U. S. 259, 37 L. Ed. 725; *Emsheimer v. New Orleans*, 186 U. S. 33, 46 L. Ed. 1042.

69. *Columbus Watch Co. v. Robbins*, 148 U. S. 266, 37 L. Ed. 445.

of the intention of that party to present an application for *certiorari* to the Supreme Court. When an order staying the issuance of the mandate is made, it is usually conditioned upon the moving party presenting his petition for *certiorari* to the Supreme Court within a time fixed in the order.⁷⁰

The mandates of the Supreme Court issue as of course after the expiration of thirty days from the day the judgment or decree is entered, unless the time is enlarged by order of the court, or of a justice thereof when the court is not in session, but during the term. (Rule 39.)

§ 492. To what court addressed.

The mandate of the Supreme Court, in a case brought from the Circuit Court of Appeals, will go to the *nisi prius* court; it is immaterial that the Circuit Court of Appeals had issued a prior mandate to the lower court.⁷¹ In cases from the State courts, the mandate may go either to the appellate court of that State, or the inferior court (of record) in which is the judgment affected by the mandate.⁷²

§ 493. Scope.

The scope of the mandate is practically unlimited. It has been used to permit the parties to amend their pleadings generally,⁷³ to amend the pleadings to show diverse citizenship,⁷⁴ to bring in new parties,⁷⁵ to reverse an un-

70. Means v. Dowd, 128 U. S. 583, 32 L. Ed. 578.

71. Louisville & N. R. Co. v. Behlmer, 169 U. S. 644, 42 L. Ed. 889.

72. Williams v. Bruffy, 102 U. S. 248, 26 L. Ed. 135.

73. Goodman v. Niblack, 102 U. S. 556, 26 L. Ed. 229.

74. Stuart v. Easton, 156 U. S. 46, 39 L. Ed. 341.

75. Lewis v. Darling, 16 Howard 1, 14 L. Ed. 819.

qualified decree of dismissal for want of jurisdiction and direct the entry of a decree of dismissal without prejudice.⁷⁶

§ 494. Form.

“It is unnecessary in the mandate to make recitation of every step in the various stages of the cause.”⁷⁷ On appeal from an interlocutory decree granting an injunction and directing an account to be taken, the mandate, on affirmance, “will simply recite that the court finds no error in the decree awarding an injunction.”⁷⁸

But under this form of mandate, the Circuit Court has no power to dissolve, modify or suspend the injunction.⁷⁹

§ 495. The construction and effect of the mandate.

In a comprehensive opinion upon the interpretation of the mandate, and its effect in the court below, Mr. Justice Gray has said:

“When a case has been once decided by this court on appeal and remanded to the Circuit Court, whatever was before this court, and disposed of by its decree, is considered as finally settled. The Circuit Court is bound by the decree as the law of the case; and must carry it into execution, according to the mandate. That court cannot vary it or examine it for any other purpose than execution; or give any other or further relief; or review it, even for apparent error, upon any matter decided on

76. *Plant Invest. Co. v. Jacksonville T. & K. W. R. Co.*, 152 U. S. 71, 38 L. Ed. 358.

77. Per Curiam, *Andrews v. Thum*, 72 Fed. Rep. 290, 293, 18 C. C. A. 556.

78. *Lurton, J., in Goshen*

Sweeper Co. v. Bissell Carpet Sweeper Co., 72 Fed. Rep. 67, 78, 19 C. C. A. 13.

79. *Bissell Carpet Sweeper Co. v. Goshen Sweeper Co.*, 72 Fed. Rep. 545, 560, 19 C. C. A. 25

appeal; or intermeddle with it, further than to settle so much as has been remanded.⁸⁰ If the Circuit Court mistakes or misconstrues the decree of this court, and does not give full effect to the mandate, its action may be controlled, either upon a new appeal (if involving a sufficient amount) or by a writ of mandamus to execute the mandate of this court.⁸¹ But the Circuit Court may consider and decide any matters left open by the mandate of this court; and its decision of such matters can be reviewed by a new appeal only.⁸² The opinion delivered by this court at the time of rendering its decree may be consulted to ascertain what was intended by its mandate; and either upon an application for a writ of mandamus, or upon a new appeal, it is for this court to construe its own mandate, and to act accordingly."⁸³

A decree entered under a mandate which does not fully comply therewith, is not final, and may be modified at a subsequent term.⁸⁴

§ 496. Recall or modification of the mandate.

The mandate may be recalled and corrected, at the same term where cause is shown. Where the Supreme Court discovered that before its decision the parties had

80. *Sibbald v. United States*, 37 U. S. (12 Pet.) 488, 492, 9 L. Ed. 1167, 1169; *Texas & P. R. Co. v. Anderson*, 149 U. S. 237, 37 L. Ed. 717.

81. *Perkins v. Fourniquet*, 55 U. S. (14 How.) 313, 330, 14 L. Ed. 435, 442; *Re Washington & G. R. Co.*, 140 U. S. 91, 35 L. Ed. 339; *City Nat. Bank v. Hunter*, 152 U. S. 512, 38 L. Ed. 534, 153 U. S. 246, 38 L. Ed. 705.

82. *Hinckley v. Morton*, 103 U. S. 764, 26 L. Ed. 458; *Mason v. Pewabic Min. Co.*, 153 U. S. 361,

38 L. Ed. 745; *Nashua & L. R. Corp. v. Boston & L. R. Corp.*, 51 Fed. Rep. 929.

83. *Sibbald v. United States*, 37 U. S. (12 Pet.) 488, 493, 9 L. Ed. 1167, 1169; *West v. Brashear*, 39 U. S. (14 Pet.) 51, 10 L. Ed. 350; *Wayne County Suprs. v. Kennicott*, 94 U. S. 498, 24 L. Ed. 260; *Gaines v. Caldwell* ("Gaines v. Rugg") 148 U. S. 228, 238, 244, 37 L. Ed. 432, 434, 437.

84. *Moran v. Hagerman*, 64 Fed. Rep. 499, 12 C. C. A. 239.

compromised, with the understanding that the cause should go on to final hearing and determination as if still an actual contest, one party paying the fees of counsel on both sides, the decree was vacated, the mandate recalled and the appeal dismissed.⁸⁵ Similarly, when it is discovered that it has no jurisdiction, though that question was not raised upon the hearing.⁸⁶

A mere clerical omission, such as failure to include interest in the mandate, has been cured by amendment at a subsequent term, when the mandate, though issued, had not been presented to the court below,⁸⁷ and Mr. Justice Bradley said: "We have no doubt of our power at any time to amend a decree which has by inadvertence or mistake been entered in a different form from that in which we intended it."⁸⁸

§ 497. Infringement by the government.

"It was at one time somewhat doubted whether the Government might not be entitled to the use and benefit of every patented invention, by analogy to the English law which reserves this right to the Crown. But that notion no longer exists."⁸⁹

The rights to make, use and sell conveyed by the grant of letters patent exclude the Government of the United States.⁹⁰ Consequently, its liability for its tort, when a patent is infringed through any of its various agencies,

85. *Gardner v. Goodyear Dental Vulcanite Co.*, 131 U. S. ciii (Appendix), 21 L. Ed. 141.

86. *Cannon v. United States*, 116 U. S. 55, 29 L. Ed. 561.

87. *Bank of Kentucky v. Wistar*, 3 Peters 431, 7 L. Ed. 731.

88. *Elizabeth v. American Nicholson Pavement Co.*, 131 U. S. cxlviii (Appendix), 24 L. Ed. 1059.

89. Mr. Justice Bradley, in *United States v. Palmer*, 128 U. S. 262, 32 L. Ed. 442.

90. *U. S. v. Burns*, 12 Wall. 246, 20 L. Ed. 388; *Cammeyer v. Newton*, 94 U. S. 235, 24 L. Ed. 75; *Solomons v. U. S.*, 137 U. S. 342, 34 L. Ed. 667; *Belknap v. Schild*, 161 U. S. 10, 40 L. Ed. 599.

has long been settled.⁹¹ But while the theoretical liability of the government has been thus announced, the practical question of reaching a recovery for the act of infringement has been enveloped in much difficulty.

The elemental proposition that the government cannot be sued, save by its consent,⁹² and the further corollary that no implied agreement for the payment of a royalty grows out of an infringement by an agent of the government, practising the infringement at the cost of the government and in its service,⁹³ have measurably embarrassed the assertion of the patentee's rights.

The law of the subject, as it stood prior to the recent amendment of § 4919, R. S. U. S., has been thus summarized by the Supreme Court:⁹⁴

“The United States, by successive acts of Congress, have consented to be sued upon their contracts, either in the Court of Claims, or in a Circuit or District Court of the United States.⁹⁵ The United States may accordingly be sued by a patentee for their use of his invention under a contract made with him by the United States or by their authorized officers.⁹⁶”

91. *James v. Campbell*, 104 U. S. 356, 26 L. Ed. 786; *U. S. v. Palmer*, 128 U. S. 252, 32 L. Ed. 442; *International Postal Supply Co. v. Bruce*, 114 Fed. Rep. 569, affirmed, 132 Fed. Rep. 1006, 65 C. C. A. 130; affirmed, 194 U. S. 601, 48 L. Ed. 1134.

92. *Schillinger v. U. S.*, 155 U. S. 162, 39 L. Ed. 103; *Belknap v. Schild*, 161 U. S. 10, 40 L. Ed. 599.

93. *Solomons v. United States*, 22 Ct. of Claims 335, affirmed, 137 U. S. 342, 34 L. Ed. 667; *Davis v. U. S.*, 23 Ct. of Claims 334.

94. Mr. Justice Gray, in *Belk-*

nap v. Schild, 161 U. S. 10-17, 40 L. Ed. 599.

95. Acts of February 24, 1855 (10 Stat. at L., 765, ch. 122, § 1, 1 Comp. Stat. 729); March 3, 1863 (12 Stat. at L., 765, ch. 92, § 2; Rev. Stat., § 1059, 1 Comp. Stat., p. 734); Act of March 3, 1887 (24 Stat. at L., 505, ch. 359, §§ 1, 2, 1 Comp. Stat. 752-753).

96. *United States v. Burns*, 79 U. S. (12 Wall.) 246, 20 L. Ed. 388; *United States v. Palmer*, 128 U. S. 262; *United States v. Berdan Firearms Mfg. Co.*, 156 U. S. 552, 39 L. Ed. 530.

But the United States have not consented to be liable to suits, founded in tort, for wrongs done by their officers, though in the discharge of their official duties.⁹⁷ The United States, therefore, are not liable to a suit for an infringement of a patent, that being an action sounding in tort."⁹⁸

§ 498. Patent actions in the Court of Claims.

