

§ 470. The defence of estoppel requires a special plea to introduce it into a litigation. Thus, for example, if a former judgment or decree is not pleaded as an estoppel by a defendant, he refers the merits of the controversy anew to the court. The former adjudication may be used as an argument, but it cannot be relied upon as a bar, unless it is set up in a special plea.¹

§ 471. The twenty-seventh defence must always be specially pleaded by the defendant, or it will be disregarded by the court.² No defendant can avail himself of any statute of limitation, upon the general issue.³ In the matter of pleading this defence, there is therefore no mystery and no doubt. But when the pleader looks for a particular statute of limitation to set up in a particular case, he is likely to encounter some of the most complex and difficult questions he ever met. An explanation of the subject may therefore properly be inserted in this place.

§ 472. Section 55 of the Patent Act of 1870 related to remedies for infringements of patents, and its final clause provided that: "All actions shall be brought during the term for which the letters patent shall be granted or extended, or within six years after the expiration thereof."⁴ That enactment continued to be in full force until the passage of the Revised Statutes, June 22, 1874. It was, however, omitted from that compilation, and by operation of Section 5596, was thereby repealed as to all rights of action thereafter to accrue; but by virtue of Section 5599 it was left in full force as to all rights of action in existence at the date of the repeal. No further national legislation has been had relevant to the subject, up to the time of the publication of this book. This national statute of limitation has no application to any infringement committed since June 22, 1874. It applies fully to all infringements committed between that day and July 8, 1870, the day whereon it was enacted. To what extent it applies

¹ 1 Chitty on Pleading, 509.

² 1 Chitty on Pleading, 498.

³ Neale v. Walker, 1 Cranch's Cir-

cuit Court Reports, 57, 1802.

⁴ 16 Statutes at Large, Ch. 230, Sec. 55, p. 206.

to infringements committed before the latter date is an intricate question. It is convenient first to examine that point; and having ascertained it as well as may be, to inquire what is the true construction of the statute as to those rights of action to which it is found to apply.

§ 473. Rights of action based on infringements of patents which expired more than six years before July 8, 1870, would, according to the terms of the statute of that date, be barred the moment of its approval by the President. Now while the legislative power has constitutional authority to make a statute of limitation retroactive to the extent of making it apply to rights of action already accrued, it has no authority to make such a statute retroactive to the extent of making it cut off a right of action the moment of its passage. To do the latter thing, would be to deprive persons of property without due process of law, and would therefore be unconstitutional.¹ Where a statute of limitation, if literally construed, would have that effect, the courts will avoid that result by construction. Some courts have, with this purpose, held that such statutes do not apply at all to rights of action old enough to be fully barred by it at the time of its passage. Others have held that such rights of action may be sued on after the passage of such a statute, if the actions are brought within a reasonable time after its passage. The Supreme Court of the United States has decided that such rights of action may be sued upon within the same length of time after the passage of such a statute, as that within which the statute provides that subsequently accruing rights of action must be sued upon after they accrue.² It is certain, therefore, that all rights of action for infringements of patents which expired before July 8, 1864, are now barred by the national statute of limitation, unless actions were begun to enforce them as early as July 8, 1876. The same considerations apply with equal force to patents which expired between July 8, 1864, and July 8, 1870; and all rights of action based on infringements of

¹ Fifth Amendment to the Constitution of the United States.

² *Sohn v. Waterson*, 17 Wallace, 596, 1873.

those patents are also barred, unless actions were brought to enforce them within six years after the last mentioned day.

§ 474. Infringements committed before July 8, 1870, of patents which did not expire till after that time, are doubtless subject to the operation of the national statute in precisely the same way as are infringements committed while that statute was in full force, to wit, between July 8, 1870, and June 22, 1874. The owners of rights of action arising out of either of these classes of infringement, had at least six years in which to begin actions for their enforcement; and it is therefore clear that the courts will do nothing by way of construction to relieve them from the literal operation of the statute.

§ 475. The application to unextended patents of the points of law which are explained in the last two sections, is comparatively plain; but when those points require to be applied to extended patents, an additional complication arises. Does the national statute of limitation treat the first fourteen years of a patent separately from the last seven years, or does it treat both spaces of time as one term of twenty-one years? This inquiry is immaterial to the welfare of rights of action under the extended term of a patent; but it may be vital to those which arose under an original term. If the statute means, that actions based on an original term must be brought within six years after the expiration of that term, they are barred seven years sooner than they are if the statute means that all actions under a particular patent, may be brought during any part of the life of that patent, or within six years after its final expiration. Whether the statute has the one or the other of these meanings, is an unsettled question. The best of the arguments in favor of the first view are contained in a decision of Judge BARR;¹ and some of those supporting the second view are to be found in an opinion of Judge HUGHES.² The only other decisions of the point which are contained in the reports, are those of Justice HARLAN,³ and of Judges DILLON

¹ Sayles' Executor v. Railroad Co. Bann. & Ard. 431, 1879.

² Fed. Rep. 512, 1881.

³ Sayles v. Richmond, Fredericksburg & Potomac Railroad Co. 4

³ Sayles v. Lake Shore and Michigan Southern Railway Co. 9 Fed. Rep. 515, 1879.

and Love.¹ All of these learned jurists held the first view of the question : held that actions for infringements of the first term of an extended patent, must, according to the national statute of limitation, be brought during that term, or within six years after the expiration thereof.

§ 476. State statutes of limitation can never apply to any right of action under a patent, if that particular right is subject to the running of a national statute of limitation.² This point of law follows from the fact that the States have no right to control the operation of the patent laws ;³ and from the fact that Congress never adopted State laws for the government of Federal courts, in any case where the Constitution, treaties, or statutes of the United States specially attend to the subject.⁴ The rule of this section applies even to rights of action that were old enough, at the time of the approval of the national limitation, to have been fully barred by some State limitation, if they had been sued upon, and if the State limitation had been pleaded, and had been held to be applicable. This last point follows from the rule that the statute in force when the suit is brought, determines the right of a party to sue for a claim.⁵ If, therefore, for example, an action is begun after July 8, 1870, and before July 8, 1884, for infringement committed before July 8, 1865, of a seventeen years patent, granted July 8, 1861 ; that action will not be barred by any five years State statute of limitation ; because the case is still provided for by the national statute on the subject of limitation of actions for infringements of patents ; and because the statute in force when the action is begun, and not any statute which might have been in force when it might have been begun, is the one to determine whether it can be sustained. Nor will such a right of action be barred by the national limitation, if it is sued upon before

¹ Sayles v. Dubuque and Sioux City Railroad Co. 5 Dillon, 562, 1878.

² Sayles v. Oregon Central Railroad Co. 4 Bann. & Ard. 429, 1879.

³ M'Culloch v. Maryland, 4 Whea-

ton, 436, 1819.

⁴ Revised Statutes, 721 Section 34 of the Judiciary Act 1789 ; 1 Statutes at Large, Ch. 20, p. 92.

⁵ Patterson v. Gaines, 6 Howard, 601, 1848.

July 8, 1884, because it will in that event be sued upon within six years after the expiration of the patent. It follows from the foregoing that an action may still be successfully brought for any infringement which was committed before June 22, 1874, of any seventeen-years patent which has not yet expired, or which expired less than six years before such action is brought. It follows also, that no action can hereafter be commenced, for any infringement committed before the last-mentioned day of any unextended fourteen-years patent, because every such patent expired more than six years ago. Whether any action can hereafter be begun, upon any infringement, committed before the last-mentioned day, of the first term of any extended fourteen-years patent, depends first upon whether the extension expired more than six years before such suit is brought, and if it did not, then the question depends upon the answer to the question stated and explained in Section 475 of this book. Whether any action can hereafter be brought for any infringement committed before the last-mentioned day of the extended term of any fourteen-years patent, depends upon whether that extended term expired more than six years before such action is begun. Thus it appears that all suits for infringements which were committed before June 22, 1874, may stand or must fall according to the national statute of limitation. Actions based on infringements committed since the last-named day, are subject to no statute of limitation, or to those of the States alone.

§ 477. Whether State statutes of limitation apply to such rights of action for infringements of patents, as are not subject to any national limitation, is a very important and much controverted question. It has never been decided or discussed in any Supreme Court case; but on the circuit, it has four times been decided in the affirmative,¹ and six times in the negative,² and once the judges leaned strongly to the nega-

¹ *Parker v. Hall*, 2 Fisher, 62, 1857; *Parker v. Hawk*, 2 Fisher, 58, 1857; *Rich v. Ricketts*, 7 Blatch. 230, 1870; *Hayden v. Oriental Mills*, 15 Fed. Rep. 605, 1883.

² *Parker v. Hallock*, 2 Fisher, 543, 1857; *Collins v. Peebles*, 2 Fisher, 541, 1865; *Read v. Miller*, 2 Bissell, 16, 1867; *Wetherill v. Zinc Co.* 1 Bann. & Ard. 489, 1874; *Anthony v.*

tive opinion, though they left the point open to further debate.¹ The last of the affirmative decisions was delivered by Judge LOWELL, and is abler than either of the other opinions on that side of the question; while his predecessor, Judge SHEPLEY, delivered the strongest of the opinions which support the negative view.

Those who hold the affirmative of the question, must base their argument on Section 721 of the Revised Statutes, which is a substantial and nearly literal transcript of Section 34 of the Judiciary Act of 1789, and which provides: "That the laws of the several States, except where the Constitution, treaties, or statutes of the United States otherwise require or provide, shall be regarded as rules of decision in trials at common law, in the courts of the United States, in cases where they apply." This language appears to be broad enough to cover the application to a patent suit, of a State statute prescribing the time within which actions of trespass on the case must be begun. But the Supreme Court has held that: "The section above quoted was merely intended to confer on the courts of the United States, the jurisdiction necessary to enable them to administer the laws of the States."² If that doctrine is adhered to by that court, it will follow that State statutes of limitation do not apply to patent actions in the Federal courts. But the holding in the case of the *United States v. Reid*, does not seem to have been constantly remembered by the Supreme Court justices, for while Chief Justice TANEY, who delivered that opinion, still sat upon the bench, the court three times decided that State statutes relevant to rules of evidence are applicable to patent actions at law in Federal courts.³

In view of the foregoing contradictory authorities, it is certain that the question is deeply enveloped in doubt. The point

Carroll, 2 Bann. & Ard. 195, 1875; Sayles v. Lake Shore and Michigan Southern Railway Co. 9 Fed. Rep. 515, 1878.

¹ Sayles v. Dubuque and Sioux City Railroad Co. 5 Dillon, 562, 1878.

² *United States v. Reid*, 12 Howard, 363, 1851.

³ *Vance v. Campbell*, 1 Black, 430, 1861; *Haussknecht v. Claypool*, 1 Black, 435, 1861; *Wright v. Bales*, 2 Black, 535, 1862.

ought therefore to be decided in the negative, for rights of property ought not to be cut off by any statute of limitation, unless that statute is clearly applicable to those rights.¹

§ 478. Replications and subsequent pleadings are seldom required in patent cases, because most of the pleas applicable to such cases, are pleas in bar by way of traverse, and not by way of confession and avoidance. The principal exceptions are the plea of a license ; the plea of a release ; and the plea of a statute of limitation. If the plaintiff purposes to deny the existence of a license or release, as the case may be, his replication should be by way of traverse to the plea, and should conclude to the country, and thus tender issue. So, also, if the plaintiff can show that the license or release covered only a part of the infringement covered by the declaration, the general replication by way of traverse will be sufficient.² If the plaintiff cannot deny the existence of a full paper, but purposes to show that it was obtained by duress or by fraud, or that it has been effectually revoked, his replication will state the facts by way of confession and avoidance of the plea, and will conclude with a verification. It will then be the duty of the defendant to file a rejoinder to the replication. If he can deny the duress, or the fraud, or the revocation, as the case may be, his rejoinder will be by way of traverse, and will conclude by tendering issue. If, however, he cannot deny the truth of the replication, but can avoid its effect by showing that the plaintiff freely ratified the license or release after the alleged duress terminated, or the alleged fraud became known to him, or that he annulled the revocation after making it, then the defendant's rejoinder will be by way of confession and avoidance, and will conclude with a verification, and will render necessary a sur-rejoinder from the plaintiff, denying the truth of the rejoinder, and putting himself upon the country.

§ 479. When pleaded to an action based on an infringement, committed before June 22, 1874, of an unextended patent, or

¹ *Bedell v. Janney*, 4 Gilman (Ill.) 208, 1847 ; *Elder v. Bradley*, 2 Sneed (Tenn.) 253, 1854 ; *Ludwig v. Stew-*

art, 32 Michigan, 28, 1875.

² 1 Chitty on Pleading, 596.

of the extended term of an extended patent, the national statute of limitation will require a replication by way of traverse, if the plaintiff intends to show that the action was brought during the term for which the patent was granted or extended, or within six years after the expiration thereof. If he cannot show that, it will be useless for him to prosecute his action further. No replication by way of confession and avoidance, is applicable in such a case, because there are no facts which take a case out of the national statute of limitation. That statute makes no exceptions in cases of disability of the plaintiffs.

§ 480. A State statute of limitation, when pleaded to an action based on an infringement of a patent, if it is not successfully met by a demurrer, will require a replication by way of confession and avoidance, based on some cause, which, according to the laws of the particular State in which the suit is pending, is sufficient to take the case out of the statute. If there is no such cause, the plaintiff must abandon his action, or stand upon his demurrer, and having suffered judgment, go to the Supreme Court on a writ of error. If such a replication is filed, the defendant must file a rejoinder by way of traverse, and tender issue by putting himself upon the country.

§ 481. A similiter must be filed or added by or on behalf of the other party, whenever either the plaintiff or defendant properly tenders issue. As the party to whom issue is well tendered, has no option but to accept it, the similiter may be added for him. It is a mere matter of form, but it is a form which should always be attended to, in common-law pleading. Its omission has sometimes constituted a fatal defect.¹

§ 482. A demurrer may be interposed, by either party in an action at law, to any pleading of his opponent, except another demurrer.² When a demurrer is interposed, the court will examine all the pleadings in the case, and will generally decide against the party who first filed a substantially defective one.³

¹ Earle v. Hall, 22 Pickering (Mass.) 102, 1839.

² 1 Chitty on Pleading, 661, 666.

³ 1 Chitty on Pleading, 668.

The principal exception to this rule is, that where the declaration is the pleading demurred to, the demurrer will not be sustained if it is too large : that is, if it is pointed at an entire declaration, some independent part of which is good in law.¹ This exception does not apply to demurrers to pleas,² or replications,³ or rejoinders,⁴ for it is in the nature of those pleadings to be entire, and if bad in part, to be bad for the whole.

§ 483. Demurrable declarations occur in patent cases only when the plaintiff's pleader omits some of the allegations which are necessary parts of such a pleading ; or when he makes those allegations in improper form ; or where he makes the statement of infringement cover a space of time, part or all of which is remote enough to be barred by some applicable statute of limitation. Every such fault, except those of the last sort, may be readily cured by amendment. It will rarely occur that the whole of an infringement declared upon, can plausibly be claimed to be barred by a statute of limitation ; but it may not hereafter be unusual, for declarations to allege that the infringement sued on, began during the original term of an extended patent, and was continued into the extended term ; or to allege that it began at a point of time more than six years before the beginning of the action, and was continued till after that limit was passed. If, in such a case, the defendant thinks that he can successfully interpose the national, or a six-year State statute of limitation, to that part of the claim which arose under the first term of the patent, or to that part of the infringement which occurred more than six years before the bringing of the suit, as the case may be ; he may raise the question by a special demurrer, aimed at the questionable parts of the rights of action respectively. If in such a case he demurs generally to the whole declaration, his demurrer will be overruled ; because it will appear on the argument, that an independent divisible part of the rights of action sued upon, are in any event unbarred by the statute.⁵

¹ 1 Chitty on Pleading, 665.

² 1 Chitty on Pleading, 546.

³ 1 Chitty on Pleading, 644.

⁴ 1 Chitty on Pleading, 651.

⁵ 1 Chitty on Pleading, 665.

§ 484. Demurrers to pleas may be frequently expected in patent actions at law, as long as a question continues to be entertained relevant to the validity of any of the twenty-seven defences heretofore enumerated and explained.¹ Most of those defences rest upon unquestioned grounds: upon express statutes of Congress, or upon express decisions of the Supreme Court. But a few of them rest, at this writing, upon argumentative deductions from such statutes or from such decisions, or rest upon *obiter dicta* of that high tribunal. There will always be pleaders who will call those deductions and those *dicta* in question, as occasion serves, until they are passed upon by the Supreme Court in judicial decisions. Where the various defences are distinctly made in special pleas, a demurrer to each of those which are thought to be bad in law, is the proper mode of presenting the question to the court. Where a statute of limitation is pleaded to the whole of a right of action, only a part of which is old enough to be barred thereby, a demurrer to the plea will be sustained, because a plea which is bad in part is bad altogether.²

§ 485. A demurrer to the replication will be proper in an action at law, wherein the declaration alleges infringement before June 22, 1874, of a patent which expired more than six years before the beginning of the action, and wherein a plea sets up the national statute of limitation, and wherein the replication alleges disability of the plaintiff. Such a demurrer will result in a judgment for the defendant, because disability is not a legal excuse for delay to sue, in respect of the national statute of limitation.

§ 486. A joinder in demurrer is the proper response to such a pleading in a patent action, as well as any other. If a plaintiff attempts to demur to a demurrer, or refuses to join issue of law upon it, he thereby discontinues his action, and if a defendant does so he discontinues his defence.³

§ 487. The trial of an action at law for infringement of a patent may be by a jury, or by a judge, or by a referee. The

¹ Sections 440 to 477 of this book.

² 1 Chitty on Pleading, 546.

³ Gould's Pleadings, Chap. IX. Sec. 33; 1 Chitty on Pleading, 669.

first of these sorts of trial is the only proper one, except in cases where both parties agree to substitute one of the others. Cases of the kind may be tried by the judge where the parties file with the clerk, a stipulation in writing waiving a jury ;¹ and trial by a referee appointed by the court, with the consent of both parties, is a mode of trial fully warranted by law.²

§ 488. Trial by jury must, in the absence of contrary consent by the parties, be by a jury of twelve men. Unanimity is necessary to a verdict of a jury, in a Federal court, even in California or Nevada ; though the statutes of those States provide, that in their courts, a legal verdict may be found when three fourths of the members of a jury agree. The laws of those States on that point are not covered by Section 721 of the Revised Statutes, and so made rules of decision in Federal courts ; because the Federal Constitution otherwise provides. That provision is found in its seventh amendment, and in the following language : “ In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved.” It is true that unanimity was not necessary to the verdicts of juries in England till after the reign of Edward the First,³ and that it was never required in Scotland.⁴ But the kind of “ trial by jury,” known in England and in the United States when the seventh amendment was proposed by Congress,⁵ and when it was ratified by three fourths of the States,⁶ is doubtless the kind of trial guaranteed by that amendment. Therefore no law providing for any other kind of trial by jury can be enforced in a United States court.

§ 489. The practice in actions at law in the Federal courts is not uniform throughout the United States. There are no general rules governing the Circuit Courts when sitting as law courts, though there is such a system prescribed for them

¹ Revised Statutes, Section 649.

² *Heckers v. Fowler*, 2 Wallace, 123, 1864.

³ Bracton, Liber IV. Chap. 19 ; Fleta, Liber IV. Chap. 9 ; Britton, Liber II. Chap. 21.

⁴ Barrington on the Statutes, Chap. 29, p. 20 ; 17 & 18 Victoria, Chap. 59 ; 22 & 23 Victoria, Chap. 7 ; 31 & 32 Victoria, Chap. 100, Sec. 48.

⁵ September 25, 1789.

⁶ November 3, 1791.

when sitting in equity. On the law side, each Circuit Court is governed, in matters of practice, by the laws of the State in which it is established, so far as those laws are applicable;¹ and on points where no law exists, it is governed by rules or customs of its own making or observance. No Act of Congress is necessary to enable United States courts to make and enforce its own rules of practice. It is only necessary that such rules be not repugnant to the laws of the United States.²

§ 490. The rules of evidence which are used in the trial of patent causes, are the ordinary rules of the common law, as modified by the statutes of the particular States in which such trials occur,³ and as adapted to the circumstances of patent litigation by the decisions of the United States courts.

§ 491. Evidence to support his declaration, must of course be introduced by a plaintiff in a patent suit, before the defendant can be called upon to prove any defence. The first item of such evidence consists of the letters patent sued upon, or of a written or printed copy of the same authenticated by the seal and certified by the Commissioner or the Acting Commissioner of the Patent Office.⁴ Either the letters patent, or such a copy thereof, is *prima facie* evidence of the validity of the letters patent, unless it appears on its face not to be such a form of document as the statute prescribes. Some of the adjudicated cases which touch this subject, apply the rule to novelty only, and not to validity in general.⁵ The reason of the rule, as far as it relates to novelty, is twofold. A presumption of novelty arises from the inventor's statutory oath that he verily believes himself to be the first and original inventor;⁶ and a like presumption arises from the fact that the Commissioner, before he grants a patent, is bound to cause an examination to be made of the alleged new inven-

¹ Revised Statutes, Section 914.

² *Heckers v. Fowler*, 2 Wallace, 123, 1864.

³ *Vance v. Campbell*, 1 Black, 427, 1861; *Hausknecht v. Claypool*, 1 Black, 431, 1861; *Wright v. Bales*, 2 Black, 535, 1862.

⁴ Revised Statutes, Section 892.

⁵ *Blanchard v. Putnam*, 8 Wallace, 420, 1869; *Seymour v. Osborne*, 11 Wallace, 516, 1870; *Mitchell v. Tilghman*, 19 Wallace, 287, 1873.

⁶ Revised Statutes, Section 4892.

tion ;' which examination, in practice, includes all relevant prior patents and printed publications, of which the Patent Office contains any evidence. Now the first of these grounds of presumption does not exist in regard to any quality of validity except novelty, and except regularity in point of sole or joint application for a patent for a sole or joint invention. The second ground is, however, a much stronger foundation for a presumption of validity in other respects, than it is for a presumption of novelty. The Commissioner of Patents has no means of determining how the novelty of an invention may be affected by things of which the Patent Office contains no record, and of which his own narrow experience contains no recollection. If he understands the law, he has, on the contrary, every means of deciding whether a particular application for a patent covers a statutory subject of such a grant. So also he can pass upon the application in point of invention, with more certainty than he can pass upon it in point of novelty. He has nearly every means to determine the utility of the thing covered thereby, and thus to negative the fourth defence. It is clear that no outside evidence need be introduced by a plaintiff, to anticipate either the fifth or the sixth defence, because the law does not favor an abandonment, and throws upon a party who seeks to obtain the benefit of a forfeiture, the burden of proving it beyond a reasonable doubt.¹ Letters patent are therefore *prima facie* evidence of their own validity, as against either of these defences. The same thing is true of the seventh defence, though for a different reason. If a patent is obnoxious to this defence, it is because the Commissioner of Patents made an error in granting it, similar to that which he makes when he grants a reissue for a different invention from any indicated, suggested or described in the original. But there is always a presumption of law against the hypothesis of such an error ; and that presumption prevails until such an error is proved.² The fact that the statute expressly provides a particular method, in which

¹ Revised Statutes, Section 4893.

² Seymour v. Osborne, 11 Wallace,

³ McCormick v. Seymour, 2 Blatch. 516, 1870.
256, 1851.

the eighth defence may be interposed by a defendant,¹ sufficiently shows, that until it is set up and proved, the plaintiff need not attempt to disprove it, further than by the introduction of his letters patent. As against the ninth and tenth defences, the letters patent are also sufficient *prima facie* evidence; because both those defences are contradicted by the inventor's oath accompanying the application, even more positively than want of novelty is contradicted by that oath.² No inventor can positively know whether his invention is absolutely novel, and therefore his oath covers only his belief on that point; but every inventor knows the facts relevant to whether he was the sole inventor, or only a joint inventor, of the process or thing covered by his application. Letters patent appear to be *prima facie* evidence of their own validity, as against the eleventh defence, for the same reason which makes them so as against the eighth. Relevant to the twelfth and thirteenth defences, the Commissioner's decision in granting a patent, is entitled to far more weight than it is on the question of novelty, because he has all the data for forming an opinion about the fulness and clearness of a written document before him, but not all the data for an opinion touching the novelty of what that document sets forth. It follows that the resulting presumption of validity, in respect of these defences, is even stronger than the presumption of novelty. The fourteenth defence is based on partial want of novelty, and as letters patent are undoubtedly *prima facie* evidence of entire novelty, it follows that they constitute *prima facie* evidence that no disclaimer is needed. The conclusion of the whole matter, therefore, is that an original letters patent is *prima facie* evidence of its own entire validity.³

§ 492. Reissue letters patent are also *prima facie* evidence of their own validity, on all of the three points which are involved in that question. They are so in respect of the fifteenth defence; because the fact that the Commissioner assumed

¹ Revised Statutes, Section 4920.

² Revised Statutes, Section 4892.

³ Konold v. Klein, 3 Bann. & Ard., 226, 1878.

jurisdiction, by treating the original letters patent as a proper subject for a reissue, is at least *prima facie* evidence that he had jurisdiction.¹ They are so in respect of the sixteenth defence; because the presumption is that the Commissioner knew the law, and, knowing it, would not grant a broadened reissue after a long lapse of time from the date of the original. They are so in respect of the seventeenth defence, because the presumption is that the Commissioner would not violate the statute by granting a reissue for a different invention from that shown in the original letters patent.²

§ 493. An extension of a patent is *prima facie* evidence of its own validity as against the eighteenth defence, on the same ground that a reissue is, as against the fifteenth. That ground is the presumption that the Commissioner of Patents will not assume jurisdiction in any case not provided for by law.³

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

§ 495. After introducing the letters patent in evidence, unless the plaintiff is himself the patentee, his next step is to prove his title to the right, upon the infringement of which the action is based. To this end he must prove himself to be the assignee of the patent; or at least a grantee under the patent, as to the territory wherein the alleged infringement occurred. He may do either of these things, by introducing in evidence the original assignments or grants which constitute his chain of title, after having proved them according to the rules of the common law. It has also been repeatedly decided by Circuit Courts, that duly certified copies of the Patent

¹ Brooks v. Bicknell, 3 McLean, 1873.
258, 1843.

² Brooks v. Bicknell, 3 McLean,

³ Klein v. Russell, 19 Wallace, 433, 258, 1843.

Office records of such assignments or grants, are competent primary evidence of the original documents themselves.' These three decisions have been generally acquiesced in for more than twenty years, and few rules of patent law have been more frequently made the basis of action by counsel and by courts than the doctrine just mentioned. But it hardly seems justified by the statute upon which it is based,² and may even yet be overthrown by the Supreme Court.

§ 496. It is not necessary for any plaintiff to prove in his *prima facie* evidence that the defendant has no license or release with which to defend ;³ nor can it be required of him to testify that he never made or sold any specimen of the invention without marking it "patented." Evidence relevant to the twenty-first, twenty-third, and twenty-fourth defences, must therefore be taken by the defendant, before the plaintiff can be called upon to disprove them.

§ 497. Proof of the making, selling, or using, by the defendant, of a specimen or specimens of a process or thing which the plaintiff claims is covered by his patent, constitutes the next step to be taken in proving a *prima facie* case. This point is often covered by a stipulation of the parties. Defendants are generally wise when they make such stipulations, because any attempts to conceal the nature of their doings, are likely to prejudice the welfare of their defences. But in cases where the defendants have no refuge but concealment, the point of proof may be one of difficulty, for courts of law have no power to order inspections of a defendant's works ;⁴ though the defendant may be called as a witness, and compelled to describe what he has done.⁵ Where a defendant cannot be relied upon to testify fairly and fully, the plaintiff must secure other evidence ; for it is necessary to a verdict in an action at law

¹ Brooks v. Jenkins, 3 McLean, 436, 1844 ; Parker v. Haworth, 4 McLean, 370, 1848 ; Lee v. Blandy, 2 Fisher, 91, 1860.

² Revised Statutes, Sec. 892 ; 16 Statutes at Large, Ch. 230, Sec. 57, p. 207 ; 5 Statutes at Large, Ch. 357,

Sec. 4, p. 118.

³ Fischer v. Hayes, 6 Fed. Rep. 79, 1881.

⁴ Parker v. Bigler, 1 Fisher, 287, 1857.

⁵ Roberts v. Walley, 14 Fed. Rep., 169, 1882.

for an infringement of a patent, that both the nature and the extent of that infringement be shown to the jury, by satisfactory proof. Evidence of the nature of a defendant's doings, is the first element of evidence of infringement ; and evidence of their extent, is an indispensable part of the necessary evidence of damages.

§ 498. Evidence of infringement is completed with evidence of the defendant's doings, if what he did was obviously and unquestionably identical with what is covered by the patent in suit.¹ But that is not often the case. Differences are generally apparent ; and where they are not obviously immaterial, it is necessary to introduce expert testimony to show that they are really of that character, and to show that the defendant's doings actually did constitute an infringement of the plaintiff's patent. Experts in patent cases are mainly of two kinds : mechanical and chemical experts. A mechanical expert is a person who has extensive theoretical and practical knowledge of mechanics ; and a chemical expert is a person who has like knowledge of chemistry. The opinions of such experts are admissible upon the points of fact to which they are relevant ; but in order to have much weight, they must be accompanied by statements of good reasons upon which they are based.² In deciding between contradictory expert testimony, juries should consider the respective reasons, ability, knowledge, and fairness of the experts.³ To judge according to their number or their fame would be unsafe. The wealthier litigants are generally those who employ the more numerous and the more

¹ *Jennings v. Kibbe*, 10 Fed. Rep., 669, 1882 ; *Barrett v. Hall*, 1 Mason, 471, 1818.

² *United States Annunciator Co. v. Sanderson*, 3 Blatch. 184, 1854 ; *Livingston v. Jones*, 1 Fisher, 521, 1859 ; *Conover v. Rapp*, 4 Fisher, 57, 1859.

³ *Johnson v. Root*, 1 Fisher, 351, 1858 ; *Many v. Sizer*, 1 Fisher, 17, 1849 ; *Hudson v. Draper*, 4 Fisher, 256, 1870 ; *Page v. Ferry*, 1 Fisher,

298, 1857 ; *Carter v. Baker*, 1 Sawyer, 512, 1871 ; *Spaulding v. Tucker*, Deady, 649, 1869 ; *Cahoon v. Ring*, 1 Clif. 592, 1861 ; *Cox v. Griggs*, 1 Bissell, 362, 1861 ; *Conover v. Roach*, 4 Fisher, 12, 1857 ; *Whipple v. Mfg. Co.* 4 Fisher, 29, 1858 ; *Conover v. Rapp*, 4 Fisher, 57, 1859 ; *Waterbury Brass Co. v. New York Brass Co.* 3 Fisher, 43, 1858 ; *Dierce v. Stocking*, 11 Gray (Mass.) 174, 1858.

expensive expert witnesses ; but it is not always the wealthier litigant who is right in a controversy, nor always the more famous expert who is right in his opinion. The carefully digested views of a young and studious scientist, may often be more nearly true than the more hastily formed opinion of a more experienced man.

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

§ 500. Though not permitted to testify to the construction of a patent,¹ experts are sometimes called upon to testify to facts which positively control that construction. The follow-

¹ Waterbury Brass Co. v. New York Brass Co. 3 Fisher, 54, 1858.

ing are examples of such cases. Where the state of the art is the subject of inconsistent evidence, and where the construction of the patent depends on what is the fact in that regard ; the judge will not charge the jury that the patent means thus and so, but will tell them that if they find the state of the art to be so and so, then the patent is entitled to such and such a construction.¹ In cases of this kind, it will frequently occur that the jury, in deciding upon the state of the art, must receive information from experts relevant to the mechanical nature of prior things, as well as information from other sources relevant to the prior existence of those things. All questions of identity of things are questions for the jury, in an action at law,² and are therefore proper to be testified about by experts. Where a patent covers such of the things described, as perform a particular function, it is the business of the jury to decide, and therefore proper for an expert to testify, which those things are.³

§ 501. The cross-examination of experts, cannot extend to inquiries into the characteristics of things not relevant to the case, put to them for the purpose of testing their knowledge or their fairness ; because if the answers appeared to be undeniably correct, they would be wholly immaterial, and if thought to be erroneous they could be shown to be so, only by the testimony of others, who might themselves be the mistaken ones. To allow such a question, would thus operate to introduce an immaterial issue of fact into a case, and to draw the attention of the jury away from the issues of the pleadings.⁴

§ 502. The last part of a plaintiff's *prima facie* evidence, consists in proof of the amount of his damages, sometimes supplemented by evidence tending to show that a judgment ought to be entered for an amount greater than the actual damages sustained by him.⁵ The subject is mentioned in this connection for the sake of symmetry ; but it is so large that

¹ *Burdell v. Denig*, 92 U. S. 722, 1852.
1875.

⁴ *Odiorne v. Winkley*, 2 Gallison,

² *Tyler v. Boston*, 7 Wallace, 327, 51, 1814.
1868.

⁵ Revised Statutes, Section 4919.

³ *Silsby v. Foote*, 14 Howard, 218,

it constitutes the theme of a separate chapter of this book. To that chapter, recourse may be had for detailed information upon the point.

§ 503. The next part of a trial is the introduction of evidence by the defendant to sustain his defences. The possible defences in patent cases are twenty-seven in number. In prior sections in this chapter, they are consecutively numbered for purposes of easy reference, and are treated in respect of the pleadings which they respectively require, and the results which they respectively produce in patent actions at law. It is now convenient to set forth, in the same order, some of the leading points of the law of evidence applicable to each.

§ 504. The first defence generally requires evidence to show that the terms of art or science which are used in the patent have such a meaning that the court is bound to construe the patent to be one for a principle, or for something other than a process, machine, manufacture, composition of matter, or design. This general statement is ventured, though the cases in which patents have been assailed with the first defence are so few, that but little law is established on the subject.

§ 505. The second defence may sometimes be supported by facts of which the court will take judicial notice.¹ But evidence to show the state of the art, is often required to show want of invention. A patent granted for an implement of agriculture, consisting of a hoe handle with a hoe on one end and a rake on the other, would be void for want of invention, even if both new and useful.² The court would take judicial notice of the prior existence of handles having hoes attached thereto, and of other like handles having rakes fastened at one end; and on the basis of that judicial notice, would pronounce such a patent to be wholly invalid. A patent for a particular alleged combination, in a rare and complicated machine, may also be open to precisely the same sort of objection; while the facts upon which it rests in the particular case, may be wholly

¹ *Brown v. Piper*, 91 U. S. 37, 1875; *Slawson v. Railroad Co.* 107 U. S. 649, 1882.

² *Reckendorfer v. Faber*, 92 U. S. 347, 1875.

unknown to people generally, and wholly unknown to judges who hear patent causes, though well understood by certain classes of mechanics. In the latter case, it is necessary to introduce evidence of those facts in order to show want of invention. Such evidence may consist of proof of the prior existence of the parts of the alleged combination, and proof of the fact that their union in the machine constitutes not a real combination, but an aggregation only. This statement of the considerations which show a necessity for evidence to prove lack of invention, when that lack is based on the rule that aggregation is not invention, will also furnish the key to inquiry when that lack is based on any other of the various rules on that subject.

§ 506. The third defence, and the facts which support it, are explained at large in the third chapter of this book. In this connection, it is only necessary to explain the kinds of evidence by which those facts may be proven, and to state the special rules which govern the weight of such evidence.

Where novelty is duly sought to be negatived by prior United States patents, duly certified copies of those patents are admissible ;¹ and it is a general practice among patent lawyers to waive the certificate, where a printed copy from the Patent Office is presented by opposing counsel. Such printed copies are really more reliable than any certified manuscript copy ; because they are generally printed from the same form as the original letters patent, and are therefore absolutely correct ; while there is always a possibility of error in copying a document with a pen. But the Patent Office does not furnish printed copies of patents which were granted prior to 1866 ; and as to those patents, a certified manuscript copy is the best to be had. The certified copies of letters patent, which are admissible in evidence, include not only such individual copies as are furnished to private persons on payment of the proper fees ; but also the certified bound volumes of copies, which are gratuitously distributed by the Commissioner of Patents to all the State and Territorial capitols, and to all

¹ Revised Statutes, Sec. 892.

the United States District Court clerk's offices, except those which are located at the capitals of the States and Territories.¹

Where prior foreign patents are duly pleaded to negative novelty, they may be proven *prima facie*, by duly certified copies of those copies thereof, which are kept in the United States Patent Office.² If plenary proof of foreign letters patent is required, it can be made by producing a copy thereof, duly certified by that officer of the foreign government which issued the patent, who corresponds to the Commissioner of Patents in the United States.³ Where an error creeps into a certified copy of any letters patent, it may be corrected by another and more carefully compared certified copy from the same office.⁴ Letters patent, to be admissible, must agree in name and date with the statements in the pleadings, in proof of which they are offered.⁵

§ 507. Prior printed publications must be proven by the introduction of a specimen of the printed thing which is relied upon, and by satisfactory evidence that it was published before the date of the patent in suit. Parol testimony of the contents of such printed matter is generally inadmissible.⁶ The testimony of a person, that the printed thing produced was published before the date of the invention in suit, if believed by the jury, would be sufficient evidence on that point. What evidence short of that in convincing force, would answer the purpose in hand, has not been judicially settled. Printed publications are not generally evidence of the truth of the statements which they contain.⁷ But where a book or public periodical appears to have been published in a specified year, or on a specified day, and where it contains matter which furnishes collateral evidence of the genuineness of the date, and where it is free from the suspicion of having been changed after it was put forth, it will probably be re-

¹ Revised Statutes, Sec. 490.

² Revised Statutes, Sec. 893.

³ *Schoerken v. Swift & Courtney & Beecher Co.* 7 Fed. Rep., 469, 1881.

⁴ *Brooks v. Jenkins*, 3 McLean, 432, 1844.

⁵ *Bellas v. Hays*, 5 Sergeant & Rawle (Penn.) 427, 1819.

⁶ *McMahon v. Tyng*, 14 Allen (Mass.) 167, 1867.

⁷ *Seymour v. McCormick*, 19 Howard, 106, 1856.

ceived in evidence, without direct testimony that it was published when it purports to have been.

§ 508. Prior knowledge or use of a thing patented, may be proven by the testimony of the person or persons who had such prior knowledge, or who know of such prior use. Such testimony includes three points: the existence, the character, and the date of the thing previously known or used. Where a witness relies wholly on his memory for all three of these points, his testimony, though admissible, is not strong. It is generally impossible to remember with certainty the particular construction of a thing of which no specimen is known to remain in existence; and most memories are wholly unreliable on bare questions of dates. It is therefore desirable to fortify testimony of prior knowledge or use by producing the anticipating thing, or a specimen thereof, and by connecting the history of that thing with events about which there is no room for doubt. Where the anticipating thing cannot be produced, the testimony which supports its prior existence, may still prevail, if the construction of the article was so simple, and so well understood, as to be unlikely to be forgotten, and especially if a number of credible witnesses agree in regard to its character and its date.

§ 509. Parol evidence of an anticipating thing, is likely to be met by other parol evidence, tending to show that such a thing never existed at the place alleged; or that it was substantially different from the patented invention sought to be anticipated; or that it did not exist at the alleged place till after the date of the patented invention. Testimony of the first sort is negative in its character, and therefore not so weighty as the affirmative evidence which it contradicts.¹ But it does not need to be so weighty, in order to overthrow the latter, for a mere preponderance of evidence will not sustain the defence of want of novelty. That defence, in order to prevail, must be proven beyond a reasonable doubt.² Testimony of an anticipating thing may also be met by evidence

¹ *Union Sugar Refinery v. Matthiessen*, 2 Fisher, 600, 1865.

² Section 76 of this book.

that the witness purchased a license under the patent ; but such answering evidence is generally entitled to very little weight ;¹ because the witness may not have understood that the facts of which he knew constituted a legal defence to the patent, or he may have preferred to pay for a license, rather than to undergo the annoyance and incur the expense which is generally incident to actions for infringement.

§ 510. When anticipating matter is undeniably proven to have existed before the date of the patent in suit ; the plaintiff may sometimes meet that evidence by proof that he, or his assignor, made the invention at a still earlier date. He may sometimes do this by means of a certified copy of the specification and drawings of his original application ; and he may sometimes do so *prima facie*, by means of a like copy of the original petition upon which the letters patent were granted ; but not by parol evidence relevant to the time when that petition, specification, or drawing was filed.² If his application was not early enough for the purpose, the plaintiff may prove the real date of his invention by proving the date of either of those facts, which, in the chapter on novelty, were shown to constitute the birth of an invention thereafter patented.³

§ 511. The fourth defence requires evidence that the patented invention will not perform any function which is ascribed to it in the letters patent ;⁴ or proof that its function is not a useful one, within the meaning of the law on that subject.⁵

The first of these sorts of proof may consist of testimony of a person who is skillful in the art to which the invention pertains, and who has endeavored, in good faith, to make the patented thing work, and has been unable to do so. In plain cases, it may also consist of the testimony of such a person, who has not actually experimented with a specimen of the patented thing, but who is able to demonstrate theoretically, that it is impossible for such a specimen to operate. And in all

¹ *Evans v. Eaton*, 3 Wheaton, 454, 1818.

² *Wayne v. Winter*, 6 McLean, 344, 1855.

³ Section 70 of this book.

⁴ *Rowe v. Blanchard* 18 Wisconsin, 462, 1864.

⁵ Sections 82 to 84 of this book.

cases, the evidence must show a total incapacity in the invention to do anything claimed for it, because neither imperfect operation, nor a total failure to perform part of the claimed functions, will sustain a defence of want of utility.¹ And either practical or theoretical evidence of want of utility in the sense now under consideration, may be overthrown by the testimony of a person who has succeeded in causing the patented process or thing to produce a result ascribed to it in the patent.

The second of these sorts of proof may consist of evidence that the function of the patented thing is one which people generally profess to condemn as dangerous or immoral. Conventional and not absolute ethics is the criterion of judgment on this point. Patents for revolvers are accordingly sustained, though it cannot reasonably be doubted that the invention of those death-dealing instruments was a disaster to mankind.

§ 512. The fifth defence may be supported by any competent evidence which shows that the inventor relinquished all expectation to secure a patent, before his patent was applied for, or after it was applied for and before it was granted. Such evidence may be either direct or circumstantial, but a mere preponderance of evidence cannot sustain this defence of actual abandonment, because it is one of those which, in order to prevail, must be proven beyond a reasonable doubt.²

§ 513. The sixth defence requires proof that the patented thing was in public use or on sale at a date more than two years prior to that upon which the application was made for the patent. Whether it is necessary to prove in addition, that the public use or sale relied upon, occurred with the consent of the inventor, depends upon the considerations stated in that behalf in the chapter on abandonment.³

§ 514. The seventh defence requires the introduction of the original application papers, or certified copies thereof; and in all except very plain cases, it requires the testimony of experts to explain the outward embodiment of the terms contained

¹ Seymour v. Marsh, 6 Fisher, 115, 256, 1851.
1872.

³ Section 102 of this book.

² McCormick v. Seymour, 2 Blatch.

in the original letters patent, and in the original application respectively.¹

§ 515. The eighth defence calls for evidence that another than the patentee conceived the invention before he did ; and that the other used reasonable diligence in adapting and perfecting the same ; and that the patentee knew of that prior conception, and obtained the patent surreptitiously ; or, if he did not know of the prior conception, that he obtained the patent unjustly, by obtaining it without notice to the prior conceiver, though the latter had a caveat on file in the Patent Office at the time.²

§ 516. The ninth defence requires proof that another than the patentee was joint inventor with him of the thing covered by the patent. Testimony on this point must be strong in order to prevail, because the tendency of courts and juries is to assign such evidence to the category of mechanical assistance in construction, or to that of suggested substitution of equivalents.³

§ 517. The tenth defence is more likely to be successful in the proof, than the ninth ; because it may not only be based on the counterpart of the circumstances which underlie the latter, but also on other circumstances, where those do not exist. It has sometimes happened that an inventor, having sold an undivided half interest in his invention, has joined with his vendee in applying as joint inventor for a patent therefor. Such errors have been known to result from ignorance of the law ; and such an error has been said to have occurred in one case, on account of a desire to give an important patent the benefit of the name of a more distinguished scientist than he who was the real producer of the subject of the claim. But in any case, it is certain that very clear and unequivocal evidence is necessary to support this defence.⁴

¹ *Bischoff v. Wethered*, 9 Wallace, 812, 1869.

² Revised Statutes, Sec. 4920 ; *Agawam Co. v. Jordan*, 7 Wallace, 587, 1868 ; *Phelps v. Brown*, 4 Blatch. 362, 1859.

³ *Agawam Co. v. Jordan*, 7 Wallace, 587, 1868 ; *Pitts v. Hall*, 2 Blatch. 229, 1851.

⁴ *Gottfried v. Brewing Co.* 5 Bann. & Ard., 4, 1879.

§ 518. The eleventh defence calls for proof that the letters patent contains less than the whole truth relevant to the invention, or that it contains more than is necessary to produce the desired result, and that the fault arose from intention to deceive the public. But positive and direct evidence is not required on the latter point. It is sufficiently shown by proof of any circumstances which satisfy the jury that such intention existed.¹

§ 519. The twelfth defence can be supported by no evidence except that of persons skilled in the art to which the invention pertains, or with which it is most nearly connected. A patent for a chemical composition or process cannot be overthrown, on the ground of an insufficient description, by the testimony of a mechanical expert; nor can a patent for an improvement of a loom be overthrown, on that ground, by the testimony of a machinist skilled only in printing presses. If a description is sufficiently full, clear, concise, and exact, to be effectually understood by any person skilled in that kind of machinery, or other subject of a patent, it is sufficiently so to meet this defence.²

§ 520. The thirteenth defence may sometimes succeed without any evidence outside of the letters patent themselves. It will, however, always be prudent to fortify the defence by the testimony of an expert who can show that the outward embodiment of the terms of the claim is uncertain in character or in extent.

§ 521. The fourteenth defence requires several items of evidence for its support. It requires proof, that one or more of the claims of the patent are void for want of embodying a subject-matter of a patent,³ or for want of invention, or for want of novelty;⁴ and that the patentee has long known the facts which make it invalid in that behalf. No disclaimer is ever necessary, in the absence of all of the first three of these circumstances; and no delay to file one is unreasonable in the

¹ Gray v. James, 1 Peters, Circuit Court Reports, 394, 1817; Dyson v. Danforth, 4 Fisher, 133, 1865.

² Loom Co. v. Higgins, 105 U. S.

580, 1881.

³ O'Reilly v. Morse, 15 Howard, 121, 1853.

⁴ Revised Statutes, Section 4922.

absence of the fourth. Indeed, proof of a necessity for a disclaimer, and of long-existing knowledge of the facts out of which that necessity arose, will not always sustain this defence; because delay to file a disclaimer is not unreasonable, so long as there is any reasonable doubt whether the known facts constitute a necessity for such a document.¹

§ 522. The fifteenth defence can seldom be supported by evidence that the original patent was neither inoperative nor invalid by reason of a defective or insufficient specification; because inoperativeness, from one of these causes, exists whenever the patent does not secure and cover all the inventions which it indicated, suggested, or described, and which might lawfully have been claimed in it;² and because, when not granted on account of such inoperativeness, reissues are generally granted on account of invalidity which arose by reason of a defective or insufficient specification, or by reason of a too extensive claim.³ This defence therefore generally requires to be sustained by evidence showing that; whatever inoperativeness or invalidity on account of defective or insufficient specification, or on account of too extensive claims, is to be found in the original patent; the error arose otherwise than by inadvertence, accident, or mistake. The absence of all three of these mishaps from the history of the preparation of any original specification, may be proven by evidence which shows that the statements or claims alleged to have been omitted in one or another of these ways, were in fact omitted with deliberation or with care, or were omitted because they had to be, in order to secure the original patent,⁴ or were disclaimed in order to secure an extension thereof.⁵ Evidence to show either of the last two of these circumstances, if it exists at all, may generally be found among the correspondence on file in the Patent Office, and may be introduced in the form of certified copies of the letters which contain it.⁶

¹ *Silsby v. Foote*, 20 Howard, 290, 1857.

² *Wilson v. Coon*, 18 Blatch. 532, 1880.

³ Revised Statutes, Section 4916.

⁴ *James v. Campbell*, 104, U. S., 356, 1881.

⁵ *Leggett v. Avery*, 101 U. S. 256, 1879.

⁶ Revised Statutes, Section 892.

§ 523. The sixteenth defence can be supported by the introduction of the original patent, if when it is compared with the reissue, the latter appears to claim something which the original did not, and appears to have been applied for a long time after the original was granted.¹ How long this space of time must be in order to sustain this defence, depends largely upon the particular circumstances of particular cases. The different spaces of time which have been held to be sufficient for the purpose, are collated in the chapter on reissues.¹

§ 524. The seventeenth defence always requires to be supported by the introduction of the original patent;² and generally requires expert testimony showing that the outward embodiment of something claimed in the reissue, is substantially different from anything described, suggested, or indicated in the original specification or drawings. The judge will not reject such expert testimony, unless the case is so clear that he would have decided the question on demurrer, if the original letters patent had been made a part of the bill.³

§ 525. The eighteenth defence requires evidence that neither the inventor,⁴ nor any executor or administrator of the inventor,⁵ made any proper application in writing for the extension of the patent. It will not be enough to produce a certified copy of an application filed out of due time, by the proper person, or one filed in due time, by an improper person; because the presumption is, that the Commissioner would not have granted the extension without a proper application therefor; and because the production of an improper application does not negative the existence of a proper one.

§ 526. The nineteenth defence would require to be supported by the introduction of an officially attested copy of the record of the court repealing the patent;⁶ or if that record is proven to have been destroyed by fire,⁷ or rendered illegible

¹ Section 227 of this book.

² *Seymour v. Osborne*, 11 Wallace, 516, 1870.

³ *Powder Co. v. Powder Works*, 98 U. S. 126, 1878.

⁴ Revised Statutes, Section 4924.

⁵ *Wilson v. Rousseau*, 4 Howard, 673, 1846.

⁶ Revised Statutes, Section 905.

⁷ *United States v. Delespine's Heirs*, 12 Peters, 654, 1838.

by wear or time,¹ and not restored by the court to which it pertains,² it may be proven by a witness who examined and copied it when it was still unharmed.³ But parol evidence will not be admitted of a record of which only a part is lost. The part which still exists, must be produced or proven by an officially attested copy.⁴

§ 527. The twentieth defence calls for the introduction in evidence, of a properly certified copy of the foreign patent which is relied upon to curtail the term of the patent in suit ; and if the parties offer no testimony to aid the court in determining whether the foreign patent, so proven, is for the same invention as the United States patent upon which the action is based, then the court will determine that point from an inspection of the two documents.⁵ But if expert evidence on that subject is offered, it will doubtless be received.⁶

§ 528. The twenty-first defence is supported by proof that the plaintiff has made or sold one or more specimens of the patented article without marking it "patented," together with the day and year whereon the patent was granted.⁷ When such evidence is introduced, the burden is shifted to the plaintiff, to show that before suit was brought the defendant was duly notified that he was infringing the patent, and that he continued to infringe after such notice.⁸

§ 529. The twenty-second defence may sometimes be sustained by means of pointing out faults in the plaintiff's proof of title. Where that proof is apparently complete, it can be attacked only by the introduction of assignments or grants in writing, which intervene between some of the links of the plaintiff's chain of title in such a way as to destroy or impair its continuity. The numerous points of law relevant to title are explained in the eleventh chapter of this book. It is

¹ *Little v. Downing*, 37 New Hampshire, 355, 1858.

² Revised Statutes, Sections 899 and 900.

³ 1 Wharton on Evidence, 135.

⁴ *Nims v. Johnson* 7 California, 110, 1857.

⁵ *De Florez v. Raynolds*, 17 Blatch. 439, 1880.

⁶ *Bischoff v. Wethered*, 9 Wallace, 812, 1869.

⁷ Revised Statutes, Section 4900.

⁸ *Goodyear v. Allyn*, 6 Blatch. 36, 1868.

enough to say in this connection that no title will be recognized in a court of law, unless it is evidenced by instruments in writing,¹ and that such instruments may probably be proven by a duly certified copy of their record in the Patent Office.²

§ 530. The twenty-third defence may be sustained by evidence of a written or a parol license, or of an express or an implied license. But no written license can be proven by a certified copy, because the law does not provide for recording licenses, and because, if such documents are sometimes copied into the record books of the Patent Office, they do not thereby become Patent Office records. Licenses form the subject of the twelfth chapter of this book, and to that chapter recourse may be had for further information in regard to the proper evidence to support this defence.

§ 531. The twenty-fourth defence may be sustained by proof of a total or partial release, given after the infringement was committed and before the action was commenced, or it may be sustained *pro tanto*, by a partial release given even after the action was begun.³ A paper cannot be a release, if executed before the infringement to which it refers was committed, because no man can relinquish what he does not possess.

Whether a release, given only to a joint infringer with the defendant, can be invoked by the defendant himself, is a question to which no categorical answer can at present be given. It depends upon the question whether contribution can be enforced between infringers, and that point has never been settled by the courts. Nothing more useful can therefore be said in this connection than to state the principles upon which the two questions seem to depend.

The doctrine that there can be no contribution between tortfeasors, does not generally apply to cases where the wrongdoers suppose their doings to be lawful.⁴ This is nearly always true of infringers of patents. When they infringe, they are often ignorant of the patents which they violate, or if they

¹ Revised Statutes, Section 4898. 1875.

² Section 495 of this book.

³ *Burdell v. Denig*, 92 U. S. 721,

⁴ *Bailey v. Bussing*, 28 Connecticut, 461, 1859.

know of the patents, they are apt to give themselves the benefit of every suggested ground for doubt, and thus suppose that their doings do not constitute an infringement. Their wrongdoing is *mala prohibita*, rather than *mala in se*. Therefore, it seems to be generally if not universally true, that where one of several joint infringers is sued alone, and suffers and pays a judgment for the joint infringement, he may compel his co-infringers to contribute their due portion of that payment, by means of an action to enforce its refunding. That being so, it will follow that a release to one joint infringer, will operate to release all his co-infringers from the claim of the patentee. Where contribution can be enforced between tortfeasors, a full release to one must release all; for if it did not do so, it would not fully release that one. The releasee would not be fully protected by his release, unless his co-infringers would also be protected by it, because otherwise the releasee would still be liable to an action for contribution brought against him by a joint tort-feasor who had been compelled to respond in damages for the joint infringement. The true rule therefore appears to be, that a plain release given to either of several joint infringers, may be successfully invoked in a court of law, not only by the nominal releasee, but also by either or all of his co-infringers.

But releases can be written in such a way as not to have the effect just stated. The reason of the rule does not apply where the releasee accepts such a qualified release as will leave him liable to contribution. Therefore, where a release expressly provides that it shall not operate to discharge any other person than the releasee, it will not so operate. The releasee cannot reasonably complain of this, because if he pays the entire damages for a joint infringement, he should insist upon an entire release; and if he pays only a part of the damages, he ought to contribute to his co-infringers, if the latter are compelled to pay the whole.

§ 532. The twenty-fifth defence may be successful without any evidence, because the burden of proof is upon a plaintiff to show an infringement,¹ and because some plaintiffs fail to

¹ *Brooks v. Jenkins*, 3 McLean, 453, 1844.

sustain that burden. Accordingly, in one leading law case the defendant was the prevailing party on the circuit, and in the Supreme Court, though the plow which he made was nearly identical with that covered by the plaintiff's patent, and though the defendant introduced no evidence on the subject of infringement, nor indeed on any other.¹ So also, in a leading case in equity, the defendant, though beaten on the circuit, successfully interposed the defence of non-infringement in the Supreme Court, without any evidence on that side of the issue, and against the contrary testimony of several experts.² But these were somewhat clear cases of non-infringement, and it would be injudicious to rely upon such a defence without evidence to support it, in any case wherein the question of infringement is really debatable in the light of the law. Where a thing made or used or sold by the defendant, is proven or is stipulated, and where a competent expert testifies that it is substantially the same as that which appears to be covered by the patent in suit; it is always advisable, and generally necessary, for the defendant to introduce evidence tending to show non-infringement, if he means to insist upon that defence.³ Evidence of this sort may consist of the testimony of experts who are acquainted with the letters patent in suit, and with the doings of the defendant, and are of opinion that those doings are substantially different from everything which appears to be secured by the letters patent, and can give an intelligent reason for that opinion. This testimony, like all other testimony of experts on questions of infringement, is necessarily based on hypothetical constructions of the patents in suit, and is therefore to be disregarded, if the judge finds those hypothetical constructions to be substantially erroneous.

Whether the fact that the defendant conformed his doings to a junior patent is admissible as tending to show non-infringement of the patent in suit, is a question which the Supreme Court once decided in the affirmative,⁴ and after-

¹ *Prouty v. Ruggles*, 16 Peters, 336, 1842.

² *Railway Co. v. Sayles*, 97 U. S. 554, 1873.

³ *Bennet v. Fowler*, 8 Wallace, 447, 1869.

⁴ *Corning v. Burden*, 15 Howard, 252, 1853.

ward in the negative.¹ The reason of the matter is with the later decision, because a thing may be a patentable improvement on a prior thing, at the same time that it is a clear infringement of a patent for that thing.

§ 533. The twenty-sixth defence requires to be proved as pleaded. Where it depends upon estoppel *in pais*, it may be proved by parol, or by the production of documents, according as the ground of the estoppel consists of things done or words spoken, or consists of words which were committed to writing. Where the defence depends upon estoppel by deed, the document must be produced or otherwise proved according to the rules of evidence applicable to such cases; and where it depends upon estoppel by record, or *res judicata*, the record must be proved in accordance with the laws governing such evidence.

§ 534. The twenty-seventh defence seldom requires any evidence to sustain it, because the Federal courts take judicial notice of the statutes of limitation;² and because the plaintiff's pleadings and proofs, when taken together, will generally show when the infringement sued upon was committed. But if the plaintiff's presentation of the case leaves the latter point uncertain to such an extent as to affect the question of the operation of a statute of limitation, the burden is then cast upon the defendant, to prove that part or all of the infringement is old enough to be barred by the statute which he pleaded.³

§ 535. Testimony in actions at law for infringements of patents may always be taken orally in open court; and it may be taken by depositions in writing where the witness lives more than one hundred miles from the place of trial, or when he is bound on a voyage at sea, or is about to go out of the United States, or out of the judicial district in which the case is to be tried, or to a greater distance than one hundred miles from the place of trial, before the time of trial; or when he is ancient and infirm. The sorts of magistrates before whom such a dep-

¹ *Blanchard v. Putnam*, 8 Wallace, 420, 1869.

² *Pennington v. Gibson*, 16 Howard, 79, 1853; *Cheever v. Wilson*, 9

Wallace, 121, 1869.

³ *Russell v. Barney*, 6 McLean, 577, 1855.

osition may be taken, are judges of any United States court ; judges of any supreme, superior, or county court, or court of common pleas of any of the United States ; commissioners of United States circuit courts ; clerks of United States circuit or district courts ; mayors or chief magistrates of cities ; and notaries public. If any such magistrate is counsel or attorney for either party, or interested in the event of the cause, he is disqualified from acting. Before such a deposition is taken, reasonable notice thereof must be given in writing by the party intending to take it, or his attorney of record, to the opposite party, or his attorney of record, as either may be nearest, and that notice must state the name of the witness, and the time and place of taking the deposition.¹ The formalities to be observed in taking and transmitting such depositions are prescribed in Sections 864 and 865 of the Revised Statutes ; and they must be strictly complied with, in order to make such depositions admissible as against proper objections. Indeed, no such deposition is admissible in any event, unless it appears to the satisfaction of the court, that the witness is dead, or gone out of the United States, or to a greater distance than one hundred miles from the place where the court is sitting, or that, by reason of age, sickness, bodily infirmity, or imprisonment, he is unable to travel and appear at court.² Where the witness testified in his deposition to the then existence of the fact which authorized its taking, that fact is presumed to exist at the time the deposition is offered in evidence, and in the absence of contrary proof, the deposition itself will satisfy the court that it is entitled to be admitted.

Most objections to depositions, in order to be efficacious, must be made before the depositions are received in evidence ; for when introduced with the acquiescence of the opposite party, they cannot afterward be excluded on the ground that they were not taken in accordance with the rules prescribed therefor.³ But where evidence is pertinent to either of several possible defences, one or more of which were pleaded, and one

¹ Revised Statutes, Section 863.

² Revised Statutes, Section 865.

³ *Evans v. Hettich*, 7 Wheaton 453, 1822.

or more of which were not pleaded by the defendant, the fact that the evidence was not objected to when taken or admitted, does not make it admissible in support of any defence which was not pleaded.¹

§ 536. The judge may direct the jury to return a verdict for the defendant, where it is entirely clear that the plaintiff cannot recover, but not otherwise.²

§ 537. Instructions to juries embody all the law that is applicable to the material facts in evidence. In ascertaining that law, the judges resort to the statutes of the United States, and to the decisions of the United States Supreme Court; and where further information is required, they examine or call to mind the decisions of the Circuit Courts of the United States, for they are inferior in authority to those of the Supreme Court alone.³ But judges are not bound to conform their instructions to any statements of law contained in any opinion of any court, unless that statement was strictly applicable to the case then before the court which made it.⁴ The Supreme Court has sometimes decided cases, after full argument, quite contrary to its own previous *obiter dicta*; and the circuit court decisions contain hundreds of passing remarks which cannot be harmonized with the positive decisions of the supreme tribunal. The opinions of the best text-writers are sometimes more likely to be followed by the Federal courts, than are the *dicta* of the judges of those courts, because the best legal authors consider their writings more carefully than the judges appear to consider their *dicta*, and because neither of these kinds of statements have any more weight than the reasons upon which they are respectively based.

Instructions should not embody the opinions of the judges on any issue of fact.⁵ To guard against the observed tendency

¹ *Zane v. Soffe*, 5 Bann. & Ard. 284, 1880.

² *Klein v. Russell*, 19 Wallace, 463, 1873.

³ *Washburn v. Gould*, 3 Story, 157, 1844.

⁴ *Day v. Rubber Co.*, 20 Howard, 216, 1857; *Day v. Stellman*, 1 Fisher, 487, 1859.

⁵ *Turrill v. Railroad Co.*, 1 Wallace, 491, 1863.

in judges to overlook this rule in patent cases, it is prudent to require all instructions to be given in writing, that being a requirement which counsel have a right to make in the State courts of most or of all of the States, and that being a point of practice which is consistent with the nature of an action of trespass on the case, and therefore one to be followed in patent actions in the Federal courts.¹ The danger of irregularity in instructions is much lessened by putting them in writing; and the facilities for correcting such as do occur are materially increased thereby. While he is bound not to tell the jury how to decide any issue of fact, the judge will tell them what issues of fact they are to decide, and those are the issues in the pleadings, and not some other issue which the judge may think is the one upon which the merits of the case really depend.²

§ 538. The verdict in a patent action will be for the plaintiff, if every defence except non-infringement fails, and if that fails as to any one claim of the letters patent.³ So also, the plaintiff is entitled to a verdict, where every defence fails except the sixteenth and seventeenth, and where those defences lack application to one or more of the claims shown to have been violated.⁴ And he is also entitled to a verdict where the only successful defence is the eighteenth, if his action is based partly on the first term of the patent, and if that term is proven to have been infringed by the defendant. So also, if the twenty-second, twenty-third, or twenty-fourth defence is the only successful one, and if that is successful only as to part of the alleged infringement, the plaintiff will be entitled to a verdict as to the residue; and the same thing may be true of the twenty-sixth or of the twenty-seventh defence.

§ 539. A new trial may be obtained by the defeated party, if the jury disregarded the instructions of the judge;⁵ or failed

¹ Revised Statutes, Sections 914 and 4919.

² *Grant v. Raymond*, 6 Peters, 244, 1832.

³ *Waterbury Brass Co. v. New York Brass Co.*, 3 Fisher, 43, 1858.

⁴ *Gage v. Herring*, 107 U. S. 640, 1882; *Gould v. Spicer*, 15 Fed. Rep. 344, 1882; *Cote v. Moffitt*, 15 Fed. Rep. 345, 1883.

⁵ *Tucker v. Spalding*, 13 Wallace, 453, 1871.

to correctly apply them to the issues of the case ;¹ but not where the only error complained of is an alleged wrong decision of such an issue, unless it was decidedly against the weight of evidence.²

Excessive assessment of damages, even where it is undeniably so, does not always entitle the defendant to a new trial. Such an error may be cured by the plaintiff remitting such a sum as the judge thinks constitutes the excess, in all cases where he thinks that the error of the jury arose from inadvertence ; but when the circumstances of the case clearly indicate that the error arose from prejudice, or from reckless disregard of duty, on the part of the jury, a new trial will be granted.³ But no excessive verdict can be corrected by the Supreme Court, unless the *nisi prius* judge made some error which entitles the defeated party to a *venire facias de novo*.⁴

Errors made by judges may also entitle a party to a new trial, but no such error will have that effect unless it was excepted to at the time it was committed ; nor where it consisted in erroneous admission of evidence, which the subsequent course of the trial rendered nugatory.⁵ So also, where the error of the judge consisted in erroneous instructions relevant to damages, the plaintiff may avoid a new trial by consenting that the verdict be reduced to nominal damages and costs.⁶

Newly discovered evidence may also furnish a good ground for granting a new trial ; but not where that evidence might, with due diligence, have been obtained before the former trial ;⁷ nor where it is merely cumulative.⁸ But evidence is

¹ *Johnson v. Root*, 2 Clif. 108, 1862.

² *Alden v. Dewey*, 1 Story, 336, 1840 ; *Stimpson v. Railroads*, 1 Wallace, Jr. 164, 1847 ; *Allen v. Blunt*, 2 Woodbury & Minot, 121, 1846 ; *Aiken v. Bemis*, 3 Woodbury & Minot, 348, 1847 ; *Wilson v. Janes*, 3 Blatch. 227, 1854 ; *Bray v. Harts-horn*, 1 Clif. 538, 1860 ; *Roberts v. Schuyler*, 12 Blatch. 448, 1875.

³ *Stafford v. Hair-Cloth Co.* 2 Clif. 83, 1862 ; *Johnson v. Root*, 2 Clif.

108, 1862 ; *Russell v. Place*, 9 Blatch. 175, 1871.

⁴ *Hogg v. Emerson*, 11 Howard, 607, 1850.

⁵ *Allen v. Blunt*, 2 Woodbury & Minot, 121, 1846.

⁶ *Cowing v. Rumsey*, 8 Blatch. 36, 1870.

⁷ *Washburn v. Gould*, 3 Story, 122, 1844.

⁸ *Ames v. Howard*, 1 Sumner, 482, 1833.

not merely cumulative, where it refers to facts not before agitated, though it may refer to defences which, in the former trial, were based on other facts.¹ A party moving for a new trial upon the ground of alleged newly discovered evidence, must succeed or fail on the strength or weakness of the case as it is disclosed in his affidavits, and in the answering affidavits of the other party; for the moving party is not permitted to rebut the latter; nor will he be entitled to a new trial, if the opposing affidavits make out a strong case against him.² When a new trial is granted on the ground of newly discovered evidence, the terms usually are, that the costs of the former trial must first be paid by the applicant.³

§ 540. Trials by a judge without a jury require to be so managed that the issues of law and the issues of fact are kept entirely distinct; for his decision on the former are reviewable by the Supreme Court, while his finding of fact has the same operation as the verdict of a jury.⁴ If the finding of the judge be a general one, it is conclusive on all issues of fact, and is also conclusive on all questions of law, except those which arise upon the pleadings, and those which the bill of exceptions specifically presents as having been ruled upon and excepted to in the progress of the trial.⁵ If the finding of the judge be a special one, it will still be conclusive on the facts found; but the sufficiency of those facts to support the judgment will be open to review in the Supreme Court.⁶ Where the judge simply finds for the defendant, and enters a judgment accordingly, that judgment can be taken to the Supreme Court for review, only in the regular common law method of a bill of exceptions and a writ of error, and only on pure questions of law.⁷ Where the judge finds as a fact, that the patent is void for want of novelty, or that the defendant has not infringed it, and thereupon enters a judgment for

¹ *Aiken v. Bemis*, 3 Woodbury & Minot, 358, 1847.

² *Ames v. Howard*, 1 Sumner, 491, 1833.

³ *Aiken v. Bemis*, 3 Woodbury & Minot, 358, 1847.

⁴ Revised Statutes, Section 649.

⁵ *Insurance Co. v. Sea*, 21 Wallace, 160, 1874.

⁶ Revised Statutes, Section 700.

⁷ Revised Statutes, Sections 649 and 700.

the latter, it is undeniable that the fact so found is sufficient to support that judgment. In arriving at his opinion, the judge may have misunderstood or misapplied the tests of novelty, or of infringement, but still his finding is conclusive ; because the Supreme Court is authorized to examine nothing but the sufficiency of the facts found.¹ But if the judge finds that A. B. invented, made, and used a certain described thing in the United States, prior to the invention of the patentee, or that the defendant made, used, or sold only a certain described thing during the life of the patent, and therefore renders a judgment for the defendant ; that judgment will be reversed by the Supreme Court on a writ of error, if that court is of opinion that the thing invented, made, and used by A. B. did not negative the novelty of the patent, or is of opinion that the thing made, used, or sold by the defendant did really infringe the patent in suit.² These illustrations of the practice in trials by a judge without the aid of a jury, show that where special findings of facts are adopted as the method of laying a foundation for a review of the case by the Supreme Court, the finding ought to relate to the fundamental facts of the case, and not merely the conclusions of fact which are deducible therefrom.

§ 541. Trial by referee may be instituted by an entry of the clerk of the court, made at the request of the parties, simply indicating that the case is to be referred to the person or persons named, as referee ; or it may be ordained by a stipulation in writing, signed by the parties or their attorneys and filed in the case. When that is done, a rule may be issued, or an order of court may be entered, referring the case to the referee indicated by the parties, and directing him to hear and determine all the issues thereof. It thereupon becomes the duty of the referee to hear the parties, and then to decide the controversy and make a report to the court. The report may be special, setting forth the details of the evidence upon which it is based, or it may be general, giving only the conclusions

¹ *Jennisons v. Leonard*, 21 Wallace, 307, 1874.

Insurance Co. v. Sea, 21 Wallace, 160, 1874.

² *French v. Edwards*, 21 Wallace,

to which that evidence carried the mind of the referee. To that report, either party may except in writing, and upon the hearing of those exceptions, the court may adopt or reject the report and enter judgment accordingly, or it may recommit the report to the referee with further directions.¹

Such is substantially the outline of the trial by referee, which is delineated in the decision just cited. Inasmuch as that form of trial is not provided for by any United States statute, its details are regulated by the laws of the particular State in which such a trial is had.² Recourse must therefore be had to those laws for sundry points of information relevant to the methods of taking testimony before referees; the time when referees' reports must be made; the weight attached to such reports on issues of fact; and the proper practice by means of which to secure the judgment of the court upon reviewable points.

§ 542. Judgments follow verdicts of juries, findings of judges, or reports of referees; unless those verdicts are set aside, those findings reconsidered and modified, or those reports rejected or recommitted. It is not the practice of the United States Circuit Courts, to require a rule for a judgment to be entered in any case. Judgments are entered by the clerk of the court under a special or general authority from the judge, and where so entered are binding as the act of the court.³ The circumstances which justify courts in entering judgments in patent cases, for any sum above the amount of the verdict, finding, or report, but not exceeding three times the amount thereof, are explained in the chapter on damages. That the court has the same power in this particular, in cases where the damages are ascertained by the finding of the judge, or by the report of a referee, that it has in cases where they are ascertained by the verdict of a jury, is a point which has not been judicially decided, but is one which can hardly be doubted.

¹ *Heckers v. Fowler*, 2 Wallace, 132, 1864. and 914.

³ *Heckers v. Fowler*, 2 Wallace,

² Revised Statutes, Sections 721 132, 1864.

§ 543. Costs are recoverable by all plaintiffs who secure judgments for infringements of patents ;¹ except where it appears on the trial that one or more of the claims of the letters patent are void for lack of being the subject of a patent, or for want of invention, or for want of novelty, and does not appear that the proper disclaimer was filed in the Patent Office before the commencement of the action.² There is no United States statute which provides that defendants shall recover costs in any patent case. The common law of England allowed no costs to either party in any action at law ;³ and the statutes of Gloucester,⁴ which supplied that defect as to plaintiffs, did not supply it as to defendants. The statute of 23 Henry VIII., Chapter 15, enacted, however, that where, in actions on the case, the plaintiff is nonsuited after the appearance of the defendant ; or where the verdict happens to pass, by lawful trial, against the plaintiff, the defendant shall have judgment to recover his costs against the plaintiff, and shall have such process and execution for the recovery of the same, as the plaintiff might have had against the defendant, in case the judgment had been given for the plaintiff. This statute of Henry VIII. having been enacted before the founding of the English colonies in America, and being suited to the condition of society in the United States, is in force in the United States courts to the same extent that it would be, if it were one of the rules of the common law.⁵

§ 544. All the items of costs which are taxable in the United States courts are specified in the United States statutes.⁶ The province of a taxing officer is therefore limited to comparing suggested items with the particulars of those statutes, and to taxing those, and only those, which he finds enumerated therein.⁷ And no expenses, other than taxable costs, can be lawfully

¹ Revised Statutes, Section 4919 ; *Merchant v. Lewis*, 1 Bond, 172, 1857.

² Revised Statutes, Sections 973, 4917, and 4922.

³ *Day v. Woodworth*, 13 Howard, 372, 1851.

⁴ 6 Edward I. Chapter I., A.D. 1278.

⁵ *Hathaway v. Roach*, 2 Woodbury & Minot, 69, 1846.

⁶ Revised Statutes, 823 ; *The Baltimore*, 8 Wallace, 392, 1869 ; *Lyell v. Miller*, 6 McLean, 422, 1855.

⁷ *Dedekam v. Vose*, 3 Blatch. 153, 1853.

inserted in any cost bill.¹ On most points, the statutes relevant to fees are so clear that they require no explanation ; but in some particulars, they needed and have received judicial construction. Those particulars may be conveniently explained in a few of the sections which immediately follow.

§ 545. One attorney's docket fee, and no more, is taxable in each case against the defeated party.² There is no warrant for taxing the unsuccessful party with a separate docket fee for each of his adversary's attorneys, nor with a separate docket fee for each term during which a case has been pending in court, nor for taxing any docket fee in favor of any attorney of the defeated party. Neither is there any warrant for taxing an attorney's deposition fee in favor of any attorney of the beaten party, or in favor of more than one attorney of the party which prevails in the action.³

§ 546. The fees of the clerk of the court are in general taxable against the defeated party ; but several of the items to which he is entitled, are not so taxable, but are to be paid by the party for which he rendered the services to which they refer. Among these items, are copies of the record ordered by a party for his own use.⁴ As the greater must include the less, this rule must apply also to copies of pleadings, depositions or other papers which form parts of the records of cases. The extent to which clerks may make records, and charge defeated parties therefor, depends upon the rules of each particular court. In some districts, those rules appear to be made with a view to giving the clerks as much scope in this respect as can be supported by any argument ; while in other courts, the practice is to charge parties with no more recording than the reasonable requirements of each case seems to demand.

§ 547. The fees of a commissioner or other magistrate, who takes a deposition in a case, are generally taxable against the defeated party,⁵ but if the deposition is not offered in evi-

✓ ¹ *Parks v. Booth*, 102 U.S. 106, 1880.

² *Dedekam v. Vose*, 3 Blatch. 153, 1853 ; *Troy Iron & Nail Factory v. Corning*, 7 Blatch. 17, 1869 ; *Parker v. Bigler*, 1 Fisher, 285, 1857.

³ Revised Statutes, Section 824.

⁴ *Caldwell v. Jackson*, 7 Cranch, 277, 1812.

⁵ *Fry v. Yeaton*, 1 Cranch's Circuit Court Reports, 550, 1809.

dence at the trial, those fees cannot be so taxed.¹ And reasoning by analogy from the taxation of attorneys' deposition fees, it should follow that magistrates' fees are not taxable on depositions which are offered in evidence, but are not admitted.²

§ 548. Witness fees are generally taxable against the defeated party, whether the testimony was given orally in court or by deposition before a magistrate.³ But they are not so taxable when the testimony is taken by deposition and the deposition is not offered,⁴ or if offered is not admitted in evidence.⁵ Nor will a defeated party be taxed with the fees of more than three witnesses to one fact, unless the prevailing party satisfies the court by affidavit, that the additional witnesses were really necessary to adequately support his contention on that point.⁶

Whether any defeated party is taxable with the fees of any witness who testified on request, and without a subpoena, is an unsettled question. It has been held in the affirmative by Judge WOODRUFF⁷ and Judge HALL;⁸ and in the negative by Justice McLEAN,⁹ Judge SAWYER,¹⁰ and Judge LEAVITT.¹¹ The ablest arguments on the two sides of the issue are those of Judge WOODRUFF and Judge SAWYER; and there is probably nothing to be said on the subject, that is not said in one or the other of the five cases cited. If it is necessary, in order to make witness fees taxable, that the witness should be served with a subpoena, it is not necessary that he should be so served by any officer. Service by a private person is sufficient.¹²

Witness fees are taxable in favor of a defendant, though his witnesses are not examined, because the action is not pros-

¹ *Hathaway v. Roach*, 2 Woodbury & Minot, 75, 1846.

² Revised Statutes, Section 824.

³ Revised Statutes, Section 848.

⁴ *Hathaway v. Roach*, 2 Woodbury & Minot, 63, 1846.

⁵ Section 547 of this book.

⁶ *Bussard v. Catalino*, 2 Cranch's Circuit Court Reports, 421, 1823.

⁷ *Dennis v. Eddy*, 12 Blatch, 196, 1874.

⁸ *Cummings v. Plaster Co.* 6 Blatch, 510, 1869.

⁹ *Dreskill v. Parish*, 5 McLean, 213, 1851.

¹⁰ *Spaulding v. Tucker*, 4 Fisher, 637, 1871.

¹¹ *Woodruff v. Barney*, 2 Fisher, 244, 1862.

¹² *Power v. Semmes*, 1 Cranch's Circuit Court Reports, 247, 1805.

enced; and where witnesses attend more than once at the same term, because of a stipulated postponement of the trial, their fees are to be taxed as for continuous attendance during the interim, and not as for repeated journeys from their homes.¹ Witnesses from a distance are entitled to fees for Sunday, where they are detained over that day.²

§ 549. The taxation of costs may properly be made at the time the judgment is entered, and that is the course which best secures the rights of the parties. But a blank may be left in the judgment for that purpose, and may be filled by a taxation made *nunc pro tunc*, after the judgment has been affirmed by the Supreme Court.³ Where the former practice is followed, the legality of the taxation may probably be reviewed by the Supreme Court, if the case is taken to that forum by the defendant, to secure a reversal of a judgment against him for substantial damages as well as costs, and if the court affirms or modifies the judgment as to the damages.⁴ But where only nominal damages and costs are adjudged against a defendant, he cannot take the case to the Supreme Court for the purpose of securing a reversal of the judgment or a diminution of the costs.⁵ Where a judgment for costs is entered against a plaintiff on the basis of a verdict for the defendant, the plaintiff may go to⁶ the Supreme Court on a writ of error. If he secures a reversal of the judgment for errors on the trial, there will be no occasion for the court to consider the correctness of the taxation of costs. If, on the other hand, the court finds no error upon which to ground a reversal, it will seek for no error in the taxation.⁶

The clerks of the Circuit Courts are the primary taxing officers of those tribunals; but they perform that duty under the general or particular direction of the judges. The taxation

¹ *Hathaway v. Roach*, 2 Woodbury & Minot, 63, 1846.

² *Schott v. Benson*, 1 Blatch. 564, 1850.

³ *Sizer v. Many*, 16 Howard, 98, 1853.

⁴ *Parks v. Booth*, 102 U. S. 106,

1880.

⁵ *Elastic Fabric Co. v. Smith*, 100 U. S. 110, 1879; *Paper-Bag Cases*, 105 U. S. 772, 1881.

⁶ *Canter v. Insurance Companies*, 3 Peters, 318, 1830.

of costs is ordinarily made by the clerk on his own motion, or at the request of the prevailing party, and without notice to the defeated party. If the latter is dissatisfied with the result, the court will hear his motion for a retaxation. If such a motion is accompanied with an explanation showing colorable ground for a claim of error in the taxation, the court will order the clerk to retax the costs, upon the mover giving the opposite party due notice of the time and place thereof, and paying the costs occasioned thereby.¹ Then, if either party is dissatisfied with the result of the retaxation, he may appeal to the court; but as a foundation for the hearing of such an appeal, he must secure from the clerk an itemized bill of the charges to which he objects;² and as a foundation for success on that hearing, must show that part or all of those items are unwarranted by the statute. All of these proceedings must take place at the term in which the judgment is entered;³ except in cases where blanks for costs are left in judgments, pending writs of error from the Supreme Court.

§ 550. A writ of error, properly taken out from the office of the clerk of the Supreme Court,⁴ will carry any action at law, for an infringement of a patent, to the Supreme Court of the United States for review, regardless of the amount of damages in controversy;⁵ and whether the case was tried by a jury, by a referee, or by a judge alone.⁶ But no writ of error can carry any question of fact to the Supreme Court.⁷ The sole function of such a writ is to secure from that tribunal a review of the questions of law involved in a case, or, where the finding below was made by a judge, and was special, to secure a review of the question whether the facts so found are sufficient to support the judgment based thereon.⁸

¹ *Collins v. Hathaway*, *Olcott's Reports*, 182, 1845.

² *Dedekam v. Vose*, 3 *Blatch*, 153, 1853.

³ *Blagrove v. Ringgold*, 2 *Cranch's Circuit Court Reports*, 407, 1823.

⁴ *West v. Barnes*, 2 *Dallas*, 401, 1791.

⁵ Revised Statutes, Section 699;

Philip v. Nock, 13 *Wallace*, 185, 1871.

⁶ *York & Cumberland Railroad Co. v. Myers*, 18 *Howard*, 246, 1855; *Heckers v. Fowler*, 2 *Wallace*, 123, 1864.

⁷ *Heckers v. Fowler*, 2 *Wallace*, 123, 1864.

⁸ Revised Statutes, Section 700.

§ 551. Bills of exception, allowed and signed, or sealed by the judge, constitute the only mode by which the questions of law that arise on the trial of a case, can be prepared for transmission to the Supreme Court in pursuance of a writ of error.¹ But a paper which is incorporated in the record, and which has all the substantial characteristics of a bill of exceptions, will be treated as such, even though it is not so entitled.² Such a document should state no more of the case than is necessary to present the questions which are reviewable in the Supreme Court, and which the plaintiff in error seeks to have reviewed there.³ If those questions relate only to the pleadings, the pleadings only should be inserted in the bill of exceptions. Where those questions relate only to the competency of a witness, the bill of exceptions need only show that the witness was offered, and was accepted or rejected, as the case may be, and that such admission or rejection was duly excepted to, and, in case of a rejection of a witness to want of novelty, that due notice of the fact, to be proven by him, was served on the opposite party;⁴ and in all cases of rejection, that the testimony which the witness would have given, was material to the issue. This last requisite was once held by the Supreme Court to be unnecessary;⁵ but that tribunal afterward decided, that to render an exception available in that court, it must affirmatively appear that the ruling excepted to, affected, or might have affected, the decision of the case.⁶ Accordingly, in the case last cited, the court held that where particular answers of a competent witness were excluded by the court below, the bill of exceptions must contain those answers, and must show that they were material to the issues; and the court said in the same case that where particular questions are excluded, and therefore not answered, the bill of exceptions must show what

¹ Insurance Co. v. Lanier, 95 U. S. 171, 1877.

² Herbert v. Butler, 97 U. S. 319, 1877.

³ Hansknecht v. Claypool, 1 Black. 431, 1861.

⁴ Philadelphia & Trenton Railroad

Co. v. Stimpson, 14 Peters, 448, 1840; Blanchard v. Putnam, 8 Wallace, 420, 1869.

⁵ Vance v. Campbell, 1 Black. 427, 1861.

⁶ Railroad Co. v. Smith, 21 Wallace, 255, 1874.

facts the party offered to prove by means of those questions, and that such facts were material to the case. And in a still later case, the court held, that where a particular question was objected to, but was admitted and was answered, the bill of exceptions much show what the answer was, in order to enable the Supreme Court to pass upon the propriety of the evidence.¹

§ 552. Where the questions which are sought to be brought before the Supreme Court, relate only to the instructions which the court below gave, or refused to give to the jury, the bill of exceptions should set forth the issues of the pleadings, and the substance of the charge or refusal to charge, as the case may be, together with whatever part of the evidence is necessary to enable the Supreme Court to decide upon the propriety, or impropriety, of the action of the court below. The issues of the pleadings should be stated in the bill of exceptions, for otherwise the appellate tribunal cannot know whether the charge or refusal to charge, which was excepted to, was material to the case ; and because the Supreme Court will not sit to try moot issues of law, nor to establish legal propositions in cases wherein those propositions are not involved.² The substance of the charge, rather than the charge *in extenso*, should be stated in the bill, because the Supreme Court does not desire to be occupied in listening to minute criticisms and observations upon expressions incidentally introduced into a charge for purposes of argument or illustration, and which, if they were the direct point in judgment, might need qualification, but which do not show, that upon the whole the relevant law was not justly expounded to the jury.³ But the whole substance of the charge should be stated where nothing but charged matter is excepted to ; because if part is omitted, the Supreme Court cannot know that the omitted portion did not cure the faults of the parts inserted. So also, where the matter which is excepted to is a refusal to charge ; not only the

¹ Lovell v. Davis, 101 U. S. 542, 1881.
1879.