By a recent amendment of § 4919, R. S. U. S., the following provision has been incorporated in the statute;

“And whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States, without license or authority of the owner thereof, such owner may recover reasonable compensation for such use by suit in the Court of Claims: *Provided, however,* That in any such suit the United States may avail itself of any and all defenses, general or special, which might be pleaded by a defendant in an action for infringement as set forth in title sixty of the revised statutes, or otherwise.”

This provision was enacted as the result of the labors of the American Bar Association. The argument which led to its enactment is ably presented in a report of the Committee on Patent, Trademark and Copyright Law of that Association, from which we quote:

“The matter is one of greater and wider interest than might be supposed. The government is not only an enormous consumer, but likewise a very large manufacturer of patented articles. The status of a patent as pri-

97. *Gibbons v. United States*, 75 U. S., 8 Wall. 269; *Morgan v. United States*, 81 U. S., 14 Wall. 531, 534; *Langford v. United States*, 101 U. S. 341; *United States v. Jones*, 131 U. S. 1, 16, 18; *German Bank of Memphis v.*

United States, 148 U. S. 573, 579, 580; *Hill v. United States*, 149 U. S. 593, 37 L. Ed. 862.

98. *Schillinger v. United States*, 155 U. S. 163; *United States v. Berdan Firearms Mfg. Co.*, 156 U. S. 552, 39 L. Ed. 530.

vate property, which even the government is prohibited from taking for public use, without compensation (amendment to the Constitution, article V), has been declared and redeclared in many opinions by the Supreme Court of the United States (*McKeever vs. United States*, 14 Ct. Cls. 396; affirmed S. C., 18 Ct. Cls. 757; *James vs. Campbell*, 104 U. S. 356; *Hollister vs. Benedict & Burnham Mfg. Co.*, 113 U. S. 59; *United States vs. Paimer*, 128 U. S. 262; *Solomons vs. United States*, 137 U. S. 346; *Belknap vs. Schild*, 161 U. S. 10, and numerous other cases.) But it has been held, also, that in the absence of an express contract between the owner and the government or of transactions between them from which an agreement by the government to pay reasonable royalty must be implied, the patentee has no remedy at law or by executive action and must obtain relief, if at all, by appeal to Congress (*Schillinger vs. United States*, 155 U. S. 163; *Russell vs. United States*, 182 U. S. 516; *Bigby vs. United States*, 188 U. S. 400; *McKeever vs. United States*, 14 Ct. Cls. 396; *Butler vs. United States*, 23 Ct. Cls. 335; *Eager vs. United States*, 35 Ct. Cls. 556.) With respect to tangible property, such as real estate, the courts have implied an agreement by the government to make reasonable compensation for property taken from the mere act of appropriation. In *United States vs. Lunah*, 188 U. S. 445, it appeared that certain lands were overflowed in consequence of improvements made by the government in a navigable river. The court held that this was a taking of private property for public use and that the owner was entitled to recover compensation for it in an action brought in the Court of Claims under the Act of March 3, 1887, known as the "Tucker Act." But the courts have assumed a very different attitude toward patents, holding that one claiming royalty must show: (1) his ownership of the patent; (2) the beneficial use by the government, of the patented

invention, and (3) that the taking and use of his invention occurred, with the patentee's consent, by order of a responsible official of the government, and with the distinct understanding that reasonable royalty should be paid for such use of the invention as the government might see fit to make (see authorities cited). The policy of the government throughout its several departments, when procuring materials or articles of any kind, by contract, is to require the contractor to furnish bond to indemnify the government against claims of patentees for the use of inventions embodied in such materials or articles. This, however, is not designed to and does not afford protection to patentees, who derive no remedy against the contractor on the bond for the use which the government makes of infringing articles and have no remedy against the government."⁹⁹

§ 499. Jurisdiction of the Court of Claims.

The Court of Claims was originally established by the Act of February 24, 1855, 10 Stat. at L. 612. It is provided by § 136, The Judicial Code, that the court shall consist of a Chief Justice and four judges, who shall be appointed by the President, by and with the advice and consent of the Senate, and hold their offices during good behavior.

Any three judges constitute a quorum, but the concurrence of three judges is necessary to the decision of any case (18 Stat. at L. 252, § 138, The Judicial Code).

§ 144, The Judicial Code, provides that members of either House of Congress shall not practice in the Court of Claims. Rule 8 of the court provides that: "Any person of good moral character, who has been admitted to practice in the Supreme Court of the United States,

99. Reports, American Bar Assn., Vol. XXXIV, (1909) 548.

or in the highest court of the District of Columbia, or in the highest court of any State or Territory, may be admitted, on motion in open court, to practice as an attorney and counselor of this court. He may also be admitted by an order at chambers, on its being shown by affidavit or otherwise that he is qualified as above provided.”

The jurisdiction of the Court of Claims is primarily defined by § 148, The Judicial Code, reenacting § 1059, R. S. U. S., which provides in part that that jurisdiction shall extend to “all claims founded upon any law of Congress, or upon any regulation of an Executive Department, or upon any contract, expressed or implied, with the Government of the United States, and all claims which may be referred to it by either House of Congress.”

Of its jurisdiction, Mr. Justice Shiras has said:

“The jurisdiction of that court extends throughout the United States. It issues writs to every part of the United States, and is specially authorized to enforce them.”¹⁰⁰

The statutory provisions above referred to have been supplemented by § 1070, R. S. U. S., re-enacted as § 157, The Judicial Code, providing that “The said court shall have power to establish rules for its government and for the regulation of practice therein, and it may punish for contempt in the manner prescribed by the common law, may appoint Commissioners, and may exercise such powers as are necessary to carry into effect the powers granted to it by law.”

§ 500. Practice and procedure.

The form of petition to be used by the claimant has been fixed by statute, as follows:

100. United States v. Forcherling, 185 U. S. 223, 234, 46 L. Ed. 884, 889.

“The claimant shall, in all cases, fully set forth in his petition the claim, the action thereon in Congress, or by any of the departments, if such action has been had; what persons are owners thereof or interested therein, when and upon what consideration such persons became so interested; that no assignment or transfer of said claim, or of any part thereof or interest therein, has been made, except as stated in the petition; that said claimant is justly entitled to the amount therein claimed from the United States, after allowing all just credits and offsets; that the claimant, and, where the claim has been assigned, the original and every prior owner, thereof, if a citizen, has at all times borne true allegiance to the Government of the United States, and whether a citizen or not, has not in any way voluntarily aided, abetted, or given encouragement to rebellion against the said Government, and that he believes the facts as stated in the said petition to be true. And the said petition shall be verified by the affidavit of the claimant, his agent, or attorney.”

(§ 1072, R. S. U. S., reenacted as § 159, The Judicial Code.)

The averment of allegiance required by this statute was rendered unnecessary by the Proclamation of Amnesty of December 25, 1868, 15 Stat. at L. 711.¹⁰¹

The rules of the court with reference to the petition provide:

“16. Suits shall be commenced by petition, verified in the manner provided by law, and filed in the office of the clerk, with one extra copy in print or typewriting. The clerk will note thereon the filing day, and will cause a copy to be forwarded to the Attorney-General. Within

101. *Armstrong v. United States*, 80 U. S. (13 Wall.) 156, 20 L. Ed. 614; *Pargoud v. United States*, 80 U. S. (13 Wall.) 154, 20 L. Ed. 646.

twenty days thereafter the claimant shall have printed twenty-five copies of such petition, retaining ten copies for the trial record and filing the remaining copies in the clerk's office, unless the court, on motion, for good and sufficient causes, waives the printing of the petition.

Five of said copies shall be for the Attorney-General.

The petition must comply with § 1072, R. S. U. S. (now § 159, The Judicial Code), respecting what action has been had thereon before Congress or any of the departments, the ownership of the claim, and what transfer, or assignments, if any, have been made, and must also set forth:

(1) The title of the action, with the full Christian and surnames of all the claimants.

(2) A plain, concise statement of the facts, giving venue and date, free from argumentative, irrelevant, and impertinent matter.

(3) In every case transmitted by the head of a Department, by Congress, or a committee thereof, a copy of the order of transmission shall be set out or annexed, as provided by par. 5, Rule 27.

(4) The claimant must state distinctly the amount for which he demands judgment, or the relief for which he prays."

"17. If the claim be founded upon an act of Congress, or upon a regulation of an Executive Department, the act and the section thereof upon which the claimant relies must be specified, and the particular regulation of the department must be stated in terms."

"18. If the claim be founded upon express contract with the United States, the substance of such contract must be set forth in the petition and, if it be in writing, the original or a copy must be annexed thereto. If it be founded upon an implied contract, the facts upon which the claimant relies to prove a contract must be specified.

If it consists of several matters or items, each must be separately stated.”

The taking of testimony is governed explicitly by statute.

“When it appears to the court in any case that the facts set forth in the petition of the claimant do not furnish any ground for relief, it shall not authorize the taking of any testimony therein.” (See former § 1077, R. S. U. S.) The Judicial Code, ch. 7, § 165.

“The court may, at the instance of the attorney or solicitor appearing in behalf of the United States, make an order in any case pending therein, directing any claimant in such case to appear, upon reasonable notice, before any Commissioner of the court, and be examined on oath touching any or all matters pertaining to said claim. Such examination shall be reduced to writing by the said Commissioner, and be returned to and filed in the court, and may, at the discretion of the attorney or solicitor of the United States appearing in the case, be read and used as evidence on the trial thereof. And if any claimant, after such order is made, and due and reasonable notice thereof is given to him, fails to appear, or refuses to testify or answer fully as to all matters within his knowledge material to the issue, the court may, in its discretion, order that the said cause shall not be brought forward for trial until he shall have fully complied with the order of the court in the premises.” (§ 1080, R. S. U. S.) The Judicial Code, § 166.

“The testimony in cases pending before the Court of Claims shall be taken in the county where the witness resides, when the same can be conveniently done.” (§ 1081, R. S. U. S.) The Judicial Code, § 167.

“The Court of Claims may issue subpoenas to require the attendance of witnesses in order to be examined before any person commissioned to take testimony therein, and such subpoenas shall have the same force as if

issued from a district court, and compliance therewith shall be compelled under such rules and orders as the court shall establish.” (§ 1082, R. S. U. S.) The Judicial Code, § 168.

“In taking testimony to be used in support of any claim, opportunity shall be given to the United States to file interrogatories, or by attorney to examine witnesses, under such regulations as said court shall prescribe; and like opportunity shall be afforded the claimant, in cases where testimony is taken on behalf of the United States, under like regulations.” (§ 1083, R. S. U. S.) The Judicial Code, § 169.