³ Evans v. Eaton, 7 Wharton, 356,

² Jones v. Buckell, 104 U. S. 554, 1822.

refused instruction, but also the whole substance of the given charge, should be inserted in the bill of exceptions ; for otherwise the Supreme Court cannot be informed whether the refused instruction was not substantially contained in the charge which was actually given ; and because judges are never bound to instruct juries in the form requested, provided they substantially embody the whole of the relevant law in the charges which they give.¹ Where nothing but charged matter is excepted to, the bill of exceptions should not contain any part of the evidence ; because the only question before the Supreme Court in such a case is the correctness of the charge.² But where a refusal to charge is excepted to, the bill must contain the evidence to which the refused instruction relates, or must contain a statement of facts pertinent to that point, and a statement that evidence was introduced tending to prove those facts ; because no court is bound to give any charge which does not relate to the evidence, no matter how sound the proposed instruction may be, as a proposition of law.

§ 553. Specific exceptions must be made to instructions, in order to entitle the objector to a review of those instructions in the Supreme Court. Where a requested instruction is refused, and the refusal is excepted to, that refusal will be sustained by the Supreme Court, if the requested instruction was unsound in any particular.³ Counsel ought therefore to carefully separate their propositions of law from each other, when framing their requests for instructions, lest one erroneous proposition deprive them of the benefit of several sound ones.

§ 554. Exceptions to charges, or to refusals to charge, must be made and noted while the jury is at the bar.⁴ But bills of exception may be drawn up, and signed or sealed by the judge at any time before the expiration of the term, unless the judge enforces some rule of his court, which prescribes a shorter time

¹ *Indianapolis & St. Louis Railroad Co. v. Horst*, 93 U. S. 295, 1876.

² *Pennock v. Dialogue*, 2 Peters, 1, 1829.

³ *Indianapolis & St. Louis Railroad Co. v. Horst*, 93 U. S. 295, 1876.

⁴ *Phelps v. Mayer*, 15 Howard, 160, 1853.

for the preparation and presentation of such documents for his approval; and, if not otherwise too late, such bills may be prepared and signed after a writ of error has been sued out from the Supreme Court to transfer the case to that tribunal.¹

¹ *Hunnicut v. Peyton*, 102 U. S. 353, 1880.

CHAPTER XIX.

DAMAGES.

- | | |
|---|--|
| 555. The generic measure of damages. | 562. Proportion of licensed to unlicensed practice of an invention. |
| 556. Established royalties as specific measures of damages. | 563. Measure of damages in the absence of an established royalty. |
| 557. Tests applied to royalties, on behalf of defendants. | 564. Damages for unlicensed making, without unlicensed selling or using. |
| 558. Tests applied to royalties on behalf of plaintiffs. | 565. Evidence of damages. |
| 559. Money paid for infringement already committed, is no measure of damages in another case. | 566. Indirect consequential damages. |
| 560. Royalties reserved on sales of patents. | 567. Exemplary damages. |
| 561. Royalties for licenses to make and use, and royalties for licenses to make and sell. | 568. Increased damages. |
| | 569. Actual damages not affected by infringement being unintended. |
| | 570. Counsel fees and other expenses. |
| | 571. Interest on damages. |

§ 555. THE pecuniary injury which a plaintiff incurs by reason of a defendant's infringement of his patent, is the generic measure of the damages which that plaintiff is entitled to recover on account of that infringement.¹ Such an injury is often called the plaintiff's loss,² and sometimes it is strictly that, but often it is a loss only in the sense that it is a failure to acquire a just and deserved gain. Whether the injury caused to a plaintiff by an infringement was a loss in one or the other of these senses, its magnitude must always be ascertained, in order to ascertain the amount of the damages which

¹ *Goodyear v. Bishop*, 2 Fisher, 158, 1861.

² *Suffolk Co. v. Hayden*, 3 Wallace, 315, 1865; *Cowing v. Rumsey*, 8

Blatch, 36, 1870; *McComb v. Brodie*, 1 Woods, 161, 1871; *La Baw v. Hawkins*, 2 Bann. & Ard. 563, 1877.

he is entitled to recover. The amount of the profits which the defendant derived from his infringement has no relevancy to the question of the plaintiff's damages ; because these profits are sometimes much larger than the plaintiff's pecuniary injury ;¹ and where they are smaller, that fact is no defence to the plaintiff's right to recover full damages for the pecuniary injury which the infringement caused him to incur.²

To ascertain the extent of the pecuniary injury which a particular infringement caused a particular plaintiff, it is necessary to ascertain the difference between his pecuniary condition after that infringement, and what that condition would have been if that infringement had not occurred. That difference depends upon the way in which the plaintiff availed himself of the exclusive right infringed, at the time the infringement took place. If he so availed himself, by granting licenses to others to do the things which the defendant did without a license, then that difference consists in his not having received the royalty which such a license would have brought him.³ If he so availed himself, by keeping his patent right a close monopoly and granting licenses to no one, then that difference consists of the money he would have realized from such a close monopoly if the defendant had not infringed, but which that infringement prevented him from receiving.⁴ Therefore, there are several methods of assessing damages for infringements of patents. One of those methods consists in using the plaintiff's established royalty as the measure of those damages ; and another consists in ascertaining those damages by ascertaining what the defendant's interference with the plaintiff's close monopoly prevented the latter from deriving therefrom.⁵ It is convenient to consider these two criteria of

¹ *Seymour v. McCormick*, 16 Howard, 480, 1853; *New York v. Ransom*, 23 Howard, 487, 1859; *Packet Co. v. Sickles*, 19 Wallace, 611, 1873.

² *Emerson v. Simm*, 6 Fisher, 281, 1873; *Dental Vulcanite Co. v. Van Antwerp*, 2 Bann. & Ard. 255, 1876.

³ *Seymour v. McCormick*, 16 How-

ard, 480, 1853; *New York v. Ransom*, 23 Howard, 487, 1859; *Philip v. Nock*, 17 Wallace, 462, 1873.

⁴ *Philip v. Nock*, 17 Wallace, 462, 1873; *McComb v. Brodie*, 1 Woods, 153, 1871.

⁵ *Zane v. Peck*, 13 Fed. Rep. 475, 1882.

damages separately, and in the order in which they have been stated.

§ 556. Royalties, as measures of damages, are sometimes objected to by defendants, and sometimes by plaintiffs. When invoked by a plaintiff, a royalty is liable to one class of tests, applied on behalf of the defendant; and when invoked by a defendant to limit the plaintiff's recovery, it is liable to another class of tests, applied on behalf of the plaintiff.

§ 557. A defendant may successfully object to a given royalty, as a measure of the plaintiff's damages, unless it was uniform, and was actually paid or secured before the defendant's infringement was committed, by a sufficient number of persons to show that people who have occasion to purchase a license under the patent can afford to pay that royalty. The sale of a single license is not sufficient to establish a royalty;¹ because one purchaser may give a larger sum for a license than he or any other can afford to pay; whereas such a business error is not likely to be made by a considerable number of persons when buying licenses under the same patent. The unanimous opinion of twelve average men is thought to be the most reliable criterion of guilt or innocence; but no reasonable person would hold that view of the opinion of any one of the twelve. In like manner, the unanimous acquiescence of a considerable number of men in a particular royalty, is evidence of its substantial justice; while the acquiescence of one only, of the same men, would have no convincing force.

The amount of the royalty relied upon, must have been actually paid or secured by the licensees, in order to make it a measure of damages against other infringers. Were the rule otherwise, there would be no safeguard against collusion between patentees and licensees for the purpose of imposing on infringers and other third parties. It follows that the mere production of a quantity of licenses, purporting to have been granted at a certain rate, cannot establish a royalty at that rate. Somebody must make oath that the ostensible price of the

¹ Judson v. Bradford, 3 Bann. & Ard. 549, 1878.

licenses was their true price, before they can have that effect. The oath and not the license being the best evidence of the royalty, the royalty may be proven by the oath without the production of the license, even where the license is in writing. This rule is also deducible by analogy from the rule that a payment of money may be proven by oral testimony, even though a receipt be taken.¹

A royalty, in order to be binding on a defendant who was a stranger to the licenses which established it, must be a uniform royalty. This rule does not imply that a patentee may not change the rate of his royalty as often as he can get a sufficient number of licensees to acquiesce in such a change; but it does exclude from consideration, all such licenses as were given at variant rates, for no better reason than variant ability on the part of the licensees to negotiate for a license, or to resist a suit for infringement.²

So also, a particular royalty may be successfully objected to by a defendant, if it was not established till after the infringement sued upon was committed.³ And it is probable that a defendant may avoid the application of a particular royalty, by showing that a different rate was established in the particular city, county, or State wherein he unlawfully availed himself of the patentee's invention.

§ 558. A plaintiff may successfully object to a particular royalty as a measure of his damages, where that royalty was established, and was intended to be established, within a particular territory only; or where it was changed or abandoned before the infringement in suit was committed. These two points rest upon obvious reasons. A patentee may wish to hold a close monopoly on his invention in Maine, while willing to grant licenses in Florida; or he may rightfully demand a much larger royalty in Minnesota, than that which he is willing to accept in Texas or in Oregon. In such a case, it is clear that his Oregon royalty is not to be forced

¹ Greenleaf on Evidence, Section 1877.
90.

³ Emigh v. Railroad Co., 6 Fed.

² Black v. Munson, 14 Blatch. 268, Rep. 284, 1881.

upon him for infringement committed in Minnesota; and that his business in Maine is not to be ruined by infringers who have nothing worse to fear at the end of a suit than the payment of a royalty like that established in Florida. So also, it has often happened, and may happen again, that an inventor is forced by poverty, or other misfortune, to accept inadequate royalties during the earlier years of his exclusive right. In such a case, it is clear that he ought to be permitted to increase the rate¹ whenever he can get licensees to consent thereto; or to abandon his royalty altogether and hold a close monopoly on his invention, as far as he can do so consistently with licenses outstanding.

§ 559. Money paid for infringement already committed does not establish nor tend to establish a royalty.¹ A price paid to compromise a pending action, or an existing right of action, may sometimes be larger, and sometimes be smaller, than a proper royalty would be. It may be larger, where the infringer is a person who is disinclined to litigation, or where he has some reason to fear a judgment for triple damages, or where the compromise releases him, not only from damages, but also from all rights of action for infringer's profits. It may be smaller, where the infringer is presumably insolvent, or where the amount involved is too small to justify the expense incident to its collection by an action at law.

§ 560. A royalty which is reserved as the whole or a part of the purchase price of a patent, is not a proper one to measure damages as against an infringer.² It may be too large, or it may be too small for that purpose. It will be too large, when the patent is of such a nature that the buyer can afford to pay more for a close monopoly, than for a license to compete with other licensees. It will be too small, where it is for the interest of the owners of the patent to subdivide the right to practise the invention. In the latter class of cases, the buyer, in order to get paid for introducing the invention and

¹ *Black v. Munson*, 14 Blatch. 268, 1877; *Greenleaf v. Mfg. Co.*, 17 Blatch. 253, 1879; *Matthews v.*

Spangenberg, 14 Fed. Rep. 350, 1882.

² *La Baw v. Hawkins*, 2 Bann. & Ard. 564, 1877.

retailing the licenses, must sell them at a higher rate than that which he pays to the patentee.

§ 561. A royalty provided for in licenses to make and use, is no measure of damages for an infringement which consisted of making and selling the patented thing; nor is a royalty which was established by licenses to make and sell specimens of the invention covered by a patent, any criterion of the injury which may have been inflicted on the pecuniary interests of the owner, by unlawfully making and using such specimens. These rules rest upon undeniable reasons. The value of some patents resides almost entirely in the exclusive right to make and sell, while that of others consists almost wholly in the exclusive right to make and use, the inventions which they respectively cover.

§ 562. In measuring damages with a royalty, due regard must be had to proportion. Where an infringement was smaller in extent, or shorter in duration, than the corresponding doings which were authorized by the licenses which established the royalty, it is but just that the damages should be assessed at a correspondingly smaller sum, unless there are special facts in the case which render the particular extent of the infringement immaterial to the plaintiff.¹ In like manner, damages will amount to a sum correspondingly larger than the royalty which constitutes their criterion, when the infringement in suit was larger or was longer than the doings authorized by the licenses which established the royalty.

§ 563. Where no established royalty is applicable as a measure of the damages caused by a particular infringement, those damages may sometimes be ascertained by the second method: that is, by finding what the plaintiff would have derived from his monopoly if the defendant had not interfered, but which he failed to realize because of that interference with his rights. Where the owner of a patent is able to supply the whole demand for the thing it covers or produces, and where the whole demand would go to him if not diverted by some in-

¹ *Birdsall v. Coolidge*, 93 U. S. 70, and *Ard*, 549, 1878; *Wooster v. 1878*; *Judson v. Bradford*, 3 Bann. *Simonson*, 16 Fed. Rep., 680, 1883.

fringer, it is clear that the injury caused by a particular infringer can be ascertained by finding what pecuniary advantage the owner of the patent would have derived if he had supplied that portion of the demand which was supplied by that infringer. The two conditions of this rule are prerequisites of its applicability. The highest authority has announced that: "What a patentee would have made if the infringer had not interfered with his rights, is a question of fact, and not a judgment of law."¹ In order to show that a patentee would in fact have made a particular profit, if an infringer had not forestalled his sales, it is necessary to show that he would, but for that infringer, have made those sales; and to that end it is necessary to show that he could have supplied the articles wanted, and that the persons wanting those articles would have bought them of him had no infringer interfered.² Where those facts are proven, the damages of the patentee will consist of the profits which he would have derived from the sales made by the infringer, if the patentee had made those sales; supplemented by the amount of whatever reduction of prices the patentee was compelled, by the defendant's competing infringement, to make even upon the goods which he did sell.³ Where it does not appear that the owner of a patent could and would have supplied the demand which was supplied by an infringer, even if no infringer had interfered, this last mentioned element of damages may still be proven, and a verdict be founded upon it alone. But in order to constitute either a part or the whole of the foundation of a verdict, proof of hurtful competition must include evidence that it was the defendant's infringement that caused the reduction of prices, and also evidence of the extent of the reduction so caused.⁴

Where damages cannot be assessed on the basis of a royalty, nor on that of lost sales, nor on that of hurtful competition;

¹ *Seymour v. McCormick*, 16 Howard, 490, 1853.

² *Goodyear v. Bishop*, 2 Fisher, 161, 1861; *Magic Ruffle Co. v. Douglas*, 2 Fisher, 340, 1863; *Sar-*

gent v. Mfg. Co. 17 Blatch. 247, 1879.

³ *Fitch v. Bragg*, 16 Fed. Rep. 247, 1883.

⁴ *Ingersoll v. Musgrove*, 3 Bann. & Ard., 304, 1878.

the proper method of assessing them is to ascertain what would have been a reasonable royalty for the infringer to have paid.' In determining this point, the utility and cheapness of the patented thing, as compared with other things known at the time of the infringement, and capable of doing similar work, will always be the leading guides.

§ 564. Damages for infringement by making, without unlawfully selling or using, specimens of a patented thing will be nominal only,¹ unless there is an established royalty for such making, or unless such making is followed by using or selling in a foreign country, or is followed by using or selling in this country after the expiration of the patent. Where an infringer made specimens of a thing covered by a patent, and afterward sold or used them in a foreign country, the measure of damages is whatever royalty has been established for a license to make and use such specimens for such a purpose.² Where no royalty of the kind has been established, there is generally no way of assessing damages in such a case other than to determine what a reasonable royalty would have been. Damages can seldom be assessed in such a case on any theory that the infringer's doings interfered with the patentee's sales; because it will generally be impossible to prove that the foreign demand would otherwise have come to the patentee. These considerations seem also to apply to cases where the infringement consisted of making specimens of a patented thing shortly before the expiration of the patent, with a view to using or selling them shortly after that event. Such a scheme of proceeding is undoubtedly injurious to a patentee, for if persons wait till after the expiration of a patent before making the articles it covers, they will not be able to use or sell those articles till some time still later, and during the interval the patentee may nearly or quite maintain his former command of the market.

§ 565. The evidence of damages must be reasonably definite,

¹ *McKeever v. United States*, 23 Off. Gaz. 1528, 1879.

² *Whittemore v. Cutter*, 1 Gallison, 483, 1813; *Carter v. Baker*, 4 Fisher

419, 1871.

³ *Ketchum Harvester Co. v. Johnson Harvester Co.*, 8 Fed. Rep. 586, 1881.

in order to justify a jury in finding a verdict for more than a nominal amount. Conjecture will not perform the office of proof, nor can imagination take the place of calculation in this behalf.¹ But this rule is not to be used to defeat the ends of justice. It may happen that a plaintiff can prove the measure of his damages with precision, while unable to prove the real extent of the defendant's infringement. In such a case, the defendant usually can remove the uncertainty, because he is likely to know or be able to ascertain what and how much he has done. If by omitting to supply the information, a defendant could avert a verdict for proper damages, he could easily defeat a meritorious cause. But the law will not allow itself to be thus circumvented. On the contrary, it is the rule, that where a plaintiff introduces evidence to show that the damages were large, and to show the amount of those damages as accurately as the nature of the case permits him to do, and where the defendant offers no evidence upon the subject, it becomes the function of the jury to estimate those damages as best they can on the basis of the plaintiff's evidence.² In making such an estimate a jury ought to resolve every point of uncertainty against the defendant, for he had it in his power to give them accurate data upon which to compute.

§ 566. Remote consequential damages cannot be embodied in a verdict for an infringement of a patent.³ The instances in which such damages have been claimed are but few; but they are likely to become more numerous hereafter. It is therefore proper to mention such injuries as will probably be held to fall within such a category.

Pecuniary injury may result to a patentee from a particular infringement, in that it caused him to lose sales on unpatented articles usually sold with the patented thing in question; or in that it so unexpectedly reduced the business of the patentee as to make it necessary for him to sell unpatented property at less than its real value, or to borrow money at more than a proper rate of interest, in order to meet his pecuniary engage-

¹ *New York v. Ransom*, 23 Howard, 487, 1859.

1846.

² *Carter v. Baker*, 4 Fisher, 421,

³ *Stephens v. Felt*, 2 Blatch. 38, 1871.

ments ; or in that it encouraged other persons to infringe, from whom, by reason of insolvency or other obstacle, no recovery can be obtained ; or in that such infringement caused the patentee so much trouble and anxiety that he incurred loss from inability to attend to other business. But pecuniary injury of either of these kinds would be such an indirect consequential matter as not to furnish any part of a proper basis for recoverable damages.

§ 567. Exemplary damages cannot lawfully be given by a jury for any infringement of a patent.¹ The meaning of this rule is that juries are to base verdicts on plaintiff's injuries, and not on defendant's ill-deserts. Their function is to award compensation to the injured, not punishment to the injurer. The power to inflict punitive damages is committed by the statute to the judge. He may exercise that power by entering a judgment for any sum above the amount of the verdict, not exceeding three times that amount, together with costs.² The costs are to be added to the increased verdict, and the judgment cannot be entered for a sum three times greater than the aggregate of the verdict and the costs ; and if, for any reason, no costs are awarded to the plaintiff, that fact neither ousts the power of the court to enter a judgment for a sum larger than the verdict, nor constitutes a reason for exercising that power where no other reason exists.³ But that power will be exercised where the defendant's infringement was deliberate and intentional, even though it may have been committed under an erroneous opinion of the plaintiff's rights ;⁴ or where the defendant acted in bad faith, or has been stubbornly litigious, or has caused unnecessary trouble and expense to the plaintiff.⁵

¹ *Wilbur v. Beecher*, 2 Blatch. 143, 1850 ; *Hall v. Wiles*, 2 Blatch. 200, 1851 ; *Parker v. Hulme*, 1 Fisher 56, 1849 ; *Haselden v. Ogden*, 3 Fisher, 378, 1863 ; *Russell v. Place*, 5 Fisher, 134, 1871.

² Revised Statutes, Section 4919 ; *Seymour v. McCormick*, 16 Howard, 489, 1853.

³ *Guyon v. Serroll*, 1 Blatch. 246, 1847.

⁴ *Russell v. Place*, 9 Blatch. 175, 1871 ; *Peek v. Frame*, 9 Blatch. 194, 1871.

⁵ *Day v. Woodworth*, 13 Howard, 372, 1851 ; *Teese v. Huntingdon*, 23 Howard, 2, 1859.

§ 568. Increased damages may properly be awarded by a court, where it is necessary to award them in order to prevent a defendant infringer from profiting from his own wrong, whether that wrong was intentional or was unwitting. The power conferred by the statute is general. It is not confined to awarding punitive damages, but is to be exercised "according to the circumstances of the case."¹ Among the circumstances of patent cases, is the fact that the profits which defendants derive from their infringements, are often much larger than the actual damages which those infringements cause plaintiffs to sustain. If, in such a case, the defendant is forced to pay no more than the actual damages, it is clear that he will have derived advantage from his own wrong. It would be an imperfect system of law that would thus put a premium upon its own violation. Prior to 1882, it was understood that means of preventing such a result resided in an option, which it was said every patentee had, of suing at law for his damages, or in equity for the infringer's profits.² But in that year, that doctrine was set aside by the Supreme Court, and the jurisdiction of equity was denied to a large class of cases which would be entitled to such a jurisdiction under such a rule.³ In a case where no injunction happens to be proper, and wherein the defendant's profits are larger than the plaintiff's damages, there is now no certain means of preventing the defendant from deriving advantage from his own wrong, other than that which resides in the power of the court to enter a judgment for a larger sum than the actual damages found in the verdict. That being the only certain means of making infringement unprofitable to infringers, it may well be freely used for that purpose by the Federal courts.⁴

§ 569. A verdict for actual damages cannot be averted by evidence that the defendant was ignorant of the existence of

¹ Revised Statutes, Section 4919.

² *Tucker v. Spalding*, 13 Wallace, 453, 1871; *Birdsall v. Coolidge*, 93 U. S., 68, 1876; *Perry v. Corning*, 6 Blatch. 134, 1868; *Howes v. Nute*, 4 Cliff. 174, 1870; *Cowing v. Rumsey*, 8 Blatch. 36, 1870; *Smith v. Baker's*

Administrators, 1 Bann. & Ard. 117, 1874.

³ *Root v. Railway Co.*, 105 U. S. 189, 1881.

⁴ See Sections 419 and 420 of this book.

the patent at the time he infringed.¹ All infringers have constructive notice of all patents, because all letters patent are recorded in the Patent Office. There is no more hardship involved in the rule that infringers are bound to take notice of patents, than there is in the rule that buyers of land are bound to take notice of the real estate records, or in the rule that all citizens are bound to take notice of the laws of their country. The amount of pecuniary injury which an infringement causes a patentee is not affected by the fact that the infringer did not know of the existence of the patent which he infringed ; and where one man has obtained possession, through his own mistake, of the fruits of the property of another, it is better that he be compelled to relinquish them, than that the true owner be prevented from enjoying the proceeds of his own estate.

§ 570. Neither counsel fees nor any other expenses incident to litigation can be included in a verdict for actual damages in a patent case.² There is no more reason for allowing a successful plaintiff to recover such items, than there is for giving a similar recovery to a successful defendant. Certain expended fees may be recovered as costs by either ; but no expenditures or costs can be recovered as damages.

§ 571. Interest should be allowed on royalties, from the time those royalties ought to have been paid, in all cases where a royalty is the measure of the plaintiff's damages.³ In such a case the damages are liquidated at such time as the royalty would have been due, if the defendant had elected to purchase instead of to infringe the right to use the invention in suit. No interest is due on damages measured otherwise than by a royalty, because such damages are unliquidated until they are ascertained by an action.⁴

¹ *Emerson v. Simm*, 6 Fisher, 281, 1873.

² *Day v. Woodworth*, 13 Howard, 373, 1851 ; *Teese v. Huntington*, 23 Howard, 8, 1859 ; *Philip v. Nock*, 17 Wallace, 462, 1873 ; *Whittemore v. Cutter*, 1 Gallison, 429, 1813 ; *Stimpson v. The Rail Roads*, 1 Wallace, Circuit Court Reports, 164, 1847 ; *Hol-*

brook v. Small, 3 Bann. & Ard., 626, 1878.

³ *McCormick v. Seymour*, 3 Blatch. 222, 1854 ; *Goodyear v. Bishop*, 2 Fisher, 162, 1861 ; *Locomotive Safety Truck Co. v. Pennsylvania Railroad Co.* 2 Fed. Rep., 682, 1880.

⁴ *Gilpin v. Consequa*, 3 Washington, 194, 1813.

CHAPTER XX.

ACTIONS IN EQUITY.

- 572. Jurisdiction of equity in patent causes.
- 573. Jurisdiction of equity to assess and decree damages.
- 574. The complainant.
- 575. The defendant.
- 576. Original bills.
- 577. The title of the court.
- 578. The introductory part.
- 579. The stating part.
- 580. The prayer for relief.
- 581. The interrogating part.
- 582. The prayer for process.
- 583. The signature.
- 584. The oath.
- 585. Bills to perpetuate testimony.
- 586. Amendments to bills, when allowed.
- 587. Amendments to bills, when necessary.
- 588. Demurrers, pleas, and answers.
- 589. Pleas in equity.
- 590. Arguments upon pleas, and replications to pleas.
- 591. Defences in equity cases.
- 592. Non-jurisdiction of equity.
- 593. The same subject continued.
- 594. Non-jurisdiction in equity, how set up as a defence.
- 595. Prior adjudication at law is not necessary to jurisdiction in equity.
- 596. Laches.
- 597. Laches, how set up.
- 598. The first of the twenty-seven defences.
- 599. The second defence.
- 600. The third defence.
- 601. The fourth defence.
- 602. The fifth and sixth defences.
- 603. The seventh defence.
- 604. The eighth defence.
- 605. The ninth and tenth defences.
- 606. The eleventh defence.
- 607. The twelfth defence.
- 608. The thirteenth defence.
- 609. The fourteenth defence.
- 610. The fifteenth defence.
- 611. The sixteenth defence.
- 612. The seventeenth defence.
- 613. The eighteenth defence.
- 614. The nineteenth defence.
- 615. The twentieth defence.
- 616. The twenty-first defence.
- 617. The twenty-second defence.
- 618. The twenty-third defence.
- 619. The twenty-fourth defence.
- 620. The twenty-fifth defence.
- 621. The twenty-sixth defence.
- 622. The twenty-seventh defence.
- 623. Replications.
- 624. Subordinate bills in aid of original bills.
- 625. Supplemental bills.
- 626. Bills in the nature of supplemental bills.
- 627. Bills of revivor.
- 628. Bills in the nature of bills of revivor.
- 629. Bills of revivor and supplement.
- 630. Leave of court to file supplemental bills, and bills in the nature of supplemental bills.

- | | |
|---|--|
| <p>631. Demurrers, pleas, and answers to supplemental bills and to bills in the nature of supplemental bills.</p> <p>632. Hearings.</p> <p>633. Interlocutory hearings.</p> <p>634. Questions of law arising on hearings.</p> <p>635. Questions of fact arising on hearings.</p> <p>636. Evidence in support of the bill.</p> <p>637. Evidence in support of defences.</p> <p>638. Testimony.</p> <p>639. Depositions.</p> <p>640. Depositions taken in other cases.</p> <p>641. Documentary evidence.</p> <p>642. Trial by jury in equity cases.</p> <p>643. Hearings by masters in chancery.</p> <p>644. Interlocutory decrees.</p> | <p>645. Petitions for rehearings.</p> <p>646. Rehearings for matter apparent on the record.</p> <p>647. Rehearings on account of newly discovered evidence.</p> <p>648. Supplemental bills in the nature of bills of review.</p> <p>649. Final decrees.</p> <p>650. Bills of review.</p> <p>651. Bills of review to correct errors apparent on the pleadings or final decree.</p> <p>652. Bills of review to introduce evidence discovered after the entry of the final decree.</p> <p>653. Bills in the nature of bills of review.</p> <p>654. Appeals.</p> <p>655. Hearings on appeals.</p> <p>656. Decisions on appeals.</p> <p>657. Certificates of division of opinion.</p> |
|---|--|

§ 572. JURISDICTION in equity, in patent litigation, is conferred upon the same courts that are authorized to exercise jurisdiction at law, in that branch of jurisprudence.¹ The two kinds of jurisdiction are kept as distinct in those courts, as if they were conferred upon different tribunals. Equitable relief cannot be had in any action at law; and legal relief cannot be had in any action in equity, except as incidental to some equitable relief granted, or at least rightfully prayed for, therein. The only function of actions at law in patent cases, is to give damages for past infringements of patents. The principal function of actions in equity in such cases, is to restrain future infringements of patents, by means of the writ of injunction. In every case where an injunction is proper, a court of equity, in order to avoid a multiplicity of actions, will take an account of the profits which the defendant derived from infringing the complainant's patent, and will compel the defendant to pay their amount to the complainant. And equity has jurisdiction, in-

¹ Revised Statutes, Sections 629 and 4921. Section 379 of this book.

dependent of any injunction or right to an injunction, to grant this relief relevant to profits, in all patent cases wherein some impediment prevents a resort to remedies purely legal, or wherein special circumstances render the remedy obtainable by an action at law, difficult, inadequate, or incomplete.¹

§ 573. Wherever equity has jurisdiction to decree an account of the defendant's profits, it also has jurisdiction to assess the damages which the complainant sustained on account of the defendant's infringement.² Having ascertained the amount of both, if the profits are found to equal or exceed the damages, the court will enter a decree for their recovery, and will do nothing further about the damages.³ Where the accounting shows no such profits, but does show such damages, the court will enter a decree for the amount of the latter, and will do no more.⁴ Where the accounting shows both profits and damages, and shows the latter to be the larger of the two, a decree will be entered for that larger sum alone.⁵ The statutory provision which enables a court of equity to assess damages in a patent case originated in 1870.⁶ It was a new remedial provision of the Consolidated Patent Act of that date, and was expressly made applicable to all suits thereafter commenced, even on rights of action which theretofore accrued.⁷ In assessing damages, equity follows the law,⁸ and is guided by the rules and principles which are set forth in Chapter XIX. of this book.

§ 574. The complainant in an action in equity for an infringement of a patent may be the holder of the complete title to that patent in the territory where the infringement occurred. Where the legal title resides in one person and the

¹ *Root v. Railway Co.* 105 U. S. 189, 1881.

² Revised Statutes, Section 4921.

³ *Emigh v. Railroad Co.* 6 Fed. Rep. 283, 1881.

⁴ *Marsh v. Seymour*, 97 U. S. 348, 1877.

⁵ *Star Salt Caster Co. v. Crossman*, 4 Bann. & Ard. 566, 1879.

⁶ 16 Statutes at Large, Ch. 230,

Sec. 55, p. 206.

⁷ 16 Statutes at Large, Ch. 230, Sec. 111, p. 216; *Union Paper Bag Machine Co. v. Newell*, 11 Blatch. 383, 1873.

⁸ *Bancroft v. Acton*, 7 Blatch. 506, 1870; *Locomotive Safety Truck Co. v. Pennsylvania Railroad Co.* 2 Fed. Rep. 682, 1880.

equitable title in another, both should generally join in such an action.¹ But the holder of the legal title may be dispensed with as co-complainant, where the circumstances of the case are such that a decree against the equitable owner would clearly be pleadable against the holder of the legal title.² Where an equitable owner brings an action in equity in the name of the holder of the legal title alone, the defendant may, by means of a motion to the court, compel the equitable owner to become a co-complainant in his own name.³ But where a defendant moves to make a stranger to a suit, co-complainant therein, on the ground that he has an equitable interest in the matter involved, the motion will be overruled if the person, so sought to be brought in, files in the case a disclaimer of all interest in the subject of the litigation.⁴

§ 575. The defendant in an action in equity for an infringement of a patent, may generally be any person or private corporation connected with that infringement. Questions relevant to the liability of public corporations to such actions, and relevant to the respective liability of joint infringers when sued in equity, and indeed relevant to numerous points in the subject of parties, are explained and answered in the chapter on courts parties and causes : the seventeenth chapter of this book.

§ 576. An original bill in an action in equity, for an infringement of a patent, properly consists of six parts : 1. The title of the court. 2. The introduction. 3. The stating part. 4. The prayer for relief. 5. The interrogating part. 6. The prayer for process. Anciently it was the custom to insert in all original bills in equity, three additional parts : the confederacy part, the charging part, and the jurisdiction part. But these are no longer required in United States courts.⁵ The confederacy part, if used when only one person

¹ *Stimpson v. Rogers*, 4 Blatch. 336, 1859.

² *Littlefield v. Perry*, 21 Wallace, 222, 1874.

³ *Patterson v. Stapler*, 7 Fed. Rep. 210, 1881.

⁴ *Graham v. Mfg. Co.* 11 Fed. Rep. 148, 1880.

⁵ Rules of Practice for the Courts of Equity of the United States, Rule 21.

has infringed and is sued, is entirely out of place ; and even where the bill is filed against joint infringers, such a part is still entirely useless. The charging part is also unnecessary, because the complainant is entitled to amend his bill, if the answer renders it necessary for him to plead specially to any defence it contains.¹ And such a part is objectionable, because it notifies the defendant of the complainant's reply to the defendant's defence, and thus enables the latter to concert his answer with more craftiness than he otherwise could. And the jurisdiction part is useless, because, if the facts stated in the bill do not give equity jurisdiction, the fault cannot be cured by alleging that they do ; and if those facts do lay a foundation for jurisdiction in equity, they will speak for themselves, and will require no label such as was anciently tacked to them in the form of a jurisdiction part. That part of an ancient bill in equity originated in England when the chancellors were priests and not lawyers, and when they therefore required to be told that the common law could not give the relief prayed for in the bill. Some pleaders still insert one or all of these three ancient parts in a bill in equity, but neither of them can have any beneficial effect upon the cause, and all of them are better omitted than used.

§ 577. The title of the court, at the beginning of a bill, should be in the same form as at the beginning of a declaration.² It is technically unscientific to entitle a bill in the name of the case, because until the bill is filed there is no such case pending. But such a title is convenient, in order to show at a glance who are the parties ; and convenience may properly outweigh technical nicety. It is therefore exceptional to see a bill that is not entitled in the name of the case.

§ 578. The form of the introductory part is prescribed by the Supreme Court.³ It contains a formal address to the judges of the court in which the bill is to be filed, together with the names and citizenship of the parties.

§ 579. The stating part of a bill in equity, though differing in form from the statement of the cause of action in a declara-

¹ Equity Rule 45.

² Section 422 of this book.

³ Equity Rule 20.

tion at law, agrees with the latter in substance, except in the following particulars. It may state infringements which were committed before the complainant obtained his title, provided that title, when obtained, covered the right of action for those infringements. It need not aver that any damage was incurred by the complainant, if the action is brought for an injunction only, or for an injunction and an account of the defendant's profits. Where the bill prays for a preliminary injunction, its stating part must set forth one or more of the grounds for that relief, which are explained in the chapter on injunctions ;¹ and when profits are sought to be recovered, it must plainly aver that profits were realized by the defendant on account of the stated infringement. This last allegation has heretofore been sometimes omitted from bills in patent cases, but the omission would always have been a fatal one, if the defendants had availed themselves of it. The necessity for such an allegation follows from the rule of patent law that where a particular infringer made no profits from his infringement, no profits can be recovered from him ;² and from the rule of equity pleading, that every fact which is necessary to entitle a complainant to the relief for which he prays, must be distinctly and expressly averred in the stating part of his bill.³

§ 580. The prayer for relief should be both special and general.⁴ The special part should ask for a preliminary injunction, and for a permanent injunction, and for an account of the defendant's profits, and for an assessment of the complainant's damages, and for an increase of those damages, and for costs ; or for as many of those kinds of relief as the complainant hopes to obtain in the action. The prayer for general relief should be in the ordinary form of prayers of that kind.

§ 581. The form of the interrogating part is prescribed by the Supreme Court.⁵ That part is designed to secure from the defendant such admissions or statements as will obviate

¹ *Parker v. Brant*, 1 Fisher, 58, 1850.

² *Elizabeth v. Pavement Co.* 97 U. S. 126, 1877.

³ *Wright v. Dame*, 22 Pickering (Mass.), 59, 1839.

⁴ Equity Rule 21.

⁵ Equity Rule 43.

the necessity for evidence to support those allegations of the bill which relate to his doings. The interrogatories must be divided from each other, and consecutively numbered, and a note must be put at the foot of the bill specifying which of those numbered interrogatories each defendant is required to answer.¹ Where the complainant in his bill waives the oath which otherwise the defendant is entitled to make to his answer, or if he requires such an oath to be made only to the answer of certain specified interrogatories; the answer of the defendant, though it is in fact under oath, is not evidence in his favor on any point not covered by such specified interrogatories; unless the case is heard on bill and answer only.²

§ 582. The prayer for process must contain the names of all the defendants who are mentioned in the introductory part of the bill, and if any of them are known to be minors, or otherwise under guardianship, that fact must be stated in the prayer for process.³

§ 583. The bill must be signed by counsel, and by a solicitor of the court in which it is filed.⁴ But if the attorney of the complainant is not only counsel in Federal courts generally, but also is solicitor in the particular court in which the bill is filed, his signature will suffice in both capacities.

§ 584. An oath of the truth of the bill must be appended to such a document, if it prays for an injunction.⁵ Such an oath is to be made by the complainant, unless he is in such a situation as to be unable to make it, in which case it may be made by his agent conversant with the facts.⁶ Where the complainant is a corporation, the bill may be verified by any officer of the corporation who knows it to be true; or if no such officer possesses that knowledge, it may be sworn to by any agent or attorney who does.⁷ Where there is a plurality of complainants, the bill may be sufficiently verified by the oath

¹ Equity Rules 41 and 42.

² Equity Rule 41.

³ Equity Rule 23.

⁴ Equity Rule 24.

⁵ *Rogers v. Abbot*, 4 Washington,

514, 1825.

⁶ *Woodworth v. Edwards*, 3 Woodbury & Minot, 124, 1847.

⁷ *Bank of Orleans v. Skinner*, 9 Paige, (N. Y.) 305, 1841.

of one of them.¹ If the bill prays for a preliminary injunction, and if its affiant can swear only on information and belief, to the defendant's doings, and to their character as infringements, the application should be fortified by affidavits of persons who know what the defendant has done, and by affidavits of experts who can intelligently testify to the character of those doings, as compared with what appears to be covered by the complainant's patent. Where the complainant can positively swear to part of the allegations of his bill, and can swear to the residue only on information and belief, the bill should state the first class of facts positively, and the second class on information and belief alone; and the oath should clearly discriminate between the two classes in that behalf. It is not sufficient for the oath to state that the material averments of the bill are true,² nor to state that those allegations are true which render an injunction necessary and proper,³ because such a form of oath leaves it uncertain which allegations the affiant had in mind. But positive oaths ought to be based on positive knowledge. It is much to be feared that many persons make affidavits to bills and other papers without sufficient reflection upon the statements they contain, or upon the nature of an oath, or upon the pains and penalties of perjury. The fault is largely due to the attorneys who write the papers. The better lawyers will guard the conscience of the client at this point, while the inferior ones are sometimes more apt to mislead than to protect it. Affidavits to bills, and indeed all other affidavits to be used in any civil cause, in any circuit or district court of the United States, may be taken before a commissioner of the circuit court for the district,⁴ or before any notary public of either of the States or Territories or of the District of Columbia.⁵

§ 585. A bill to perpetuate testimony tending to show a

¹ *Goodyear v. Allyn*, 6 Blatch. 33, 1832.
1868.

² *Sauvinet v. Poupono*, 14 Louisiana, 87, 1839.

³ *Hebert v. Joly*, 5 Louisiana, 50,

⁴ Revised Statutes, Section 945.

⁵ 19 Statutes at Large, Ch. 304, p. 206.

particular patent to be void, may be filed and prosecuted in any United States Circuit Court.¹ There was once a curious bill filed by a hypothetical infringer against a patentee, stating that the complainant did not infringe the defendant's patent, and praying the court to enter a decree to that effect.² The counsel who argued in behalf of the bill were men of great experience in the law, but their views were overruled by Justice HUNT, who heard the case on the circuit. He held that no such action, as that attempted, was provided for by any statute, or authorized by any principle of equity jurisprudence.

§ 586. Amendments to bills may be made as a matter of course, and without costs, at any time before a copy has been taken out of the clerk's office; and may be made as of course with costs, after a copy has been taken out, and before any plea, answer, or demurrer has been filed.³ After an answer or plea, or demurrer is put in, and before replication, the complainant may, upon motion, without notice, obtain an order from any judge of the court to amend his bill on or before the next succeeding rule day, upon payment of costs, or without payment of costs, as the judge may in his discretion direct.⁴ After a replication is filed, and before the hearing of the case, the bill cannot be amended except upon a special order of the judge of the court, upon motion or petition, after due notice to the other party, and upon proof by affidavit that the application is not made for the purpose of vexation or delay, and that the matter of the proposed amendment is material, and could not with reasonable diligence have sooner been introduced into the bill, and upon the plaintiff submitting to such other terms as may be imposed by the judge for speeding the cause.⁵ Amendments applied for at or after the hearing of a case are not regulated by the Equity Rules, but are allowed or refused, according to the sound discretion of the

¹ Revised Statutes, Section 866; *New York & Baltimore Coffee Polishing Co. v. New York Coffee Polishing Co.* 9 Fed. Rep. 578, 1881, 11 Fed. Rep. 813, 1882.

² *Celluloid Mfg. Co. v. Vulcanite Co.* 13 Blatch. 375, 1876.

³ Equity Rule 28.

⁴ Equity Rule 29.

⁵ Equity Rule 29.

court.¹ But that discretion is governed by precedents, and those precedents indicate that amendments, at or after the hearing, will be allowed only where the bill is found to be defective in proper parties, or in its prayer for relief, or in the omission or misstatement of some fact or circumstance connected with the substance of the case, but not forming the substance itself, or where it is necessary for the complainant to take issue with new matter in the answer.² Where a litigation has been conducted precisely as it would have been if the proper amendment had been made before any plea, answer, or demurrer was filed, the court will allow that amendment to be filed even after the hearing, and thus make the pleadings conform to what the course of the litigation assumed them to be.³

§ 587. A bill needs amendment when the defendant's demurrer, plea, or answer points out a material fault therein, or when the complainant otherwise discovers a material error or omission which may be cured, or when the defendant's plea or answer contains statements to which it is necessary to plead by way of confession and avoidance.⁴ No reply by way of confession and avoidance can be made in a replication in equity.⁵ Where the plea or answer sets up new matter, to which the complainant wishes to reply by way of traverse, the general replication is the proper pleading to file for that purpose.⁶

§ 588. Defences may be made to a bill in equity for infringement of a patent, by a demurrer, or by a plea, or by an answer; or by a demurrer to part, and a plea to another part, and an answer to the residue;⁷ or by a demurrer to part, and a plea to the residue; or by a demurrer to a part, and an answer to the residue; or by a plea to a part, and an answer to the residue.⁸

¹ *Neale v. Neales*, 9 Wallace, 9, 1869.

² *Shields v. Barrow*, 17 Howard, 144, 1854.

³ *The Tremolo Patent*, 23 Wallace, 527, 1874; *Vattier v. Hinde*, 7 Peters, 273, 1833; *Duponti v. Mussy*, 4 Washington, 128, 1821.

⁴ *Wilson v. Stolley*, 4 McLean, 275, 1847.

⁵ Equity Rule 45.

⁶ Equity Rule 66.

⁷ Equity Rule 32.

⁸ *Story's Equity Pleading*, Section 437.

The nature and operation of demurrers and answers in equity practice are so well understood by the profession, that nothing need be said about them in this book, further than to show the applicability of each of those forms of pleading to the various defences which belong to patent litigation. But defences by plea may bear a longer review, because they have largely gone out of use in the Federal courts and their principles been partly forgotten by the members of the bar, since the Equity Rules authorized nearly every defence to be made in an answer that formerly required a plea for its interposition.¹ But those rules do not authorize any defendant to make a particular defence in a plea, and if unsuccessful, then to make it over again in an answer.² Such a plan, if allowed, would enable a defendant whose plea is overruled as stating no defence at law, to argue that question again on the final hearing; and it would enable a defendant, whose plea is proven to be false in fact, to contest that issue again on new testimony taken in pursuance of an answer. Though pleas in bar are not necessary in equity cases in the Federal courts, except under rare circumstances, they may sometimes be made useful in saving time, labor, costs, and expense. It is, on these accounts, expedient to remind the reader of the general nature and operation of those pleadings, before explaining their special application to actions in equity for infringements of patents.

§ 589. A plea in equity is a sworn³ pleading, which alleges that some one fact, not stated in the bill, is true; or that some one statement of fact in the bill, is not true; or that some one fact, which the bills states is not a fact, is a fact nevertheless. A plea of the first kind sets up new matter by way of confession and avoidance, and is properly named an affirmative plea.⁴ This is the only sort of plea in equity which was recognized in the time of Lord BACON.⁵ A plea of the second kind

¹ Equity Rule 39.

² *Hubbell v. De Land*, 14 Fed. Rep. 475, 1882.

³ Equity Rule 31.

⁴ Daniell's Chancery Practice, Vol. 1, Ch. XV. Section 1.

⁵ Beame's General Orders of the High Court of Chancery, 26.

traverses some one statement of fact in the bill, and is therefore properly called a negative plea.¹ This sort of plea was established by Lord THURLOW, and thereafter became a fully recognized part of equity pleading in England and in the United States.² A plea of the third kind states some fact to be true which the bill seeks to impeach.³ It is similar to an affirmative plea in respect that it sets up matter outside of that upon which the bill is based; and it is similar to a negative plea, in that it contradicts some one statement of fact in the bill. It may therefore be properly named a composite plea.

§ 590. After a defendant files a plea to a bill in equity, the complainant should satisfy himself whether it states a good defence to the bill, or to that part of the bill to which it refers, and should ascertain whether it is true in point of fact. If he is sure that he can prove it to be false, he should take issue upon it⁴ by filing a replication.⁵ If he has any ground for fear that the plea is true in fact, and any ground for hope that it is bad in law, his true course is to set the plea down for argument;⁶ which setting down is equivalent to a demurrer to the plea.⁷ If, on the argument, the plea is held to state no fact which constitutes a defence to the bill, or to any part thereof, it will be overruled, and the defendant will be permitted to file an answer setting up whatever other defences he can.⁸ But if the plea is held on the argument to state a good defence to the bill, or to that part of the bill to which it applies, it will be allowed, and thereupon the complainant may file a replication.⁹ After a replication is filed to a plea, the fate of the entire bill, or of that part thereof to which the plea applies, will depend upon the trial of the issue of fact thus raised by the parties. If the plea is proven to be true,

¹ Daniell's Chancery Practice, Vol. 1, Ch. XV., Section 1.

² Story's Equity Pleading, Section 668.

³ Daniell's Chancery Practice, Vol. 1, Ch. XV., Section 1.

⁴ Equity Rule 33.

⁵ Daniell's Chancery Practice, Vol.

1, Ch. XV., Section V.

⁶ Equity Rule 33.

⁷ Davison's Ex'rs v. Johnson, 16 New Jersey Equity, 113, 1863.

⁸ Equity Rule 34.

⁹ Story's Equity Pleading, Section 697; Daniell's Chancery Practice, Vol. 1, Ch. XV., Section V.

the bill will be dismissed, if the plea applies to the whole bill ;¹ or if it applies to a part only, the bill will be defeated as to that part.² But if the plea is proven to be false, the complainant may have a decree without any further proceedings.³ Only one defence can be made to a bill in a plea, unless the court, in order to avoid a special inconvenience, gives a special permission to a defendant to make a plurality of defences in that method of pleading.⁴ The rules of English equity pleading allowed a defendant whose first plea was overruled to set up in a new plea any other defence to which a plea was suitable.⁵ But in the United States courts no successive pleas are permitted to be filed, for after any plea has been overruled, the defendant, if he has other defences to interpose, must interpose them in an answer.⁶ This outline of the principles of pleas in equity, should be kept in mind by the reader while perusing sundry of the sections which follow.

§ 591. The twenty-seven defences which may be made to actions at law for infringements of patents,⁷ may all be made to actions in equity based on such causes ; and the latter actions are also liable to two other defences, to which actions at law are not subject. These are non-jurisdiction of equity, and laches. It is convenient first to explain the facts which may support each of these two defences, and to state the various methods in which each may be interposed, and afterward to review the twenty-seven defences in their order, and to explain wherein any of them differ in their operation in equity, from their operation at law, and to state what forms of pleading are

¹ *Hughes v. Blake*, 6 Wheaton, 472, 1821 ; *Rhode Island v. Massachusetts*, 14 Peters, 257, 1840 ; *Myers v. Dorr*, 13 Blatch. 26, 1870 ; *Theberath v. Trimming Co.* 5 Bann. & Ard. 585, 1880.

² Equity Rule 33.

³ *Story's Equity Pleading*, Section 697 ; *Daniell's Chancery Practice*, Vol. 1, Ch. XV., Section V ; *Mitford & Tyler's Equity Pleading*, 390 ; *The-*

berath v. Trimming Co. 5 Bann. & Ard. 584, 1880.

⁴ *Story's Equity Pleading*, Section 657 ; *Wheeler v. McCormick*, 8 Blatch. 267, 1871 ; *Noyes v. Willard*, 1 Woods, 187, 1871.

⁵ *Daniell's Chancery Practice*, Vol. 1, Ch. XV., Section VIII.

⁶ Equity Rule 34.

⁷ Section 440 of this book.

suitable to each, under the varying circumstances of patent litigation.

§ 592. Non-jurisdiction in equity is a defence which will succeed in any infringement case, unless an injunction is granted, or at least rightfully prayed for in that case, or unless some impediment prevents a resort to remedies purely legal, or unless the circumstances of the case render the remedy obtainable by an action at law, difficult, inadequate, or incomplete.¹ The precedent just cited is the foundation of this rule, but that case did not decide all of the points which are involved in the subject. It did not decide whether, in injunction cases, the jurisdiction is dependent on an actual injunction, or whether it can be sustained on a true and proper bill for that relief, without any actual writ being granted. That question is not yet formally settled, though its decision, in favor of the second hypothesis, has been foreshadowed by the Supreme Court.² In the case just referred to, the bill was filed while all three of the patents upon which it was based were still unexpired. An injunction was prayed for, but was not granted, because the court below held that there had been no infringement, and dismissed the bill. Pending an appeal, all three patents expired. When that appeal was heard, the Supreme Court found infringement of all of the patents, and reversed the decree, and directed the court below to enter a new decree for an account of profits and damages, as prayed in the bill. Now, it is clear, that unless equity has jurisdiction in injunction cases without actually granting an injunction, this direction to the court below was erroneous. It is true the point was not argued in the case; but the Supreme Court, having lately heard the question of equity jurisdiction fully discussed in the case of *Root v. Railway Co.*, could hardly have rendered so important a mandate unwittingly. The first question which the latter case left unsettled was thus practically adjudicated in the cotton-tie case; and the underlying rule of that decision has been repeatedly

¹ *Root v. Railway Co.*, 105 U. S. 189, 1881.

² *American Cotton Tie Co. v. Simmons*, 106 U. S. 89, 1882.

followed and exemplified on the circuit.¹ That rule is as follows: Where a bill is filed before the expiration of the patent upon which it is based, and where it truly states a proper case for an injunction, and contains a proper prayer for that relief, equity has jurisdiction, and will retain it to the end of the suit, even if, on account of the delays or errors which are incident to litigation, no injunction is ever granted in the case.

The conditions and limitations of this rule are to be carefully noted by the practitioner. 1. Where a bill untruly states a proper case for an injunction, and contains a prayer for that relief, the jurisdiction of equity will lapse and the bill be dismissed, whenever it is shown to have been untrue in respect of those of its statements upon which the prayer for an injunction is based.² 2. Where a bill states no proper case for an injunction, but contains a prayer for such a writ, the jurisdiction of equity will not attach at all, and the bill will be dismissed whenever its character is brought to the attention of the court.³ 3. Where a bill is filed so shortly before the expiration of the patent upon which it is based, that no motion for an injunction can be regularly notified to the defendant and heard by the court till after that expiration, the bill will be dismissed whenever the court learns that no injunction can lawfully be granted.⁴

§ 593. The case of *Root v. Railway Co.* also omitted to clearly state what exceptional facts will give equity jurisdiction, independent of any injunction or prayer for injunction. What the court said on that subject was said in the following phraseology: "Grounds of equitable relief may arise, other than by way of injunction, as where the title of the complainant is equitable merely, or equitable interposition is necessary on account of the impediments which prevent a resort to remedies purely legal; and such an equity may arise

¹ *Gottfried v. Brewing Co.*, 13 Fed. Rep. 479, 1882; *Gottfried v. Moerlein*, 14 Fed. Rep. 170, 1882; *Forehand v. Porter*, 15 Fed. Rep. 256, 1883.

² *Dowell v. Mitchell*, 105 U. S. 430,

1881.

³ *Campbell v. Ward*, 12 Fed. Rep. 150, 1882.

⁴ *Burdell v. Comstock*, 15 Fed. Rep. 395, 1883.

out of, and inhere in, the nature of the account itself, springing from special and peculiar circumstances which disable the patentee from a recovery at law altogether, or render his remedy in a legal tribunal difficult, inadequate, and incomplete; and as such cases cannot be defined more exactly, each must rest upon its own peculiar circumstances, as furnishing a clear and satisfactory ground of exception from the general rule." Before this deliverance was old enough to be printed in the official reports, its meaning was the theme of warm contention on the circuit;¹ and before the case was a year old, the same justice who delivered the opinion of the Supreme Court was called upon to deliver another in explanation thereof.² In the latter case it was held that grounds of equitable relief do not arise "where the title of the complainant is equitable merely," unless that fact constitutes an impediment to a resort to remedies purely legal, or constitutes a circumstance which renders the remedy obtainable by an action at law difficult, inadequate, or incomplete.

§ 594. Want of jurisdiction in equity may be set up by a defendant in a demurrer or in an answer, but it does not really require any pleading to sustain it. It may be interposed by a motion at any stage of the case in the circuit court.³ Even on the hearing of an appeal in the Supreme Court, the defendant may successfully call attention to it; and indeed that court may enforce that defence against the express waiver and request of the defendant.⁴ But there is an advantage in making this defence by demurrer instead of by answer, or by a motion after an answer; for in the first case the bill may be dismissed with costs, while in either of the others no costs can be recovered, even if the defence is successful.⁵

§ 595. Prior adjudication in an action at law is not necessary to give jurisdiction to equity in cases of infringements of patents, nor is such an adjudication necessary to call equity

¹ *Hayward v. Andrews*, 12 Fed. Rep. 786, 1882. 13 Fed. Rep. 446, 1882.

² *Hayward v. Andrews*, 106 U. S. 672, 1882.

⁴ *Hipp v. Babin*, 19 Howard, 271, 1856.

³ *Spring v. Sewing-Machine Co.* 180, 1882.

⁵ *Dawes v. Taylor*, 14 Reporter, 180, 1882.

into activity in that behalf. A circuit court may, in its discretion, order a trial at law in such a case; or order a trial by jury at its own bar,¹ in order to inform the conscience of the chancellor, but no such trial can be demanded by either or both of the parties as an absolute right, for courts of equity are not only really, but also technically, competent to judge of questions of fact.²

§ 596. Laches is a defence which is peculiar to courts of equity. It arises from one of the fundamental maxims which govern the administration of justice in those courts. That maxim is generally stated in the Latin language, and in the following words: *Vigilantibus non dormientibus æquitas subvenit.* In pursuance of the modern tendency to substitute English equivalents for Latin phrases in text-writing, it is well to set down in this place, a free but sufficiently accurate translation of this maxim. Equity aids the vigilant, and not the sleeping. In pursuance of this maxim, a court of equity sometimes refuses its remedies because they were not invoked with diligence, whether the right sued upon is old enough to be barred by a statute of limitation or not.³ But delay to sue is not always laches, because it may have resulted from the fact that the complainant did not know of the infringement till long after it began; or from the fact that he was litigating a test case under his patent against another infringer during the time of the delay.⁴ The first of these circumstances excuses delay, because vigilance does not imply omniscience, and the second excuses delay because abstinence from vexatious litigation is worthy to be praised rather than punished by a court of equity. Where neither of these excuses can be invoked by a complainant, he may perhaps avail himself of some excuse arising out of grievous poverty or protracted sickness. How short a delay will constitute laches in the absence of all special excuses, is a question to which no definite an-

¹ 18 Statutes at Large, Part 3, Ch. 77, Section 2, p. 316.

² *Cochrane v. Deener*, 94 U. S. 780, 1876.

³ *Elmendorf v. Taylor*, 10 Whea-

ton, 168, 1825; *Sullivan v. Railroad Co.* 94 U. S. 811, 1876.

⁴ *Van Hook v. Pendleton*, 1 Blatch. 193, 1846; *Green v. French*, 4 Bann. & Ard. 171, 1879.

swer seems ever to have been given. But it is settled that where delay is without a particular excuse, less of it is required to deprive a complainant of an account of profits, than is required to deprive him of a permanent injunction.¹ A right to a preliminary injunction would, however, probably be lost by a shorter delay, than would be required to deprive a complainant of the right to either of the other kinds of relief.

§ 597. The defence of laches can be made in a demurrer,² or in an answer, or in an argument on the hearing without any pleading to support it.³ But a plea is not appropriate for such a defence, because, if the bill shows delay and is silent about excuses therefor, the method of a plea would be to state that there is no such excuse, and because, by taking issue on such a plea, and proving an excuse, the complainant could cut off all other defences, and win the cause. To guard against a demurrer based on laches, in a case where long delay intervened between the infringement and the filing of the bill, the bill ought to state the existing excuses for that delay; and to guard against such a defence being started on the hearing, the evidence ought to show whatever excuse the complainant can interpose.

§ 598. The first of the twenty-seven defences which are known both to actions at law and actions in equity for infringements of patents, when relied upon in an action in equity, should be pleaded in an answer. It can seldom be made in a demurrer, because even if the letters patent appear on their face to have been granted for something other than a process, machine, manufacture, composition of matter, or design, the bill will seldom disclose that fault. Nor is a plea applicable to this defence, because its validity depends upon the construction of the letters patent, and not upon any matter of fact to which an oath would be applicable.

§ 599. The second defence may be made on the hearing without any pleading, in all cases where the court will take

¹ *McLean v. Fleming*, 96 U. S. 222, 1850.
257, 1877.

³ *Sullivan v. Railroad Co.* 94 U. S.

² *Maxwell v. Kennedy*, 8 Howard, 811, 1876.

judicial notice of the facts which show want of invention.¹ But where the state of the art needs to be proved by evidence, in order to show that the advance covered by the patent did not amount to invention, it is necessary to set up the defence of want of invention in an answer. A demurrer will seldom be appropriate to this defence, because bills will seldom disclose want of invention, even if the letters patent do. A plea will seldom be applicable to such a case, because defendants can seldom swear to the state of the art, and even where they can, they cannot plead resulting want of invention, because that depends upon the construction of the patent, which is to be made by the court in the light of the state of the art. When interposing this defence in an answer, it is not necessary to state what facts are intended to be proven in its support; because those facts refer only to the state of the art, and not to novelty.² The function of an answer, in respect of this defence, is to notify the complainant that the evidence of the state of the art, which is taken by the defendant, will be invoked at the hearing to show want of invention, and not merely to narrow the patent and thus show non-infringement.

§ 600. The third defence cannot be set up in a plea, because the statute expressly provides that it shall be set up in an answer.³ Nor can it be based on such a notice as will effect the purpose in an action at law.⁴ It requires an answer for its embodiment;⁵ and that answer must state the same things which a statutory notice of want of novelty in an action at law is required to contain.⁶

It has been held on the circuit, that evidence of want of novelty, taken without being properly pleaded in the answer,

¹ *Brown v. Piper*, 91 U. S. 41, 1875; 1865.

Slawson v. Railroad Co. 107 U. S. 649, 1882.

² *Vance v. Campbell*, 1 Black. 430, 1861.

³ *Carnrick v. McKesson*, 8 Fed. Rep. 807, 1881.

⁴ *Doughty v. West*, 2 Fisher, 555,

⁵ *Seymour v. Osborne*, 11 Wallace, 516, 1870; *Roemer v. Simon*, 95 U. S. 214, 1877.

⁶ *Agawam Co. v. Jordan*, 7 Wallace, 583, 1868; *Bates v. Coe*, 98 U. S. 31, 1878; *Planing-Machine Co. v. Keith*, 101 U. S. 493, 1879.

is not made admissible by being set up in a subsequent amendment of that pleading.¹ In another case it was held to rest in the discretion of the court to admit the evidence, so taken and subsequently pleaded, or to reject that evidence, but permit the defendant to take it anew under the amended answer.² These holdings are hardly consistent with each other, and neither of them seems consistent with an earlier Supreme Court decision on a similar point.³ In that case it was held that evidence of want of novelty is admissible in an action at law, where it was taken without being properly set up in any notice, but where a proper notice was subsequently given, and given thirty days before the trial.

Where the answer states that the patent sued on is void for want of novelty, evidence to support that statement will be admitted on the hearing, though not specified in the answer, unless the complainant objects to that evidence for want of the statutory notice,⁴ and also makes a motion to strike it from the record.⁵

§ 601. The fourth defence cannot rightly be made in a plea, for though a defendant may make an oath that he believes the patented thing to be without utility, he can hardly swear that it is certainly so. Others might succeed in using it where he had failed. An answer is therefore the only proper pleading for this defence, and without being set up in the answer, it cannot be made at the hearing.⁶

§ 602. The fifth and sixth defences both require to be interposed in an answer, because they both rest on evidence of abandonment outside of the bill, and because, being two of the five defences provided for by Section 4920 of the Revised Statutes, neither of them can be set up in a plea.⁷

¹ *Roberts v. Buck*, 1 Holmes, 224, 1873.

² *Allis v. Buckstaff*, 13 Fed. Rep. 879, 1882.

³ *Teese v. Huntingdon*, 23 Howard, 2, 1859.

⁴ *Roemer v. Simon*, 95 U. S. 220, 1877; *Brown v. Hall*, 6 Blatch. 405,

1869; *Barker v. Stowe*, 15 Blatch. 49, 1878.

⁵ *Elm City Co. v. Wooster*, 6 Fisher, 453, 1873.

⁶ *Rubber Co. v. Goodyear*, 9 Wallace, 793, 1869.

⁷ *Carrick v. McKesson*, 8 Fed. Rep. 807, 1881.

§ 603. The seventh defence cannot be interposed in a plea because it involves the construction of the claims of the letters patent in suit. Letters patent are not void, merely because they describe something not shown in the original application therefor. It is only when they claim something not indicated or described in the specification or drawings of the original application that they are obnoxious to the seventh defence. The question what letters patent claim is a question of law for the court, and is therefore not one which can be raised by a plea in an action in equity. Nor can this defence be raised by a demurrer, because, in order to decide upon its validity the court must not only construe the claims of the patent, but must also compare the claims so construed with the original application, and that application must be introduced for the purpose as a matter of evidence. This defence must therefore be set up in an answer, and not otherwise.

§ 604. The eighth defence cannot be set up in a plea, but must be interposed in an answer, because it is one of the five for which the statute prescribes that form of pleading in equity cases.¹

§ 605. Either the ninth or the tenth defence may be interposed in a plea where the defendant knows the fact of joint or of sole invention upon which they respectively stand. Each of these defences rests upon a single matter of fact, which if decided against the complainant is fatal to his patent. But it is always unwise to make either of these defences in a plea, because the complainant will have no alternative but to file a replication, and because, by doing so, he will cut off all other defences, and because there is always a possibility that the court will, on the evidence, decide that the invention was joint, or was several, according as it may be necessary to do in order to sustain the patent.² An answer is therefore the best pleading in which to embody either of these two defences.

§ 606. The eleventh defence stands in the same category,

¹ Revised Statutes, Section 4920 ;
Carnrick v. McKesson, 8 Fed. Rep.
807, 1881.

² Pitts v. Hall, 2 Blatch. 229, 1851 ;
Blandy v. Griffith, 3 Fisher, 616,
1869.

in respect of equity pleading, with the third, fifth, sixth, and eighth, and must, like them, be made in an answer, and not in a plea.

§ 607. The twelfth defence cannot be made in a plea, because, though the defendant might be able to make oath that he is a person skilled in the art to which the invention covered by the patent appertains, and that the description contained in that patent is not full, clear, concise, and exact enough to enable him to make and use the same, he could not make oath that the same thing is true of other persons skilled in that art. Even if a defendant were to make the latter oath, the complainant, by replying, could confine the issues of the case to that point, and could probably win that issue by means of the evidence of other skilled persons. An answer is, therefore, the proper pleading for this defence also.

§ 608. Nor can the thirteenth defence be set up in a plea, because it depends on the construction of the claims of the letters patent, and not upon any matter of fact to be sworn to in a plea or proved in a deposition. And this defence cannot be made by a demurrer, unless the letters patent happen to have been made a part of the bill, in which case it probably can be interposed by that form of pleading.¹ Where the bill is in an ordinary form, without having the letters patent attached to it as an exhibit, or otherwise incorporated into its statements, an answer is the only pleading in which to interpose this defence.

§ 609. The fourteenth defence also generally requires to be set up in an answer.² A plea is not ordinarily suitable for the purpose, because this defence depends primarily upon the necessity for a disclaimer, and because that necessity depends upon the claim being obnoxious to one or more of the first three defences, and because the third defence always, and the first and second generally, require to be interposed in an answer, if interposed at all. Even if technically proper in any case, a plea would be at least an injudicious pleading to adopt

¹ Powder Co. v. Powder Works, 98 U. S. 126, 1878.

² Burden v. Corning, 2 Fisher, 498, 1864.

for this defence, because it would be likely to be met with proof of some good excuse for the delay to disclaim.

§ 610. The fifteenth defence can never be interposed in a plea, because it primarily depends either upon the original patent not being inoperative or invalid by reason of a defective or insufficient specification, or upon its not being invalid in part, for want of novelty.¹ Where it primarily depends upon the first of these matters, it depends either upon the construction of the original letters patent, or upon proof that any person skilled in the art to which the invention belongs, could from the original specification make and use the same; and where it depends upon the second of these matters, it depends upon proof that everything claimed in the original letters patent was novel. None of the matters can ordinarily be put into a plea. Statements of the true construction of a patent cannot be, because they are statements of law. Statements that any person skilled in the art can make and use a particular invention, from a particular specification, are hardly proper in pleas, because a defendant ought seldom to attempt to swear what other persons can or cannot do. And statements that everything claimed in the patent of another was novel with him, should never go into a plea, because a defendant can never know that none of those things were previously known or used.

Nor can this defence be raised by a demurrer, unless the original letters patent are incorporated in the bill for infringement of its reissue; and not even then can it be so raised unless the question is solely one of construction of the original letters patent. An answer is always the most suitable place in which to interpose this defence, and generally it is the only possible pleading for the purpose.

§ 611. The sixteenth defence depends partly on the comparative construction of the original and reissue letters patent, and partly upon evidence that the delay in applying for the reissue was unreasonable. Where both the original and the reissue are incorporated in the bill, this defence may be made

¹ Revised Statutes, Section 4916.

by demurrer, because the court then has every necessary means of making the comparative construction,¹ and because long delay will be held to be unreasonable, unless it is excused in the bill. Where the bill omits to set out both the reissue and the original, this defence must be made in an answer, for such mixed questions of law and fact are wholly unsuitable to a plea.²

During the time which has passed since this defence was made known to the bar,³ it has several times been successfully raised on the hearing, without any pleading to support it. But lack of pleading appears to have been suggested in but one of the reported cases, and in that case the court decided that there was no such lack. To hold that there is no necessity for any answer to support this defence, would seem to be contrary to the fundamental rules of equity pleading.⁴

§ 612. The seventeenth defence depends upon the comparative construction of the original and reissue letters patent. It may be made on demurrer, where both those documents are incorporated into the bill.⁵ If both letters patent are not so incorporated, the defence may be made in an answer. It has once been held on the circuit that this defence may be made in a plea;⁶ but that decision may not be followed hereafter, because the question involved in this defence is one of construction of documents,⁷ and not a question of fact to be sworn to by a defendant, or to be decided upon the replication of the complainant and the evidence of experts.

§ 613. The eighteenth defence may be made by a demurrer, where the bill shows who applied for the extension, and shows that he was neither the inventor, nor his administrator nor executor. Where the bill does not contain full statements on both these points, this defence should be made in an answer;

¹ Powder Co. v. Powder Works, 98 U. S. 126, 1878.

² Maxwell v. Kennedy, 8 Howard, 222, 1850.

³ Miller v. Brass Co. 104 U. S. 350, 1882.

⁴ Rubber Co. v. Goodyear, 9 Wal-

lace, 793, 1869.

⁵ Powder Co. v. Powder Works, 98 U. S. 134, 1878.

⁶ Hubbell v. De Land, 14 Fed. Rep. 471, 1882.

⁷ Powder Co. v. Powder Works, 98 U. S. 134, 1878.

for the defendant cannot know of his own knowledge that the proper person did not apply for the extension, and because that fact could not be proven by producing a copy from the records of the Patent Office, of an application made by an improper person, even if Patent Office records could be pleaded in equity without an oath to verify the plea.

§ 614. The nineteenth defence may be set up in a plea, if the defendant has personal knowledge of the record which he pleads, and can therefore make the required oath that there is in fact such a record. If he has no such knowledge, the defence must be made in an answer, for the ancient rule that records may be pleaded in equity, without an oath, is inconsistent with the United States equity rule upon the subject of pleas.¹

§ 615. The twentieth defence can be made by a demurrer, where the bill shows the patent to have expired when the doings which constitute the alleged infringement were committed. But that will seldom or never be the fact, for the expiration relied upon in such cases is nearly always due to the expiration of some foreign patent for the same invention, and not to anything which appears on the face of the United States patent in suit. Where the defence depends upon the expiration of a foreign patent which is not mentioned in the bill, it cannot be set up in a demurrer. Nor can it be set up in a plea, because it depends not only upon the existence of a foreign patent, but also upon that patent being for the same invention as the patent in suit, and because this last question is one of construction for the court.² This defence must therefore be interposed in an answer.

§ 616. The twenty-first defence may be made in a plea, if the defendant knows that the complainant made or sold specimens of the patented thing during the life of the patent without marking them "patented," and if the defendant was not duly notified of his infringement, or, if notified, immediately discontinued to infringe.³ This defence can also be made in

¹ Equity Rule 31.

436, 1880.

² *De Florez v. Reynolds*, 17 Blatch.

³ Revised Statutes, Section 4900.

an answer, and that is the most convenient pleading in which to interpose it, because it is seldom a full defence to an action in equity. It is never a defence to a prayer for an injunction, though it is to a prayer for damages.¹ Whether it is a defence to a prayer for infringer's profits, is an unsettled question, the solution of which will involve the balancing of a number of considerations. In the affirmative, it can be argued that profits are but equitable substitutes for damages, and as equity follows the law in respect of other parts of the patent system, it ought also to follow it in this. But it can be replied in the negative, that equity does not altogether follow the law in the matter of pecuniary recoveries for infringements of patents, but primarily determines the amounts of such recoveries on quite different principles from those used in courts of law for that purpose. And it can also be argued in the negative, that though it would be wrong to force a defendant to pay damages, regardless of the amount of his profits, for infringements against which the complainant neglected to warn him, it would not be unjust to compel a defendant to return to the complainant whatever profits the former realized from even an unwitting infringement of the patent of the latter. To this last point it can be rejoined for the affirmative, that such a case is not merely a case of unwitting infringement, but is also an instance of a patentee leading others to infringe his patent, by unlawfully concealing the fact of its existence, and that, though a failure to mark "patented" would lack some of the elements of a technical estoppel, still it is such a violation of the statute as ought to cause a forfeiture of all remedies for infringement committed before the giving of actual notice of the patent. This consideration seems to exhaust the argument, and to show that the twenty-first defence is a full one against all prayers, except a prayer for an injunction.

§ 617. The twenty-second defence may be made by demurrer, where the bill sets forth copies of the complainant's title papers, either in the stating part, or in exhibits attached to the bill and thus made parts thereof, or where the bill pleads

¹ *Goodyear v. Allyn*, 6 Blatch. 33, 1868.

those papers according to their legal effect, and in such a way that the title appears on the face of the bill to be defective. Where the bill shows a good *prima facie* title, but where the defendant knows that one of the papers which compose its chain was executed after the assignor had assigned his right to another, and that the prior assignment was recorded in the Patent Office within three months after its date; or knows that such assignor assigned his right to another for a valuable consideration, more than three months after the making of the assignment set up in the bill, and before the latter was recorded in the Patent Office, and without the junior assignee having notice of the senior unrecorded assignment; the defendant may successfully set up those facts in a plea. The action of a complainant will be defeated by evidence of either of these two sorts of faults in his title.¹ Either of these sets of facts may also be set up in an answer, but it is better to interpose them in a plea when the defendant is certain of their existence.

§ 618. The twenty-third defence may be put into a plea, and that is the most appropriate pleading in which to interpose it, where the defendant is sure of the fact of a license. But if there is any doubt about the existence of a vital license, and if the defendant has any other defence, it is unwise to trust the case to a plea, for if he fails in proving its truth, he will thereupon suffer final defeat, no matter how many other defences he might have invoked.

§ 619. The twenty-fourth defence should be treated in respect of pleading in the same way as the twenty-third, and that whether the release pleaded, was executed before or after the filing of the bill.²

§ 620. The twenty-fifth defence may be interposed in a plea, but there is no good reason for adopting that practice, and there is an excellent one for avoiding it. When such a plea is put in, the complainant has no alternative but to file a replication, because non-infringement is undeniably a perfect defence to a bill based on alleged infringement of a patent. Such a

¹ Revised Statutes, Section 4898.

² Daniell's Chancery Practice, 669.

replication will confine the issues of the case to the single one of infringement,¹ and thus cut off all other defences, if that issue is decided against the defendant.² It was an inadvertent disregard of these points of equity pleading, that led the court, in one case on the circuit, to hold that a plea of non-infringement is not admissible in an equity suit.³ Where the defendant is sure that he has never infringed the patent upon which he is sued, a plea of non-infringement is a proper defence to make. But if he has any doubt on that point, and has any hope based on any other defence, he should not risk the entire litigation on one issue: should not plead non-infringement, but should set up that and all his other defences in an answer.

§ 621. The twenty-sixth defence may be made in a plea, and it ought to be so made in every case where the defendant is certain that he can prove the facts which he is advised amount to a basis for an estoppel. If those facts are found, on an argument of the plea, not to constitute an estoppel, the defendant will be permitted to file an answer setting up other defences. It is only when a plea in equity is replied to, and then proven not to be true in fact, that a defendant loses any proper advantage by filing such a plea.

§ 622. The twenty-seventh defence may be interposed by a demurrer, where the bill clearly states the time when the infringement was committed, or the space of time during which it was carried on. Where the bill simply states that the infringement occurred during the life of the patent, and where any part of that life is remote enough in point of time to be barred by either the national or the State statute of limitation, if either is applicable thereto; then the applicable statute must be set up in a plea or in an answer, in order to avail the defendant. An answer is to be preferred to a plea for this

¹ *Hughes v. Blake*, 6 Wheaton, 472, 1821; *Rhode Island v. Massachusetts*, 14 Peters, 257, 1840; *Myers v. Dorr*, 13 Blatch. 26, 1870; *Story's Equity Pleading*, Section 697; *Daniell's Chancery Practice*, Vol. 1, Ch.

XV., Sec. V.

² *Mitford & Tyler's Equity Pleading*, 390; *Theberath v. Trimming Co.* 5 Bann. & Ard. 585, 1880.

³ *Sharp v. Reissner*, 9 Fed. Rep. 445, 1881.

purpose, in all cases where the statute bars only a part of the right upon which the action is based ; because an answer must generally be filed to the residue of the bill, and because the proceedings are simplified by putting all the defences into one pleading.

Statutes of limitation have the same effect upon actions in equity in the Federal courts, that they have upon corresponding actions at law.¹

§ 623. A replication is required to be filed by the complainant, in order to put in issue those points wherein the answer disagrees with the bill. No special replication is permitted in equity in the United States courts.² The general replication is required to be filed on or before the rule day, which next succeeds that upon which the answer is due and is filed ;³ but if filed after that time, it may, at the discretion of the court, be ordered to stand ;⁴ or it may, if offered after that time, be allowed by the court to be filed *nunc pro tunc* as of the day whereon it was due.⁵

§ 624. Before tracing further the common course of an action in equity for infringement of a patent, it is expedient to make a short excursion into the field of those subordinate bills which are sometimes required to be filed, before decrees for infringements can properly be entered. Four kinds of such bills are known : 1. Supplemental bills. 2. Bills in the nature of supplemental bills. 3. Bills of revivor. 4. Bills in the nature of bills of revivor.

§ 625. A supplemental bill is required, where the original bill was filed by a person as executor or administrator, or as assignee in bankruptcy or insolvency, whenever any other person succeeds to the title of the complainant to act in that representative capacity.⁶ Such a bill is also necessary, in

¹ *Elmendorf v. Taylor*, 10 Wheaton, 168, 1825 ; *Miller v. McIntyre*, 6 Peters, 66, 1832 ; *Bank of United States v. Daniel*, 12 Peters, 56, 1838.

² Equity Rule 45.

³ Equity Rule 66.

⁴ *Fisher v. Hayes*, 6 Fed. Rep. 77,

1881.

⁵ *Peirce v. West's Executors*, 1 Peters' Circuit Court Reports, 351, 1816.

⁶ Story's Equity Pleading, Section 340.

order to subject the estate of the defendant to a decree, where he is adjudged bankrupt or insolvent after the bill against him is filed.¹ His assignee in bankruptcy or insolvency is the proper person to be made the defendant to such a bill.² He will come before the court in the same plight as that of the bankrupt, and will be bound by all the prior proceedings in the case.³ A supplemental bill is also a proper one to be filed against a stranger to the original bill, where he has conspired with the original defendant to infringe the patent in suit after the original defendant was enjoined from doing so himself.⁴ And such a bill is proper, where a patent is extended after the filing of the original bill, if the defendant continues to infringe the patent after the extension is granted.⁵ The same reasons which support the latter rule, will also support a supplemental bill based on a new patent covering some feature of those doings of the defendant which also infringe the patent originally sued upon; and will also support such a bill where the defendant so changes the character of his doings *pendente lite* as to make them infringe some other patent of the complainant, as a part of the same acts that constitute infringements upon the patent upon which the original bill was based.

§ 626. A bill in the nature of a supplemental bill is called for, where the original bill was filed by a person in his own right, whenever that right passes to another person by voluntary assignment, or passes from the complainant to his assignee in bankruptcy or insolvency.⁶ This rule applies not only to cases where the entire right of a sole complainant is thus transferred *pendente lite*, but also to cases where the right of one of several complainants is so transferred, and to cases where a part only of the right of a sole complainant is made the subject of a voluntary assignment after the filing of the original bill.⁷

¹ Mitford & Tyler's Equity Pleading, 166.

² Sedgwick v. Cleveland, 7 Paige, (N. Y.) 290, 1838.

³ Mitford & Tyler's Equity Pleading, 166.

⁴ Parkhurst v. Kinsman, 2 Blatch.

72, 1848.

⁵ Reedy v. Scott, 23 Wallace, 352, 1874.

⁶ Story's Equity Pleading, Section 349.

⁷ Story's Equity Pleading, Section 346.

§ 627. A bill of revivor is the proper means of reviving and continuing an action in equity which has abated by reason of the death of one or more of the parties thereto.¹ It is to be brought by or against the executor or administrator of the deceased party, and not by or against his heirs.² When such a bill is filed, if the facts warrant him in so doing, the defendant may file a plea denying that the person who filed the bill was entitled to do so,³ or interposing some statute of limitation applicable to bills of revivor.⁴ There is no Federal statute of that kind, but it is not improbable that the relevant statutes of the several States are applicable to bills of revivor in Federal courts.⁵ Those State statutes are of many species. In some, the limitation begins to run from the death of the deceased complainant; and in others, from the time his death is suggested in the case; and in others, from the time when a *scire facias* to revive is served on the person entitled to revive. The length of the limitation also varies in the different States. Perhaps the shortest time is six months, and the longest eighteen.

Where a bill of revivor is filed by the proper person within the proper time, the action will stand revived without any pleading being filed by the defendant.⁶ But where a defendant dies without filing a sufficient answer to the original bill and the amendments thereto, the bill of revivor which is occasioned by his death, ought to pray that the person against whom it seeks to revive the suit, be compelled to answer the original bill and its amendments, or so much thereof as remains unanswered.⁷ After an action in equity has been duly revived, it proceeds in the new form, unaffected by the change of name; and all the testimony theretofore taken may be thereafter used, precisely as if no abatement or revivor had occurred.⁸

¹ Story's Equity Pleading, Section 354.

² Story's Equity Pleading, Section 354a.

³ Story's Equity Pleading, Sections 829 and 830.

⁴ Story's Equity Pleading, Section 831.

⁵ Revised Statutes, Section 721.

⁶ Equity Rule 56.

⁷ Story's Equity Pleading, Section 375; Mitford & Tyler's Equity Pleading, 174.

⁸ *Vattier v. Hinde*, 7 Peters, 265, 1833.

§ 628. A bill in the nature of a bill of revivor is required where the complainant in the original bill assigned the right of action and the patent upon which it was based, and then died before the assignee took his place in the action, by means of a bill in the nature of a supplemental bill. A bill of the latter sort will not answer the purpose, unless it is filed before the death of the original complainant; because that death will cause an abatement of the suit, and because only bills of revivor, or bills in the nature of bills of revivor, can revive an abated action in equity.¹ Bills of revivor can be filed only by privies in law, such as executors and administrators; and not by privies in estate, such as devisees and assignees.² For the latter class of persons bills in the nature of bills of revivor are available, and by means of such a bill, an assignee who did not file a bill in the nature of a supplemental bill before the death of the original complainant, may draw to himself the benefit of the original action, in whatever stage it may have been at the date of the abatement.³ Such a bill is also the proper means of reviving an action which has abated at the death of the administrator or executor who was prosecuting it in his representative capacity, if the person entitled to revive represents the original testator or intestate, and not the deceased executor or administrator.⁴

§ 629. A bill of revivor and supplement is merely a compound of a supplemental bill, and of a bill of revivor.⁵ It is therefore proper to be filed when either of the facts which justify a supplemental bill and either of the facts which require a bill of revivor, occur in one action. So also, any two or more of the four sorts of bills mentioned in the four last sections, may be united in one bill, whenever either of the facts which require either of those bills, occurs in the same action with any of the facts which requires any of the others.

¹ Equity Rule 56.

⁴ Story's Equity Pleading, Sec.

² Story's Equity Pleading, Sec. 379.

382.

³ Slack v. Walcott, 3 Mason, 511, 1825.

⁵ Mitford & Tyler's Equity Pleading, 177.

§ 630. Leave of court is a prerequisite to the filing of supplemental bills, and bills in the nature of supplemental bills; and it is to be obtained upon proper cause shown, and due notice to the opposite party.¹ But neither bills of revivor nor bills in the nature of bills of revivor require any such order, for they may be filed in the clerk's office at any time.² The reason of this difference is that neither of the last two kinds of bills are useful except in cases of death. There can be no temptation to file such a bill as either, unless a death has occurred among the parties to the action; and where such a death has occurred, there can be no objection to the filing of one or the other. But the first two sorts of bills are based upon events about the true character of which counsel may be mistaken in any given case, and it is therefore necessary, in order to avoid an improper accumulation of pleadings, that the court should pass upon the propriety of such bills before they are filed.

§ 631. No demurrer plea or answer is ordinarily required to be filed to a bill of revivor, or to a bill in the nature of a bill of revivor.³ But defendants are always required to demur, plead, or answer to supplemental bills; and to bills in the nature of supplemental bills.⁴ Where a bill of either of those kinds shows on its face that the person who filed it was not a proper person to do so, the objection may be made by a demurrer,⁵ and when that fault exists, but does not appear on the face of the bill, the defence grounded upon it may be made by a plea.⁶ Other defences can be made to supplemental bills, or to bills in the nature of supplemental bills, in the same forms and in the same circumstances in which corresponding defences can be made to original bills for infringement.⁷

§ 632. The hearing of an action in equity for infringement of a patent, may take place before one of the judges of the court sitting alone, or before several judges sitting together,

¹ Equity Rule 57.

² Equity Rule 56.

³ Equity Rule 56.

⁴ Equity Rule 57.

⁵ Story's Equity Pleading, Sec-

tion 612.

⁶ Story's Equity Pleading, Section 827.

⁷ Story's Equity Pleading, Sections 611 and 826.

or before a judge and a jury,¹ or before a master in chancery.² Judges constitute the best tribunals for the purpose; but as either of the other methods of trial may be resorted to at the will of the court, it is expedient to outline the law relevant to all three.

§ 633. An interlocutory hearing by a judge, in a patent action in equity, is one which occurs after the evidence relevant to the validity of the patent and its infringement by the defendant has been taken, and before the case is referred to a master to take and state an account of profits and damages. The final hearing, which occurs after the master has taken that account and filed his report, generally involves nothing but the correctness of that report, and it therefore may appropriately be treated in the chapter on profits. So also, the preliminary hearing, which occurs when a preliminary injunction is applied for, may properly be discussed in the chapter on injunctions. The interlocutory hearing is generally the pivotal point of a litigation. Where it results in the success of the defendant and consequent dismissal of the bill, it becomes a final hearing.