“The Commissioner taking testimony to be used in the Court of Claims shall administer an oath or affirmation to the witnesses brought before him for examination.” (§ 1084, R. S. U. S.) The Judicial Code, § 170.

“When testimony is taken for the complainant, the fees of the Commissioner before whom it is taken, and the cost of the commission and notice, shall be paid by such claimant; and when it is taken at the instance of the Government, such fees, together with all postage incurred by the Assistant Attorney-General, shall be paid out of the contingent fund provided for the Court of Claims, or other appropriation made by Congress for that purpose.” (§ 1085, R. S. U. S.) The Judicial Code, § 171.

§ 501. Limitation of actions.

“Every claim against the United States, cognizable by the Court of Claims, shall be forever barred unless the petition setting forth a statement thereof is filed in the court, or transmitted to it by the Secretary of the Senate or the Clerk of the House of Representatives as provided by law, within six years after the claim first accrues: *Provided*, That the claims of married women first accrued during marriage, of persons under the age of twenty-one years first accrued during minority, and of idiots, lunatics, insane persons, and persons beyond the

seas at the time the claim accrued, entitled to the claim, shall not be barred if the petition be filed in the court or transmitted, as aforesaid, within three years after the disability has ceased; but no other disability than those enumerated shall prevent any claim from being barred, nor shall any of the said disabilities operate cumulatively." (See § 1069, R. S. U. S.) The Judicial Code, ch. 7, § 156.

The limitation of this section need not be pleaded; it goes to the jurisdiction of the court, and cannot be waived on behalf of the government. "A judgment in the Court of Claims for the amount of a claim which the record or evidence shows to be barred by the statute would be erroneous." ¹⁰²

§ 502. New trials.

The statutory provisions as to the granting of new trials are as follows:

"When judgment is rendered against any claimant, the court may grant a new trial for any reason which, by the rules of common law or chancery in suits between individuals, would furnish sufficient ground for granting a new trial." (See § 1087, R. S. U. S.) The Judicial Code, ch. 7, § 174.

"The Court of Claims, at any time while any claim is pending before it, or on appeal from it, or within two years next after the final disposition of such claim, may, on motion on behalf of the United States, grant a new trial and stay the payment of any judgment therein, upon such evidence, cumulative or otherwise, as shall satisfy the court that any fraud, wrong, or injustice in the premises has been done to the United States; but until an order is made staying the payment of a judgment,

102. *Finn v. United States*, 123 U. S. 227, 31 L. Ed. 128. To the same effect, see, *United States v. Wardwell*, 172 U. S. 48, 43 L. Ed. 360.

the same shall be payable and paid as now provided by law.” (See § 1088, R. S. U. S.) The Judicial Code, ch. 7, § 175.

§ 503. Foreign patents under the international convention.

China has no patent law. In all of the other civilized countries of the world inventions may be patented to citizens of the United States.¹⁰³

The International Convention for the protection of “Industrial Property,” by which term Patents and trademarks are especially indicated,¹⁰⁴ is built up of a series of conventions or treaties, of which the first was signed at Paris, on March 20, 1883, and ratified by the United States on March 29, 1887; a subsequent treaty was signed at Madrid April 15, 1891; a later treaty was signed at Brussels on December 14, 1900, and proclaimed by the President of the United States on August 25, 1902, 32 Stat. at L. 1936. By the agreement of the ratifying governments this treaty went into effect September 14, 1902. This treaty has been held to be properly interpreted by the act of March 3, 1903, 32 Stat. at L. 1225, c. 1019, which was re-enacted as § 4887, R. S. U. S. It was therefore held that patents issued prior to the act of March 3, 1903, were controlled by § 4887, R. S. U. S., as it then stood, and when limited by the then terms of § 4887, R. S. U. S., to expire with the expiration of a foreign patent, they were not revitalized by the act of March 3, 1903.¹⁰⁵

This convention is now adhered to by the following Governments: Austria, Belgium, Brazil, Cuba, Denmark with the Faroe Islands, France with Algeria and colonies,

103. Holland's first Patent Law goes into effect about January 1, 1912.

104. United Shoe Machinery Co. v. Duplessis Shoe Mach Co.,

155 Fed. Rep. 842, 843, 84 C. C. A. 76.

105. United Shoe Machinery Co. v. Duplessis Shoe Mach. Co., 155 Fed. Rep. 842, 849, 84 C. C. A. 76.

Germany, Great Britain with Australia, Ceylon, New Zealand, and Trinidad and Tobago, Hungary, Italy, Japan, Mexico, Netherlands with the Dutch East Indies, Surinam, and Curacao, Norway, Portugal with the Azores and Madeira, Santo Domingo, Servia, Spain, Sweden, Switzerland, Tunis, United States of America.

The object of this convention as expressed in Article IV is to give to the person who has applied for a patent, industrial design, or model, or trademark in one of the contracting States a period of time after the issuance of his patent or registration first applied for, within which to lodge his application in such other countries, parties to the convention, as he may desire, the period fixed with respect to inventions being twelve months.

It has been held in Great Britain that a patent can only be granted under the International Convention to the person who has made the former application in a foreign country;¹⁰⁶ so an application by a director of a foreign corporation, requesting that letters patent issue to the agent of the corporation in England,¹⁰⁷ as well as an application by the agent of an assignee of the foreign patents,¹⁰⁸ have been refused.

By Article III, *bis.*, patents obtained under the convention are not liable to forfeiture on account of failure to utilize the invention until after the expiration of at least three years from the date of the deposit of the application in the country concerned, and then only provided the patentee cannot show reasonable cause for his inaction.

106. Shallenberger's Application, 6 R. P. C. 550.

107. Carez's Application, 6 R. P. C. 552.

108. Shallenberger's Application, 6 R. P. C. 550.

The British Patent Office has recently promulgated the following order in relation to patent applications under the International Convention.

“Difficulties have arisen with regard to the documents which an applicant for a patent under the Convention should furnish to this Office. The matter is being considered in connection with the practice of Foreign Patent Offices in similar cases, with a view to the establishment, if possible, of an international practice. In the meantime the following general practice will be adopted in this Office, and so far as it alters the existing practice will apply to all applications filed on or after the 1st of May, 1911.

“(1) The certified copy of the foreign specification furnished under Rule 16 should be a copy of the specification as originally filed in the foreign country or British Possession. In the case of countries where no search for novelty is made and alterations are not probable a copy of the foreign specification as finally allowed or accepted will be taken as sufficient, but in other cases it will only be admitted on a Certificate by the Foreign Patent Office, that no substantial addition has in fact been made to the specification since it was originally filed.

“(2) Where the Convention application is based upon a foreign application which has been filed in the Foreign Patent Office on a certain date but an earlier date is claimed as the date of the foreign application on the ground that the subject-matter was included in a specification of an earlier foreign application and has been divided out therefrom, and the applicant desires the date so claimed should be given to the patent to be granted in this country, then a certified copy of the foreign specification of the date claimed from which the subject-matter of the application has been so divided out or of that

part of the foreign specification describing the invention it is now desired to protect should be furnished under Rule 16, together with the specification filed with the actual application made at the later date in the Foreign Office.

“In such cases the date when the application in the foreign country in regard to the subject-matter so divided out was actually filed in the Foreign Patent Office will not be given to the patent to be granted in this country, unless the Comptroller is satisfied that the earlier date cannot properly be regarded as the date of the application in the foreign country.

“In the latter case it will be sufficient to furnish a certified copy of the specification lodged in the Foreign Patent Office with the application when filed.

“(3) A convention application in respect of a ‘renewed’ application in the United States should be accompanied by a certified copy of the specification filed in the United States with such ‘renewal’ application and the patent to be sealed in this country would be dated as of the date of filing such ‘renewed’ application in the United States.

“(4) A Convention application in respect of a United States ‘reissue’ application should be made in regard only to the new matter claimed for the first time in the ‘reissue’ specification a certified copy of which specification should be furnished under Rule 16, and the patent to be sealed in this country would be dated as of the date of filing such ‘reissue’ application in the United States.

“31st March, 1911.

“W. TEMPLE FRANKS,
“Comptroller-General.”

§ 504. Stipulations.

In proceedings in the Patent Office and in the courts, stipulations are frequently made by the parties as to matters of time for filing pleadings or taking proofs, or as to matters of fact involved in the issues, to the end of serving the convenience of parties or counsel, or simplifying the issues, or curtailing the record. In general, a stipulation may be defined to be any agreement between counsel respecting business before a court.¹⁰⁹ But no stipulation by counsel as to the law is binding on the court, and of course such a stipulation is improper.¹¹⁰

Stipulations bind only the parties making them.¹¹¹ "A stipulation made by an attorney in one action will not bind his client in another, unless the latter expressly acquiesces in it in the second suit; much less will it estop his assignee."¹¹²

It is the general rule as to stipulations for postponement or extensions of time for taking testimony that they do not become effective until approved by the Patent Office or the court,¹¹³ and in interference cases the Patent Office requires a showing of cause for the delay, in its attitude of representing the public.¹¹⁴

The extent to which stipulations may govern the disposition of a cause is only limited by the issues, for a decree may be reversed on stipulation.¹¹⁵ As a general rule it would seem impossible to confer upon a court by

109. Anderson, Dict., title "Stipulation."

110. Breeze v. Haley, 11 Colo. 351, 18 Pac. Rep. 551.

111. Kneeland v. Luce, 141 U. S. 437, 35 L. Ed. 808.

112. Sanborn, J., in Board of Commissioners v. Sutliff, 97 Fed. Rep. 270, 282, 38 C. C. A. 167.

113. Wooster v. Clark, 9 Fed. Rep. 854; Sponsel v. Darling, 105 Off. Gaz. 498.

114. Sponsel v. Darling, 105 Off. Gaz. 498.

115. Arbuckle v. Quigley, 131 U. S. 428, 33 L. Ed. 213.

stipulation jurisdiction which it does not possess,¹¹⁶ but where a stipulation was filed admitting the commission of infringing acts within the district, which appears to have been the only jurisdictional fact, as to the territorial jurisdiction of the court, in the case, the court refused to permit the defendant to withdraw from the stipulation without the consent of the other party, Judge Wheeler observing "the Circuit (now District) Courts of the United States have full jurisdiction of patent cases. 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. As this case proceeded beyond the pleadings into the taking of testimony, which was like going to trial in an action at law, without any point as to its place being made, that objection would seem to have gone by."¹¹⁷