§ 634. Questions of law, in equity patent cases, are to be decided according to the relevant rules of law and equity in force in the United States courts. The sources of those rules are the statutes of the United States, and the decisions of the United States Supreme and Circuit Courts, and those decisions of the chancellors of England which were made before the adoption of the Constitution of the United States. Later decisions of English courts sometimes indicate what the law is, but no such decision is of any binding authority in any United States court. Where such a decision is strictly relevant to a question at bar, and is supported by good reasoning, it may be followed by a United States judge; but if, as is frequently the case, it refers to a substantially different state of statute law from that to which United States patent cases are subject, or if it was fallaciously reasoned out by the judge who delivered

¹ 18 Statutes at Large, Part 3, Ch. 77, Section 2, p. 316.

² Parker v. Hatfield, 4 McLean, 61, 1845.

it, such a decision may properly be disregarded in the Federal courts. The decisions of State courts fall in the same category in this respect with the modern English decisions, except in cases where the United States statutes direct the Federal courts to follow the laws of the several States. In those cases, the State laws are binding on the Federal judges, not because the States have any authority to prescribe rules to Federal courts, but because the national legislature has adopted those particular State laws, instead of framing and enacting corresponding regulations of its own.

Where questions arise to which no direct answer can be found in the recognized sources of the law, it becomes the duty of the judge to deduce a proper answer, by means of just reasoning, from the general principles of law, of equity, and of justice. He will generally find assistance in that work, by consulting the *obiter dicta* of courts and the commentaries of text-writers ; but no *obiter dictum*, and no text-book, is of any binding authority. The points of law actually decided by the United States Supreme Court are generally binding on all other United States courts, regardless of the reasons which support them.¹ There is an exception to this rule, where the Supreme Court has decided the same question both ways. In such a case the last decision governs, if it expressly overruled the first. If it simply ignored the first, it may have resulted from the first decision not being called to the attention of the justices who rendered the second. In such a case it is probably the duty of a circuit court to follow the most reasonable of the two decisions, regardless of seniority. And there may also arise an exception to the general rule, if the Supreme Court should assume to legislate, under the guise and form of judicial decision. In a plain case of that kind, the lower courts would be bound to ignore the alleged precedent in making up their judgments, because they are bound to concert their judgments agreeably to the Constitution and laws of the United

¹ American Middlings Purifier Co. v. Davis, 3 Bann. & Ard. 116, Co. v. Christian, 3 Bann. & Ard. 44, 1877; Goodyear Dental Vulcanite

States,¹ and because judicial legislation is contrary to that Constitution, and therefore external to those laws.² The points of law actually decided by a circuit justice or circuit judge, in either of the nine circuits of the United States, unless they are reversed by the Supreme Court, are binding upon all the other judges who may hold a circuit court in that circuit.³ Such decisions are said to be the law of the circuit. And the points of law actually decided by any judge holding any United States circuit court, are followed by every other judge holding such a court, unless they have been reversed by the Supreme Court, or are contrary to other decisions of equal claims to respect, or clearly appear to be erroneous.

§ 635. Questions of fact depend upon the evidence in the particular cases in which they arise, except so far as they depend upon matters of which courts take judicial notice. Questions of fact in patent cases often require for their solution a severely logical process of reasoning from the testimony in the record. It sometimes occurs that the evidence in a number of cases, pending in a number of courts, is substantially the same. Where one such case has been carefully argued and deliberately decided, all the other courts follow that decision, as a matter of comity, unless it has been reversed by the Supreme Court.⁴ Where questions of fact in patent cases have been decided by the Supreme Court, that decision is conclusive in all other patent cases, so far as the facts which are involved are identical.⁵

§ 636. The evidence which a complainant is required to produce to support his bill, in an action in equity, is the same as that which a plaintiff in an action at law is required to in-

¹ Revised Statutes, Section 712.

² Constitution, Article I. Sec. 1.

³ *Hawes v. Cook*, 5 Off. Gaz. 493, 1874.

⁴ *Goodyear Dental Vulcanite Co. v. Willis*, 1 Bann. & Ard. 570, 1874; *Putnam v. Yerrington*, 2 Bann. & Ard. 241, 1876; *Rumford Chemical*

Works v. Hecker, 2 Bann. & Ard. 360, 1876; *Searls v. Worden*, 11 Fed. Rep. 502, 1882; *American Ballast Log Co. v. Cotter*, 11 Fed. Rep. 728, 1882.

⁵ *American Middlings Purifier Co. v. Christian*, 3 Bann. & Ard, 44, 1877.

roduce in support of his declaration, except that in an action in equity the complainant must introduce evidence to excuse his delay in filing his bill, where a long delay to file it occurred after the infringement took place ; and except that till after the interlocutory hearing he need introduce no evidence relevant to profits or to damages. To ascertain the amount of the defendant's profits and the amount of the complainant's damages in a case of infringement, are the purposes of a reference to a master in chancery. If, in order to entitle a complainant to a decree directing such a reference, he were obliged to introduce proof that some damages were incurred by him, and that some profits were made by the defendant, a complicated account might have to be taken merely to ascertain whether a reference ought to be had to a master to take it over again. It is therefore the universal practice, to postpone all evidence relevant to profits and damages, till an interlocutory hearing on the questions of validity and infringement has been had, and till those questions have been decided. There is a presumption, that profits resulted from the proven infringement, which is strong enough to entitle a complainant, who has prayed for that relief, to a decree for an account of profits.'

§ 637. The evidence which is required to support either of the twenty-seven defences which are common to actions at law and actions in equity, is the same in both those forms of proceeding. Of the two defences which are peculiar to equity, that of non-jurisdiction is one which seldom or never requires any evidence to support it ; and laches is, *prima facie*, supported by the fact of the long lapse of time which is deducible from the complainant's proofs, where such a defence has any foundation at all. Where the complainant introduces evidence to excuse the delay, it may be necessary for the defendant to negative that evidence by other proof, or to prove facts which show the complainant's excuse to be invalid or insufficient.

§ 638. Testimony in actions in equity for infringements of patents is taken wholly by depositions in writing, except in a

¹ *Andrews v. Creegan*, 7 Fed. Rep. 477, 1881.

few districts, where, in pursuance of local rules of court, it may, by the consent of both parties, be taken orally in open court.

§ 639. Depositions may be taken by commission, upon interrogatories filed by the party taking it out, and upon cross-interrogatories filed by the adverse party.¹ If either party so requires, all the depositions in a case must be taken orally, in writing, before an examiner, in the presence of the parties or their agents, by their counsel or solicitors, and in the method of examination and cross-examination used in common-law courts.² Where the depositions are to be taken in the latter mode, 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 defence; and a time thereafter, within which the complainant shall take his evidence in reply.³ Depositions may also be taken in equity cases, in the method heretofore explained for taking depositions in actions at law, whenever the same facts exist to justify that mode of practice.⁴ As facts to justify depositions taken under that system are of frequent occurrence in patent cases, and as that system is simpler than any other prescribed by law, its use is often resorted to in patent litigation.

It is to be observed, relevant to all methods of taking depositions, that each item of the procedure which is prescribed by rule or by statute, must be strictly followed in every case, unless it is waived by a written stipulation of the parties. It is sometimes the practice of counsel at the beginning of a litigation to enter into a formal stipulation, filed in the case and providing that after a reasonable notice in writing, the deposition of any witness may be taken on behalf of either party, orally in writing, by question and answer, by and before any notary public authorized to administer an oath at the place of taking, without his being furnished with any copy of any bill

¹ Equity Rule 67.

² Equity Rule 67.

³ Equity Rule 67.

⁴ Equity Rule 68; Section 535
this book.

or answer, and otherwise in accordance with the sixty-seventh Equity Rule ; and may, when completed, be delivered to the counsel of the party in whose behalf the deposition is taken, and may be produced and used on the hearing with the same effect as if taken and transmitted into court in all respects as prescribed by that rule. Such a stipulation provides a more convenient method of taking depositions than any provided by rule of court or law of Congress, and where counsel are honest, such a method is sufficiently safe. The authority of a notary public to administer a binding oath in such a case, is founded on a statute of the United States.¹ Stipulations may also provide for an enlargement of time for taking depositions ;² which time, unless enlarged by a stipulation or by an order of court, covers three months and no more.³ These must probably be held to be lunar, and not calendar months ; for the common-law definition of the word month has never been changed by United States authority.⁴

§ 640. Depositions taken in any other case, may be used in any action in equity, if each party therein was a party to the action in which they were taken, or is in privity with a party to that action. But where either party in the new action was not a party to the former one, and is not in privity with any party thereto, no deposition taken in the former suit can be used in the new one ; for no deposition can be read against a party, who could not read it in his favor if it were favorable to him.⁵

§ 641. Documentary evidence is generally introduced before the examiner, within the same time that the oral testimony is required to be taken, and that is the necessary course where documents require to be proven by oral testimony. But documents which prove themselves, may be introduced on the hearing without having been put in evidence before the examiner,

¹ 19 Statutes at Large, Ch. 304, p. 206.

² Equity Rule 67.

³ Equity Rule 69.

⁴ Sec. 125 of this book.

⁵ Dale v. Rosevelt, 1 Paige (N. Y.) 55, 1828 ; Paynes v. Coles, 1 Munford (Va.) 394, 1810.

unless such a practice, in a particular case, would operate as a surprise upon the opposite party.¹

§ 642. A jury of not less than five and not more than twelve persons may be empanelled by any United States Circuit Court, when sitting in equity for the trial of a patent cause, for the purpose of submitting to them such questions of fact in the case as the court shall deem it expedient to submit ; and the verdict of such a jury is treated in the same manner and with the same effect as in the case of issues sent from chancery to a court of law and returned with such findings.² Therefore such a verdict is only advisory, and never conclusive upon the court. If the judge disagrees in opinion with the jury relevant to the questions of fact covered by the verdict, he may enter a decree contrary thereto.³ But the regular course of proceeding in such a case is to enter a decree in accordance with the verdict, unless the party against whom it was found moves the court for a new trial. A new trial in such a case is granted or refused according as the judge thinks the verdict was right or was wrong ; and without special regard to any errors, or freedom from errors, which characterized the admission or rejection of evidence on the trial, or the instructions which were given or those which were refused by the judge. Where a new trial is refused, and a decree is entered in accordance with the verdict, if the defeated party would take the case to the Supreme Court for review, he must do so on an appeal from the decree, and not upon a writ of error as from a judgment entered upon a verdict in an action at law. In a properly prepared case, the Supreme Court will decide whether, on the whole, the decree was right or was wrong, but it will not pass upon the correctness or incorrectness of the rulings of the judge at the jury trial. Therefore the evidence taken at the jury trial should be preserved, if there is any intention to take the case to the Supreme Court, but no bill of exceptions in the case is necessary or is proper.⁴

¹ Knapp v. Shaw, 15 Fed. Rep. 115, 1883.

² 18 Statutes at Large, Part 3, Ch. 77, Section 2, p. 316.

³ Silsby v. Foote, 1 Blatch. 545, and 20 Howard, 290, 1857.

⁴ Watt v. Starke, 101 U. S. 247, 1879.

§ 643. A master in chancery may be deputed by a circuit court to try any question of fact in a patent case, and to report his conclusion thereon.¹ But such a report is advisory only, and no decree will be entered upon it, if either party can convince the judge that it was wrong. Exceptions to the master's report are the proper means of appeal from his conclusion. If, on such exceptions, the judge concludes that the master was wrong in any respect, he may send the case back to him, with directions to make a new report, and with prescriptions of new criteria by which to make it ;² or he may proceed to try the questions of fact himself, if that course appears to be more convenient. The rules of practice which regulate the taking of evidence by masters in chancery, and regulate the hearings before them, and the filing of exceptions to their reports, are the same, when they are directed to ascertain the truth relevant to such questions of fact as novelty or infringement, that they are in the more common cases wherein they are directed to take and state an account of profits and damages.

§ 644. An interlocutory decree, in an equity patent case, is a decree which adjudges that the patent sued upon is valid ; and that the defendant has infringed it ; and that a master in chancery be directed to take and report an account of the profits which the defendant realized from that infringement, and of the damages which the complainant sustained by reason thereof ; and sometimes that the defendant be permanently enjoined from further infringement. No appeal from such a decree lies to the Supreme Court.³ Until after a final decree has been made for a specific money recovery, in pursuance of an account of profits and damages, the case is within the control of the court.⁴ Attempts to secure the reconsideration of interlocutory decrees are not uncommon in patent litigation. Therefore the attention may properly be given, at this point, to the methods in which such attempts may regularly be

¹ *Parker v. Hatfield*, 4 McLean, 61, 1845.

² *Cawood Patent*, 94 U. S. 708, 1876.

³ *Barnard v. Gibson*, 7 Howard,

650, 1849 ; *Humiston v. Stainthorp*, 2 Wallace, 106, 1864.

⁴ *Reeves v. Keystone Bridge Co.* 2 Bann. & Ard. 256, 1876.

made ; and to the grounds upon which they must be based in order to succeed.

§ 645. A petition for a rehearing may be filed at any time before the end of the term at which the final decree in the case is entered and recorded ;¹ but not after that termination ;² unless the case is one which cannot be appealed to the Supreme Court ; in which event it may be admitted, in the discretion of the court, at any time before the end of the next succeeding term.³ Such a petition may be based upon an apparent error of the judge in deciding upon the case as it was presented to him in the record ; or it may be based on facts which were discovered after the entry of the decree which the petition asks to have reconsidered. These two kinds of rehearing are quite different from each other, not only in respect of the grounds upon which they are based, but also in respect of the methods by which they are obtained.

§ 646. A rehearing for matter apparent on the face of the record, may be applied for by a petition signed by counsel, and stating the ground upon which the rehearing is prayed.⁴ That ground must be sufficient to convince the judge that the decree was perhaps erroneous.⁵ In order to do that, it is necessary to point out some particular misapprehension of the law, or some particular mistake in respect of the evidence, into which the judge was unfortunate enough to fall. It is useless to ask for a rehearing of this kind, on the general ground that the decision is thought by counsel to be wrong. Such a request was once presented to Justice WOODBURY, but it met the following apt reply : “ It is hardly in the power of the human mind, surely not of the sound judicial mind, after forming deliberate opinions after long argument and much examination, to change at once its conclusions, merely on a repetition of the same arguments and the same facts. Opinions thus liable to change, would be as worthless after al-

¹ Equity Rule 88.

² *Barker v. Stowe*, 4 Bann. & Ard. 485, 1879.

³ Equity Rule 88.

⁴ Equity Rule 88.

⁵ *American Diamond Rock Boring Co. v. Sheldon*, 18 Blatch. 50, 1880.

tered, as they were before. And hence it is wisely provided in most judicial systems, as in ours, that where nothing new exists to justify a change in judgment, a general review on the old grounds should be made by different persons, by a higher and appellate tribunal."¹

§ 647. A rehearing on account of newly discovered evidence, must be applied for as soon as possible after its discovery,² by a petition, verified by the oath of the applicant or of some other person,³ and stating the nature of the alleged newly discovered evidence, and that it was not known to the petitioner till after the decree was rendered, and also what diligence was exercised in searching therefor prior to that time,⁴ and praying for leave to file a supplemental bill in the nature of a bill of review, and for a rehearing of the cause at the time when the issues raised by that bill shall be ready for hearing.⁵ The function of such a bill is to furnish a foundation in the pleadings for evidence on both sides of the new issues of fact to determine which the rehearing is granted. When such a petition is filed, it must be supported by affidavits of the witnesses who are expected to testify to the newly discovered facts which are sought to be brought into the case,⁶ and also by affidavits showing that those facts were not discovered by the petitioner till after the former hearing,⁷ and could not, with reasonable diligence, have been discovered sooner than they were.⁸ Such a petition may be answered by counter affidavits tending to show that part or all of the statements in the petitioner's affidavits are untrue.⁹ To grant the prayer of the petition, the court must be satisfied that the ap-

¹ *Tufts v. Tufts*, 3 Woodbury & Minot, 429, 1847.

² *Blandy v. Griffith*, 6 Fisher, 435, 1873.

³ Equity Rule 88.

⁴ *Allis v. Stowell*, 5 Bann. & Ard. 459, 1880.

⁵ *Dexter v. Arnold*, 5 Mason, 310, 1829; *Daniell's Chancery Practice*, 1537.

⁶ *Buerk v. Imhaeuser*, 2 Bann. & Ard. 452, 1876.

⁷ *Reeves v. Keystone Bridge Co.* 2 Bann. & Ard. 256, 1876.

⁸ *India Rubber Comb Co. v. Phelps*, 4 Fisher, 317, 1870; *Hitchcock v. Tremaine*, 9 Blatch. 551, 1872; *Barker v. Stowe*, 4 Bann. & Ard. 405, 1878.

⁹ *Blandy v. Griffith*, 6 Fisher, 435, 1873.

plicant's affidavits are probably true,¹ and clearly material,² and that the facts they set forth were not known to the petitioner at the time of the former hearing, and could not, with reasonable diligence, have been discovered prior to that event.³ Rehearings will not be granted to enable parties to search for further evidence;⁴ nor to strengthen their expert testimony;⁵ nor to amend their pleadings so as to make certain evidence admissible, which was taken before the former hearing, and was disregarded thereon, because not supported by any pleading;⁶ nor to produce cumulative evidence on questions of fact which were in issue at the former hearing;⁷ nor to correct errors of management committed by the petitioner's counsel.⁸

§ 648. A supplemental bill in the nature of a bill of review, should state the newly discovered facts upon which it is based, and should pray that the cause may be heard with respect to the new matter, at the same time that it is reheard upon the original bill, and that the party who files the subordinate bill may have such relief as the nature of his case requires. The proceedings upon a bill of this description are the same as those upon original bills in general.⁹ No order for a rehearing, made after an interlocutory decree, and while an account of profits and damages is being taken by a master in chancery, will stop the taking of that account, unless the court enters a special order directing the master to suspend proceedings therein.¹⁰

¹ *Munson v. New York*, 11 Fed. Rep. 72, 1882.

² *Buerk v. Imhaeuser*, 2 Bann. & Ard. 452, 1876.

³ *Prevost v. Gratz*, 1 Peters, Circuit Court Reports, 364, 1816; *Baker v. Whiting*, 1 Story, 234, 1840; *Reeves v. Keystone Bridge Co.* 2 Bann. & Ard. 258, 1876; *Page v. Telegraph Co.* 18 Blatch. 122, 1880.

⁴ *Munson v. New York*, 11 Fed. Rep. 72, 1882.

⁵ *Hitchcock v. Tremaine*, 5 Fisher, 538, 1872.

⁶ *American Saddle Co. v. Hogg*, 6 Fisher, 67, 1872.

⁷ *Blandy v. Griffith*, 6 Fisher, 435, 1873.

⁸ *Ruggles v. Eddy*, 11 Blatch. 524, 1874.

⁹ *Daniell's Chancery Practice*, 1537.

¹⁰ *Daniell's Chancery Practice*, 1467.

§ 649. A final decree will be entered in favor of the defendant, where a demurrer to the whole bill is sustained on a point which is not cured by amendment; or where a plea to the whole bill is sustained on an argument, and is thereupon replied to, and is found to be true on the trial; or where either of the numerous defences which may be made in an answer, and which apply to the whole bill, are established at an interlocutory hearing. And final decrees will be entered in favor of complainants, when their bills have successfully run the gauntlet of demurrers, pleas, answers, interlocutory hearings, petitions for rehearings, supplemental bills in the nature of bills of review, accounting before a master, exceptions to the master's report, and final hearings, through which original bills in patent cases may regularly be caused to pass. The last three parts of this series of proceedings, are explained in the chapter on profits, and the others have already been outlined in this. Assuming therefore, that a final decree has already been entered for the complainant or the defendant, it is now convenient to delineate the further proceedings to which the defeated party may resort. These are of two kinds: bills of review, and appeals.

§ 650. A bill of review is the proper means of securing a reconsideration of a final decree after the expiration of the term at which it was entered.¹ Such bills are of two sorts: those filed to correct errors apparent on the face of the pleadings or decree;² and those filed to introduce evidence of facts which occurred or were discovered after the decree was entered.³ In order to secure favorable action on such a bill, the petitioner must first pay to the opposite party the amount of the decree which he seeks to have reversed or modified, unless the court releases him from that necessity. But the court will release him if he is unable to pay;⁴ and will probably do so where

¹ Story's Equity Pleading, Section 403.

² *Whiting v. The Bank of the United States*, 13 Peters, 14, 1839.

³ Story's Equity Pleading, Section 404.

⁴ Story's Equity Pleading, Section 406.

the opposite party is insolvent, if the petitioner will give good security for the money decreed, or will deposit that money in court.¹

§ 651. A bill of review, to correct errors apparent on the pleadings or decree, may be filed without leave of court,² but no such bill will be considered or acted upon by the court, unless it is filed within the same time after the entry of the decree, as that provided for by statute relevant to appeals;³ which latter space is at present two years.⁴ Nor will such a bill be entertained, if the decree which it was filed to correct, was entered by the Circuit Court, after an appeal from the Supreme Court, and in pursuance of directions contained in the mandate of the latter tribunal.⁵ In considering a bill of review of this sort, the court will confine its examination to the pleadings and decree in the original action, for no bill lies to correct any errors of fact which were made in examining or weighing the evidence upon which the decree was based.⁶

§ 652. A bill of review, filed to introduce evidence of new facts or of newly discovered facts, cannot be filed without leave of court.⁷ Where the case sought to be reviewed has not been appealed, the application for leave is made to the court which rendered the decree, but where the case has been appealed to the Supreme Court the application must be presented to that tribunal.⁸ If that court decides that the leave ought to be granted, it will return the case to the court below, with directions to receive and adjudicate the bill of review;⁹ and thereafter the case will proceed in the lower tribunal much as it would have done if no appeal had been taken. After the bill of review has been litigated and a new decree entered,

¹ *Griggs v. Gear*, 3 Gilman, (Illinois) 17, 1845.

² *Ross v. Prentiss*, 4 McLean, 106, 1846; *Story's Equity Pleading*, Section 405.

³ *Thomas v. Harvie's Heirs*, 10 Wheaton, 149, 1825.

⁴ *Revised Statutes*, Section 1008.

⁵ *Southard v. Russell*, 16 Howard,

570, 1853.

⁶ *Whiting v. Bank of the United States*, 13 Peters, 14, 1839; *Story's Equity Pleading*, Section 407.

⁷ *Ross v. Prentiss*, 4 McLean, 106, 1846.

⁸ *Roemer v. Simon*, 2 Bann & Ard. 72, 1875.

⁹ *Revised Statutes*, Section 701.

an appeal will lie to the Supreme Court on the whole case. The mode of application for leave to file such a bill, is by a petition stating the original proceedings and the new facts or newly discovered facts on the strength of which reversal of the decree is prayed.¹ The petition must be supported by affidavits stating the exact nature of those facts, in order that the court may judge of their materiality and sufficiency, and showing that they occurred after the final decree was entered, or if they occurred before that time, that they were not discovered, and could not with reasonable diligence have been discovered till afterward.² Bills of review of this sort may be filed even more than two years after the entry of the decree, provided they are filed within a reasonable time after the discovery is made upon which they are based.³ Leave to file such a bill will be granted, in a proper case, whether those facts relate to issues in the original action, or relate to defences which were not in issue therein ;⁴ but it will not be granted where the facts stated in the petition are not adapted, or are not sufficient, to have altered the decree if they had been before the court on the hearing,⁵ nor where those facts could, with reasonable diligence, have been discovered before the decree was entered,⁶ nor to enable the petitioner to introduce evidence to impeach the character of the witnesses upon whose testimony the decree was based ; nor to introduce cumulative testimony on a point litigated and decided at the hearing ; but newly discovered corroborating evidence in writing may furnish a foundation for such leave.⁷ After a bill of review to introduce new facts, or newly discovered facts, has been duly filed, the opposite party may plead or answer there-

¹ *Massie's Heirs v. Graham's Adm'rs*, 3 McLean, 43, 1842.

² *Story's Equity Pleading*, Sections 412, 413, and 414.

³ *United States v. Samperyac*, *Hemstead's Circuit Court Reports*, 131, 1831.

⁴ *Dexter v. Arnold*, 5 *Mason*, 313, 1829 ; *United States v. Samperyac*,

Hemstead's Circuit Court Reports, 131, 1833 ; *Story's Equity Pleading*, Sections 415 and 416.

⁵ *Dexter v. Arnold*, 5 *Mason*, 313, 1829.

⁶ *Rubber Co. v. Goodyear*, 9 *Wallace*, 806, 1869.

⁷ *Southard v. Russell*, 16 *Howard*, 569, 1853.

to, and thus put the party who filed it, to the proof of its allegations.¹ A demurrer to a bill of this sort is not appropriate, because its sufficiency in point of law must be passed upon before it can be filed.

§ 653. A bill, in the nature of a bill of review, differs from a bill of review only in respect of the legal character of the complainant. The latter bill can be filed by either of the parties to the decree which is sought to be reviewed, or by their respective privies in representation, such as heirs, executors, or administrators; but the former is required to be filed, where privies in estate, such as devisees or assignees of an original party, seek to secure the reversal or modification of a final decree after the expiration of the term at which it was entered.² Neither of these sorts of bills is to be confounded with a supplemental bill in the nature of a bill of review. That is still another variety, and its character and operation have already been outlined.³

§ 654. An appeal to the Supreme Court is demandable from every final decree, in cases touching patent rights, regardless of the amount involved therein,⁴ provided it is taken within two years after the entry of the decree.⁵ But in order to operate as a supersedeas, and thus stay execution, an appeal must be taken within sixty days after the rendition of the decree; and indeed an execution may be issued, if an appeal is not taken within ten days after such rendition.⁶ But in the latter case, a supersedeas afterward obtained will prevent further proceedings under the execution, though will not interfere with what has already been done.⁷ The time within which appeals may be taken, may properly be held to begin either when the case is finally decided, or when the formal decree is signed by the judge, and filed with the clerk of the court.⁸ When a

¹ *Dexter v. Arnold*, 5 Mason, 309, 1829.

² *Story's Equity Pleading*, Section 409.

³ Sections 647 and 648 of this book.

⁴ Revised Statutes, Section 699; *Philip v. Nock*, 13 Wallace, 185,

1871.

⁵ Revised Statutes, Section 1008.

⁶ Revised Statutes, Sections 1012, and 1007.

⁷ *Board of Commissioners v. Gorman*, 19 Wallace 663, 1873.

⁸ *Silby v. Foote*, 20 Howard 290, 1857.

decree operates as a supersedeas, it so operates only as against the money recovery provided for in the decree, and not as against that part of the decree which directs the payment of the master's fees,¹ nor as against that part which directs an injunction to issue;² but the judge who enters a decree granting an injunction, has discretionary power to suspend or modify the same pending an appeal.³

§ 655. On the hearing of an appeal in the Supreme Court, the decree may generally be attacked by the appellant, upon any ground upon which it was resisted in the court below. There are a few exceptions to this rule. The decree cannot be assailed on the ground that the court below refused to set aside a decree *pro confesso*,⁴ or refused to allow the appellant to retract an admission which he had made in his pleadings;⁵ or rendered any other decision which belonged to the judicial discretion of the court to make. Nor can a decree be attacked in the Supreme Court, on account of any error made by a master in chancery in taking an account of profits or damages, unless that error was brought before the court below for correction, by means of a proper exception to the master's report.⁶ Where a decree is reversed and remanded for further proceedings, and a second decree is entered by the court below after those proceedings are taken, and an appeal is taken from the second decree, that decree cannot be assailed on account of any errors that occurred prior to the former decree.⁷ No decree can be attacked by the appellee, on the appellant's appeal. Where either party to a decree intends to ask the Supreme Court to direct it to be altered, he must appeal to that tribunal, whether the other party appeals or not.⁸ Where

¹ Myers v. Dunbar, 1 Bann. & Ard. 565, 1874.

² Whitney v. Mowry, 3 Fisher, 175, 1867.

³ Equity Rule 93.

⁴ Dean v. Mason, 20 Howard, 198, 1857.

⁵ Jones v. Morehead, 1 Wallace, 155, 1863.

⁶ Kinsman v. Parkhurst, 18 How-

ard, 289, 1855.

⁷ Himely v. Rose, 5 Cranch. 313, 1809; The Santa Maria, 10 Wheaton, 431, 1825; American Insurance Co. v. Canter, 1 Peters 511, 1828; Corning v. Troy Iron & Nail Factory, 15 Howard, 451, 1853.

⁸ Corning v. Troy Iron & Nail Factory, 15 Howard, 451, 1853.

both parties appeal, both appeals are heard together in the Supreme Court, and the complainant in the court below is entitled to open and to close the argument.¹ A decree may also be attacked by an appellant, on several grounds upon which it may not have been resisted in the court below. Non-jurisdiction of equity falls in this category;² and so does want of invention, when that want results from facts of which the court will take judicial notice.³ Where a defendant interposed several defences in the court below, and where that court held them all to be bad, except one which it held to be good, and therefore dismissed the bill; and where the Supreme Court on an appeal, finds the latter defence to be bad, it will thereupon decide whether either of the others are good, and if it finds either of them to be so, it will affirm the decree.⁴

§ 656. After the Supreme Court has heard an appeal, it may affirm the decree, or may reverse it, or may modify it, or may remand the case to the court below for further proceedings.⁵ Where it affirms the decree, it ends the litigation, leaving the court below to enforce its adjudication, if any enforcement is required. Where it reverses the decree, it generally does so at the appellee's costs, so that the court below, when it receives the mandate, will have nothing to do but to tax those costs, and enter a decree therefor; and from such a decree there is no appeal.⁶ When it modifies the decree, it may do so in either of several respects. For example, it may change a decree which was entered for the appellant with costs, to one without costs, and in that event it will require the appellee to pay his own costs in the Supreme Court.⁷ It may also change the amount of the decree, instead of remanding the case to the court below for a recomputation.⁸ Where it remands a case for further proceedings,

¹ Rules of the Supreme Court of the United States, Rule 22.

² *Hipp v. Babin*, 19 Howard, 271, 1856.

³ *Brown v. Piper*, 91 U. S. 41, 1875.

⁴ *Troy Iron & Nail Factory v. Corning*, 15 Howard 451, 1853.

⁵ Revised Statutes, Section 701.

⁶ *Elastic Fabrics Co. v. Smith*, 100 U. S. 111, 1879.

⁷ *O'Reilly v. Morse*, 15 Howard 121, 1853.

⁸ *Parks v. Booth*, 102 U. S. 106, 1880.

the proceedings prescribed may even extend to a trial at law, or by a jury in equity, of the questions of fact involved in the case.¹

§ 657. A certificate of division of opinion, is a means of taking questions of law to the Supreme Court, where those questions arise in a case heard by two judges in the court below, and where those judges disagree about their proper solution.² No question of infringement or other question of fact can be taken to the Supreme Court in this method ; and such a certificate must state the precise points of law which are involved, or the case will be remanded without an answer.³

¹ *Cochrane v. Deener*, 94 U. S. 784, 1876.

² *Wilson v. Barnum*, 8 Howard, 258, 1850.

³ Revised Statutes, Section 693.

CHAPTER XXI.

INJUNCTIONS.

658. Jurisdiction to grant injunctions.
659. Preliminary injunctions.
660. Bills for preliminary injunctions.
661. Notices of motions for preliminary injunctions.
662. Motions for preliminary injunctions.
663. Suspensions of motions for preliminary injunctions.
664. Temporary restraining orders.
665. Elements of *prima facie* rights to preliminary injunctions.
666. Prior adjudication.
667. Public acquiescence.
668. Duration of public acquiescence in a strict monopoly.
669. Duration of public acquiescence in a licensed monopoly.
670. Public acquiescence need not be universal to be efficacious.
671. Decrees *pro confesso*.
672. Consent decrees.
673. Defendant's admission of validity.
674. Interference decisions.
675. The complainant's title.
676. Infringement.
677. Defences to motions for preliminary injunctions ; and first by way of traverse.
678. Defences by way of confession and avoidance.
679. Averting effect of prior adjudication.
680. Averting effect of public acquiescence.
681. Averting preliminary injunction by proving repeal or expiration of patent, or fault in title thereto.
682. Averting preliminary injunction by proving license.
683. By proving estoppel.
684. By showing laches.
685. Preliminary injunction must generally follow a cause and an application therefor.
686. Bonds instead of injunctions, where complainant grants licenses.
687. Where infringing machinery embodies non-infringing features, also where it was constructed under a junior patent.
688. Bonds required from complainants in certain cases.
689. Injunctions not averted by the existence of a remedy at law.
690. Injunctions *pro confesso* on withdrawal of opposition to a motion for an injunction.
691. Discretion of the court in granting or refusing injunctions.
692. Motions to dissolve preliminary injunctions.
693. Motions to dissolve for errors in point of law.
694. Motions to dissolve on account of newly discovered evidence.

- | | |
|---|--|
| <p>695. Reinstatement of dissolved injunctions.</p> <p>696. Consequences of obedience or disobedience to injunctions which are subsequently dissolved.</p> <p>697. Permanent injunctions.</p> <p>698. Refusal of permanent injunction, because the patent has expired.</p> <p>699. Because the complainant has assigned the patent.</p> <p>700. Because the defendant is dead, or, if a corporation, is dissolved.</p> <p>701. Cessation of infringement no ground for refusal to enjoin.</p> <p>702. Postponement of permanent injunctions.</p> <p>703. Suspension of permanent injunctions.</p> | <p>704. Dissolution of permanent injunctions.</p> <p>705. Injunctions granted independent of other relief; but no injunctions issued in trivial cases, nor to restrain complainants from suing third parties.</p> <p>706. The duration of injunctions generally limited by the term of the patent.</p> <p>707. The duration of injunctions granted by district judges in vacation.</p> <p>708. Attachments for contempts.</p> <p>709. Improper defences to motions for attachments.</p> <p>710. Penalties for violations of injunctions.</p> |
|---|--|

§ 658. JURISDICTION to grant injunctions to prevent the violation of patent rights, is conferred by statute upon the same courts that are vested with common-law jurisdiction in patent cases.¹ The statute provides that the jurisdiction shall be exercised according to the course and principles of courts of equity, and upon such terms as the court may deem reasonable. This twofold provision indicates the sources from which the existing rules applicable to such cases were drawn. They were drawn from the ordinary course and principles of courts of equity, and from a reasonable contemplation of the peculiar circumstances which attend patent rights and patent litigation. Some of those rules relate only to preliminary injunctions, and others relate to permanent injunctions alone; and the residue are equally applicable to both. It is the plan of this chapter to explain those three classes of rules, and to show how all of them combined make up a system which may guide the judicial discretion in nearly every variety of circumstances.

§ 659. A preliminary injunction is one which is granted after the filing of the bill, and before the case is ready for an

¹ Revised Statutes, Section 4921.

interlocutory hearing. When granted, it is commonly granted before the filing of the answer; but it is sometimes issued after that stage of the case, and sometimes even after the complainant has introduced all his *prima facie* evidence.¹ Such an injunction may be dissolved at any time, and a motion to dissolve it may be made whenever an apparent cause for its dissolution becomes known to the party enjoined. If not sooner terminated by dissolution, or by a certain statutory limitation hereafter explained, such an injunction continues till the interlocutory decree; and then it is dissolved or is made permanent according to the equities of the case as they appear on the interlocutory hearing.

§ 660. A bill of complaint, in order to lay a foundation for a preliminary injunction, must state the particular prior adjudication or acquiescence upon which the presumption of validity of the patent is based,² and must contain a specific prayer for that relief, and for the proper writ by means of which that relief may be enforced,³ and must conform to those requisites of bills in equity which are set forth in the twentieth chapter of this book.

§ 661. Due notice of a motion for a preliminary injunction must be served on the party sought to be enjoined from infringing a patent, before that motion will be heard by the court. This rule formerly had a sufficient foundation in a statute of 1793, which provided that no writ of injunction should be granted in any case without reasonable previous notice to the adverse party, or his attorney, of the time and place of moving for the same.⁴ Portions of the section which contained that provision are embraced in the Revised Statutes,⁵ but that provision was omitted from those statutes and was thereby repealed.⁶ But there is still a foundation for the

¹ Union Paper Bag Machine Co. v. Newell, 11 Blatch. 550, 1874.

² Parker v. Brant, 1 Fisher, 59, 1850.

³ Lewiston Falls Mfg. Co. v. Franklin Co., 54 Maine, 402, 1867; Union Bank v. Kerr, 2 Maryland Chancery,

460, 1849.

⁴ 1 Statutes at Large, Ch. 22, Section 5, p. 334.

⁵ Revised Statutes, Sections 716 and 720.

⁶ Revised Statutes, Section 5596.

rule which is stated at the head of this section : a foundation not so direct, but quite as certain, as the other was while it existed. The Revised Statutes provide that the Supreme Court shall have power to prescribe from time to time, and in any manner not inconsistent with any law of the United States, the modes of proceeding to obtain relief in suits in equity in the circuit and district courts.¹ In pursuance of this authority the Supreme Court has prescribed an elaborate code of rules of practice for the courts of equity of the United States. Rule 55 of that series provides that special injunctions shall be grantable only upon due notice to the other party. And it is certain that all injunctions to restrain infringements of patents are special as distinguished from common injunctions.² A different line of argument on this subject, and one followed by a contrary conclusion, is to be found in one reported case,³ but the reasoning of that case does not appear to be convincing.

§ 662. A motion for a preliminary injunction is heard in a summary way on *ex-parte* affidavits.⁴ The complainant's affidavits in chief must show all the facts which are necessary to *prima facie* entitle him to such an injunction.⁵ The defendant's affidavits must state all the facts upon which he bases his defence to the motion, and if those statements are by way of traverse, no further affidavits are admitted on the hearing; but if they are by way of confession and avoidance, the complainant is permitted to read affidavits in reply, but to that reply, no rejoinder from the defendant is ever allowed.⁶ All the affidavits may be made by the parties, or by any other persons; but in either case they must state the facts positively, and not on information and belief, except upon the point that

¹ Revised Statutes, Section 917; *Orr v. Littlefield*, 1 Woodbury & Minot, 19, 1845.

² High on Injunctions, Section 6; *Purnell v. Daniel*, 8 Iredell's Equity Reports (N. C.), 11, 1851.

³ *Yuengling v. Johnson*, 1 Hughes, 607, 1877.

⁴ *Grover & Baker Sewing Machine Co. v. Williams*, 2 Fisher, 133, 1860.

⁵ *Union Paper Bag Machine Co. v. Binney*, 5 Fisher, 167, 1871.

⁶ *Day v. Car-Spring Co.*, 3 Blatch. 154, 1854; *Rogers v. Abbot*, 4 Washington, 514, 1825.

the complainant believes the person upon whose application the patent was granted, to have been the first inventor of the invention for which it was issued.¹

The complainant's bill may be used as an affidavit,² and so also may the defendant's answer, if it is on file when the motion for a preliminary injunction is heard.³ But answers are commonly and properly drawn in such general terms that they are often of minor importance as defences to such motions, even where they are well concerted as pleadings. For example, where the answer says, on the question of infringement, that the defendant never made, used, or sold any specimen of the patented thing; and where the affidavits of the complainant contain a description of what the defendant has done and contain proper expert testimony showing that those doings constitute infringement of the patent; the general denial of the answer will go for nought on the hearing of a preliminary injunction.⁴ The statements of the complainant's affidavits in chief are taken on the hearing to be true, so far as they are uncontradicted by the affidavits of the defendant;⁵ and the affidavits of the defendant are taken to be true so far as they are consistent with the complainant's affidavits in chief, and are not contradicted by his affidavits in reply.⁶

All affidavits to be used to support or to oppose a motion for a preliminary injunction, ought to be served on the opposite counsel a reasonable time before the motion is argued. Where that is not done, the court may reject the affidavits, or, at its discretion, may allow them to be read, giving the opposite party the option to proceed with the hearing, or to take time to examine the affidavits, and where they admit of reply, to take other affidavits for that purpose.⁷

§ 663. Where, on the hearing of a motion for a preliminary

¹ *Young v. Lippman*, 9 Blatch. 277, 1860.
1872.

² *Young v. Lippman*, 9 Blatch. 277, 1872.

³ *Parker v. Brant*, 1 Fisher, 58, 1850.

⁴ *Ely v. Mfg. Co.*, 4 Fisher, 64,

⁵ *Wells v. Gill*, 6 Fisher, 89, 1872.

⁶ *Cooper v. Mattheys*, 3 Penn. Law Journal Reports, 40, 1842.

⁷ *Sterrick v. Pugsley*, 1 Central Law Journal, 106, 1874.

injunction, the complainant's moving papers are found to lack a necessary point which is presumably capable of being supplied, the court may suspend the motion to enable the complainant to supply it.¹ Such a lack and consequent suspension are not injurious to a defendant, because they merely operate to postpone that which he desires to be postponed as long as possible. No similar rule can, however, be invoked in favor of a defendant who has had reasonable notice of the motion, for if he could invoke such a rule, he could delay justice by his own neglect.

If a demurrer is on file in the case, when a motion for a preliminary injunction comes on to be heard, the demurrer will be first heard and disposed of, even though that proceeding necessitates a postponement of the hearing of the motion. But if the demurrer is overruled, the defendant, in order to secure leave to contest the motion further, must file an affidavit that the demurrer was not filed for the purpose of delay, and must give security to pay the complainant the amount of any money decree which the delay consequent upon the demurrer may afterward be found to entitle him.²

§ 664. A temporary restraining order may be made by the court, where there appears to be danger of irreparable injury from delay, whenever notice is given of a motion for a preliminary injunction; and such an order may be granted with or without security, in the discretion of the court, or judge, and will continue in force till the motion is decided.³ The object of this provision appears to be to give the judge time to consider whether to grant a preliminary injunction, instead of deciding the question immediately upon the close of the argument of a motion for such a writ. It does not appear to warrant a restraining order before notice is actually served upon the defendant, nor indeed before the motion has been heard by the court, though the last member of this statement is less clearly true than the first. Even the first has been denied by

¹ *Hodge v. Railroad Co.*, 6 Blatch. 85, 1868.

bury & Minot, 131, 1847.

³ Revised Statutes, Section 718.

² *Woodworth v. Edwards*, 3 Wood-

one district judge ; but in order to deny it, he had to hold that a notice is "given" when a rule to show cause against a motion is entered in court.¹ But the statute does not provide for any rule to show cause. It provides for a notice which is given ; and no notice can be said to be given until it is served.

§ 665. In deciding whether a given complainant has made out a *prima facie* case for a preliminary injunction to restrain infringement of a patent, the judge is guided by the presence or absence of two presumptions and one certainty. Those presumptions relate to the validity of the patent and to the defendant's infringement thereof, and that certainty relates to the complainant's title thereto. If that certainty or either of those presumptions are absent in a given case, no preliminary injunction will be granted ; but such a writ will be granted where they are all present, unless the defendant interposes some good defence to the motion, or unless the court takes a bond from the defendant instead of subjecting him to an injunction. A special presumption that the patent is valid lies at the foundation of a patentee's right to a preliminary injunction. That presumption does not arise out of the unattended letters patent, but will always exist where the patent has been suitably adjudicated in a Federal court, and there held to be valid ;² or where the validity of the patent has been suitably acquiesced in by the public ;³ or where the

¹ *Yuengling v. Johnson*, 1 Hughes, 607, 1877.

² *Orr v. Littlefield*, 1 Woodbury & Minot, 13, 1845 ; *Woodworth v. Hall*, 1 Woodbury & Minot, 248, 1846 ; *Woodworth v. Edwards*, 3 Woodbury & Minot, 120, 1847 ; *Gibson v. Van Dresar*, 1 Blatch. 532, 1850 ; *Potter v. Holland*, 4 Blatch. 238, 1858 ; *Parker v. Brant*, 1 Fisher, 58, 1850 ; *Potter v. Fuller*, 2 Fisher, 251, 1862 ; *Grover & Baker Sewing Machine Co. v. Williams*, 2 Fisher, 134, 1860 ; *Potter v. Whitney*, 3 Fisher, 77, 1866 ; *Conover v. Mers*, 3 Fisher,

386, 1868 ; *Goodyear Dental Vulcanite Co. v. Evans*, 3 Fisher, 390, 1868 ; *Goodyear v. Berry*, 3 Fisher, 439, 1868 ; *Goodyear v. Rust*, 3 Fisher, 456, 1868 ; *Atlantic Giant Powder Co. v. Goodyear*, 3 Bann. & Ard. 167, 1877 ; *Green v. French*, 4 Bann. & Ard. 169, 1879 ; *Kirby Bung Mfg. Co. v. White*, 5 Bann. & Ard. 263, 1880.

³ *Goodyear v. Railroad Co.*, 1 Fisher, 626, 1853 ; *American Middlings Purifier Co. v. Christian*, 3 Bann. & Ard. 48, 1877.

defendant at bar has allowed a decree *pro confesso* to be taken against him ;¹ or where the defendant does not deny the validity of the patent ;² and that presumption will sometimes exist where the patent has successfully undergone an interference in the Patent Office.³

§ 666. An adjudication in another case, in order to furnish a suitable foundation for a right to a preliminary injunction, must have resulted in favor of the patent in a regular hearing in equity, or on the trial of an action at law.⁴ Of these, the former raises the stronger presumption,⁵ but most of the considerations which apply to it, apply also to the latter. An interlocutory decree in another case, is as good a foundation for a right to an injunction as a final decree would be ;⁶ because an interlocutory decree settles all pending questions of validity, and a final decree merely reiterates its conclusions on that point. An adjudication of a prior suit based on the first term of a patent, may be made the foundation of a right to a preliminary injunction to restrain infringement of the extended term of the same patent.⁷ But no adjudication of a suit based on an original patent can be invoked as a basis for a preliminary injunction to restrain infringement of any new claim contained in a reissue thereof.⁸ The difference between a prior decree in equity and a prior verdict at law as foundations for an injunction, seems to be this. A decree cannot be ignored on any ground which merely tends to show that the judge who rendered it misunderstood or misweighed the evidence upon which it was based ; while a verdict of a jury may be disregarded if the judge who is invited

¹ *Schneider v. Bassett*, 13 Fed. Rep. 351, 1882.

² *Sickels v. Mitchell*, 3 Blatch. 548, 1857 ; *New York Grape Sugar Co. v. American Grape Sugar Co.*, 10 Fed. Rep. 835, 1882.

³ *Pentlarge v. Beeston*, 14 Blatch. 354, 1877 ; *Smith v. Halkyard*, 16 Fed. Rep. 414, 1883.

⁴ *Doughty v. West*, 2 Fisher, 559,

1865.

⁵ *Goodyear v. Mullee*, 3 Fisher, 420, 1868.

⁶ *Potter v. Fuller*, 2 Fisher, 251, 1862.

⁷ *Clum v. Brower*, 2 Curtis, 507, 1855 ; *Tilghman v. Mitchell*, 4 Fisher, 615, 1871.

⁸ *Poppenhusen v. Falke*, 2 Fisher, 181, 1861.

to base a preliminary injunction upon it, is of opinion that it was not justified by the facts.¹

§ 667. Public acquiescence, sufficient to create a presumption of validity, and therefore sufficient to furnish a foundation for a right to a preliminary injunction, may arise out of either of two classes of facts. It may arise where the patentees made and sold specimens of the patented article for many years, during which no other person assumed to make any such specimens;² or it may arise where the patentee long licensed others to make, use, or sell such specimens, while nobody assumed to do either without such a license from him, and the acquiescence is quite as positive in this case as in the other.

§ 668. The length of time necessary to make exclusive possession, of the first sort, available in a motion for a preliminary injunction, depends upon the nature of the invention, and to the extent to which a good invention of the sort would naturally be used if it were free to the public; and upon the popularity of that particular invention with that part of the public likely to want an article of the kind.³ Where nobody but the patentee had any use for the article during the time of the alleged acquiescence, or where its merits were prized so low that nobody else cared to adopt it; no lapse of time has any tendency to raise a presumption that the patent is valid. Acquiescence in claims which nobody cared to dispute when the acquiescence occurred, has no tendency to show that those claims are valid. But where all persons, other than the owner of the patent, refrain from making, using, or selling specimens of the patented article merely because it is patented, and notwithstanding it would otherwise be for their interest to adopt it; their acquiescence shows their conviction that the patent is valid: a conviction presumably based on inquiry, because persons are not likely to acquiesce in adverse rights without any investigation of their soundness.⁴ In a case of

¹ *Sickels v. Young*, 3 Blatch. 297, 1855; *Day v. Hartshorn*, 3 Fisher, 32, 1855.

² *Sargent v. Seagrave*, 2 Curtis, 557, 1855.

³ *Doughty v. West*, 2 Fisher, 559, 1865.

⁴ *Grover & Baker Sewing Machine Co. v. Williams*, 2 Fisher, 134, 1860.

the latter sort, any acquiescence which is shown by lapse of time to be general and to be genuine, will be sufficient to sustain a preliminary injunction.¹ Two years have been found to be ample in a case where the patentee made and sold 105,000 specimens of his patented apple-paring machine during that time,² and in another case, eight years, in which the patentee made and sold 150 specimens of his patented machine for cutting leather for shoe soles, were held to be sufficient.³

§ 669. The length of time necessary to make exclusive possession, of the second sort, available on a motion for a preliminary injunction will depend largely upon whether the licenses granted were granted in consideration of the payment of substantial royalties, or for such an insignificant price as indicates that they were issued for the sole purpose of raising a presumption of public acquiescence. In the former case, it is safe to assume that sales of licenses will be quite as rapidly efficacious in the desired direction, as sales of specimens of the patented invention; while in the latter case, a long and genuine payment of royalties will be necessary to give the licenses any importance in respect of preliminary injunctions against third parties.

§ 670. Public acquiescence is strengthened rather than weakened, as a foundation to a right to a preliminary injunction, by the fact that some persons for a while refused to join in it, but on receiving further information, submitted to the exclusive right claimed by the patentee. Such a submission is generally the most persuasive degree of acquiescence.⁴ Nor is universal acquiescence necessary to be shown as existing at the time of the motion; for if it were necessary and were shown, it would prove that the defendant himself is not infringing the patent, and thus negative that part of the foundation of the

¹ *Orr v. Littlefield*, 1 Woodbury & Minot, 17, 1845.

² *Sargent v. Seagrave*, 2 Curtis, 557, 1855.

³ *Foster v. Moore*, 1 Curtis, 279,

1852.

⁴ *Grover & Baker Sewing Machine Co. v. Williams*, 2 Fisher, 138, 1860.

⁵ *Sargent v. Seagrave*, 2 Curtis,

556, 1855.

case.¹ But a preliminary injunction will not be granted on any basis of acquiescence where the defendant has been long in possession and use of the invention, adverse to the claim of the complainant, and under a claim and color of right.² No acquiescence in an original patent can be made the basis of a right to a preliminary injunction to restrain infringement of any claim in a reissue of that patent, unless that claim was also contained in the original.³

§ 671. A decree *pro confesso* entered in a case, raises a sufficient presumption of the validity of the patent, to support a right to a preliminary injunction in that case; ⁴ but there is no ground for giving such a decree such an operation in any case against another defendant.⁵

§ 672. A consent decree is one which is entered by the consent of the defendant, at some stage of the case after the filing of the answer, and before the judge has decided the case on its merits. In some branches of jurisprudence, such a decree may raise as strong a presumption of the validity of the complainant's case, as could be raised by a decree based on a decision of the court. That may be the fact where the nature of the case shows that it would have been distinctly more advantageous for the defendant to win the suit than to be defeated. But in patent cases, it would often be pecuniarily better for the defendant to consent to a decree against him, than to win the suit, if by doing the former he could enable the complainant to secure preliminary injunctions against third parties. If he wins, he secures a right to continue his doings, but he also practically secures the same right for other persons, and thus throws the business open to general competition. If by consenting to a decree against himself, a defendant could secure a license on favorable terms, and could enable the complainant to prevent all competition by means of preliminary injunctions, it would frequently happen that the defendant's net prof-

¹ *McComb v. Ernest*, 1 Woods, 206, 1871.

² *Isaacs v. Cooper*, 4 Washington, 259, 1821.

³ *Grover & Baker Sewing Machine*

Co. v. Williams, 2 Fisher, 144, 1860.

⁴ *Schneider v. Bassett*, 13 Fed. Rep. 351, 1882.

⁵ *Everett v. Thatcher*, 3 Bann. & Ard. 437, 1878.

its would be larger than they would have been if he had won the suit. To win the suit would often operate to reduce prices and profits, to an amount in excess of the aggregate of the decree to which he might consent and the royalties he might promise to pay. In such a case a defendant could better afford to pay the decree and the royalties, than to have had complete success in his defence. For these reasons, a consent decree in a patent case can never be a proper foundation for a right to a preliminary injunction against third persons ; unless it appears from the nature of the patented thing, or from convincing evidence, that the defendant consented to the decree because his defence had become hopeless, and not because it had become inexpedient regardless of its strength. This fact can never appear from the nature of the patented thing, where that thing is an article of commerce ; because the making and selling of articles of commerce is subject to those laws of trade which are sure to diminish profits whenever monopoly is replaced by competition. The considerations stated in this paragraph are doubtless those which have caused Federal judges to disregard consent decrees when deciding upon applications for preliminary injunctions in patent cases.¹ It is true that the same judge who made the last of the decisions just cited, once based a preliminary injunction partly on a consent decree in another case,² but he did so on the ground that the circumstances under which the decree was entered, convinced him that it was consented to because the defendant was unable to make a successful defence.

§ 673. Where a defendant admits or does not deny, in his pleadings, the validity of the patent upon which a preliminary injunction is sought against him ; there seems to be no reason why such an admission or lack of denial should not raise a sufficient presumption of that validity to furnish a foundation to a right to a preliminary injunction in that case.³ As be-

¹ *Spring v. Domestic Sewing Machine Co.*, 4 Bann. & Ard. 427, 1879 ; *Hayes v. Leton*, 5 Fed. Rep. 521, 1881 ; *De Ver Warner v. Bassett*, 7 Fed. Rep. 468, 1881.

² *Steam Gauge & Lantern Co. v. Miller*, 8 Fed. Rep. 314, 1881.

³ *New York Grape Sugar Co. v. American Grape Sugar Co.*, 10 Fed. Rep. 835, 1882.

tween the parties to a motion, the court may properly assume every statement of fact to be true which is made by the complainant, and expressly or tacitly admitted by the defendant. The same assumption has sometimes been asked for by a complainant, where the defendant in his affidavits denied the validity of the patent, but did so on grounds that were bad in point of law. The argument to support such a request is that a frivolous denial is no denial at all, and is therefore a tacit admission. The first answer to that argument is that the court will not decide, on a motion for a preliminary injunction, whether the denial is frivolous or not, and the second answer is that even a frivolous denial is not the same thing as an admission.

§ 674. An interference decision of the Patent Office raises a sufficient presumption of validity to furnish a foundation for a preliminary injunction, where the defendant is the person, or the legal representative or assignee of the person, who was defeated in the interference, and where he denies the validity of the patent on no other ground than that the interference decision was wrong.¹ But such an interference decision cannot be invoked against third parties, because it does not rise to the dignity and force of an adjudication of a court. And it cannot be invoked as against any defence not involved in it, because it has no relevancy to any such defence.²

§ 675. The complainant's title to the patent upon which a preliminary injunction is asked must be clear, or the injunction will be refused.³ The best evidence of that title is found in the patent, if the complainant is the patentee; and if he is an assignee or grantee, he should produce the original assignments or grants which constitute his title, or produce duly certified copies thereof. Where the complainant's title papers require judicial construction, in order to determine their legal effect, it is the duty of the court to give them that construction upon a motion for a preliminary injunction, rather than

¹ *Pentlarge v. Beeston*, 14 Blatch. 354, 1877; *Holliday v. Pickhardt*, 12 Fed. Rep. 147, 1882.

Rep. 856, 1880.

³ *Mowry v. Railroad Co.*, 5 Fisher, 587, 1872.

² *Greenwood v. Bracher*, 1 Fed.

to postpone the question to a final hearing, unless it is made to appear that evidence *aliunde* is necessary to their proper interpretation.¹

§ 676. Infringement or danger of infringement by the defendant, must be clearly proven by a complainant in order to entitle him to a preliminary injunction.² Precisely what facts will give rise to such a probability of future infringement as will justify a preliminary injunction without proof of past infringement, cannot specifically be stated. Courts will never insist on absolute proof of what the defendant will do if not enjoined; for such proof can never be produced, and because it cannot harm a person to enjoin him from doing a thing which he would not do any way. A moderate probability that a defendant intends to do something which would clearly infringe the complainant's patent will therefore be sufficient to entitle the latter to a preliminary injunction in an otherwise proper case.

Proof of infringement cannot be made by affidavits which merely state that conclusion of fact. The complainant must prove the specific character of the defendant's doings.³ Upon that evidence the court will examine and decide the question of infringement in the light of whatever expert testimony the case may contain,⁴ and in the light of whatever construction of the patent it finds on examination to be just.⁵ But if the court is unable to arrive at a conclusion without the aid of further expert testimony, it will refuse to grant the injunction till that testimony is supplied.⁶

¹ *Clum v. Brewer*, 2 Curtis, 507, 1855; *Dodge v. Card*, 2 Fisher, 116, 1860.

² *Pullman v. Railroad Co.*, 5 Fed. Rep. 72, 1880; *Marks v. Corn*, 11 Fed. Rep. 900, 1881; *Coburn v. Clark*, 15 Fed. Rep. 807, 1883; *Woodworth v. Stone*, 3 Story, 752, 1845; *Poppenhusen v. Comb Co.*, 4 Blatch. 187, 1858; *White v. Heath*, 10 Fed. Rep. 293, 1882.

³ *Kirby Bung Mfg. Co. v. White*, 1

McCrary, 160, 1880.

⁴ *Blanchard v. Reeves*, 1 Fisher, 105, 1850.

⁵ *Many v. Sizer*, 1 Fisher, 33, 1849; *Clum v. Brewer*, 2 Curtis, 507, 1855; *Coburn v. Clark*, 15 Fed. Rep. 807, 1883.

⁶ *United States Annunciator Co. v. Sanderson*, 3 Blatch. 186, 1854; *Howe v. Morton*, 1 Fisher, 600, 1860; *Boyd v. McAlpin*, 3 McLean, 430, 1844.

In order to entitle a complainant to a preliminary injunction, it is not necessary for him to prove any infringement to have been committed or threatened within the particular district in which the court exercises jurisdiction ;¹ nor that the defendant's infringement has not ceased before the motion is heard.² Indeed no injunction can be averted by affirmative evidence that the defendant has ceased to infringe, even though coupled with a promise that he will infringe no more.³

§ 677. The defences which a defendant may make to a motion for a preliminary injunction may be by way of traverse, or by way of confession and avoidance. A defence of the former sort consists in denying, and attempting to disprove, one or more of the facts which constitute the complainant's *prima facie* case. A denial alone is useless, even where it is embodied in an answer.⁴ Where the denial is supported by affidavits which contradict those of the complainant, the judge will refuse the injunction if he believes the defendant's affidavits to be the true ones, or if he is unable to decide which set of deponents tell the truth.⁵ No remedy invoked in patent cases is so summary in operation or so dangerous to justice as a preliminary injunction, and the courts will not apply that remedy to cases where the complainant's *prima facie* evidence of a right thereto, is overthrown or seriously damaged by the evidence of the defendant.

§ 678. Defences by way of confession and avoidance to motions for preliminary injunctions, may confess and avoid the adjudication or acquiescence upon which the plaintiff bases the presumption of the validity of his patent ; or may interpose any one of several facts entirely outside of the complainant's *prima-facie* case.

¹ *Wilson v. Sherman*, 1 Blatch. 541, 1850 ; *Wheeler v. McCormick*, 4 Fisher, 433, 1871 ; *Thompson v. Mendelsohn*, 5 Fisher, 188, 1871 ; *Macaulay v. Machine Co.*, 9 Fed. Rep. 698, 1881.

² *Jenkins v. Greenwald*, 2 Fisher, 37, 1857 ; *Potter v. Crowell*, 3 Fish-

er, 112, 1866 ; *Goodyear v. Berry*, 3 Fisher, 439, 1868.

³ *Rumford Chemical Works v. Vice*, 14 Blatch. 179, 1877.

⁴ *Clum v. Brewer*, 2 Curtis, 507, 1855.

⁵ *Cooper v. Mattheys*, 3 Penn. Law Journal Reports, 40, 1842.

§ 679. The effect of an adjudication may be averted by evidence of some good defence to the patent, together with evidence showing that defence not to have been interposed in the prior adjudicated, case.¹ So also, the effect of a prior adjudication may sometimes be averted by showing that the case adjudged involved questions of nicety and importance, and has been taken to the Supreme Court for review,² or has gone no further than a verdict of a jury which is still pending on a motion for a new trial.³ But courts will not always disregard adjudications which are thus suspended. They are a good foundation for preliminary injunctions, unless the defendant can convince the judge that they were wrong.⁴ The effect of a prior adjudication cannot be averted by showing that there has been an adjudication against the validity of the patent, if it also appears that the lost cause was decided on a part only of the material evidence ;⁵ nor by showing that the validity of the patent is in question in some other case which has long been pending and still awaits adjudication.⁶ Where the patent sued upon is a reissue of the one adjudicated, a substantial doubt of the validity of the reissue as a reissue, must be solved against a motion for a preliminary injunction.⁷

§ 680. The effect of acquiescence, as a foundation for a preliminary injunction, may be averted by evidence that it was not general, or was not genuine : by proof that while some acquiesced in the patent, many others did not ; or by proof

¹ *Parker v. Brant*, 1 Fisher, 58, 1850 ; *Union Paper Bag Machine Co. v. Binney*, 5 Fisher, 168, 1871 ; *American Nicolson Pavement Co. v. Elizabeth*, 4 Fisher, 189, 1870 ; *Bailey Wringing Machine Co. v. Adams*, 3 Bann. & Ard. 97, 1877 ; *Goodyear v. Allyn*, 6 Blatch. 35, 1868 ; *Robinson v. Randolph*, 4 Bann. & Ard. 163, 1879 ; *Page v. Telegraph Co.* 18 Blatch. 125, 1880.

² *Morris v. Mfg. Co.* 3 Fisher, 70, 1866.

³ *Day v. Hartshorn*, 3 Fisher 34, 1855.

⁴ *Forbush v. Bradford*, 1 Fisher, 317, 1858 ; *Day v. Hartshorn*, 3 Fisher, 32, 1855 ; *Morris v. Mfg. Co.* 3 Fisher, 70, 1866 ; *Wells v. Gill*, 6 Fisher, 89, 1872.

⁵ *United States Stamping Co. v. King*, 4 Bann. & Ard. 469, 1879.

⁶ *Atlantic Giant Powder Co. v. Goodyear*, 3 Bann. & Ard. 161, 1877.

⁷ *Poppenhusen v. Falke*, 2 Fisher, 181, 1861.

that those who did acquiesce, did so collusively and not because they believed the patent to be invulnerable. And the effect of acquiescence may also be averted by evidence or arguments which strongly tend to show that the patent is really invalid.¹

§ 681. The fact that the patent sued upon has been repealed, or that it has expired by its own limitation, or because of the expiration of some foreign patent for the same invention, is of course a good defence to a motion for a preliminary injunction; as also is any fact which overthrows the title of the complainant.

§ 682. A license is a good defence to a motion for a preliminary injunction; and where the affidavits leave the existence of a valid license in doubt, a preliminary injunction will be refused.² Where the question of license depends upon the construction of documents, the court will construe them on a motion for a preliminary injunction, unless it is made to appear that evidence exists which is proper and necessary to be produced in order to enable the judge to arrive at the intention of the parties to an ambiguous instrument.³ Where the license set up has been forfeited for non-payment of the royalty, a preliminary injunction will be granted, in an otherwise proper case, unless the defendant pays that royalty within some reasonable time to be fixed by the court;⁴ and where it has been forfeited by a forbidden use of the patented thing, a preliminary injunction may be granted as to that use, but not as to the kind of use authorized by the license.⁵ The principle of these precedents appears to be that a preliminary injunction will not be used to enforce a forfeiture, when the doings which caused the forfeiture can be otherwise compensated. So, also, a preliminary injunction will be refused where the defendant had a license which he forfeited by

¹ *Bradley & Hubbard Mfg. Co. v. The Charles Parker Co.* 17 Fed. Rep. 240, 1883.

² *Beane v. Orr*, 2 Bann. & Ard. 176, 1875.

³ *Hodge v. Railroad Co.* 6 Blatch.

165, 1868.

⁴ *Woodworth v. Weed*, 1 Blatch. 165, 1846; *Goodyear v. Rubber Co.* 3 Blatch. 455, 1856.

⁵ *Wilson v. Sherman*, 1 Blatch. 536,

1850.

omission to pay the royalty, if that omission was necessitated by bad faith on the part of the complainant.¹

§ 683. Estoppel is also a good defence to a motion for a preliminary injunction, and will prevail against a motion for that relief, upon the same facts that would make it prevail in an action at law.²

§ 684. Laches is a good defence to a motion for a preliminary injunction ;³ and delay works laches, unless it is excused by some fact which renders it reasonable.⁴ The delay which, if unexcused, works laches in respect of an application for a preliminary injunction, is that which occurs after the infringement sued upon was committed,⁵ and not any delay which occurred before that time. Delay after the infringement, may occur before the suit is brought, or it may occur after that event, and before any motion is made for a preliminary injunction.

Three months' delay of the first kind, for which there was no particular excuse, and which caused no injury to the defendant, has been held not to constitute laches ;⁶ but in another case, eighteen months'⁷ and in another, two years' delay was held to have that effect ;⁸ and in still another, a delay of two years by the then owners of the patent, was held to preclude their assignees from obtaining a preliminary injunction.⁹ Two years' delay to sue was excused in one case on the ground that the complainant was much occupied with other business during the time, and that he repeatedly notified the defendant to cease his infringing.¹⁰ The pendency of a test case under a patent is also a good excuse for delay in

¹ *Crowell v. Parmeter*, 3 Bann. & Ard. 480, 1878.

² Sections 467 to 469 of this book.

³ *Hockholzer v. Eager*, 2 Sawyer, 363, 1873.

⁴ *Wortendyke v. White*, 2 Bann. & Ard. 26, 1875 ; *Green v. French*, 4 Bann. & Ard. 169, 1879 ; *Collignon v. Hayes*, 8 Fed. Rep. 912, 1881.

⁵ *American Middlings Purifier Co. v. Christian*, 3 Bann. & Ard. 50, 1877.

⁶ *Union Paper Bag Machine Co. v. Binney*, 5 Fisher, 167, 1871.

⁷ *Hockholzer v. Eager*, 2 Sawyer, 363, 1873.

⁸ *Sperry v. Ribbans*, 3 Bann. & Ard. 261, 1878.

⁹ *Spring v. Machine Co.* 4 Bann. & Ard. 428, 1879.

¹⁰ *Collignon v. Hayes*, 8 Fed. Rep. 912, 1881.

bringing actions against other infringers, when those other infringers interpose the defence of laches to a motion for a preliminary injunction.¹

Delay after a suit is begun will constitute such laches as will defeat an application for a preliminary injunction, if that delay continues till the defendant has closed his evidence for the interlocutory hearing of the case ;² and *a fortiori* when it continues till the case is about to be argued on the interlocutory hearing.³

§ 685. Where the complainant has made out a *prima facie* case for a preliminary injunction, and where the defendant has not overthrown that case, the court is generally bound to grant such an injunction⁴ upon all or upon part of the claims of the patent, according to the merits of the case.⁵ Under some circumstances, however, the court can give the defendant the option to submit to such an injunction, or to give a bond to secure any decree for profits or damages which may ultimately be awarded against him ; but a bond can be required only in a case where an injunction must issue if the bond is not given.⁶ The circumstances under which it is proper to give the defendant that option include the following.

§ 686. Bonds may be taken, instead of preliminary injunctions being imposed, if the complainant habitually avails himself of his exclusive right by receiving royalties for licenses,

¹ Van Hook v. Pendleton, 1 Blatch. 187, 1846 ; Rumford Chemical Works v. Vice, 14 Blatch. 181, 1877 ; Green v. French, 4 Bann. & Ard. 169, 1879 ; Colgate v. Gold & Stock Telegraph Co. 4 Bann. & Ard. 425, 1879.

² Wooster v. Machine Co. 4 Bann. & Ard. 319, 1879.

³ Andrews v. Spear, 3 Bann. & Ard. 80, 1877.

⁴ Gibson v. Van Dresar, 1 Blatch. 535, 1850 ; Sickels v. Mitchell, 3 Blatch. 548, 1857 ; Sickels v. Tilston, 4 Blatch. 109, 1857 ; Potter v. Fuller, 2 Fisher, 251, 1862 ; Conover

v. Mers, 3 Fisher, 386, 1868 ; Ely v. Mfg. Co. 4 Fisher, 64, 1860 ; Rumford Chemical Works v. Vice, 14 Blatch. 181, 1877 ; American Middlings Purifier Co. v. Christian, 3 Bann. & Ard. 54, 1877 ; Green v. French, 4 Bann. & Ard. 169, 1879.

⁵ Colt v. Young, 2 Blatch. 471, 1852 ; Potter v. Holland, 1 Fisher, 382, 1858.

⁶ Forbush v. Bradford, 1 Fisher, 317, 1858 ; American Middlings Purifier Co. v. Atlantic Milling Co. 3 Bann. & Ard. 173, 1877.

rather than by making and selling, or making and using, the patented article himself while permitting no other to do so.¹ But where the complainant is able and willing to supply the market for that article, the fact that the defendant is willing to take a license, and able to pay for one, does not entitle him to the option of giving bonds, if the complainant declines to give him a license.²

§ 687. So also, a defendant is entitled to the option of giving bonds instead of being enjoined, where his infringing machinery contains costly features which are not covered by the complainant's patent;³ or where the infringing article was purchased in good faith, having been constructed in conformity to a junior patent;⁴ or where it was so constructed by the defendant himself; or where the defendant is only a seller of specimens of the patented article, a suit being pending against the manufacturer from whom he received those specimens;⁵ or where the prior adjudication upon which the right to a preliminary injunction is based, has been carried to the Supreme Court, and is still pending there;⁶ or where the injunction, if granted, would be very damaging to the interests of the defendant, and not particularly beneficial to the legitimate rights of the complainant;⁷ or where public policy forbids a discontinuance of the defendant's use of the patented invention;⁸ or where, for any reason, a preliminary injunc-

¹ *Howe v. Morton*, 1 Fisher, 601, 1860; *Hodge v. Railroad Co.* 6 Blatch. 166, 1868; *Dorsey Harvester Rake Co. v. Marsh*, 6 Fisher, 387, 1873; *Colgate v. Gold & Stock Telegraph Co.* 16 Blatch. 503, 1879; *Kirby Bung Mfg. Co. v. White*, 1 McCrary, 155, 1880; *New York Grape Sugar Co. v. American Grape Sugar Co.* 10 Fed. Rep. 837, 1882; *McMillin v. Conrad*, 16 Fed. Rep. 128, 1883.

² *Baldwin v. Bernard*, 5 Fisher, 447, 1872.

³ *Howe v. Morton*, 1 Fisher, 587, 1860; *Stainthorp v. Humiston* 2 Fisher, 311, 1862.

⁴ *United States Annunciator Co. v. Sanderson* 3 Blatch. 184, 1854.

⁵ *Irwin v. McRoberts*, 4 Bann. & Ard. 414, 1879.

⁶ *Wells v. Gill*, 6 Fisher, 93, 1872.

⁷ *Morris v. Mfg. Co.* 3 Fisher, 68, 1866; *Morris v. Shelbourne*, 4 Fisher, 377, 1871; *Dorsey Harvester Rake Co. v. Marsh*, 6 Fisher, 387, 1873; *Kirby Bung Mfg. Co. v. White*, 1 McCrary, 155, 1880; *Hoe v. Boston Daily Advertiser*, 14 Fed. Rep. 914, 1883.

⁸ *Guidet v. Palmer*, 10 Blatch. 220, 1872.

tion would operate unjustly.¹ It is no part of the legitimate office of a preliminary injunction to force the defendant to compromise a disputed claim ;² nor to compel him to give the complainant a contract to purchase specimens of the patented thing.³

But in the absence of every special reason for giving the defendant the option of giving bonds, instead of submitting to an injunction, that option cannot be demanded by him ;⁴ nor ought it to be granted by the court.⁵ Where the defendant is entitled to the option of giving bonds or being enjoined, and chooses the former alternative, but is unable to furnish the bonds promptly, an injunction may issue against him, coupled with an order for its dissolution whenever the proper bonds are approved and filed.⁶

§ 688. Bonds may be required from a complainant, under some circumstances, before a preliminary injunction will be granted. Such bonds are conditioned on the ultimate success of the complainant in sustaining his claim, and may be required in a case where the injunction, if granted, will cause serious injury to the defendant.⁷ If that is also a case where the defendant is entitled to avert the injunction by giving a bond, that option will first be given to him. If he chooses to file a bond, of course none will be required from the other side, but if he prefers to submit to an injunction, the injunc-

¹ *Union Paper-Bag Machine Co. v. Binney*, 5 Fisher, 169, 1871.

² *Morris v. Mfg. Co.* 3 Fisher, 70, 1866.

³ *American Nicholson Pavement Co. v. Elizabeth*, 4 Fisher, 197, 1870.

⁴ *Consolidated Fruit-Jar Co. v. Whitney*, 1 Bann. & Ard. 361, 1874.

⁵ *Gibson v. Van Dresar*, 1 Blatch. 532, 1850 ; *Tracy v. Torrey*, 2 Blatch. 275, 1851 ; *Tilghman v. Mitchell*, 4 Fisher, 615, 1871 ; *McWilliams Mfg. Co. v. Blundell*, 11 Fed. Rep. 419, 1882.

⁶ *Brooks v. Bicknell*, 3 McLean,

250, 1843 ; *Foster v. Moore*, 1 Curtis, 279, 1852 ; *Howe v. Morton*, 1 Fisher, 586, 1860 ; *Stainthorp v. Humiston*, 2 Fisher, 311, 1862 ; *Goodyear v. Hills*, 3 Fisher, 134, 1866 ; *Sykes v. Manhattan Co.* 6 Blatch. 496, 1869 ; *Gilbert & Barker Mfg. Co. v. Bussing*, 12 Blatch. 426, 1875.

⁷ *Orr v. Littlefield*, 1 Woodbury & Minot, 20, 1845 ; *Brammer v. Jones*, 3 Fisher, 340, 1867 ; *Shelly v. Brannan*, 4 Fisher, 198, 1870 ; *Consolidated Fruit-Jar Co. v. Whitney*, 1 Bann. & Ard. 361, 1874.

tion will be granted only upon the filing of a proper indemnity bond by the complainant.

§ 689. A preliminary injunction cannot be averted on the sole ground that an action at law for the damages to be caused by the infringement, would be a plain, adequate, and complete remedy therefor. In many cases that would not be true, and the court cannot determine on affidavits whether it would be true in a particular case or not. A motion for a preliminary injunction is not to be defeated on a possibility that the complainant might be able to obtain damages for the wrong which he seeks to prevent. But even where it is plain that the damages recoverable in an action at law, would be as beneficial to the complainant as an injunction would be, that fact does not oust the right of the complainant to the latter relief. The case is analogous to actions in equity for the specific performance of contracts to sell real property. The bills in such cases seldom show, and never are required to show, that an action at law for damages would not be a plain, adequate, and complete remedy for the failure to perform. "Ordinarily a vendor, in the recovery of pecuniary damages, has an adequate remedy at law, but he has a choice of remedies. He may resort either to a court of law or a court of equity."¹ Bills for preliminary injunctions in patent cases are never obnoxious to Section 723 of the Revised Statutes, because the word "case" in that section is to be interpreted specifically and not generically. "Suits in equity shall not be sustained in either of the courts of the United States in any case where plain, adequate, and complete remedy may be had at law."² This statute regards an action in equity to restrain infringement of a patent, as a case for an injunction, and not merely as a patent case. It therefore opposes no obstacle to the jurisdiction of equity in such a case.

§ 690. Where the defendant withdraws his opposition to a motion for a preliminary injunction before the motion is decided, the injunction will be granted *pro confesso*, and the

¹ *Crary v. Smith*, 2 Comstock (N. Y.), 62, 1848.

² Revised Statutes, Section 723.

court will decline to render a decision.¹ That is to say: a consent decree will be entered as a consent decree, and not as one based on a conclusion of the judicial mind. If this rule were otherwise, parties between whom there continued to be no real contest might manage to secure decisions from courts which would operate to their mutual advantage, and to the serious disadvantage of strangers to the litigation.

§ 691. The discretion of the court was said, in some of the older cases, to be the real criterion of judgment, when deciding motions for preliminary injunctions in patent cases. The doctrine was a necessity in the beginning of the evolution of the patent laws, because the judges could then find but few precedents to guide or to warn. At present the fact is otherwise. Approved precedents can now be found on nearly every point that can arise. No other branch of the patent law is proportionately richer in that respect, than the branch which relates to preliminary injunctions. But there is still a sense in which the granting or refusing such a writ may truly be said to rest in the discretion of the judge. It so rests, in the sense that no appeal lies from his decision.² But that fact is not a reason why a judge should be asked to disregard precedents when making up his judicial opinion. He is equally bound by his oath and by his honor to decide cases according to law, whether an appeal lies from his decision or not. Indeed, if it is possible for a judge to hew closer to the line of statutes and of precedents in one class of cases than he ought to do in all classes, he will be particularly scrupulous to do so in whatever class his decision will be final, and any error remediless.

§ 692. A motion to dissolve a preliminary injunction may be made at any time,³ upon reasonable notice to the complainant's solicitor;⁴ and it will be promptly granted where the

¹ *American Middlings Purifier Co. v. Vail*, 15 Blatch. 315, 1878.

² *Earth Closet Co. v. Fenner*, 5 Fisher, 20, 1871.

³ *Minturn v. Seymour*, 4 Johnson's

Chancery (N. Y.), 173, 1819; *Cammack v. Johnson*, 2 New Jersey Equity, 163, 1839; *Jones v. Bank*, 5 How. (Miss.), 43, 1840.

⁴ *Wilkins v. Jordan*, 3 Washing-

judge becomes convinced that the granting of the injunction was erroneous in point of law ;¹ or where the defendant properly proves any fact which would have been fatal to the motion for the preliminary injunction, if presented at the time that motion was heard, and shows that the evidence could not with reasonable diligence have been presented at that hearing.² So also, a dissolution of a preliminary injunction may be based on a fact which arose after the injunction was granted : for example, on the fact that the complainant, after that event, assigned all his interest in the future duration of the patent to another ;³ or on the fact that he omitted to prosecute his case toward an interlocutory hearing with the speed which the rules of court require.⁴

§ 693. A motion to dissolve an injunction for error in point of law, must be based on a point which was established after the injunction was granted, or which was obviously overlooked or misweighed by the judge at that time. It would be unprofessional as well as unavailing for counsel to move a dissolution on the ground that the judge wrongly reasoned out his conclusion from the premises from which he proceeded. Courts ought not to be asked to change their judgments on points of law, unless the law has changed or been newly formulated in the mean time, or unless some special error can be pointed out. Few things are more trying to the patience of judges, or more useless to the interests of clients, than the repetition of old and well understood arguments.

§ 694. Motions to dissolve an injunction on account of newly discovered facts, require the mover to assume the burden of establishing those facts, because when an injunction is once granted, it is presumed to have been granted rightfully,

ton, 226, 1813 ; *Caldwell v. Waters*, 4 Cranch's Circuit Court Reports, 577, 1835.

¹ *Steam Gauge & Lantern Co. v. Miller*, 11 Fed. Rep. 719, 1882.

² *Woodworth v. Rogers*, 3 Woodbury & Minot, 135, 1847 ; *Hussey v.*

Whiteley, 2 Fisher, 125, 1860 ; *Young v. Lippman*, 5 Fisher, 230, 1872.

³ *Parkhurst v. Kinsman*, 1 Blatch. 489, 1849.

⁴ *Robinson v. Randolph*, 4 Bann. & Ard. 318, 1879.

until the contrary is made to appear.¹ The contrary can seldom or never be made to appear in a patent case, by means of the defendant's answer; because the answer, as far as it refers to the validity of the patent and of the complainant's title thereto, is generally made on information and belief only, and as far as it refers to the defendant's infringement, it amounts only to a general denial. Where an answer is on file at the time the motion to dissolve is heard, the injunction will not be dissolved on the strength of any facts which are not set up in the answer;² but whether an answer is on file at that time or not, the facts upon which the motion is based must be shown by affidavits or by other admissible evidence; though, if an answer is on file, it may be used as an affidavit as far as its statements are made on the knowledge of the defendant, and not merely on information and belief.

Affidavits and other evidence to disprove the statements of fact, contained in the moving papers of the defendant, may be introduced by the complainant; and counter evidence from the defendant is then admissible to disprove the complainant's answering allegations. After this, it becomes the duty of the judge to balance the documents and ascertain where the weight of them is;³ and he will decide the motion against the mover unless his papers preponderate.⁴ Service on the opposite party, before the motion is heard, of the affidavits upon which a motion to dissolve an injunction is made or is resisted, seems to be called for by the same reasons which call for similar service of the affidavits upon which motions for preliminary injunctions are based or are withstood.⁵

§ 695. A motion to reinstate a dissolved injunction may be made at any time; but it will not be granted on the same state of the case as that which existed when the injunction was dissolved. So, also, a reinstated preliminary injunction may be again dissolved on any new state of facts which show that

¹ *Woodworth v. Rogers*, 3 *Woodbury & Minot*, 143, 1847.

² *Union Paper Bag Machine Co. v. Newell*, 11 *Blatch*, 550, 1874.

³ *Woodworth v. Rogers*, 3 *Wood-*

bury & Minot, 144, 1847.

⁴ *Sparkman v. Higgins*, 1 *Blatch*, 207, 1849.

⁵ Section 662 of this book.

its continuation would be unjust.¹ In patent cases, however, it will seldom occur that the alternate process of issuing and dissolving preliminary injunctions can be carried further than the first dissolution. After that, the court will let the matter rest till the interlocutory hearing, unless a case of great clearness and pressing necessity is presented for further preliminary action.

§ 696. While an injunction is in force, it must be obeyed, even though it ought never to have been granted.² But an injunction is not in force if it was issued against a defendant over whom the court had no jurisdiction. No court has any authority to issue an injunction against such a person. And where courts act without authority, their orders are nullities. They are not voidable, but simply void.³ It follows from these rules, that if a Federal court were to issue an injunction against a defendant before he is served with a *subpoena ad respondendum* in the case, that injunction would be void and could safely be disregarded;⁴ but where an injunction is granted after such service, and upon due notice of the motion therefor, it must be obeyed, no matter how obviously unjust and unwarrantable its granting may have been. And when an injunction is dissolved which ought not to have been granted, the enjoined party is without redress for the injury or inconvenience he may have suffered, unless the court, when granting the injunction, made an order that the complainant should pay the defendant such resulting damages as he might sustain in case it be finally decided that the injunction ought not to have been granted; or required the complainant to file a bond to secure those damages, as a condition precedent to the issuing of the injunction.⁵

¹ Tucker v. Carpenter, 1 Hempstead, 441, 1841.

² Moat v. Holbein, 2 Edwards' Chancery (N. Y.), 188, 1834; Sullivan v. Judah, 4 Paige (N. Y.), 444, 1834; Richards v. West, 2 Green's Chancery (N. J.), 456, 1836; People v. Sturtevant; 5 Selden (N. Y.), 263, 1853; Erie Railway Co. v. Ramsay,

45 New York, 637, 1871.

³ Elliott v. Poirsol, 1 Peters, 340, 1828; Wilcox v. Jackson, 13 Peters, 511, 1839.

⁴ Sickles v. Borden, 4 Blatch. 14, 1857; Section 661 of this book.

⁵ Lexington & Ohio Railroad Co. v. Applegate, 8 Dana (Ken.) 289, 1839; Sturgis v. Knapp, 33 Ver-

§ 697. A permanent injunction follows a decision in favor of the complainant on the interlocutory hearing of a patent case, unless some special reason exists for its being refused, or being postponed till after the master's report, or being suspended pending an appeal.¹

§ 698. A refusal of a permanent injunction will generally follow from the fact that the patent has expired at the time of the interlocutory decree.² If there is an exception to this rule, it is only where the defendant may be enjoined from using or selling, after the expiration of the patent, those specimens of the patented thing which he unlawfully made before that expiration.³

§ 699. A refusal of a permanent injunction will also occur, where the complainant is shown to have assigned, prior to the interlocutory decree, all his interest in the future duration of the patent right infringed by the defendant.⁴

§ 700. So, also, a refusal of an injunction will be necessary, where the infringing defendant is dead at the time of the interlocutory decree, even though the suit may have been revived against his legal representative.⁵ In such a case no injunction will lie against the dead defendant, because he is no longer within the jurisdiction of the court; and none will lie against the legal representative, because he never infringed the patent. For reasons of similar legal import, an injunction will be refused where the defendant is a corporation and undergoes legal dissolution before the interlocutory decree. This point of law is based on the doctrine that a court will not direct a writ against a dead corporation;⁶ and also upon the

mont, 486, 1860; *McKay v. Jackman*, 16 Reporter, 164, 1883.

¹ *Potter v. Mack*, 3 Fisher, 430, 1868; *Rumford Chemical Works v. Hecker*, 2 Bann. & Ard. 388, 1876.

² *Jordan v. Dobson*, 2 Abbot's U. S. Reports, 415, 1870; *Signal v. Harvey*, 18 Blatch. 356, 1880.

³ *Parker v. Sears*, 1 Fisher, 102, 1850; *American Diamond Rock Boring Co. v. Sheldon*, 1 Fed. Rep.