The general rule is that a party's rights will not be foreclosed by any stipulation as to facts entered into inadvertently and under a misapprehension of those facts;¹¹⁸ as put by Mr. Justice Brown, regarding a stipulation at variance with the facts disclosed by the testimony, "while the stipulation is undoubtedly admissible in evidence it ought not to be used as a pitfall, and where the facts subsequently developed show, with respect to a particular matter, that it was inadvertently signed, we think that, upon giving notice in sufficient time to prevent prejudice to the opposite party, counsel may repudiate any fact inadvertently incorporated therein."¹¹⁹

The Federal Judicial Code provides for the transfer of cases by stipulation from one division to another in the same district, as follows:

116. Bingham v. Winona County, 6 Minn. 136.

117. General Electric Co. v. Wagner Elec. Mfg. Co., 123 Fed. Rep. 101, 103.

118. Scott v. Lazell, 160 Fed. Rep. 472, 474, 87 C. C. A. 456.

119. Carnegie Steel Co. v. Cambria Iron Co., 185 U. S. 403, 444, 46 L. Ed. 968, 989.

“Section 58. Any civil cause, at law or in equity, may, on written stipulation of the parties or of their attorneys of record signed and filed with the papers in the case, in vacation or in term, and on the written order of the judge signed and filed in the case in vacation or on the order of the court duly entered of record in term, be transferred to the court of any other division of the same district, without regard to the residence of the defendants, for trial. When a cause shall be ordered to be transferred to a court in any other division, it shall be the duty of the clerk of the court from which the transfer is made to carefully transmit to the clerk of the court to which the transfer is made the entire file of papers in the cause and all documents and deposits in his court pertaining thereto, together with a certified transcript of the records of all orders, interlocutory decrees, or other entries in the cause; and he shall certify, under the seal of the court, that the papers sent are all which are on file in said court belonging to the cause; for the performance of which duties said clerk so transmitting and certifying shall receive the same fees as are now allowed by law for similar services, to be taxed in the bill of costs, and regularly collected with the other costs in the cause; and such transcript, when so certified and received, shall henceforth constitute a part of the record of the cause in the court to which the transfer shall be made. The clerk receiving such transcript and original papers shall file the same and the case shall then proceed to final disposition as other cases of a like nature.”

§ 505. Contracts for the assignment of future inventions.

The only limitations upon the right of the individual to contract for the assignment of inventions which he may make in the future, are those imposed by public policy. Of the restrictions imposed by public policy

upon the right of the individual to make private contracts, Mr. Justice Shiras has said: "It must not be forgotten that the right of private contract is no small part of the liberty of the citizen, and that the usual and most important function of courts of justice is rather to maintain and enforce contracts, than to enable parties thereto to escape from their obligation on the pretext of public policy, unless it clearly appear that they contravene public right or the public welfare."¹²⁰ A court of equity may always refuse to grant relief under a contract between private parties upon the ground that the contract is in contravention of public policy, and it is the duty of the court to raise this question in a proper case whether it is pleaded or not. As Mr. Justice Holmes has said, "the very meaning of public policy is the interest of others than the parties, and that interest is not to be at the mercy of the defendant alone."¹²¹ It is obvious that the work of the inventor is a matter which is peculiarly of public interest, and that no contract tending to stife or suppress invention should be upheld in equity, in view of the fact that the disclosure of the invention is the moving consideration for the grant of letters patent, because of the fact that that disclosure will become the common right of the public upon the expiration of the patent.

§ 506. Such contracts not within the statute of frauds.

In the consideration of this subject it should first be noted that it is immaterial to the validity of the contract whether it is oral or in writing. "An oral agreement for the sale and assignment of the right to obtain a patent for an invention is not within the statute of

120. *Baltimore & O. S. W. R. Co. v. Voigt*, 179 U. S. 498, 505, 44 L. Ed. 560.

121. *Beasley v. Texas & P. R. Co.*, 191 U. S. 492, 498, 48 L. Ed. 274, 276.

frauds, nor within § 4898, R. S. U. S., requiring assignments of patents to be in writing; and may be specifically enforced in equity, upon sufficient proof thereof.”¹²²

§ 507. Such contracts never implied.

Contracts for the conveyance of future inventions are usually presented to the court through the medium of suits for specific performance. Aside from this, their essential nature is such as of itself to require clearness, precision, and freedom from ambiguity. In applying this requirement to contracts of this class Mr. Justice Gray has said: “From the time of Lord Hardwick, it has been the established rule that a court of chancery will not decree specific performance, unless the agreement is ‘certain, fair, and just in all its parts.’ And the rule has been repeatedly affirmed and acted on by this court. In *Colson v. Thompson*, Mr. Justice Washington, speaking for the court, said: ‘The contract which is sought to be specifically executed ought not only to be proved, but the terms of it should be so precise as that neither party could reasonably misunderstand them. If the contract be vague or uncertain, or the evidence to establish it be insufficient, a court of equity will not exercise its extraordinary jurisdiction to enforce it, but will leave the party to his legal remedy.’ 15 U. S. (2 Wheat. 336, 341, 4 L. Ed. 253, 255). So this court has said that chancery will not decree specific performance, ‘if it be doubtful whether an agreement has been concluded, or is a mere negotiation,’ nor ‘unless the proof is clear and

122. Mr. Justice Gray, in *Dalzell v. Dueber Watch Case Mfg. Co.*, 149 U. S. 315, 320, 37 L. Ed. 749, 753. Citing *Somerby v. Buntin*, 118 Mass. 279, 19 Am. Rep. 459; *Gould v. Banks*, 8 Wend. 562;

Burr v. De la Vergne, 102 N. Y. 415; *Blakeney v. Goode*, 30 Ohio St. 350. To the same effect, see, *Pressed Steel Car Co. v. Hansen*, 137 Fed. Rep. 403, 71 C. C. A. 207.

satisfactory, both as to the existence of the agreement, and as to its terms.' ” 123

It is now clearly established that a contract to convey future inventions, even as between master and servant, must be express, and cannot be implied from the mere relationship of master and servant. In an exhaustive opinion Judge Gray has said: “We do not think that the complainant here, in the absence of express contract to that effect, from the mere relation of employer and employee, in connection with the facts and circumstances disclosed by this record, is entitled, in equity and good conscience, to an assignment from the defendant of his whole right, title, and property in the inventions in question. If entitled to anything, complainant is only entitled to a shop right or license that would enable it to use these inventions without paying a royalty therefor, a right which does not strip defendant of his entire property right in the product of his own inventive faculty. It is by distinguishing between claims for mere shop rights or license, and claims for the entire and exclusive property right in the inventions of the employee, that the cases cited are to be profitably read. This distinction has been observed in many cases, both Federal and State.¹²⁴ * * * We have been referred to no case, nor have we been able to discover one in which, apart

123. Dalzell v. Dueber Watch Case Mfg. Co., 149 U. S. 315, 320, 37 L. Ed. 749, 753. Citing Carr v. Duval, 39 U. S. (14 Pet.) 79, 83, 10 L. Ed. 362, 364; Nickerson v. Nickerson, 127 U. S. 668, 676, 32 L. Ed. 314, 319; Hennessey v. Woolworth, 128 U. S. 438, 442, 32 L. Ed. 500, 501.

124. Citing McClurg v. Kingsland, 1 How. 202, 11 L. Ed. 102; Dalzell v. Dueber Watch Case

Mfg. Co., 149 U. S. 315, 37 L. Ed. 749; Lane & Bodley Co. v. Locke, 150 U. S. 193, 37 L. Ed. 1049; Bensley v. N. W. Horsenail Co., 26 Fed. Rep. 250; Herman v. Herman, 29 Fed. Rep. 92; Boston v. Allen, 91 Fed. Rep. 248, 33 C. C. A. 485; Joliet Mfg. Co. v. Dice, 105 Ill. 649; Fuller & Johnson Mfg. Co. v. Bartlett, 68 Wis. 73, 31 N. W. 747, 60 Am. Rep. 838.

from express contract or agreement, and upon the mere general relation of employer and employee and of the facts and circumstances attending it, the employer has been vested with the entire property right in the invention and patent monopoly of the employee, or with anything other than a shop right, or irrevocable license, to use the patented invention. Such a right in the employer, the employee may be estopped to deny, by the fact of his employment and his conduct in relation to the use of his inventions by his employer, and to that extent and no further have the cases gone.”¹²⁵

§ 508. Contracts for services as inventor.

Mr. Justice Bradley, on circuit, said: “A naked assignment or agreement to assign, in gross, a man’s future labors as an author or inventor—in other words, a mortgage on a man’s brain, to bind all its future products—does not address itself favorably to our consideration. It is something like engagements of an expectant heir, binding the property which he may afterwards inherit, which are always looked upon with disfavor by the law.”¹²⁶ The rule thus expressed seems to be based upon sound principles of public policy. But it must not be extended beyond the facts embraced in its terms. Speaking generally, where a contract for the conveyance of future inventions is coupled with a contract of employment, looking to the production of inventions, it will be sustained if based upon a valuable consideration.

Illustrative contracts. The following are specimens of contracts of the kind under consideration, which have been sustained judicially:

125. *Pressed Steel Car Co. v. Hansen*, 137 Fed. Rep. 403, 410, 415, 71 C. C. A. 207. 32 Fed. Rep. 697, 700; quoted with approval in *Eastern Dynamite Co. v. Keystone Powder*

126. *Aspinwall Mfg. Co. v. Gill, Mfg. Co.*, 164 Fed. Rep. 47, 50.

“Whereas, Herbert L. Hildreth, of Boston, candy manufacturer, is desirous of having perfected and manufactured a certain machine or machines for use in the manufacture of candy, and especially for sizing, shaping, cutting, wrapping, and packing; also the pulling of molasses candy; and whereas, I, Charles Thibodeau, being a skilled mechanic, and desirous of entering the employ of said Hildreth for the purpose of constructing, improving, and perfecting such machinery; Now, therefore, in consideration of such employment, and of the payment of wages to me at the rate of (\$3.25) three dollars and twenty-five cents per day, I hereby agree with said Hildreth to enter his employ, and that I will give him my best services, and also the full benefit and employment of any and all inventions or improvements which I have made or may hereafter make relating to machines or devices pertaining to said Hildreth’s business. I also further agree that, should said Hildreth not desire to patent any of said inventions or improvements, but to keep the same secret, I will do all in my power to assist him in this, and will not disclose any information as to the same or any of them, except at the request of the said Hildreth.