870, 1880; *American Diamond Rock Boring Co. v. Marble Co.* 2 Fed. Rep. 353, 355, 356, 1880; *Root v. Railway Co.* 105 U. S. 210, 1881.

⁴ *Wheeler v. McCormick*, 11 Blatch. 345, 1873; *Boomer v. Powder Press Co.* 13 Blatch. 107, 1875.

⁵ *Draper v. Hudson*, 1 Holmes, 208, 1873.

⁶ *Mumma v. Potomac Co.* 8 Peters, 286, 1834.

rule that it will not enjoin an act which, from the nature of the case, cannot be committed.¹

§ 701. But the fact that the defendant has ceased to infringe the patent, and says that he will not infringe it in the future, is no reason for refusing an injunction against him.² Whatever tort a man has once committed, he is likely to commit again, unless restrained from so doing.

§ 702. A permanent injunction will be postponed till a final decree, when such a postponement is necessary to save the defendant from special hardship, and is not injurious to the just rights of the complainant;³ or where an immediate discontinuance of the defendant's use of the patented article is contrary to public policy.⁴ But where such a postponement is allowed, the defendant should be required to give a bond for the security of the complainant.⁵

§ 703. A permanent injunction may be suspended, pending an appeal from a final decree to the Supreme Court, at the discretion of the judge who decided the case and allowed the appeal, upon such terms as to bond or otherwise as he may consider proper for the security of the rights of the opposite party.⁶ Such a bond should be conditioned upon the result of the appeal, and should be separate from the supersedeas bond which is filed when the appeal is perfected. The latter bond secures nothing but the profits or damages and costs which accrued prior to the final decree, together with the future interest on those items; while the other would secure the profits and damages to accrue after the final decree, and before the Supreme Court decision. Where no money recovery could indemnify the complainant for the defendant's unrestrained

¹ *Potter v. Crowell*, 3 Fisher, 115, 1866.

² *Jenkins v. Greenwald*, 2 Fisher, 42, 1857; *Potter v. Crowell*, 3 Fisher, 115, 1866; *Rumford Chemical Works v. Vice*, 14 Blatch. 180, 1877; *Bullock Printing Press Co. v. Jones*, 3 Bann. & Ard. 195, 1878.

³ *Barnard v. Gibson*, 7 Howard, 657, 1849; *Yale & Greenleaf Mfg.*

Co. v. North, 5 Blatch. 462, 1867; *Potter v. Mack*, 3 Fisher, 428, 1868; *Dorsey Harvester Rake Co. v. Marsh*, 6 Fisher, 401, 1873.

⁴ *Ballard v. Pittsburg*, 12 Fed. Rep. 783, 1882.

⁵ *American Middlings Purifier Co. v. Christian*, 3 Bann. & Ard. 53, 1877.

⁶ Equity Rule 93.

doings pending an appeal to the Supreme Court, then it may be reasonable not to suspend the permanent injunction, because the presumption and the probability are that the decree of the circuit court is right, and because of two evils it is better to incur the risk of that which is least to be expected.

§ 704. A permanent injunction may be dissolved at any time within two years after the expiration of the term of court at which the final decree in the case was entered; and such a dissolution will be had where the defendant, by means of a supplemental bill in the nature of a bill of review, or by a bill of review, secures a cancellation of that decree.¹ And such a dissolution must of course occur whenever the final decree in the case is reversed by the Supreme Court.

§ 705. Injunctions to restrain infringements of patents may be granted independent of all other relief;² but no injunction will be issued on account of an infringement which is so trivial in amount as to be below the dignity of the court;³ nor to restrain a junior patentee from bringing actions on his patent while that patent is still free from an adjudication of invalidity;⁴ nor to restrain a complainant from bringing actions against persons who are using or selling those articles, for the making of which, the action at bar was brought against the defendant.⁵ This last point has been decided, or stated, the other way by several judges,⁶ but neither of them showed what authority they had to issue an injunction against a person without any bill being filed against him as a foundation therefor. Courts have jurisdiction in patent cases to issue injunctions only in accordance with the course and principles of courts of equity;⁷ and it is not generally understood that those principles allow a chancellor from whom a citizen prays an injunction against A. B. to respond by enjoining the complain-

¹ Sections 647 to 653 of this book.

² *American Cotton-Tie Supply Co. v. McCready*, 17 Blatch. 291, 1879.

³ *Lowell Mfg. Co. v. Hartford Carpet Co.* 2 Fisher, 472, 1864.

⁴ *Asbestos Felting Co. v. Salaman-*

der Felting Co. 13 Blatch. 453, 1876.

⁵ *Rumford Chemical Works v. Hecker*, 11 Blatch. 556, 1874.

⁶ *Birdsall v. Mfg. Co.* 1 Hughes, 64, 1877; *Allis v. Stowell*, 16 Fed. Rep. 788, 1883.

⁷ Revised Statutes, Section 4921.

ant not to sue C. D. The text writer cannot see how Justice BLATCHFORD'S very cogent argument against that notion, can be logically met by the judges who have favored that view.

§ 706. The duration of injunctions in patent cases depends upon a variety of circumstances. Unless such a writ is expressly made to apply to the use or sale, after the expiration of the patent, of specimens of the patented thing which were made before that time, such injunction cannot continue after that expiration. Permanent injunctions are sometimes called perpetual injunctions, but in patent cases that would be a misnomer, for no injunction can stand longer than the right upon which it is based, and patent rights are never perpetual.

§ 707. And the duration of an injunction sometimes depends upon whether it was issued by a circuit court in term time, or by one of the judges in vacation. The statutes draw a plain distinction between a circuit court and a judge thereof. When a circuit court is in session during one of its terms, its jurisdiction is the same whether it is held by the circuit justice allotted to the circuit, or by the circuit judge of the circuit, or by the district judge of the district, or by any two or more of them sitting together, or by the circuit judge of some other circuit, or by the district judge of some other district, holding the court in a special emergency.¹ As to the duration of injunctions issued by circuit courts so held, the rules stated in the last section uniformly apply. But it often happens that injunctions become necessary during the time which elapses after the adjournment of one term of the circuit court in a particular district, and before the beginning of the next term of the same court. In such a case, an injunction may be granted by the circuit justice allotted to that circuit, or by the circuit judge of that circuit, or by the district judge of that district, under the following circumstances respectively, and with the respective durations about to be mentioned. The circuit justice or the circuit judge may sit at any time at

¹ Revised Statutes, Sections 609, 617, 618, 591, 592, 593, 594, 595, 596, and 611; *Goodyear Dental Vulcanite Co. v. Folsom*, 5 Bann. & Ard. 591, 1880.

any place within his circuit, to grant an injunction in any proper case pending in the circuit court of any district in that circuit ; and the circuit justice may so sit, at any other place in the United States, whenever the motion cannot be heard by the circuit judge of the circuit, or by the district judge of the district, whether the inability of the local judges arose from absence from their respective jurisdictions, or from any other cause ;¹ and an injunction, when so granted, will have the same duration as if granted by the circuit court for the district.² The district judge of any district may sit at any time, at any place within his district, to grant an injunction in any proper case pending in the circuit court of that district, provided the mover did not have a reasonable time to apply to the circuit court for the writ ; but such an injunction will not continue in force after the beginning of the next term of the circuit court, unless the court, when it sits, makes an order to that effect.³ If the next term of the circuit court is held by some other judge than the district judge who granted the injunction, the approval of the injunction, by the judge so holding court, will therefore be necessary to its continued vitality ; but if the next term happens to be held by the district judge who issued the writ, his order continuing it in force will be equally efficacious. In either event, orders to continue injunctions issued by district judges in vacation, have become so much a matter of form, that they are seldom actually asked for or entered. But the formality ought to be revived and followed, because in its absence no attachment can lie against one who disregards such an injunction after the beginning of the ensuing term of the circuit court.⁴ Indeed it is probable that many a defendant supposes himself at this moment to be under a valid injunction not to infringe a particular patent, when in fact that injunction long ago expired because it was granted by a district judge in vacation, and was

¹ Revised Statutes, Section 719 ;
Searls v. Railroad Co. 2 Woods,
622, 1873.

² Gray v. Railroad Co. 1 Wool-
worth, 68, 1864.

³ Revised Statutes, Section 719.

⁴ Parker v. The Judges, 12 Whea-
ton, 564, 1827 ; Gray v. Railroad Co.
1 Woolworth, 63, 1864.

never ordered to continue in force by the circuit court in term time.

§ 708. An attachment will issue to bring an enjoined defendant before the court for punishment, whenever the complainant institutes proper proceedings therefor, and proves that the defendant was promptly¹ served with a writ of injunction, and that the writ contained a concise description of the particular thing, all specimens of which it forbade the defendant to make, use, or sell,² and that the defendant did make, or use, or sell a specimen of that thing, or of a thing clearly the same, after having been served with that writ.³ Where the defendant is a corporation, and where the officer of that corporation upon whom the writ was served, was privy to its violation, an attachment will issue against him in person;⁴ and indeed an injunction duly served on a corporation is binding on all persons acting for that corporation, and who have notice of the writ and of its contents, whether they were actually served or not.⁵ Where the thing proven to have been made, used, or sold by the enjoined defendant differs from the article described in the writ of injunction, a question of infringement arises. If that question is a doubtful one, the attachment will not issue;⁶ because doubtful questions will not be decided on summary proceedings to commit persons for contempt of court. But not every question is doubtful which is difficult, or which is complex, or about which the evidence is conflicting. It is therefore the duty of the court, on a hearing of a motion for an attachment, to examine what the defendant is proved to have done, and to issue an attachment if his doings satisfactorily appear in the eye of the law to consti-

¹ *McCormick v. Jerome*, 3 Blatch. 486, 1856.

² *Whipple v. Hutchinson*, 4 Blatch. 191, 1875.

³ *Birdsall v. Mfg. Co.* 2 Bann. & Ard. 519, 1877; *Allis v. Stowell*, 19 Off. Gaz. 727, 1881; *Atlantic Giant Powder Co. v. Dittmar Powder Mfg. Co.* 9. Fed. Rep. 316, 1881.

⁴ *Wetherill v. Zinc Co.* 1 Bann. &

Ard. 105, 1874.

⁵ *Phillips v. Detroit*, 3 Bann. & Ard. 150, 1877.

⁶ *Liddle v. Cory*, 7 Blatch. 1, 1866; *Welling v. Trimming Co.* 2 Bann. & Ard. 1, 1875; *Buerk v. Imhaeuser*, 2 Bann. & Ard. 465, 1876; *Onderdonk v. Fanning*, 5 Bann. & Ard. 431, 1880; *Bato Refrigerating Co. v. Eastman*, 11 Fed. Rep. 902, 1881.

tute infringement of a claim covered by the writ of injunction.¹

§ 709. It is no defence to a motion for an attachment to show that the decision in pursuance of which the injunction was granted was wrong ;² or that new evidence has since been discovered which, if it had been known at the hearing, would have caused a contrary decision ;³ or that the defendant was advised by counsel that his doings did not violate the injunction ;⁴ or that what the defendant did was done as the employé of another ;⁵ or that the writ of injunction was for a while suspended in its operation by the consent of the complainant without any order of court ;⁶ or that the writ of injunction was inadvertently made broader than the decision of the court would warrant.⁷ In such a case as the last of these, the defendant may apply to the court to correct the writ, but he must not disobey it while it remains unchanged. But where an injunction was based on a consent decree, which decree was entered in pursuance of a compromise of the parties, an attachment will not issue for a disregard of that injunction, if that compromise has been set aside by a court of competent jurisdiction, or if such a court has enjoined the complainant from enforcing the contract of compromise.⁸

§ 710. The penalty for a violation of an injunction depends upon the circumstances of the particular case at bar. Where it appears that the defendant had no intention to disobey the writ, the penalty may be confined to an enforced payment of the costs of the motion for an attachment.⁹ Where the disobedience is less excusable, the defendant may be compelled to

¹ *Wetherill v. Zinc Co.* 1 Bann. & Ard. 105, 1874 ; *Schillinger v. Gunther*, 2 Bann. & Ard. 545, 1877.

² *Woodworth v. Rogers*, 3 Woodbury & Minot, 135 , *Liddle v. Cory*, 7 Blatch. 1.

³ *Whipple v. Hutchinson*, 4 Blatch. 190, 1858 ; *Phillips v. Detroit*, 3 Bann. & Ard. 150, 1877.

⁴ *Hamilton v. Simons*, 5 Bissell, 77, 1869.

⁵ *Sickles v. Borden*, 4 Blatch. 15, 1857 ; *Goodyear v. Mullee*, 5 Blatch. 437, 1867 ; *Potter v. Muller*, 1 Bond, 601, 1865.

⁶ *Pentlarge v. Beeston*, 1 Fed. Rep. 862, 1880.

⁷ *Sickles v. Borden*, 4 Blatch. 15, 1857.

⁸ *Pentlarge v. Beeston*, 1 Fed. Rep. 862, 1880.

⁹ *Carsteadt v. Corset Co.* 13

pay all the expenses and counsel fees incurred by the complainant in relation to the motion.¹ Where the particular defendant in contempt derived no benefit from his disobedience, the penalty should not extend to a judgment for the damages which the complainant incurred on account of the violation.² But where disobedience of an injunction is excuseless and defiant, the penalty may be a reasonable fine and a reasonable imprisonment.

Blatch. 371, 1876; *Strobridge v. Lindsay*, 6 Fed. Rep. 510, 1881.

¹ *Doubleday v. Sherman*, 4 Fisher, 253, 1870; *Schillinger v. Gunther*,

2 Bann. & Ard. 545, 1877.

² *Phillips v. Detroit*, 3 Bann. & Ard. 155, 1877.

CHAPTER XXII.

PROFITS.

711. The infringer's profits recoverable in equity.
712. In cases of joint infringement.
713. In cases of infringement partly unprofitable.
714. What spaces of time an account of profits may cover.
715. The generic rule for ascertaining infringer's profits.
716. Complainant's damages no criterion of defendant's profits.
717. Defendant's profits in cases of unlawfully making and selling articles covered by the complainant's patent.
718. Method of ascertaining cost of making and selling infringing articles.
719. Burden of proof when it is necessary to separate profits due to patented features, from profits due to other features, of an infringing article.
720. Method of making the separation where defendant made and sold the patented invention separately, as well as in connection with other things.
721. Method where defendant pays royalty for right to make and sell the features not covered by the patent in suit.
722. Cases where no separation is required or allowed.
723. Method of making the separation by the criterion of comparative cost.
724. Defendant's profits in cases of unlawfully selling articles partly or wholly covered by complainant's patent.
725. Defendant's profits in cases of unlawful using of patented processes or things, ascertained by the rule in *Mowry v. Whitney*.
726. Standards of comparison in respect of being open to the public.
727. In respect of being adequate to accomplish an equally beneficial result.
728. Recoverable profits may result from affirmative gains, or from saving from loss.
729. Affirmative gain.
730. Saving from loss.
731. Affirmative gain and saving from loss.
732. Standards of comparison need not have been used by the infringer.
733. A standard of comparison must have been known at the time of the infringement, but need not have been in existence at any earlier period.
734. Method of selecting the proper standard of comparison.
735. The rule in *Mowry v. Whitney* has no application to cases of infringement by making or by selling.

- | | |
|--|---|
| <p>736 Questions of interest on infringers' profits, considered in the light of the Supreme Court precedents.</p> <p>737. Considered in the light of Circuit Court precedents.</p> <p>738. Considered in the light of equitable doctrines and principles.</p> <p>739. Proceedings before masters.</p> <p>740. Evidence before masters.</p> <p>741. Objections to evidence before masters.</p> <p>742. Questions of the extent of the defendant's infringement.</p> | <p>743. Questions relevant to different sorts of defendant's alleged infringement.</p> <p>744. Master's reports.</p> <p>745. Exceptions to master's report.</p> <p>746. Defendant's exceptions to master's reports.</p> <p>747. Defendant's affirmative exceptions to master's reports.</p> <p>748. Defendant's negative exceptions to master's reports.</p> <p>749. Complainant's exceptions to master's reports.</p> <p>750. Outline of practice relevant to master's findings.</p> |
|--|---|

§ 711. THE profits which are recoverable in equity for the infringement of a patent, are those which the defendant made from that infringement.¹ They are the profits which he actually made ; not those which with reasonable diligence or different management he might have made.² Where a particular infringer realized no profit from his infringement none can be recovered from him ; but where he did make such a profit, it can be recovered, whether the general business, of which the infringement formed a part, was profitable to him or not.³ The recoverable profits are those which resulted directly, and do not include any which resulted indirectly, from the infringement.⁴ The case just cited is an excellent example of this distinction. The difference between the amount of money for which the defendants sold their preserved fish, and the aggregate cost of that fish and of preserving it by the patented apparatus, was there held to be direct profit. But it appeared that the defendants were also dealers in fresh fish, and that they sold a large amount of such fish at higher prices than they could have done, had they not reduced the supply in the

¹ *Rubber Co. v. Goodyear*, 9 Wallace, 801, 1869.

² *Livingston v. Woodworth*, 15 Howard, 546, 1853 ; *Dean v. Mason*, 20 Howard, 203, 1857 ; *Munson v.*

New York, 16 Fed. Rep. 560, 1883.

³ *Elizabeth v. Pavement Co.* 97 U. S. 138, 1877.

⁴ *Piper v. Brown*, 1 Holmes, 198, 1873.

market by means of preserving fish in the patented apparatus. The increase in the price of fresh fish, which was thus caused by the defendants' infringement, was one and one half cents per pound; and the consequent profits made by the defendants amounted to more than six thousand dollars. But the court held that those profits could not be recovered by the patentee, because they did not directly result from the infringement of his patent.

§ 712. Where several defendants were joint infringers of a patent, but where all the resulting profits were received by part of the wrong-doers, the decree for profits will be rendered only against those defendants who realized them.¹ Where all of the defendants realized profit during a portion of the time covered by the infringement in suit, and where a part of them realized profits during the residue of that time, the respective profits may be recovered accordingly, and a decree be entered against all of the defendants for the profits in which all participated, and against a part of the defendants for the profits which that part alone realized.²

§ 713. Where a part of the infringement of a defendant resulted in profits, and the residue resulted in losses, the complainant is entitled to recover those profits without any deduction on account of those losses.³ Each infringement is treated by itself. If it resulted in profit, that profit belongs to the patentee. If it resulted in loss, that loss must be borne by the infringer. It cannot be set off against the patentee's right of action for the profitable infringement, any more than it could be made the basis of a right of action against the patentee if no infringement had been profitable.

§ 714. An account of profits is not confined to those which arose before the action was begun, nor indeed to those which accrued before the interlocutory decree was entered; but may be made to include all profits realized by the defendant from

¹ *Elizabeth v. Pavement Co.* 97 U. S. 140, 1877. *Ard.* 402, 1878.

² *Tatham v. Lowber*, 4 Blatch. 87, 1857; *Herring v. Gage*, 3 Bann. &

³ *Graham v. Mason*, 1 Holmes, 90, 1872; *Steam Stone Cutter Co. v. Mfg. Co.* 17 Blatch. 27, 1879.

infringing the complainant's right, at any time prior to the closing of the account.¹

§ 715. The generic rule for ascertaining the amount of the profits recoverable in equity for the infringement of a patent, is that of treating the infringer as though he were a trustee for the patentee in respect of the profits which he realized from his infringement.² The specific rules by means of which this generic rule is administered, are somewhat numerous and somewhat elastic. They are adapted to the varying natures of patented inventions and to the varying circumstances under which the patents for those inventions are respectively infringed.³ They all require the best evidence, of which the nature of each particular case to which they may be respectively applied will reasonably admit ;⁴ and that evidence must be reasonably convincing.⁵

§ 716. The patentee's royalty is no measure of the defendant's profits,⁶ even in a case where the patentee habitually exercised his exclusive right by granting licenses to others.⁷ Nor are any other facts which relate to the measure of the complainant's damages, material to inquiries touching the amount of the defendant's profits.⁸

§ 717. The difference between the amount it cost the defendant to make and sell his specimens of the patented thing and the amount which he received for those specimens, is in many cases the amount of his profits. That is the fact where the only infringement consisted of such making and selling, and where no element of particular proved value, other than those covered by the patent in suit, entered into the composition of the specimens which were made and sold.⁹ In the

¹ *Rubber Co. v. Goodyear*, 9 Wallace, 800, 1869 ; *Knox v. Quicksilver Mining Co.* 6 Sawyer, 435, 1878.

² *Root v. Railway Co.* 105 U. S. 214, 1881 ; *Burdett v. Estey*, 3 Fed. Rep. 571, 1880.

³ *Wetherill v. Zinc Co.* 1 Bann. & Ard. 486, 1874.

⁴ *Herring v. Gage*, 3 Bann. & Ard. 399, 1878 ; *Emigh v. Railroad Co.*

6 Fed. Rep. 283, 1881.

⁵ *Locomotive Safety Truck Co. v. Railroad Co.* 2 Fed. Rep. 681, 1880.

⁶ *Knox v. Mining Co.* 6 Sawyer, 430, 1878.

⁷ *Wooster v. Taylor*, 14 Blatch. 403, 1878.

⁸ *Elizabeth v. Pavement Co.* 97 U. S. 143, 1877.

⁹ *Rubber Co. v. Goodyear*, 9 Wal-

first case just cited, it appears that the patent did not cover all the elements of the articles of merchandise which were made and sold by the defendant. But those unpatented elements were disregarded in that case, because the conduct of the defendant had rendered impossible a separate account of the profits due to the patented and those due to the unpatented features of those articles. In the second of the cited cases, it appeared that the pavement which was made by the New Jersey Wood Paving Co. for the city of Elizabeth, contained the entire invention of the complainant, and contained an addition thereto, which addition might or might not have contributed to the profit which resulted to the Paving Co. from its contract. Under those circumstances, the Supreme Court held that the entire profit should go to the patentee, because the defendant did not prove how much was due to the additional element. The principle of both these precedents on this point appears to be that where a defendant mingled profits which he made as an infringer, with those he made otherwise, he must furnish the evidence by means of which they can be separated, or must submit to the recovery of the whole. In the third case, the right which was infringed was an exclusive right to make and sell Woodworth planing-machines. The defendant unlawfully made and sold such machines, but used none, and he was held liable for the manufacturer's profit: that is to say, for the amount for which he sold the machines, minus what it cost him to make them.

§ 718. When taking an account of profits in the method indicated in the last section, it is generally easy to ascertain the amount which the defendant realized for the articles which he made and sold; but it is generally difficult to determine how much it cost him to make and sell them. One such inquiry occupied ex-Chancellor Walworth as master, more than ten years, and occupied the judge who passed upon the exceptions to his report, at least as many weeks.¹ When such accounts

lace, 803, 1869; *Elizabeth v. Pavement Co.*, 97 U. S. 141, 1877; *Jenkins v. Greenwald*, 1 Bond, 141,

1857.

¹ *Troy Iron & Nail Factory v. Corning*, 6 Blatch. 328, 1869.

are taken, the elements which are allowed to enter into that cost are the following :

1. The market value of materials on hand at the time the infringement began, and the actual cost of materials subsequently purchased, but not the market value of the latter at the time they were used in infringing.¹

2. Money paid in good faith to employés engaged in making and selling the infringing articles, even where those employés were officers or stockholders of the infringing corporation.²

3. Proper remuneration for the labor of the infringer in conducting the infringement. This element has been disallowed in one case ;³ but the same reasoning which justified the Supreme Court in allowing the members of a defendant corporation for their personal services, calls for the same allowance where the men who infringe do so as partners or as individuals. Where a number of men form a corporation and, as such, infringe a patent by making and selling specimens of a patented thing, the Supreme Court approves a proper allowance for their labor being made an element in the cost of those specimens, when those men are forced to pay over those profits to the patentee. There is the same reason for making the same allowance, where two such men make and sell such specimens as partners, or where one man does so alone.

4. Interest on borrowed money, but not interest on capital stock.⁴ The same reasons which deny an allowance of interest on the capital stock of an infringing corporation, will deny an allowance of interest on the capital of an individual which is invested in a factory, and is used as a means of unlawfully making specimens of a patented article. It would follow from *Rubber Co. v. Goodyear* that the two decisions which have been made on the circuit allowing such items, either in

¹ *Rubber Co. v. Goodyear*, 9 Wallace, 803, 1869.

² *Rubber Co. v. Goodyear*, 9 Wallace, 803, 1869 ; *American Nicholson Pavement Co. v. Elizabeth*, 1 Bann. & Ard. 442, 1874 ; *Steam*

Stone Cutter Co. v. Mfg. Co. 17 Blatch. 29, 1879.

³ *Williams v. Leonard*, 9 Blatch. 476, 1872.

⁴ *Rubber Co. v. Goodyear*, 9 Wallace, 804, 1869.

the form of interest on capital,¹ or in the form of rent of shop and fixtures,² were wrong in principle. But it must be admitted that the reasoning of these circuit court decisions is more convincing, on this point, than that of the Supreme Court case ; and that the latter decision seems hardly consistent with itself, for it is difficult and perhaps impossible to see why interest should be allowed on borrowed capital, and not allowed on capital owned by the infringer. Indeed the principle of the case of *Rubber Co. v. Goodyear*, on this point, seems to have been overruled by the Supreme Court in the case of *Manufacturing Co. v. Cowing*.³ In that case the court criticised and modified a master's report because it did not allow for the use of tools, machinery, power, and other facilities employed in the manufacture of the infringing articles. Now those agencies were but the tangible things in which the capital of the defendant corporation was invested, and to allow for their use was really to allow interest or its equivalent, on that capital.

5. Expenses of selling, including advertising.⁴

§ 719. Where the thing made and sold by the defendant contained not only the invention of the complainant, but contained also some other patented or unpatented invention, or some useful feature not an invention, the defendant, by proving how much of his profit was due to other features than those covered by the patent in suit, may confine the recovery to the residue of those profits.⁵ The cases just cited indicate that the burden of proof in this matter is on the defendant ; whereas several circuit court cases hold that burden to rest on the complainant.⁶ But this line of precedents sprang from a

¹ *Troy Iron & Nail Factory v. Corning*, 6 Blatch. 354, 1869.

² *Steam Stone Cutter Co. v. Mfg. Co.* 17 Blatch. 28, 1879.

³ *Manufacturing Co. v. Cowing*, 105, U. S. 257, 1881.

⁴ *Rubber Co. v. Goodyear*, 9 Wallace, 804, 1869 ; *Manufacturing Co. v. Cowing*, 105 U. S. 257, 1881 ; *La Baw v. Hawkins*, 2 Bann. & Ard. 566,

1877.

⁵ *Rubber Co. v. Goodyear*, 9 Wallace, 804, 1869 ; *Elizabeth v. Pavement Co.* 97 U. S. 141, 1877.

⁶ *Goulds Mfg. Co. v. Cowing*, 12 Blatch. 243, 1874 ; *Black v. Munson*, 14 Blatch. 265, 1877 ; *Garretson v. Clark*, 15 Blatch. 70, 1878 ; *Schilling v. Gunther*, 15 Blatch. 303, 1878 ; *Star Salt Caster Co. v. Cross-*

misapprehension of the case of *Blake v. Robertson*.¹ The damages incurred by the complainant constituted the matter of inquiry on that accounting, and as no proper evidence was introduced on that point, nominal damages only were awarded by the Supreme Court. The profits spoken of in that case were those made by the complainant; not those realized by the defendant. Where the first of these constitute the subject of inquiry, it may well be held that the burden is on him who realized them, to separate them into their constituent elements. But where the defendant's infringing profits are the point of investigation, and where he has mingled them with profits legitimately his own, the burden is on him to show the amount of the latter; because he, and not the injured party, ought to be called upon to separate what he has confused. In performing such a duty, defendants should proceed according to the following rules.

§ 720. Where the defendant made and sold the complainant's invention separately, as well as in connection with other inventions, the profit which he made on the separate sales is the measure of that part which is to be credited to the complainant's invention, of the profit which the defendant made on the joint sales.² This is a fairer method of division in such a case than would be a division of the gross profits in proportion of the comparative cost of the elements covered by the patent in suit, and those not so covered; because the comparative cost is not often the best evidence of the comparative utility of two devices, nor of the comparative profit at which they can be made and sold.³

§ 721. Where the defendant has paid or contracted to pay other patentees a royalty for that part of the thing made and sold by him which is not covered by the complainant's patent, that royalty may be taken as the measure of that part of the gross profits due to that part of the article in suit.⁴ But it

man, 4 Bann. & Ard. 567, 1879;
Kirby v. Armstrong, 19 Off. Gaz.
 661, 1881.

¹ *Blake v. Robertson*, 94 U. S. 733,
 1876.

² *Mason v. Graham*, 23 Wallace,
 276, 1874.

³ *Graham v. Mason*, 1 Holmes, 89,
 1872.

⁴ *Elizabeth v. Pavement Co.* 97

seems that this rule is not to be applied in any case where the division of the profits can be made under the rule of the last section ; because it may sometimes be that the profits due to that part of the infringing thing which is not covered by the complainant's patent, are larger than the royalty which the defendant had to pay for the right to make and sell that part.

§ 722. Where the thing made and sold by the defendant would be useless for its special purpose without the part covered by the complainant's patent ; and where no other known article would answer that purpose well enough to find purchasers, all the profits which the infringer derived from making and selling the entire thing are clearly due to the patented part, and are therefore recoverable by the complainant.¹

§ 723. Where the profits due to the infringing, and those due to the non-infringing, elements of a defendant's article of manufacture and sale, cannot be separated by any other rule ; then the apportionment may be made by dividing the aggregate profits in proportion of the respective cost of the different parts. This method of making the division is based on the presumption that similar articles of merchandise are sold at a like percentage of profit on the cost of producing them. But this is not likely to be the fact where one of those articles is covered by a patent while the others are not so covered, because monopolies tend to enhance prices. This method of making the required division will therefore always be more favorable to the defendant than to the complainant, where no part of the article made and sold by the former is covered by a patent, except the part which is covered by the patent of the latter. The principle of this method was approved in *Rubber Co. v. Goodyear* ;² though in that case it was applied to the work of dividing profits between things covered and other things not covered by the complainant's patent,

U. S. 141, 1877 ; *La Baw v. Hawkins*,
2 Bann. & Ard. 565, 1877.

105 U. S. 256, 1881.

¹ *Manufacturing Co. v. Cowing*,

² *Rubber Co. v. Goodyear*, 9 Wal-
lace, 802, 1869.

instead of between parts of the same things so covered, and other parts not so covered.

§ 724. Where the infringement consisted only in selling specimens of the article covered by the complainant's patent, the profits may be readily ascertained by deducting the cost of purchasing and selling the articles from the amount received from them when sold. Where the subject-matter of the patent is a part of a larger article, and where a separate price is paid, and a separate price is obtained for it, the gross profit on the thing covered by the patent may be ascertained by deducting the former from the latter. But in such a case the complainant is not entitled to recover the whole of that gross profit. It must be charged with such a proportion of the expenses incurred in selling the entire article, as the aggregate money received from the infringing device bears to the aggregate received for the entire apparatus or machine.¹ The principle of this rule is also applicable where the infringer made the articles he sold instead of buying them; and the rules applicable to the latter class of cases, and heretofore set forth are applicable, with some reasonable modifications, to cases where the infringer bought the infringing articles which he sold, instead of making them himself.

§ 725. Where unlawful using of a patented article or process constitutes the infringement involved in an action in equity, the infringer's profits are ascertained by a rule quite different from either of the foregoing. It is known as the rule in *Mowry v. Whitney*;² though in that case it is formulated according to the special circumstances at bar, rather than in the more general terms which express its principle in general application. The exact language used by the Supreme Court was as follows: "The question to be determined in this case is, what advantage did the defendant derive from using the complainant's invention, over what he had in using other processes, then open to the public, and adequate to enable him to obtain an equally beneficial result. The fruits of that ad-

¹ *The Tremolo Patent*, 23 Wallace, 528, 1874.

² *Mowry v. Whitney*, 14 Wallace, 651, 1871.

vantage are his profits.''' This statement has two qualifications which were suitable enough to the case at bar, but which do not appear to belong to the underlying principle of the rule. These are, that the standard of comparison must have been open to the public at the time of the infringement, and must have been adequate to enable the defendant to obtain a result equally beneficial with that of the patented invention.

§ 726. The first of these qualifications is not generally applicable to the rule, because the profits derived from the use of a patented invention depend upon its utility and cheapness as compared with other inventions for performing the same function ; and that comparative cheapness and utility does not wholly depend upon whether those other inventions were given to the public, or were patented by those who invented them, or if the latter, upon whether those patents had expired at the time in question. If the invention which was next best to that of the complainant was patented at the time of the infringement, and if the defendant had a license to use it, but instead of doing so, used that of the complainant ; it is clear that the advantage he derived from his infringement is nearly measured by the difference between the respective utility of the two inventions. So, also, if he did not have a license to use the next best invention, but could have purchased one had he desired, then it is clear that the advantage he derived from his infringement is measured by the difference between the utility of the two inventions, plus whatever amount such a license would have cost. And if the defendant neither possessed nor could have purchased a license to use the next best invention, it is obvious that the advantage which he derived from his infringement, is measured by the difference between the utility of the two inventions, plus the money recovery which could have been obtained against him if he had used the next best invention without a license. If the patent covering the next best invention was in such a state that its owner could have enjoined the infringer from using it, then the infringer could have derived no benefit from its use, and it falls, for that reason, outside of the general rule. Thus this paragraph seems to show that there is no just necessity for the

first qualification in the special statement being applied to the general doctrine ; and the next paragraph explains how such a qualification would often be affirmatively unjust.

Where, for example, A. B. has a patent for one apparatus, and where C. D. has a junior patent for another combination performing the same function, and infringing A. B.'s patent ; and where E. F., who has used C. D.'s apparatus, is sued in equity by him, and compelled to account for infringer's profits, the infringer ought to be permitted to set up the apparatus of A. B. as a standard of comparison ; for otherwise he will be compelled to pay over to C. D. the entire fruits of certain advantages, and still remain liable to A. B. for a portion of those fruits. Accordingly, in the case of *Emigh v. Railroad Co.*,¹ the defendant was permitted to set up a standard of comparison which was the subject of letters patent during the time of the infringement in suit, even though the defendant never had any license to use the invention thus allowed to be set up. These facts about the Hodge brake, which was the standard of comparison in that case, do not appear in the opinion of the judges, but they do appear in the records of the court.

§ 727. The second of the qualifications mentioned in Section 725 is not generally applicable to the doctrine of the rule in *Mowry v. Whitney* ; because the difference between the utility of two inventions may arise from the fact that one performs the function common to both, with equal cheapness and greater excellence, or with greater cheapness and greater excellence, as well as from the fact that it performs that function with greater cheapness and equal excellence. The last of these sorts of superiority characterized the invention covered by the patent sued upon in *Mowry v. Whitney* ; but the principle of the rule in that case is equally applicable to cases where the first or the second sort of superiority is possessed by the invention in suit, as compared with the prior invention set up as a standard of comparison.

§ 728. It appears from the foregoing three sections that the

¹ *Emigh v. Railroad Co.* 6 Fed. Rep. 283, 1881.

general principle involved in the rule of *Mowry v. Whitney* may be fully stated in the following form. The fruits of the advantage which the defendant derived from using the complainant's invention, over what he could have derived from using any other process or thing then in existence, constitute the profits which the complainant is entitled to recover. The advantage referred to in this rule, may consist either in an affirmative gain, or in a saving from loss, or in both of these elements; and the fruits of that advantage constitute the recoverable profits in either event.

§ 729. The advantage consists in an affirmative gain in cases wherein the patented process or thing produces a valuable article from materials which otherwise would be useless, or, if useful at all, useful only for purposes of inferior value. The Goodyear process patent,¹ if it had been valid, would have been a patent of this sort, and would have been entitled to an account of profits ascertained according to the rule in *Mowry v. Whitney*. But as the only patent sustained in the Goodyear case was the patent for the product, and inasmuch as that patent was infringed by the defendant only in making and selling specimens of the invention it covered, the profits were ascertained on an entirely different plan.

§ 730. But the advantage consisted in saving from loss, in most of the cases which have been adjudicated under the rule in *Mowry v. Whitney*. In the case of the Cawood patent,² the saving was a saving of labor and of fuel realized from the use of the complainant's swage-block in mending the exfoliated ends of railroad rails, as compared with the labor and fuel it would have been necessary to expend in mending those rails upon a common anvil. In *Mevs v. Conover*,³ the saving was a saving of labor in splitting kindling-wood, by means of the patented machine of the complainant, as compared with the labor which would have been required to split the same quantity of wood by hand, or by any other machine. The

¹ *Rubber Co. v. Goodyear*, 9 Wallace, 794, 1869.

1876.

² Cawood Patent, 94 U. S. 709, 1111, 1876.

³ *Mevs v. Conover*, 11 Off. Gaz.

decision of the Supreme Court in the latter case was never printed in the United States Reports, but its authenticity, as contained in the Official Gazette of the Patent Office, has not been questioned, though its justice has sometimes been made a subject of debate. Those who have denied that justice, have said that there was no actual profit made by the infringer in splitting the wood, and have argued that he would not have split the wood at all if he had been obliged to do so otherwise than by the patented machine, and that to save a man from a loss which he would not have incurred in any event, is not to confer a profit upon him, and therefore that savings ought not to be accounted as profits except where they result in actual gains. But the case as reported from the circuit court,¹ shows that the defendant did continue to split kindling-wood after the bringing of the suit caused him to discontinue the use of the complainant's invention for that purpose. It was probably necessary for him to do so, in order to hold his customers for other kinds of fuel. Therefore the case is not a precedent for the proposition that savings are profits, where there was no actual profit in the particular business in which the complainant's invention was used, and where there is no reason why the defendant should have pursued that business, if obliged to do so at a positive loss. It is entirely consistent with the principle of the rule in *Mowry v. Whitney* to hold that savings are profits only so far as they result in affirmative gains from the particular business in which the infringer used the patented invention; unless that particular business was so necessary to the general business of the infringer that he could have afforded to conduct it at an additional loss at least equal to the saving he made from the use of the complainant's invention, and therefore presumably would have conducted it at that loss, if he had not used that invention.

But it is undoubtedly sufficient for a complainant to prove the amount of saving which the defendant derived from his infringement, in order to *prima facie* entitle the former to a decree for that amount as infringer's profits. Then if the de-

¹ *Conover v. Mers*, 11 Blatch. 198, 1873.

fendant can prove that those savings did not result in actual gain, or in actual gain to so great an amount, and that he would not have attempted to do the work of the patented process or thing at all, by any other means than it; those facts will entitle him to an acquittance from all liability for profits in excess of his actual gains.

§ 731. The advantage referred to in the rule in *Mowry v. Whitney* consisted both in affirmative gains and in savings from loss in a number of important cases. In *Tilghman v. Mitchell*,¹ it consisted in savings of lime, sulphuric acid, and fat; and in gain on account of the increased value of the glycerine obtainable by means of the complainant's invention, as compared with that obtainable by other processes. In *Wetherill v. Zinc Co.*,² the advantage consisted in savings of coal and labor, in reducing zinc ores; and in gain on account of the increased proportion of zinc obtained by the complainant's process as compared with other processes used for that purpose.

§ 732. The standard of comparison set up by a defendant needs not to have been used by him at any time;³ and where it never was so used, the evidence of its utility, as compared with the invention in suit, may be drawn from persons who have used the two under the same conditions;⁴ or from any other source which is capable of furnishing convincing evidence upon the point.

§ 733. To be admissible as a standard of comparison, a process or thing must have been known at the time of the infringement.⁵ But it need not have been in existence at any earlier period; because comparative utility and cheapness, and not comparative age, at the time of the infringement, is the test of the savings or gains which result therefrom. If A. B. has in his mill two substantially different machines for doing the same work, one of which is an infringement of a patent,

¹ *Tilghman v. Mitchell*, 9 Blatch, 17, 1871.

² *Wetherill v. Zinc Co.* 1. Bann. & Ard, 486, 1874.

³ *Locomotive Safety Truck Co. v.*

Railroad Co. 2 Fed. Rep. 679, 1880.

⁴ *Emigh v. Railroad Co.* 6 Fed. Rep. 283, 1881.

⁵ *Knox v. Quicksilver Mining Co.* 6 Sawyer, 436, 1878.

and the other of which was invented and constructed by him after the date of that patent ; and if he uses those machines simultaneously, with equal value of result, but with difference in cost of ten dollars per day in favor of the patented machine, it is clear that his saving on account of his infringement amounts to ten dollars per day, plus what it would have cost him to construct a duplicate of his own invention. And his saving would be precisely the same, if his own invention had been produced before the date of the patented invention unlawfully used by him. The comparative age of the two inventions, has no effect whatever upon the pecuniary advantage which he realizes from the one which he uses unlawfully. This rule would of course annihilate claims for savings, if the comparative cheapness of operating the two machines were reversed, and if the ten dollars per day amounted to as much as it would cost to duplicate the infringer's own machine. But in such a case the patentee would still have his remedy for damages ; and in assessing damages the criterion would be his actual royalty, or a proper royalty fixed by the court or jury for the purpose, or whatever other measure of damages the patentee might be able to prove to be applicable to his case. The defendant's savings or lack of savings would have no relevancy whatever, to either of the possible criteria to which the patentee might resort in this behalf, except only the second one just mentioned, and even as to that it would not be conclusive.¹

§ 734. To determine what is the proper standard of comparison in a particular case, it is not necessary for the complainant to affirmatively prove that a particular thing was absolutely the next best thing to his invention at the time of the infringement. Such a requirement would not be reasonable, because it could never be performed. It would involve evidence enough to negative the existence of a better thing than the one fixed upon ; and to prove that no better thing existed anywhere would obviously be impossible. The regular course of practice on the point is for the complainant to select what

¹ Sections 555, 556, and 563 of this book.

appears to him to be the proper standard of comparison, and to produce evidence to prove what advantage the defendant derived from using the complainant's invention over what he could have derived from using the thing so selected. Where the defendant knows of no standard of comparison more favorable to himself than the one selected by the complainant, the only remaining issue relates to the utility and cheapness of that thing, as compared with the complainant's invention.¹ Where the defendant is not satisfied that the complainant has made the proper selection of a standard of comparison, he may select another, and may produce evidence to show its utility and cheapness as compared with that of the invention covered by the patent in suit; and when the case comes to a hearing before the master, the first question to be decided by him will be as to which of the parties has made the proper selection. When that point is settled, all evidence about the merits of the other proposed standard will become and remain immaterial to the case. For this reason it is always best for the interest of a party to make the proper selection if he can, and it is never judicious to make one which cannot be sustained before the master and the courts, no matter how favorable it may be to the party who selects it.

The true standard of comparison in a particular case is that thing which, next to the complainant's invention, could have been most advantageously used by the defendant in place of that invention at the time he used the latter. To determine this point, comparative utility is the primary guide, but regard must also be had to cheapness, for the advantage contemplated by the rule in *Mowry v. Whitney* is the equalized result of these two elements. The cost of a thing, and of the right to use it, if that right is the subject of a patent, must be taken into account, together with its utility, when selecting a standard of comparison, and when comparing a selected standard, with the invention unlawfully used by the defendant.