“Signed at Boston, Mass., this 29th of May, 1897.
CHARLES THIBODEAU.”¹²⁷

The essential paragraphs of a similar contract were as follows:

“First. The employer is engaged in the manufacture of glass, glassware, and mechanical devices

127. Thibodeau v. Hildreth, 124 Fed. Rep. 892, 60 C. C. A. 78, 63 L. R. A. 480; affirming Hildreth v. Thibodeau, 117 Fed. Rep. 146.

in connection therewith, and that such manufacture is carried on by means of certain secret formulas, methods, processes, tools, machinery, patterns, and appliances, and the same are the property of the employer, and intended to be kept and guarded by the employer as secrets; and that all knowledge and information which the employee now possesses, or shall hereafter acquire, respecting such secrets, and all inventions and discoveries made by said employee during the term of his employment, shall at all times, and for all purposes, be regarded as acquired, and held by the employee in a fiduciary capacity, and solely for the benefit of the employer.”

“Fourth. That the employee will, when required, make and execute any and all assignments in writing which may be deemed by the employer proper and necessary to transfer and vest in the employer the entire right, title, and interest in all inventions and discoveries made by the employee during the term of his employment.”¹²⁸

Of the former contract, Judge Lowell said: “This contract is neither unconscionable nor against public policy. Such an agreement is not uncommonly made by an employee with his employer, and it may be necessary for the reasonable protection of the employer’s business.”¹²⁹ Of the latter contract, Judge Acheson said: “The hiring, the engagement to pay wages, and the introduction of the defendant into the complainant’s establishment and to its methods and processes, consti-

128. Mississippi Glass Co. v. Franzen, 143 Fed. Rep. 501, 502, 74 C. C. A. 135, reversing Mississippi Glass Co. v. Franzen, 138 Fed. Rep. 924.

129. Thibodeau v. Hildreth, 124 Fed. Rep. 892, 893, 60 C. C. A. 78, 63 L. R. A. 480.

tuted a valid consideration for his agreement to assign his inventions made during his term of employment.”¹³⁰

It will be noted that both of these contracts went beyond the mere employment to make inventions, and entered the domain of trade secrets. This was an additional and a cogent ground for sustaining the contracts, as has been repeatedly ruled in cases where the employee was enjoined from using or divulging the secrets of his employer after the termination of the employment.¹³¹

Such contracts not void as against public policy. Contracts of the character under consideration are clearly not antagonistic to public policy. In considering that defense, Judge Simonton said: “Is the contract void as against public policy? Does it injure the public? Here we have the case of an ingenious man, without opportunity of developing his talent, and struggling under difficulties, enabled by this contract to secure employment in a large and prosperous corporation, where he could give his inventive faculties full play. He in this way was afforded every opportunity of discovering and removing defects in cigarette machines. He secured this employment by signing this contract. He could not have obtained it if it had been understood that this contract had no validity. Then, in all human probability, the public would have lost the benefit of his discovery. In this point of view, a contract of this character cannot be said to be against public policy. Sir George

130. *Mississippi Glass Co. v. Franzen*, 143 Fed. Rep. 501, 506, 74 C. C. A. 135.

131. *Hopkins on Trademarks* (2d. Edition) § 92; *Simmons Med. Co. v. Simmons*, 81 Fed. Rep. 163; *Stewart v. Hook*, 118 Ga. 445, 45 S. E. Rep. 369, 63 L. R. A. 255;

Stone v. Goss, 65 N. J. Eq. 756, 55 Atl. Rep. 736, 63 L. R. A. 344; *Eastman Co. v. Reichenbach*, 20 N. Y. Super. 110, 116; *Tabor v. Hoffmann*, 118 N. Y. 30, 23 N. E. Rep. 12, 16 Am. St. Rep. 740; *Westervelt v. National Paper Co.*, 154 Ind. 673, 57 N. E. Rep. 552.

Jessel, in discussing the subject, holds that not only is there no rule of public policy against such a contract as this before us, but that public policy is with it.”¹³²

Such contracts not in restraint of trade. Courts of equity now recognize and enforce contracts of many kinds which formerly would have been held to be void as being in restraint of trade. The relaxation of the rule has been recognized by the Supreme Court.

“The decision in *Mitchel v. Reynolds*, 1 P. Wms. 181, is the foundation of the rule in relation to the validity of contracts in restraint of trade; but, as it was made under a condition of things and a state of society different from those which now prevail, the rule laid down is not regarded as inflexible, and has been considerably modified. Public welfare is first considered, and if it be not involved, and the restraint upon one party is not greater than the protection to the other requires, the contract may be sustained. The question is whether, under the particular circumstances of the case, and the nature of the particular contract, as involved in it, the contract is or is not unreasonable.”¹³³ The evolution of this doctrine has been described by Mr. Chief Justice White as follows:

“To define * * * the words ‘in restraint of trade’ as embracing every contract which in any degree produced that effect would be violative of reason, because it would include all those contracts which are the very essence of trade, and would be equivalent to saying

132. *Hulse v. Bonsack Mach. Co.*, 130 U. S. 396, 32 L. Ed. 979. Citing *Rousillon v. Rousillon*, L. R. 14 Ch. Div. 351; *Leather Cloth Co. v. Lorsont*, L. R. 9 Eq. 345.

133. *Gibbs v. Consolidated Gas*

that there should be no trade, and therefore nothing to restrain. * * * It is perhaps true that the principle by which contracts in restraint of the freedom of the subject or of trade were held to be illegal was first understood to embrace all contracts which in any degree accomplished these results. But as trade developed it came to be understood that if contracts which only partially restrained the freedom of the subject or of trade were embraced in the rule forbidding contracts in restraint of trade, both the freedom of contract and trade itself would be destroyed. Hence, from the reason of things, arose the distinction that where contracts operated only a partial restraint of the freedom of contract or of trade they were not in contemplation of law contracts in restraint of trade. And it was this conception also which, in its final aspect, led to the knowledge that reason was to be the criterion by which it was to be determined whether a contract which, in some measure, restrained the freedom of contract and of trade, was in reality, when considered in all its aspects, a contract of that character, or one which was necessary to the freedom of contract and of trade.”¹³⁴

The development of this doctrine bears an important relation to those contracts, constantly increasing in number, by which inventors bind themselves to the inventive development of the machines, other products, or processes, of the great industrial enterprises of the country. In a consideration of a contract employing an inventor in making inventions Judge Simonton said: “It has been urged with learning and ability that this contract is void as against public policy, because in restraint of trade. It would extend this opinion to an

134. *United States v. Trans-Mississippi Freight Assn.*, 166 U. S. 290, 351, 41 L. Ed. 1007, 1032.

unreasonable length if we attempted to follow the long line of authorities on this subject found in the English Reports from the Year Books to the present time. The true test is that made by Tindal, C. J., in *Horner v. Graves*, 7 Bing. 735: 'Is the restraint such only as to afford a fair protection to the interest of the party in favor of whom it is given, and not so large as to interfere with the interests of the public?' Or, to put it as it is put in *Ammunition Co. v. Nordenfelt* (1893), 1 Ch. 630, and in *Match Co. v. Roeber*, 106 N. Y. 473, 13 N. E. 419: Is it, in view of all the circumstances of the case, reasonable? We have seen the reason for the adoption of this form of contract by the company. It was to protect it from improvements discovered by its own servants, under its pay, in cigarette machines. The company let them into an intimate knowledge of its cigarette machines, affords them the opportunity of discovering any needed improvements in them, gives them at hand the means of testing any improvements which may suggest themselves. Naturally it seeks to protect itself from an abuse of these results. The protection sought is a fair one for the interests of the company. Does this protection interfere with the interests of the public? 'Sales of secret processes are not within the principle or the mischief of restraints of trade at all. By the very transaction in such cases, the public gains on the one side what is lost on the other, and, unless such a bargain was treated as outside the doctrine of general restraint of trade, there could be no sale of secret processes of manufacture.' Bowen, L. J., in *Ammunition Co. v. Nordenfelt*, supra. In *Morse, etc., Co. v. Morse*, 103 Mass. 73, the court refuses to extend the doctrine of restraint of trade to a covenant in an assignment of a patent by an inventor 'to use his best efforts to invent improvements in the process, and to

transfer them to the buyer; to do no act which may injure the buyer or the business; and at no time to aid, assist, or encourage in any manner any competition against the same.' Speaking of this doctrine, the court says: 'It has never been extended to a business protected by a patent. Nor does it extend to a business which is a secret, and not known to the public, because the public has no right in the secret.' This is not literally an agreement in restraint of trade. It is simply a contract, which, by analogy, can be likened to one and the analogy should not be pushed beyond the reason for it. There is no presumption that such a contract is void. The presumption is in favor of the competency of the parties to make the contract, and the burden is upon the party who alleges that it is unreasonable or against public policy. In the most recent cases the validity of the contracts in partial restraint of trade is tested, not by any inflexible rule, but by their reasonableness when considered in connection with the protection necessary for the particular business and the modern methods of conducting the enterprise. The contract in this case has reference, not to all inventions which Hulse might discover, but only to improvements in cigarette machines; and the question is not whether a court of equity would compel specific performance if Hulse had conceived the invention after he had severed his relations with the company, and at a time when it did not result directly from the opportunity of his employment, but whether the court should do so in this case, where the invention was conceived while he was in the company's service, and perfected with its direct assistance, and in a case where Wright, the other party interested with him, was an agent and business manager of a department of the

company's business. The case presents circumstances and elements calling for the exercise of this equitable remedy." ¹³⁵

§ 509. Relationship of master and servant as affecting question of inventorship.

While the relationship between the employer and employee of itself cannot alter or vary the fact as to who accomplishes the inventive act,¹³⁶ many inventions cannot be perfected or reduced to practice by the inventor without the assistance of others. Where the employee is employed for the purpose of assisting the employer in embodying in physical form the invention of the employer, claims of independent inventorship made by the employee, based upon what he has done during the term of his employment, are not favored by the courts. We find the statement in the leading case that where "a person has discovered an improved principle in a machine, manufacture, or composition of matter, and employs other persons to assist him in carrying out that principle, and they, in the course of experiments arising from that employment, make valuable discoveries, ancillary to the plan and preconceived design of the employer, such suggested improvements are in general to be regarded as the property of the party who discovered the original improved principle, and may be embodied in his patent as a part of his invention. Common justice would forbid that any partial aid rendered upon such circumstances, during the progress of experiments in perfecting the improvements, should enable the person rendering the aid to appropriate to himself the entire result of the ingenuity and toil of the originator, or

135. *Hulse v. Bonsack Mach. Co.*, 65 Fed. Rep. 864, 869, 13 C. C. A. 180.

136. *Eastern Dynamite Co. v. Keystone Powder Mfg. Co.*, 164 Fed. Rep. 47, 55.

put in the power of any subsequent infringer to defeat the patent, under the plea that the invention was made by the assistant and not the originator of the plan.”¹³⁷

The question in each case, as to who was the inventor, must be determined by the facts. If the employer merely suggests what he desires to have accomplished, and leaves “the accomplishment of the desired end” to the employed, the relationship of master and servant is a negligible quantity.¹³⁸ Indeed, in every case, the question of actual inventorship, whether sole or joint, must be governed by the facts. No contract of employment can justify either master or servant in making a false oath to an application for letters patent.¹³⁹

§ 510. The implied license of the master to use the inventions of the servant.

We have seen (*ante*, § 507) the distinction that must be drawn between that relationship of employer and employee which gives the employer a claim of title to the employee’s inventions, and that relationship which confers upon the employer a mere license to use the inventions of the employee made in the course of his employment. We read in the leading case upon the latter relationship, the following: “When one is in the employ of another in a certain line of work, and devises an improved method or instrument for doing that work, and uses the property of his employer and the services of other employees to develop and put in practicable form his invention, and explicitly assents to the use by his employer of such invention, a jury or a court trying the facts is warranted in finding that he has so far recognized the obligations of service flowing from his em-

137. *Agawam Co. v. Jordan*, 7 Wall. 583, 602, 604, 19 L. Ed. 177.

138. *Pardy v. J. D. Hooker Co.*, 148 Fed. Rep. 631, 78 C. C. A. 403.

139. *Ibid.*

ployment, and the benefits resulting from his use of the property, and the assistance of the coemployees of his employer, as to have given to such employer an irrevocable license to use such invention.”¹⁴⁰

The assignability of the license. Licenses of the kind under consideration usually are merely personal to the employer, and do not extend to an executor, administrator, or assignee, voluntary or involuntary.¹⁴¹ But “the non-assignability of a license may be waived if the patentee ratifies the transfer of the license by otherwise treating the assignee as the licensee was then entitled to be treated.”¹⁴²

To what the implied license extends. The authorities are clear that in the case of a process invented by the employee under circumstances giving the employer a license to use it, “the employer may continue to practice the process for the whole term of the patent.”¹⁴³ But notwithstanding the language of *Solomons v. United States*, 137 U. S. 342, 34 L. Ed. 667, which says that the license extends to the “invention,” referring to either “an improved method or instrument,” it has been held by some courts that “if the invention pertains to a machine, it is understood that only the specific machine or machines which have been so made are licensed.”¹⁴⁴

140. *Solomons v. United States*, 137 U. S. 342, 348, 34 L. Ed. 667.

141. *Troy Iron & Nail Factory v. Corning*, 55 U. S. (14 How.) 193, 14 L. Ed. 383; *Oliver v. Rumford Chem. Works*, 109 U. S. 75, 27 L. Ed. 862; *Hapgood v. Hewitt*, 119 U. S. 226, 30 L. Ed. 369.

142. Mr. Justice Shiras, in *Lane & Bodley Co. v. Locke*, 150 U. S. 193, 196, 37 L. Ed. 1049, 1050; citing *Hammond v. Mason & H. Organ Co.*, 92 U. S. 724, 23 L. Ed. 767.

143. Lowell, J., in *Wade v. Metcalf*, 16 Fed. Rep. 130, 132; citing *McClurg v. Kingsland*, 1 How. 202, 11 L. Ed. 102; *Chabot v. American Buttonhole Co.*, 6 Fish. 71, Fed. Case 2,567.

144. Lowell, J., in *Wade v. Metcalf*, 16 Fed. Rep. 130, 132; citing *Pierson v. Eagle Screw Co.*, 3 Story 402, Fed. Cas. 11,156; *Brickill v. Mayor of New York*, 7 Fed. Rep. 479.

Mr. Justice Lurton, when circuit judge, dealt with this subject very clearly, in an opinion from which we draw the following: "There was some evidence tending to show that the original patterns made by Kinney (the employee) were destroyed by fire before the machines sold appellant (the employer's vendee) were made, and it has been insisted that the scope of the license should be limited by the life of the identical patterns made by Kinney. The duration and scope of a license must depend upon the nature of the invention and the circumstances out of which an implied license is presumed, and both must at last depend upon the intention of the parties. * * *

The object of Babcock in employing Kinney, so far as that employment had relation to patterns for a power press, was to obtain patterns and drawings by which he, as a manufacturer of presses for the trade, might make and supply the trade with presses built on the new design and from the new patterns. This fact was well known to Kinney, and when he accepted employment and produced an improvement it must be presumed that he intended that his employer would use that improvement in such new machines as he should make while engaged in the business of supplying such machines to the trade. We cannot reasonably liken this case to the building of a machine for use. In such a case the license might well be limited to the use of the machine so long as its identity was preserved. But here Kinney was to make drawings at the expense of Babcock, and then patterns by which a working press might be made for sale and not for shop use. In *McClurg v. Kingsland*, 1 How. 202, 11 L. Ed. 102, the invention was for an improved mode of casting chilled rollers. The nature of the invention was such as to imply a license for the continued use of the mode during the life of the patent by the licensee. In *Solomons v. United*

States, 137 U. S. 342, 348, 34 L. Ed. 667, the invention was for a self-canceling stamp, which stamps were made by the government for the use of revenue agents. The license implied was not limited to the stamps made while Clark, the inventor, continued in the government service, but was held to be a broad license to make and use the stamps.”¹⁴⁵

§ 511. Recordation in the patent office of instruments affecting title.

What may be recorded. The statutory provision is 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 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 § 1750, R. S. U. S., 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

145. *Withington-Cooley Mfg. Co. v. Kinney*, 68 Fed. Rep. 500, 506, 507, 15 C. C. A. 531.

such assignment, grant or conveyance.” (§ 4898, R. S. U. S.)

This section is confined, in the class of instruments which it admits to record, “to assignments, grants, and conveyances of interests in patents after they are issued.

* * * No assignment of an unpatented invention is required by § 4895, R. S. U. S., to be recorded, unless it is an assignment on which a patent is to be issued to the assignee; and, in such case, the invention must be so identified in the assignment—by a reference to a specification, or an application, or otherwise—that there can be no mistake as to what particular invention is intended.”¹⁴⁶ Accordingly an agreement to convey future inventions, not so identified, cannot be recorded within the scope of the statute.¹⁴⁷

Effect of recordation. “The record of an instrument is not constructive notice to a subsequent purchaser unless the statute requires the instrument to be recorded.”¹⁴⁸ The record of the Patent Office affords constructive notice; but, according to some of the cases it cannot be relied upon to make out title,¹⁴⁹ while according to other cases the record of the Patent Office, or certified copies of instruments recorded in the Patent

146. Blatchford, J., in *Wright v. Randel*, 8 Fed. Rep. 591, 599.

147. *Eastern Dynamite Co. v. Keystone Powder Mfg. Co.*, 164 Fed. Rep. 47, 50.

148. *Wright v. Randel*, 8 Fed. Rep. 591, 599; *New York Paper Bag Co. v. Union Paper Bag Co.*, 32 Fed. Rep. 783, 788; *Regan Vapor Engine Co. v. Pacific Gas*

Engine Co., 49 Fed. Rep. 68, 1 C. C. A. 169; *Eastern Dynamite Co. v. Keystone Powder Mfg. Co.*, 164 Fed. Rep. 47, 50.

149. *Paine v. Trask*, 56 Fed. Rep. 233, 5 C. C. A. 497; *Mayor v. American Cable R. R.*, 60 Fed. Rep. 1016, 9 C. C. A. 336; *Eastern Dynamite Co. v. Keystone Powder Mfg. Co.*, 164 Fed. Rep. 47.

Office, are evidence of title without further proof.¹⁵⁰ The latter line of cases are based upon the provision of § 892, R. S. U. S., that "Written or printed copies of any records, papers or drawings, belonging to the patent office * * * authenticated by the seal, and certified by the commissioner or acting commissioner, shall be evidence in all cases wherein the originals could be evidence." It is argued in the former line of cases that this section "merely dispenses with the production of the record, a certified copy from it being made the equivalent. It does not establish the due execution of genuineness of a paper which happens to be found there, which must still be proved in the usual way."¹⁵¹

§ 512. Mortgages.

The only statutory reference to mortgages on patents is contained in § 4898, R. S. U. S., in the words "an assignment, grant, or conveyance shall be void as against any subsequent purchaser or *mortgagee*, etc." Mortgages upon letters patent are subject to the usual rules concerning chattel mortgages. The Supreme Court has held that the recording of a mortgage in the Patent Office is equivalent to the delivery of possession by the patentee to the mortgagee, makes the title of the mortgagee complete against all other persons including the mortgagor, and that the mortgagee may maintain an action at law for damages for infringement, or a suit in equity for an injunction and an accounting; the court saying "Whether, in a suit brought by the mortgagee, the

150. Brooks v. Jenkins, Fed. Case 1,953; Parker v. Haworth, Fed. Case 10,738; Lee v. Blandy, Fed. Case 8,182; Dedrick v. Agricultural Co., 26 Fed. Rep. 763; Natl. Folding Box Co. v. American Paper Pail Co., 55 Fed. Rep.

488; Standard Elevator Co. v. Crane Elevator Co., 76 Fed. Rep. 767, 22 C. C. A. 549.

151. Eastern Dynamite Co. v. Keystone Mfg. Co., 164 Fed. Rep. 47, 49.

court, at the suggestion of the mortgagor, or of the mortgagee, or of the defendants, might in its discretion, and for the purpose of preventing multiplicity of suits or miscarriage of justice, permit or order the mortgagor to be joined, either as a plaintiff or as a defendant, need not be considered, because no such question is presented by this record.”¹⁵² A mortgage upon a patent is subject to a license previously granted by the mortgagor, and a recital of the existence of the license in the mortgage is sufficient notice to the mortgagee of the terms and conditions of the license.¹⁵³

§ 513. The need of a single appellate tribunal for patent causes.

There has for many years been a persistent effort on the part of the patent bar of the United States to secure the establishment of a single court of appeals for patent causes. That special courts have been established for customs and commerce causes during the pendency of the movement for a Patent Court of Appeals is an illustration of the eccentricity of congressional legislation. The reasons for the creation of the proposed patent court have been ably briefed by a committee of the American Bar Association as follows:

“We cannot expect Congress to entertain a proposition to create a new court unless the necessity for it clearly appears. This we propose to show.

“At the end of a hundred years of existence the Supreme Court of the United States had become greatly overloaded with work. It was several years in arrears and falling further and further behind with every passing term. Patent suits were tried in the first instance

152. *Waterman v. Mackenzie*, 138 U. S. 252, 34 L. Ed. 923, affirming *Waterman v. Mackenzie*, 29 Fed. Rep. 316.

153. *Waterman v. Shipman*, 55 Fed. Rep. 982, 5 C. C. A. 371.

in the United States Circuit Courts and appealed from them to the Supreme Court. Those cases had multiplied until they contributed more than any other single class of litigations to produce the blockade in the Supreme Court Docket. Some enlargement of our Federal judicial force had become necessary. For ten years the subject was one of earnest consideration by lawyers and statesmen, in Congress and outside. In these discussions the American Bar Association took an influential part. The outcome was that by the Act of March 3, 1891, there were created the United States Circuit Courts of Appeals to which was assigned the greater part of the business in number of cases which had previously been appealed from the United States Circuit Courts to the Supreme Court, including patent causes. It was provided that appeals from Circuit Courts in patent cases should go to the Circuit Courts of Appeals and that the decisions of those cases there should be final except that power was reserved in the Supreme Court to direct any case to be sent to it by special order. But, of course, the Supreme Court could exercise this power only rarely, and does exercise it in extremely few cases. The result is that in a practical sense the decisions of the Circuit Courts of Appeals in patent causes are final. Those courts are independent tribunals, and are under no legal obligation to follow one another in their decisions. Their relations are very much like those of the Supreme Courts of the different states. Each treats the decisions of the others with respect as precedents, but no one is bound by the decision of any other. The result is that in patent causes we have, in effect, nine independent Supreme Courts—one for each judicial circuit. This is, on the face of it, a grave defect in our judicial system as respects the administration of the patent law. A patent is a sort of property created by

the statute with a short life of seventeen years. The right which it confers is coextensive with the United States. It is essential to justice to the patentee that if valid it shall be upheld, construed and enforced alike in all parts of the country; and it is equally essential to justice toward the public that, if it is invalid, it shall be so adjudged alike for all parts of the United States, so that the public can freely enjoy the advantages of which the owner of an invalid patent would unjustly deprive them.

“There is no other department of the law in which so many nicely balanced questions have to be decided as in the trial of patent causes, and no other in which disagreements among judges are so unavoidable. We have come now to a condition which was inevitable from the time the Circuit Courts of Appeals were created. It is impossible for those courts, by reason of their conflicting decisions, to give us that consistency and uniformity in the law which is indispensable to justice.

“It really needs no proof to make these facts apparent to a reflecting man. They are the inevitable result of the division of final jurisdiction over patent questions among so many independent courts. Let anyone consider for a moment what the situation would be if the enforcement of the patent laws were committed to the state courts. Each State Supreme Court would take its own view of the questions as they arose and would build up a system of patent law of its own, just as it has done in other departments of the law. It is to be remembered—and the point is highly important, that the practical administration of the patent law rests mainly on precedents. The statute furnishes the framework; the remainder rests on the decisions of the courts. In that way that large division of the law which may be called the common law of patents in this country has

been developed. But its growth has not ended. In the nature of things it will go on and on. And that its development may be symmetrical and wise and just it should be under the guiding control of a single court in touch with all parts of the country alike and with common jurisdiction over all the cases in their final determination.

“The most palpable proof of the evils which we are suffering under the present system would be a showing of instances. To go into that field fully would occupy more time and space than is permissible here. But a few illustrations may be stated.

“One great question relating to the effect and operation of the patent law which is open today is whether the owners of or licensees under different patents controlling patented articles of similar use which would compete in the market, if such competition were unhindered—like sewing machines, or typewriters, or automobiles, can lawfully form a combination under the protection of their patents to uphold their prices. On this subject the Circuit Court of Appeals for the Third Circuit in the case of *Nat. Harrow Co. v. Hench*, 83 Fed. 36 (affirming 76 Fed. 667), decided that they could not; that each patentee has his own monopoly of his own invention; but that two or more patentees cannot unite to form a new monopoly; that the public is entitled to the benefit of competition between articles covered by different patents as well as between different unpatented articles. On the other hand, the Circuit Court of Appeals for the Seventh Circuit has held in the later cases of *Rubber Tire Wheel Co. v. Mil. Rub. Wks. Co.*, 154 Fed. 358 (reversing 142 Fed. 531) and *Ind. Mfg. Co. v. J. I. Case T. M. Co.*, 154 Fed. 365 (reversing 148 Fed. 21), that the anti-trust statute does not apply to patented articles, and that patentees or licensees under different

patents relating to the same thing have lawful right to combine to maintain prices as a result of the monopoly conferred by the statute.

“There is thus one rule of law binding upon the citizens of the Third Circuit, comprising the States of New Jersey, Pennsylvania and Delaware, and another rule of law binding upon the citizens of Indiana, Illinois and Wisconsin of the Seventh Circuit. What the law is in the other states of the Union no one knows.

“An interesting group of cases of this sort is found in the following:

Eldred vs. Kessler, 106 Fed. 509 (C. C. A., 7th Cir., 1900).

Eldred vs. Kirkland, 130 Fed. 342 (C. C. A., 2d Cir., 1904).

Eldred vs. Breitwieser, 132 Fed. 251 (C. C. W. D. N. Y., 1904).

Kessler vs. Eldred, 206 U. S. 285, 1907.

“All this litigation was about a patent for an electric cigar lighter. Eldred sued Kessler for infringement of a patent covering that important convenience of civilized life. The defendant prevailed in the Circuit Court of Appeals for the Seventh Circuit on an issue of non-infringement covering all the claims. The court held that the patent was one of narrow scope and that, being so construed, it was not infringed by the Kessler lighter. This decision was in 1900. Eldred then brought suit on the same patent in the Second Circuit against the user of a cigar lighter similar to the Kessler lighter, but made by another manufacturer. The Circuit Court of Appeals in that circuit construed the patent broadly enough to find infringement. This involved a square conflict between the Circuit Courts of Appeals of the Second and Seventh Circuits.

“Eldred then began suit on the same patent against Breitwieser who was a user of a Kessler lighter in the Western District of New York, got a preliminary injunction against him and sent out threats of suit against Kessler’s customers elsewhere. Kessler then filed a bill against Eldred in the district of his residence to enjoin him from bringing or prosecuting suits against his (Kessler’s) customers anywhere on account of the use of cigar lighters covered by the decree in the original suit on the ground that as between them the question of infringement of the Eldred patent by the Kessler lighter was *res adjudicata* under the decision of the Circuit Court of Appeals for the Seventh Circuit. That case went to the Supreme Court of the United States, which held that Kessler was entitled to the injunction.

“An exactly similar situation arose in what are known as the Grant Tire Cases. A patent to one Grant for a rubber tire was held invalid by the Circuit Court of Appeals for the Sixth Circuit in Goodyear Tire & Rubber Co. vs. Rubber Tire Wheel Co., 116 Fed. 363. It was subsequently held valid by the Circuit Court of Appeals for the Second Circuit in Consol. Rub. Tire Co. vs. Firestone Tire & Rub. Co., 151 Fed. 237. A petition for a *certiorari* in the Goodyear case was denied by the Supreme Court in 187 U. S. 641.

“In obedience to the principle laid down by the Supreme Court in Kessler vs. Eldred it thus became the duty of the courts in all the circuits to treat the patent as invalid as against customers of the Ohio manufacturer, although they might (except in the Sixth) hold it valid as against users of tires made by anyone except that particular Ohio manufacturer. In the circuit in which the patent had been held valid the courts were bound to enforce it against users of tires made in that circuit and refuse to enforce it against users of the Ohio tires. Ex.

actly this thing was done in the Consolidated Rubber Tire case referred to, in which an injunction was granted against the defendant *with an exception as to rubber tires and rims manufactured by the Goodyear Tire & Rubber Co.* A case of confusion worse confounded could hardly be imagined.

“An interesting sequel to the rubber tire case just cited appears in the recent case of Goodyear Rubber Co. vs. Rubber Tire Wheel Co., 164 Fed. 869. The rubber tire patentee undertook to enforce his patent against users of the Ohio manufacturer’s tires in Cuba. The Ohio company applied to Judge Lurton for an injunction under the authority of the Kessler case. A restraining order was issued, but upon the hearing of the motion after notice Judge Lurton held that, while the Kessler case applied, and he had power to enjoin the patentee *in personam* against pursuing the Ohio manufacturer’s customers in Cuba, it must appear in order to authorize such an injunction that the grant under which the patentee was proceeding in Cuba was the same grant which was adjudicated in the prior judgment in Ohio, and that that fact was so far in doubt that a preliminary injunction could not be allowed.

“These are illustrations of the direct results of disagreements among United States Circuit Courts of Appeals. But the indirect results of these inevitable conflicts are even more serious. A lesson on this subject may be learned from the litigation over the patent to Schroeder, No. 535,465, for an improvement in washing machines. This patent was first held valid in the first suit brought upon it by the U. S. Circuit Court of Appeals for the Eighth Circuit. It was a highly useful invention and the defendants in that case, accepting the decision as establishing the validity of the patent, bought it from the patentee. But manufacturers in other parts of the country

were so attracted by the utility of the device and so encouraged by the uncertainty of the finality of the decree in the Eighth Circuit, that they took the chances of infringement. The purchaser of the patent happened to have the money and determination to stand up for his rights and brought suit against infringers in five different States, as follows: two in Illinois; one in Wisconsin; two in New York; one in Missouri, and one in Indiana. In five of these cases appeals were taken to Circuit Courts of Appeals. The litigation began October 18, 1898, and ended with the decision of the Court of Appeals for the Seventh Circuit on March 18, 1909. In these various proceedings the time of twenty-one Federal judges was occupied in sixteen contested hearings. The printed records and briefs contained in all 10,850 pages, and the total cost amounted to over \$65,000. The decisions which were reported (there were several that were not reported) will be found in the following volumes of the reports:

Schroeder vs. Brammer, 98 Fed. 880.

Benbow-Brammer Mfg. Co. vs. Simpson Mfg. Co.,
132 Fed. 614.

Benbow-Brammer Mfg. Co. vs. Hefron-Tanner Co.,
144 Fed. 429.

Benbow-Brammer Mfg. Co. vs. Richmond Cedar
Wks., 149 Fed. 430.

Benbow-Brammer Mfg. Co. vs. Wayne Mfg. Co.,
157 Fed. 559.

Benbow-Brammer Mfg. Co. vs. Straus, 158 Fed.
627.

Benbow-Brammer Mfg. Co. vs. Richmond Cedar
Wks., 159 Fed. 161.

Benbow-Brammer Mfg. Co. vs. Straus et al., 166
Fed. 114.

Wayne Mfg. Co. vs. Benbow-Brammer Mfg. Co.,
168 Fed. 271.

Benbow-Brammer Mfg. Co. vs. Richmond Cedar
Wks., 170 Fed. 965.

Kapp vs. Benbow-Brammer Mfg. Co., 170 Fed.
967.

“All this to settle the rights of the patentee under a patent covering so little a thing as a part of a washing machine. And they have not been settled yet except that infringers appear to have given up from mere discouragement. There is good reason to believe that if the appeal in the first suit had been to such a court as is proposed in this bill, having jurisdiction coextensive with the Union, its decision would have been acquiesced in everywhere without further contention.

“The truth is that the worst effect of the existing situation is that it undermines confidence. It demoralizes the bar. A lawyer does not know how to advise his clients. It tempts both attorney and client to take chances. The law-abiding citizens who want to obey the law, who want to respect valid patents, but do not want to be terrorized into acquiescence in invalid patents, do not know what to do and cannot find out. There is but one remedy and it is in a single court of last resort in patent causes.”

Perhaps the illustration afforded by the Martin wind-mill patent is as forcible as any of those cited in the brief just quoted from. Held valid and infringed by the Circuit Court of Appeals for the Eighth Circuit in *Mast, Foos & Co. v. Dempster Mill Mfg. Co.*, 82 Fed. Rep. 327, 27 C. C. A. 191, an application for preliminary injunction was granted against the Stover Manufacturing Company in the Seventh Circuit, in *Mast, Foos & Co. v. Stover Mfg. Co.*, 85 Fed. Rep. 782. Upon an appeal from the order of injunction, the Circuit Court of Appeals for the Seventh Circuit not only reversed the order but dismissed

the bill. (Mast, Foos & Co. v. Stover Mfg. Co., 89 Fed. Rep. 333, 32 C. C. A. 231.)

Upon this direct conflict between the Appellate Courts, the writ of *certiorari* was granted to review the last-named case, and in affirming the interpretation given the patent by the appellate court of the Seventh Circuit Mr. Justice Brown said:

“Plaintiff complains of the action of the Circuit Court of Appeals in refusing to follow the opinion of the Circuit Court of Appeals for the Eighth Circuit in a case of this same plaintiff against the Dempster Mill Manufacturing Company, 49 U. S. App. 508, 82 Fed. Rep. 327, 27 C. C. A. 191, and in reversing the order of the Circuit Court, which, upon the ground of comity, followed the judgment of that court with respect to the validity and scope of the patent. Its contention is, practically, that the Circuit Court of Appeals should have been governed by the prior adjudication of that court, and, so far, at least, as concerned the interlocutory motion, should have accorded it the same force and dignity as is accorded to judgments of this court. Premising that these considerations can have no application in this court—whose duty it is to review the judgments of all inferior courts, and in case of conflict to decide between them—we think the plaintiff overstates somewhat the claims of comity.

“Comity is not a rule of law, but one of practice, convenience, and expediency. It is something more than mere courtesy which implies only deference to the opinion of others, since it has a substantial value in securing uniformity of decision, and discouraging repeated litigation of the same question. But its obligation is not imperative. If it were, the indiscreet action of one court might become a precedent, increasing in weight with each successive adjudication, until the whole country was tied down to an unsound principle. Comity persuades; but

it does not command. It declares, not how a case shall be decided, but how it may with propriety be decided. It recognizes the fact that the primary duty of every court is to dispose of cases according to the law and the facts; in a word, to decide them right. In doing so, the judge is bound to determine them according to his own convictions. If he be clear in those convictions, he should follow them. It is only in cases where, in his own mind, there may be a doubt as to the soundness of his views that comity comes in play and suggests a uniformity of ruling to avoid confusion, until a higher court has settled the law. It demands of no one that he shall abdicate his individual judgment, but only that deference shall be paid to the judgments of other co-ordinate tribunals. Clearly it applies only to questions which have been actually decided, and which arose under the same facts.

“The obligation to follow the decisions of other courts in patent cases of course increases in proportion to the number of courts which have passed upon the question, and the concordance of opinion may have been so general as to become a controlling authority. So, too, if a prior adjudication has followed a final hearing upon pleadings and proofs, especially after a protracted litigation, greater weight should be given to it than if it were made upon a motion for a preliminary injunction. These are substantially the views embodied in a number of well-considered cases in the Circuit Courts and Circuit Courts of Appeals. *Macbeth v. Gillinder*, 54 Fed. Rep. 169; *Electric Mfg. Co. v. Edison Electric Light Co.*, 18 U. S. App. 637, 61 Fed. Rep. 834, 10 C. C. A. 106; *Edison Electric Light Co. v. Beacon Vacuum Pump & Electrical Co.*, 54 Fed. Rep. 678, and cases cited; *Beach v. Hobbs*, 82 Fed. Rep. 916, 63 U. S. App. 626, 92 Fed. Rep. 146, 34 C. C. A. 248; see, also, *Newall v. Wilson*, 2 De G. M. & G. 282.

“Comity, however, has no application to questions not considered by the prior court, or, in patent cases, to al-

leged anticipating devices which were not laid before that court. As to such the action of the court is purely original, though the fact that such anticipating devices were not called to the attention of the prior court is likely to open them to suspicion. It is scarcely necessary to say, however, that when the case reaches this court we should not reverse the action of the court below if we thought it correct upon the merits, though we were of the opinion it had not given sufficient weight to the doctrine of comity." 154

What apology can there be offered for the maladministration of justice under this patent as against the Dempster Manufacturing Company, under the ban of an injunction in the Eighth Circuit? What opportunity did that company have to secure the relief from that injunction to which the event shows it was entitled? Suppose Mast, Foos & Co. had succeeded in establishing the patent in successive litigation in all the circuits save one, and by the time the adverse decision of that circuit was rendered the patent had expired; what recourse would the mulcted defendants, as in the Eighth Circuit, have had? Singly, they might have filed petitions for *certiorari*. The reports show the infinitesimal chance of such petitions being granted.

The situation is illogical, and every dictate of justice and reason demands that it be cured.

§ 514. The effect of the judicial code upon actions involving patents.

The Act of Congress of March 3, 1911, has direct relations to actions for patent infringement, in that, by its § 289 it abolishes the Circuit Courts, which have here-

154. Mast, Foos & Co. v. Stover Mfg. Co., 177 U. S. 485, 488, 44 L. Ed. 856, 858.

tofore been the courts of first instance in actions for patent infringement. See § 629, R. S. U. S., par. 9. *Qui tam* actions under § 4901, R. S. U. S., have always been within the jurisdiction of the district court, by virtue of their nature, being "suits for penalties and forfeitures incurred," under a statute of the United States. See § 563, R. S. U. S., par. 3. The Judicial Code goes into effect January 1, 1912 (see § 301, The Judicial Code), on which date its abolition of the Circuit Courts takes effect.¹⁵⁵

§ 515. The jurisdiction of State Courts in actions involving patent rights.

It is provided by § 256 of the Judicial Code that "the jurisdiction vested in the courts of the United States in the cases and proceedings hereinafter mentioned, shall be exclusive of the courts of the several States; * * * Fifth. Of all cases arising under the patent-right * * * laws of the United States."¹⁵⁶ The exclusiveness of the Federal jurisdiction in cases involving the "infringement of a patent for an invention" is well settled.¹⁵⁷ A suit involving questions as to the validity and infringement of United States letters patent is one under the Federal laws, which the State courts have no jurisdiction to determine.¹⁵⁸ By § 24 of The Judicial Code the district courts of the United States

155. As to the constitutionality of the Act of March 3, 1911, see Hopkins, *The Judicial Code*, p. 1; as to the former jurisdiction of the circuit courts see *Ibid.* p. 7; as to the former jurisdiction of the district courts, see *Ibid.* p. 11.

156. A re-enactment of § 711, R. S. U. S. See Hopkins' *Judicial Code*, p. 213.

157. *Re Hohorst*, 150 U. S. 653, 661, 37 L. Ed. 1211, 1214; *White v. Rankin*, 144 U. S. 628, 36 L. Ed. 569; *Elgin Wind Power & Pump Co. v. Nichols*, 65 Fed. Rep. 215, 45 C. C. A. 49.

158. *Hupfeld v. Automaton Piano Co.*, 66 Fed. Rep. 788, 789; *Continental Store Service Co. v. Clark*, 100 N. Y. 370, 3 N. E. Rep. 335.

are vested with original jurisdiction "of all suits at law or in equity arising under the patent * * * laws."¹⁵⁹

The practical difficulty attendant upon the question of jurisdiction is that of determining what is a "case arising under the patent-right laws of the United States." Mr. Justice Brown has said, "to constitute such a cause the plaintiff must set up some right, title, or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction, of these laws."¹⁶⁰ Yet, notwithstanding this definition, Judge Gray has aptly said that "cases are not infrequent where, upon the facts, it is somewhat difficult to draw the jurisdictional line that distinguishes between suits arising under the patent laws and those arising under a contract, of which, however, a patent right is the subject-matter."¹⁶¹

The question is, of course, of consequence only where the plaintiff is invoking Federal jurisdiction solely by reason of the subject-matter; if the amount in controversy is sufficient (in excess of \$3,000, exclusive of interest and costs; see § 24, The Judicial Code), and the necessary diversity of citizenship exists, the question is immaterial.¹⁶²

The jurisdiction fixed by the plaintiff's pleadings, and not by those of the defendant.

In *Hartell v. Tilghman*, 99 U. S. (9 Otto) 547, 25 L.

159. See § 711, R. S. U. S., 1 Comp. Stat. p. 577, 4 Fed. Stat. Ann. p. 493, Pierce, Code, § 7347; Hopkins, *The Judicial Code*, pp. 31, 32, 49.

160. *Pratt v. Paris Gaslight & Coke Co.*, 168 U. S. 255, 259, 42 L. Ed. 458, 460; citing *Starin v. New York*, 115 U. S. 248, 29 L. Ed. 388; *Germania Ins. Co. v. Wisconsin*, 119 U. S. 473, 30 L. Ed. 461. To the same effect, see *St. Louis*

Street Flushing Mach. Co. v. Sanitary Street Flushing Mach. Co., 161 Fed. Rep. 725, 727, 88 C. C. A. 585.

161. *Kurtz v. Straus*, 106 Fed. Rep. 414, 415, 45 C. C. A. 366.

162. *St. Louis Street Flushing Mach. Co. v. Sanitary Street Flushing Mach. Co.*, 161 Fed. Rep. 725, 727, 88 C. C. A. 585; Hopkins, *The Judicial Code*, pp. 31, 40.