§ 735. The rule in *Mowry v. Whitney* has no application to any of those cases of infringement which consist in making

¹ *Emigh v. Railroad Co.* 6 Fed. Rep. 285, 1881.

and selling a patented article, or in either of those acts alone. In such cases the infringer's profits are ascertained by quite different rules.¹ In *Elizabeth v. Pavement Co.*, the infringement consisted only in making the patented pavement to order; that is to say, it consisted in making and selling the patented article. The defendants sought to have the profits determined, under the rule in *Mowry v. Whitney*, by setting up other pavements as standards of comparison; but the Supreme Court held their position on the point to be without foundation.² The rule in *Mowry v. Whitney* was also unsuccessfully invoked in the case of *Burdett v. Estey*, though the argument in favor of its application was supported by evidence that the defendant might have made and sold a different device at nearly or quite the same profit that he derived from making and selling the device covered by the complainant's patent.³

§ 736. The questions which relate to interest on infringers' profits, are questions which still await a comprehensive answer. It is not possible to reconcile the Supreme and Circuit Court cases which relate to the subject; but it is possible to show the direction in which the ablest of those decisions, and the principles of law which bear upon the point, seem to be tending.

The first Supreme Court case in which the matter was directly treated was that of *Silby v. Foote*.⁴ In it the court below allowed interest which accrued prior to the final decree, but a majority of the Supreme Court was of opinion that there was error in the allowance, and the item was accordingly ordered to be deducted from the account. No reasons were assigned by the majority for its opinion, nor by the minority for its dissent. A judicial decision without any statement of reasons to support it, is of course binding upon the parties to the litigation in which it is rendered, and it is doubtless citable as a precedent as far as it can be supported by good reasons

¹ Sections 717 to 724 of this book. 569, 1880.

² *Elizabeth v. Pavement Co.* 97 U. S. 141, 1877.

⁴ *Silby v. Foote*, 20 Howard, 386, 1857.

³ *Burdett v. Estey*, 3 Fed. Rep.

subsequently suggested in its behalf. But where no reasons are given by the judges, and none are apparent to the bar, such a decision ought not to be incorporated into the law ; because it may have been based on considerations which were peculiar to the case in hand and are without relevancy to the general principle involved in other similar cases.

The next case was *Mowry v. Whitney*.¹ Interest before the final decree was disallowed in it, for the assigned reason that profits were recoverable and were recovered merely as the measure of the complainant's damages ; and that as damages are generally unliquidated till settled by the judgment of a court, they do not generally draw interest till so settled. But the doctrine which constitutes the first element of this reason is no longer the accepted view of the Supreme Court on the subject to which it relates. The present rule is that infringers' profits, when allowed, are given as a substitute for damages, and are ascertained and treated as though the infringer were a trustee of the patentee in respect to those profits.² It is also apparent from other Supreme Court cases that equity does not decree infringers' profits, on any such doctrine as that they are really damages under another name. A court of equity may indeed assess damages in addition to profits, under the present statute ;³ but it follows the law in so doing, and ascertains them by means of the legal rules established for that purpose.⁴ The Supreme Court has repeatedly refused to measure a plaintiff's damages by the defendant's profits in actions at law ;⁵ and therefore courts of equity will not measure those damages in that way. Indeed, no judge can logically say that he has ascertained a complainant's loss, by ascertaining a defendant's gain ; for there are no facts which can operate to make the two sums coincide in amount. Moreover, if infringers' profits were the measure of

¹ *Mowry v. Whitney*, 14 Wallace, 652, 1871.

² *Root v. Railway Co.* 105 U. S. 214, 1881.

³ Revised Statutes, Section 4921 ;

⁴ Chapter XIX. of this book.

⁵ *Seymour v. McCormick*, 16 Howard, 480, 1853 ; *New York v. Ransom*, 23 Howard, 487, 1859 ; *Packet Co. v. Sickels*, 19 Wallace, 611, 1873.

patentees' damages, decrees for such damages would go against all the joint infringers in a case, regardless of which of them appropriated the proceeds of their joint wrong-doing.¹ But the Supreme Court has refused to approve such a decree, on the express ground that profits and not damages were then the only subject of inquiry and recovery in equity.² It appears, therefore, that the opinion of the Supreme Court in *Mowry v. Whitney*, upon the point of the recoverability of interest on infringers' profits, cannot stand as a precedent, now that the primary element of its foundation has been denied an existence by that tribunal. The same remark applies also to the similar declarations which are to be found in two other Supreme Court cases.³

§ 737. The circuit courts have usually treated the subject of interest on infringers' profits in such a way as to indicate an opinion that the earlier holdings of the Supreme Court on that subject were not likely to be permanently adhered to by that tribunal. Justice NELSON, who delivered the opinion in *Silsby v. Foote*, was evidently opposed to its disallowance of interest, for he had very lately allowed interest which accrued prior to a final decree in a similar case.⁴ Nor did he feel bound to follow the decision in *Silsby v. Foote*, even after it was rendered, for he subsequently concurred in a decree for infringers' profits and twenty years' accrued interest thereon.⁵ So also, Justice BLATCHFORD afterward rendered a decree for such interest to the amount of more than sixty thousand dollars, computing it from the end of each year of the infringement, upon the profits which were derived during that year.⁶ It is true that his decree was reversed by the Supreme Court, but it was reversed on the question of infringement alone,⁷ and the Supreme Court afterward unanimously de-

¹ Cooley on Torts, p. 135.

² *Elizabeth v. Pavement Co.* 97 U. S. 140, 1877.

³ *Littlefield v. Perry*, 21 Wallace, 229, 1874; *Parks v. Booth*, 102 U. S. 106, 1880.

⁴ *Tatham v. Lowber*, 4 Blatch. 87,

1857.

⁵ *Troy Iron and Nail Factory v. Corning*, 6 Blatch. 355, 1869.

⁶ *Tilghman v. Mitchell*, 9 Blatch. 17, 1871.

⁷ *Mitchell v. Tilghman*, 19 Wallace, 287, 1873.

cided that its own decision on that point was wrong.¹ Even after *Mowry v. Whitney* and *Littlefield v. Perry* were decided by the Supreme Court, large sums of interest which accrued on infringers' profits prior to the final decrees, were allowed in circuit court cases, on the ground that the defendants ought to pay interest on their profits for the time they wrongfully detained those profits from their true owners.²

§ 738. The primary principle involved in this question of interest, is that equity treats an infringer as though he were a trustee for the patentee in respect of the infringer's profits.³ To ascertain how equity will treat an infringer in respect of interest on the profits which he derived from his infringement, it is therefore only necessary to ascertain how it treats trustees in respect of interest on trust funds. Chancellor KENT is an excellent authority on this point. He held that where trustees converted property of the *cestuy que trust* into cash, and mixed that cash with their own funds, and used it in their own business, they were chargeable with legal interest thereon.⁴ That is substantially the conduct of infringers of patents. They convert patented property into cash when they make and sell, or sell, or use specimens of patented inventions at a profit. That cash is always mixed with funds of the infringer, in that when received by him it is always a part of a larger sum. Where the infringement consists in making and selling, that larger sum includes the cost of both those transactions; and where it consists in selling, that larger sum includes the cost of selling and of buying; and where the infringement consists of using only, that larger sum includes the profits which might have been derived from using some other invention in existence at the time of the infringement. So also, infringers regularly use in their own business the profits which their infringements bring to their coffers. Those profits may sometimes remain with other funds for a while on deposit in a

¹ *Tilghman v. Proctor*, 102 U. S. 707, 1880.

Rep. 571, 1880.

² *Steam Stone Cutter Co. v. Windsor Manufacturing Co.* 17 Blatch. 24, 1879; *Burdett v. Estey*, 3 Fed.

³ *Root v. Railway Co.* 105 U. S. 214, 1881.

⁴ *Brown v. Rickets* 4 Johnson's Chancery (N. Y.), 303, 1820.

bank, but even that is a use of those profits in the business of the depositor.¹

Chancellor KENT held, in the case cited from him, that a trustee must not be a gainer from his employment of the trust funds, and expressed surprise that such a just and well-established point of law should have been drawn in question. In applying that rule to an infringer of a patent, when treating him as though he were a trustee, it will generally be found that a decree for legal interest on the profits he derived from his infringement is the proper order to make ; because it can seldom be known precisely how much the infringer did gain from his use of those profits, and because, in the absence of such information, a decree for legal interest is the nearest approach that can be made to perfect justice. It is open to the patentee to prove, if he can, that the use which the infringer made of those profits resulted in a rate of gain larger than the legal rate of interest ; but it is not open to the infringer to prove that he traded with those profits and lost thereby, or that he gained less than the legal rate of interest would have brought him. These propositions are both in accordance with a rule which applies to trustees : the rule which provides that where a trustee deals with the trust property for his own advantage, he may be charged with his gains at the option of the *cestuy que trust*, or with legal interest, if that would be more beneficial to the equitable owner of the trust property.²

Relevant to the precise time when interest on infringers' profits begin to run against infringers who receive them, the proper and equitable rule seems to be that adopted by Justice BLATCHFORD.³ It computes the amount of profits which were derived by an infringer in each year of his infringement, and charges him with simple interest at the local legal rate on that amount, from the end of that year till the date of the final decree. This rule gives the infringer an average of half a year in which to invest those profits before interest begins to

¹ *Duffy v. Duncan*, 35 New York, 191, 1866 ; *Perry on Trusts*, Section 464.

113, 1872.

³ *Tilghman v. Mitchell*, 9 Blatch. 17, 1871.

² *Norris's Appeal*, 71 Penn. Stat.

accrue against him, and it does not assume that he so invested them as to derive compound interest therefrom.

§ 739. The proceedings by which profits are ascertained may now become the theme of treatment. After an interlocutory decree is entered, directing a master commissioner of the court to take and report an account of the defendant's profits, or appointing a master *pro hac vice* for that purpose; it becomes the business of the complainant to introduce evidence before such master, to prove the amount of those profits. The complainant must take the initiative. It is not the province of the master to suggest any specific line of proof, or theory of accounting. His function is to pass upon whatever evidence the complainant produces, in the light of whatever is produced by the defendant.

§ 740. The evidence upon which the master may base his report may consist of any evidence taken in the case prior to the interlocutory decree,¹ and of documents introduced and depositions taken by the parties for the express purpose of the accounting, and of testimony taken *viva voce* in the presence of the master;² and of personal examination by him of the structures or processes which are involved in the questions before him.³ If the required documents are not produced voluntarily, the master may require their production; and any necessary depositions may be taken upon commissions to be issued upon his certificate, from the clerk's office; or they may be taken according to the acts of Congress.⁴ When testimony is taken *viva voce* before a master, either party may require that it be taken down in writing, in order that, if necessary, it may be used by the court.⁵ In the course of an accounting before a master, that officer has full authority to do all acts and to direct all proceedings which he may deem necessary and proper to the justice and merits of the case.⁶

¹ Garretson v. Clark, 4 Bann. & Ard. 537, 1879.

² Equity Rule 80.

³ Equity Rule 77.

⁴ Piper v. Brown, 1 Holmes, 198, 1873.

⁵ Equity Rule 77; Revised Statutes, Sections 863, 864, and 865; Section 535 of this book.

⁶ Equity Rule 81.

⁷ Equity Rule 77.

If, for example, an account to be transcribed or deduced from the defendant's books, is necessary to a just decision of the cause, the master may make an order that the defendant furnish such an account by a certain day; and such an order, when served on the defendant by any disinterested person, must be obeyed, or the defendant will be guilty of contempt of court for not obeying it.¹ Such is an outline of the prescribed proceedings in accordance with which evidence may be produced before a master on an accounting; but the parties may by stipulation vary those proceedings in many respects. It is sometimes customary for counsel, by mutual agreement, to take all the testimony in an accounting, by depositions taken before any person duly authorized to administer the necessary oaths, and to print the whole in one or more pamphlets or books, and to call on the master for no action in the case until the questions involved are ready to be argued before him on the evidence so printed.

§ 741. Objections to evidence, in order to be availing, must be made when the objectionable piece of evidence is offered, or the objectionable question is put, or the objectionable answer is given. If the master is present at the time, he ought to rule upon the objection at once, and if either party would appeal from that ruling, he must enter an immediate objection thereto. If the ruling is against the evidence objected to, it is necessary for the party who offers the evidence, if he would appeal from the ruling, to do so by an immediate motion to the court to direct the master to reverse his decision upon the point. The reason for this practice is that if such an appeal could be taken in an exception to the master's report, it would, when taken successfully, necessitate a recommittal of the case to the master, in order to enable him to admit the evidence which he erroneously rejected. If the master's ruling is in favor of the evidence objected to, that evidence will of course be admitted subject to the objection, and that ruling may be reviewed by the court on exceptions to the report of the master, as well as by means of an immediate motion. It

¹ *Kerosene Lamp Heater Co. v. Fisher*, 5 Bann. & Ard. 79, 1880.

may be reviewed on exceptions, because if it is reversed, that reversal will not necessitate any addition to the evidence before the court, but will merely cause the court to eliminate the objectionable evidence from among the factors of the problems before it.

If the master is not present when the cause of an objection arises, the practice is for the notary or other magistrate who is taking the deposition, to note the objection thereon, and to take down the evidence objected to; for he has no authority to make any ruling. In such cases the objections which are noted upon the depositions, may be brought to the attention of the master on the argument before him, and his specific ruling thereon may be required, and those rulings may be reviewed by the court, on exceptions to the report of the master, as far as they have affected that report. Most of the points stated in this section are contained in an excellent decision of Judge W. D. SHIPMAN,¹ and the residue are deducible from that decision, or from plain principles of practice.

§ 742. The extent of the defendant's infringement must be determined by the master in order to enable him to ascertain the amount of the profits which the defendant derived from that infringement. Where the infringement was all alike, or where the interlocutory decree specifies the particular doings of the defendant which are to be accounted for as infringements, the only question for the master to decide on this point is a question of quantity. But where the interlocutory decree merely directs the master to take and report an account of the profits which the defendant derived from infringing the complainant's patent, and where the complainant claims that certain doings of the defendant which were not proven prior to the interlocutory decree, constitute such an infringement, it becomes the duty of the master to decide the question of infringement involved.² Nor would it be unprecedented for a court, when directing a master to take and report an account of infringers' profits, to direct him also to decide and report

¹ *Troy Iron and Nail Factory v. Corning*, 6 Blatch. 333, 1869.

² *Knox v. Quicksilver Mining Co.* 6 Sawyer, 436, 1878.

which of various machines used by the defendant were infringements of the complainant's patent, and to make up his account accordingly.' But the most convenient and least expensive practice is for the court to decide all questions of infringement before entering an interlocutory decree ; because masters are more likely to decide such questions erroneously than judges are ; and because, if a master holds a particular thing to be an infringement which the court holds to be otherwise, the time and expense are lost which were expended in taking an account of profits derived from that particular article, unless the Supreme Court should agree with the master in opinion and reverse or modify the decree in that behalf.

§ 743. Where the alleged infringements involved in a suit are of several sorts, the master generally ought to report in a separate item the profits due to each kind ; so that the circuit court on exceptions, or the Supreme Court on an appeal, may render a decree for part or for all of those items, according to its decision upon the questions of infringement involved. This is but a rule of convenience, and may be departed from when convenience would thus be better served. Where the defendant used two different sorts of machines, both of which the complainant claims infringe his patent, if the points upon which those questions of infringement depend are apparently the same in both cases, and if the two sorts of machines were so used by the defendant, that it would be difficult to separate the profits derived from the use of one from those flowing from the use of the other, it will be most convenient not to attempt to do so. In such a case there is but little probability that the courts will hold one of the two sorts of machines to infringe, while holding that the other does not, and there is correspondingly little probability that a necessity will arise for a division of the profits due to the use of the two kinds.

§ 744. A draft report of a master in chancery, is one which the master draws up after the testimony has all been taken, and the parties have been heard in argument on that testimony, and the master has formed an opinion on the questions

¹ Cawood Patent, 94 U. S. 708, 1876.

involved in the reference before him. Such a report is requisite to enable the parties to correct any misapprehension into which the master may have fallen, without the alternative necessity of presenting the point to the court. When completed, such a report is either filed in the case, or served on the parties or their solicitors ; and it thereupon devolves upon any party who is dissatisfied with the master's finding to file such exceptions to his draft report, as will call his attention to each alleged error of which the dissatisfied party proposes to complain.¹ It then becomes the duty of the master to consider or reconsider the questions involved in those exceptions, and thereupon to prepare and file his final report in the case. The latter will be identical with the draft report if the consideration of the exceptions to the earlier document fails to convince the master that it was wrong ; but if he is so convinced, he will concert his final report in such a manner as to make it embody his changed opinion.² No new evidence can be introduced before a master after he has made his draft report ;³ the proceedings upon exceptions thereto, being merely in the nature of a rehearing for errors apparent on the face of the record. According to strict equity practice, it is necessary to give a master this opportunity to correct his findings, in order to save time and labor of the judge.⁴ But this strict practice has often been omitted by counsel in patent cases, and its omission been condoned by opposing counsel or by the court.⁵ But it is not safe to omit the filing of such exceptions with the master, for the rule which requires them is always liable to be enforced, and the enforcement consists in the court disregarding every exception to a master's final report, which was not taken before the master himself, by way of exceptions to his draft report.⁶

¹ *Fischer v. Hayes*, 16 Fed. Rep. 469, 1883.

² *Sugar Refinery Co. v. Mathieson*, 3 Clif. 149, 1868 ; *Troy Iron and Nail Factory v. Corning*, 6 Blatch. 332, 1869.

³ *Piper v. Brown*, 1 Holmes, 196, 1873.

⁴ *Story v. Livingston*, 13 Peters, 366, 1839.

⁵ *Fischer v. Hayes*, 16 Fed. Rep. 469, 1883.

⁶ *McMickin v. Perin*, 18 Howard, 510, 1855 ; *Troy Iron and Nail Factory v. Corning*, 6 Blatch. 333, 1869.

§ 745. Exceptions to masters' reports ought to be aimed with precision at the errors which such reports are alleged to contain. Such exceptions may be filed by the complainant if he thinks that the master has erred in not finding any profits, or in not finding any damages, or in finding either of those foundations of recovery to have been smaller than the evidence would warrant; and such exceptions may be filed by the defendant, if he thinks that the master erred in finding profits or in finding damages to an amount in excess of what the evidence can sustain.

§ 746. Defendants' exceptions to masters' reports are divisible into four classes. 1. Exceptions which state that there is evidence in the case, proving that the defendant derived no profit, and that the complainant sustained no damage, on account of the infringement. 2. Exceptions which state that there is evidence in the case proving that the master's finding of profits or of damages is too large in amount. 3. Exceptions which deny that there is any admissible evidence in the case proving that the defendant derived profit, or that the complainant sustained damage, on account of the infringement. 4. Exceptions which deny that there is any admissible evidence in the case proving that the defendant derived profit, or that the complainant sustained damage, on account of the infringement, to so great an amount as the master reported.

The first two of these classes of exceptions rely upon affirmations, and the last two rely upon negations, of definite points of fact. For the purposes of the present explanation the four classes may be treated in two groups: those which are affirmative requiring one sort of management in practice, and those which are negative requiring another.

§ 747. Defendants' affirmative exceptions to a draft report, must specify the particular evidence upon which they are respectively based. If this rule were otherwise, such an exception would not point out error, and would therefore fail to perform its only function. Defendants' affirmative exceptions to a final report must be supported by reference to the particular evidence upon which the exceptor relies; or by such special statements of the master, as justify the exceptor in affirming

the existence of the particular facts upon which he relies to support such exceptions. Were the court required to wander at large into the evidence which was before the master, the reference to him would be of little value. Indeed that evidence need not be reported further than it is relied upon to support, explain, or oppose a particular exception.¹

§ 748. Defendants' negative exceptions are those which call in question the admissibility of the evidence upon which the master based his finding, and those which deny the presence in the record of any evidence sufficient to support that conclusion. An exception of the first of these sorts, so far partakes of the nature of an affirmative exception, that it ought to specify the particular evidence objected to, so that the master, on exceptions to his draft report, or the court, on exceptions to the final report of the master, may have a precise issue in the law of evidence presented for decision. But an exception of the second of these kinds cannot be expected to specify any particular evidence, because it assumes that there is none in the record. In such a case, the proper practice is for the exceptor to require the master to make a special statement, in his final report, of the particular evidence which convinced his judgment, and to transmit that evidence with his report into court.²

§ 749. Complainants' exceptions to a master's report may be of two classes. 1. Exceptions which state that there is evidence in the case proving that the defendant derived larger profits, and that the complainant sustained larger damages than the master reported. 2. Exceptions which state that the master erred in admitting inadmissible evidence. Both of these sorts are affirmative in their nature, and when made to a draft report, must therefore be supported by references to the particular evidence upon which the exceptor relies, or by reference to the particular evidence which he claims was improperly admitted against his objection, as the case may hap-

¹ *Harding v. Handy*, 11 Wheaton, 126, 1826.

² *In re Hemiup*, 3 Paige (N. Y.)

307, 1832; *Greene v. Bishop*, 1 Clif. 195, 1858; *The Commander-in-*

Chief, 1 Wallace, 50, 1863.

pen to require. When made to a final report, a complainant's exceptions, like the affirmative exceptions of a defendant, must be supported either by references to the particular evidence involved, or upon such special statements of the master as will obviate that necessity.

§ 750. The system of practice relevant to a master's finding, appears to present the following outlines when reviewed as a whole. It is a master's function to investigate the questions which are referred to him by the court, and to investigate no others. To that end, he takes testimony and receives other evidence, and decides what conclusions are justified thereby. Unless the court otherwise directs, the master's draft report should contain those conclusions alone; and his final report should contain only his final conclusions, together with such statements of fact, and statements and pieces of evidence, as the parties lawfully require him to attach thereto. Where the exceptions to the draft report involve no issues save such as pertain to the admissibility of particular evidence, nothing need accompany the final report except the evidence objected to, and a statement of the ground upon which it was admitted. Where those exceptions merely affirm the presence of evidence requiring a different conclusion from that of the master, nothing need accompany the final report save the particular evidence which those exceptions specify in that behalf. Where those exceptions merely deny the presence of evidence to justify the draft report, nothing need accompany the final report save the evidence which carried the master to the conclusion at which he arrived. Where a master receives no direction from the court, and no request from either of the parties, to report any evidence; his report contains nothing but his finding, and his finding is conclusive.¹

¹ *Harding v. Handy*, 11 Wheaton, 126, 1826; *In re Hemiup*, 3 Paige (N. Y.) 307, 1832; *Dexter v. Arnold*, 2 Sumner, 131, 1834; *Donnell v. Insurance Co.* 2 Sumner, 371, 1836; *Boston Iron Co. v. King*, 2 Cushing (Mass.) 405, 1848; *Adams v. Brown*, 7 Cushing (Mass.) 222, 1851; *Howe*

v. Russell, 36 Maine, 127, 1853; *Sparhawk v. Wills*, 5 Gray (Mass.) 431, 1855; *Greene v. Bishop*, 1 Clif. 195, 1858; *Mason v. Railroad Co.* 52 Maine, 115, 1861; *Piper v. Brown*, 1 Holmes, 198, 1873; *The Commander-in-Chief*, 1 Wallace, 50, 1863.

APPENDIX.

THE PATENT STATUTES.

PATENT ACT OF 1790.

1 STATUTES AT LARGE, 109.

An Act to promote the progress of useful Arts.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That upon the petition of any person or persons to the Secretary of State, the Secretary for the Department of War, and the Attorney-General of the United States, setting forth that he, she, or they hath or have invented or discovered any useful art, manufacture, engine, machine, or device, or any improvement therein not before known or used, and praying that a patent may be granted therefor, it shall and may be lawful to and for the said Secretary of State, the Secretary for the Department of War, and the Attorney-General, or any two of them, if they shall deem the invention or discovery sufficiently useful and important, to cause letters-patent to be made out in the name of the United States, to bear teste by the President of the United States, reciting the allegations and suggestions of the said petition, and describing the said invention or discovery, clearly, truly, and fully, and thereupon granting to such petitioner or petitioners, his, her, or their heirs, administrators, or assigns, for any term not exceeding fourteen years, the sole and exclusive right and liberty of making, constructing, using, and vending to others to be used, the said invention or discovery; which letters-patent shall be delivered to the Attorney-General of the United States to be examined,

who shall, within fifteen days next after the delivery to him, if he shall find the same conformable to this act, certify it to be so at the foot thereof, and present the letters-patent so certified to the President, who shall cause the seal of the United States to be thereto affixed, and the same shall be good and available to the grantee or grantees by force of this act, to all and every intent and purpose herein contained, and shall be recorded in a book to be kept for that purpose in the office of the Secretary of State, and delivered to the patentee or his agent, and the delivery thereof shall be entered on the record and indorsed on the patent by the said Secretary at the time of granting the same.

SECTION 2. *And be it further enacted*, That the grantee or grantees of each patent shall, at the time of granting the same, deliver to the Secretary of State a specification in writing, containing a description, accompanied with drafts or models, and explanations and models (if the nature of the invention or discovery will admit of a model), of the thing or things by him or them invented or discovered, and described as aforesaid, in the said patents; which specification shall be so particular, and said models so exact, as not only to distinguish the invention or discovery from other things before known and used, but also to enable a workman or other person skilled in the art of manufacture, whereof it is a branch, or wherewith it may be nearest connected, to make, construct, or use the same, to the end that the public may have the full benefit thereof, after the expiration of the patent term; which specifications shall be filed in the office of the said Secretary, and certified copies thereof shall be competent evidence in all courts and before all jurisdictions, where any matter or thing, touching or concerning such patent, right, or privilege shall come in question.

SECTION 3. *And be it further enacted*, That upon the application of any person to the Secretary of State, for a copy of any such specification, and for permission to have similar model or models made, it shall be the duty of the Secretary to give such a copy, and to permit the person so applying for a similar model or models, to take, or make, or cause the same to be taken or made, at the expense of such applicant.

SECTION 4. *And be it further enacted,* That if any person or persons shall devise, make, construct, use, employ, or vend, within these United States, any art, manufacture, engine, machine, or device, or any invention or improvement upon, or in any art, manufacture, engine, machine, or device, the sole and exclusive right of which shall be so as aforesaid granted by patent to any person or persons, by virtue and in pursuance of this act, without the consent of the patentee or patentees, their executors, administrators, or assigns, first had and obtained in writing, every person so offending shall forfeit and pay to the said patentee or patentees, his, her, or their executors, administrators, or assigns, such damages as shall be assessed by a jury, and moreover shall forfeit to the person aggrieved, the thing or things so devised, made, constructed, used, employed, or vended, contrary to the true intent of this act, which may be recovered in an action on the case founded on this act.

SECTION 5. *And be it further enacted,* That upon oath or affirmation made before the judge of the district court where the defendant resides, that any patent which shall be issued in pursuance of this act, was obtained surreptitiously by, or upon false suggestion, and motion made to the said court, within one year after issuing the said patent, but not afterwards, it shall and may be lawful to and for the judge of the said district court, if the matter alleged shall appear to him to be sufficient, to grant a rule that the patentee or patentees, his, her, or their executors, administrators, or assigns, show cause why process should not issue against him, her, or them, to repeal such patents; and if sufficient cause shall not be shown to the contrary, the rule shall be made absolute, and thereupon the said judge shall order process to be issued as aforesaid, against such patentee or patentees, his, her, or their executors, administrators, or assigns. And in case no sufficient cause shall be shown to the contrary, or if it shall appear that the patentee was not the first and true inventor or discoverer, judgment shall be rendered by such court for the repeal of such patent or patents; and if the party at whose complaint the process issued shall have judgment given against him, he shall pay all such costs

as the defendant shall be put to in defending the suit, to be taxed by the court, and recovered in such manner as costs expended by defendants shall be recovered in due course of law.

SECTION 6. *And be it further enacted,* That in all actions to be brought by such patentee or patentees, his, her, or their executors, administrators, or assigns, for any penalty incurred by virtue of this act, the said patents or specifications shall be *prima facie* evidence that the said patentee or patentees was or were the first and true inventor or inventors, discoverer or discoverers, of the things so specified, and that the same is truly specified; but that nevertheless the defendant or defendants may plead the general issue, and give this act, and any special matter whereof notice in writing shall have been given to the plaintiff, or his attorney, thirty days before the trial, in evidence tending to prove that the specification filed by the plaintiff does not contain the whole of the truth concerning his invention or discovery; or that it contains more than is necessary to produce the effect described; and if the concealment of part, or the addition of more than is necessary, shall appear to have been intended to mislead, or shall actually mislead the public, so as the effect described cannot be produced by the means specified, then, and in such cases, the verdict and judgment shall be for the defendant.

SECTION 7. *And be it further enacted,* That such patentee as aforesaid shall, before he receives his patent, pay the following fees to the several officers employed in making out and perfecting the same, to wit: For receiving and filing the petition, fifty cents; for filing specifications, per copy-sheet containing one hundred words, ten cents; for making out patent, two dollars; for affixing great seal, one dollar; for indorsing the day of delivering the same to the patentee, including all intermediate services, twenty cents.

APPROVED April 10, 1790.

Repealed February 21, 1793. 1 Statutes at Large, Chap. 11, Section 12, p. 323.

PATENT ACT OF 1793.

1 STATUTES AT LARGE, 318.

An Act to promote the progress of useful Arts ; and to repeal the act heretofore made for that purpose.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That when any person or persons, being a citizen or citizens of the United States, shall allege that he or they have invented any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvement on any art, machine, manufacture, or composition of matter, not known or used before the application, and shall present a petition to the Secretary of State, signifying a desire of obtaining an exclusive property in the same, and praying that a patent may be granted therefor, it shall and may be lawful for the said Secretary of State to cause letters-patent to be made out in the name of the United States, bearing teste by the President of the United States, reciting the allegations and suggestions of the said petition, and giving a short description of the said invention or discovery, and thereupon granting to such petitioner or petitioners, his, her, or their heirs, administrators, or assigns, for a term not exceeding fourteen years, the full and exclusive right and liberty of making, constructing, using, and vending to others to be used, the said invention or discovery, which letters-patent shall be delivered to the Attorney-General of the United States, to be examined ; who, within fifteen days after such delivery, if he finds the same conformable to this act, shall certify accordingly, at the foot thereof, and return the same to the Secretary of State, who shall present the letters-patent, thus certified, to be signed, and shall cause the seal of the United States to be thereto affixed ; and the same shall be good and available to the grantee or grantees, by force of this act, and shall be recorded in a book, to be kept for that purpose, in the office of the Secretary of State, and delivered to the patentee or his order.

SECTION 2. *Provided always, and be it further enacted,* That any person who shall have discovered an improvement in the

principle of any machine, or in the process of any composition of matter, which shall have been patented, and shall have obtained a patent for such improvement, he shall not be at liberty to make, use, or vend the original discovery, nor shall the first inventor be at liberty to use the improvement : And it is hereby enacted and declared, that simply changing the form or the proportions of any machine, or composition of matter, in any degree, shall not be deemed a discovery.

SECTION 3. *And be it further enacted,* That every inventor, before he can receive a patent, shall swear or affirm, that he docs verily believe that he is the true inventor or discoverer of the art, machine, or improvement for which he solicits a patent, which oath or affirmation may be made before any person authorized to administer oaths, and shall deliver a written description of his invention, and of the manner of using, or process of compounding the same, in such full, clear, and exact terms, as to distinguish the same from all other things before known, and to enable any person skilled in the art or science of which it is a branch, or with which it is most nearly connected, to make, compound, and use the same. And in the case of any machine, he shall fully explain the principle, and the several modes in which he has contemplated the application of that principle or character, by which it may be distinguished from other inventions ; and he shall accompany the whole with drawings and written references, where the nature of the case admits of drawings, or with specimens of the ingredients, and of the composition of matter, sufficient in quantity for the purpose of experiment, where the invention is of a composition of matter ; which description, signed by himself, and attested by two witnesses, shall be filed in the office of the Secretary of State, and certified copies thereof shall be competent evidence in all courts, where any matter or thing, touching such patent right shall come in question. And such inventor shall, moreover, deliver a model of his machine, provided the Secretary shall deem such model to be necessary.

SECTION 4. *And be it further enacted,* That it shall be lawful for any inventor, his executor or administrator, to assign the title and interest in the said invention, at any time, and

the assignee, having recorded the said assignment in the office of the Secretary of State, shall thereafter stand in the place of the original inventor, both as to right and responsibility, and so the assignees of assigns, to any degree.

SECTION 5. *And be it further enacted,* That if any person shall make, devise, and use, or sell the thing so invented, the exclusive right of which shall, as aforesaid, have been secured to any person by patent, without the consent of the patentee, his executors, administrators, or assigns, first obtained in writing, every person so offending shall forfeit and pay to the patentee a sum that shall be at least equal to three times the price for which the patentee has usually sold or licensed, to other persons, the use of the said invention, which may be recovered in an action on the case founded on this act, in the circuit court of the United States, or any other court having competent jurisdiction.

SECTION 6. *Provided always, and be it further enacted,* That the defendant in such action shall be permitted to plead the general issue, and give this act, and any special matter, of which notice in writing may have been given to the plaintiff or his attorney, thirty days before trial, in evidence, tending to prove that the specification filed by the plaintiff does not contain the whole truth relative to his discovery, or that it contains more than is necessary to produce the described effect, which concealment or addition shall fully appear to have been made for the purpose of deceiving the public, or that the thing thus secured by patent was not originally discovered by the patentee, but had been in use, or had been described in some public work anterior to the supposed discovery of the patentee, or that he had surreptitiously obtained a patent for the discovery of another person; in either of which cases judgment shall be rendered for the defendant, with costs, and the patent shall be declared void.

SECTION 7. *And be it further enacted,* That where any State, before its adoption of the present form of government, shall have granted an exclusive right to any invention, the party claiming that right shall not be capable of obtaining an exclusive right under this act, but on relinquishing his right

under such particular State, and of such relinquishment, his obtaining an exclusive right under this act shall be sufficient evidence.

SECTION 8. *And be it further enacted,* That the persons whose applications for patents were, at the time of passing this act, depending before the Secretary of State, Secretary at War, and Attorney-General, according to the act passed the second session of the first Congress, entitled "An act to promote the progress of useful arts," on complying with the conditions of this act, and paying the fees herein required, may pursue their respective claims to a patent under the same.

SECTION 9. *And be it further enacted,* That in case of interfering applications, the same shall be submitted to the arbitration of three persons, one of whom shall be chosen by each of the applicants, and the third person shall be appointed by the Secretary of State; and the decision or award of such arbitrators, delivered to the Secretary of State in writing, and subscribed by them, or any two of them, shall be final, as far as respects the granting of the patent. And if either of the applicants shall refuse or fail to chuse an arbitrator, the patent shall issue to the opposite party. And where there shall be more than two interfering applications, and the parties applying shall not all unite in appointing three arbitrators, it shall be in the power of the Secretary of State to appoint three arbitrators for the purpose.

SECTION 10. *And be it further enacted,* That upon oath or affirmation being made before the judge of the district court where the patentee, his executors, administrators, or assigns, reside, that any patent, which shall be issued in pursuance of this act, was obtained surreptitiously, or upon false suggestion, and motion made to the said court, within three years after issuing the said patent, but not afterward, it shall and may be lawful for the judge of the said district court, if the matter alleged shall appear to him to be sufficient, to grant a rule, that the patentee, or his executor, administrator, or assign show cause why process should not issue against him to repeal such patent. And if sufficient cause shall not be shown to the con-

trary, the rule shall be made absolute, and thereupon the said judge shall order process to be issued against such patentee, or his executors, administrators, or assigns, with costs of suit. And in case no sufficient cause shall be shown to the contrary, or if it shall appear that the patentee was not the true inventor or discoverer, judgment shall be rendered by such court for the repeal of such patent ; and if the party, at whose complaint the process issued, shall have judgment given against him, he shall pay all such costs as the defendant shall be put to in defending the suit, to be taxed by the court, and recovered in due course of law.

SECTION 11. *And be it further enacted*, That every inventor, before he presents his petition to the Secretary of State, signifying his desire of obtaining a patent, shall pay into the treasury thirty dollars, for which he shall take duplicate receipts ; one of which receipts he shall deliver to the Secretary of State, when he presents his petition ; and the money thus paid shall be in full for the sundry services to be performed in the office of the Secretary of State, consequent on such petition, and shall pass to the account of clerk-hire in that office : *Provided nevertheless*, That for every copy, which may be required at the said office, of any paper respecting any patent that has been granted, the person obtaining such copy shall pay, at the rate of twenty cents, for every copy-sheet of one hundred words, and for every copy of a drawing, the party obtaining the same, shall pay two dollars, of which payments an account shall be rendered, annually, to the treasury of the United States, and they shall also pass to the account of clerk-hire in the office of the Secretary of State.

SECTION 12. *And be it further enacted*, That the act passed the tenth day of April, in the year one thousand seven hundred and ninety, intituled " An act to promote the progress of useful arts," be, and the same is hereby, repealed : *Provided always*, That nothing contained in this act shall be construed to invalidate any patent that may have been granted under the authority of the said act ; and all patentees under the said act, their executors, administrators, and assigns, shall be considered

within the purview of this act, in respect to the violation of their rights : provided such violations shall be committed after the passing of this act.

APPROVED February 21, 1793.

Repealed July 4, 1836. 5 Statutes at Large, Chap. 357, Section 21, p. 125.

PATENT ACT OF 1794.

1 STATUTES AT LARGE, 393.

An Act supplementary to the act intituled "An act to promote the progress of Useful Arts."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all suits, actions, process and proceedings, heretofore had in any District Court of the United States, under an act passed the tenth day of April, in the year one thousand seven hundred and ninety, intituled "An act to promote the progress of useful arts," which may have been set aside, suspended or abated, by reason of the repeal of the said act, may be restored, at the instance of the plaintiff or defendant, within one year from and after the passing of this act, in the said court, to the same situation, in which they may have been when they were so set aside, suspended, or abated ; and that the parties to the said suits, actions, process or proceedings be, and are hereby, entitled to proceed in such cases, as if no such repeal of the act aforesaid had taken place : *Provided always,* That before any order or proceeding, other than that for continuing the same suits, after the reinstating thereof, shall be entered or had, the defendant or plaintiff, as the case may be, against whom the same may have been reinstated, shall be brought into court by summons, attachment, or such other proceeding as is used in other cases for compelling the appearance of a party.

APPROVED June 7, 1794.

Repealed July 4, 1836. 5 Statutes at Large, Chap. 357, Section 21, p. 125.

PATENT ACT OF 1800.

2 STATUTES AT LARGE, 37.

An Act to extend the privilege of obtaining patents for useful discoveries and inventions, to certain persons therein mentioned, and to enlarge and define the penalties for violating the rights of patentees.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all and singular the rights and privileges given, intended or provided to citizens of the United States, respecting patents for new inventions, discoveries, and improvements, by the act intituled "An act to promote the progress of useful arts, and to repeal the act heretofore made for that purpose," shall be, and hereby are, extended and given to all aliens who at the time of petitioning in the manner prescribed by the said act, shall have resided for two years within the United States, which privileges shall be obtained, used, and enjoyed by such persons, in as full and ample manner, and under the same conditions, limitations, and restrictions, as by the said act is provided and directed in the case of citizens of the United States: *Provided always,* That every person petitioning for a patent for any invention, art, or discovery, pursuant to this act, shall make oath or affirmation before some person duly authorized to administer oaths before such patent shall be granted, that such invention, art, or discovery hath not, to the best of his or her knowledge or belief, been known or used either in this or any foreign country, and that every patent which shall be obtained pursuant to this act, for any invention, art, or discovery, which it shall afterwards appear had been known or used previous to such application for a patent, shall be utterly void.

SECTION 2. *And be it further enacted,* That where any person hath made, or shall have made, any new invention, discovery, or improvement, on account of which a patent might, by virtue of this or the above-mentioned act, be granted to such person, and shall die before any patent shall be granted therefor, the right of applying for and obtaining such

patent, shall devolve on the legal representatives of such person in trust for the heirs at law of the deceased, in case he shall have died intestate; but if otherwise, then in trust for his devisees, in as full and ample manner, and under the same conditions, limitations, and restrictions as the same was held, or might have been claimed or enjoyed by such person, in his or her lifetime; and when application for a patent shall be made by such legal representatives, the oath or affirmation, provided in the third section of the before-mentioned act, shall be so varied as to be applicable to them.

SECTION 3. *And be it further enacted*, That where any patent shall be or shall have been granted pursuant to this or the above-mentioned act, and any person without the consent of the patentee, his or her executors, administrators, or assigns, first obtained in writing, shall make, devise, use, or sell the thing whereof the exclusive right is secured to the said patentee by such patent, such person so offending shall forfeit and pay to the said patentee, his executors, administrators, or assigns, a sum equal to three times the actual damage sustained by such patentee, his executors, administrators, or assigns, from or by reason of such offence, which sum shall and may be recovered by action on the case founded on this and the above-mentioned act, in the circuit court of the United States, having jurisdiction thereon.

SECTION 4. *And be it further enacted*, That the fifth section of the above-mentioned act, intituled "An act to promote the progress of useful arts, and to repeal the act heretofore made for that purpose," shall be, and hereby is, repealed.

APPROVED April 17, 1800.

Repealed July 4, 1836. 5 Statutes at Large, Chap. 357, Section 21, p. 125.

PATENT ACT OF 1819.

3 STATUTES AT LARGE, 481.

An Act to extend the jurisdiction of the circuit courts of the United States to cases arising under the law relating to patents.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the circuit courts of the United States shall have original cognizance, as well in equity as at law, of all actions, suits, controversies, and cases arising under any law of the United States, granting or confirming to authors or inventors the exclusive right to their respective writings, inventions, and discoveries; and upon any bill in equity, filed by any party aggrieved in any such cases, shall have authority to grant injunctions, according to the course and principles of courts of equity, to prevent the violation of the rights of any authors or inventors, secured to them by any laws of the United States, on such terms and conditions as the said courts may deem fit and reasonable: *Provided however,* That from all judgments and decrees of any circuit courts rendered in the premises, a writ of error or appeal, as the case may require, shall lie to the Supreme Court of the United States, in the same manner, and under the same circumstances, as is now provided by law in other judgments and decrees of such circuit courts.

APPROVED February 15, 1819.

Repealed July 4, 1836. 5 Statutes at Large, Chap. 357, Section 21, p. 125.

PATENT ACT OF JULY 3, 1832.

4 STATUTES AT LARGE, 559.

An Act concerning patents for useful inventions.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it shall be the duty of the Secretary of State, annually, in the month of January, to report to Congress, and to publish in two of the newspapers printed in the city of Washington, a list of all the patents for discoveries, inventions, and improvements, which shall have expired within the year immediately preceding, with the names of the patentees, alphabetically arranged.

SECTION 2. *And be it further enacted,* That application to Congress to prolong or renew the term of a patent shall be made

before its expiration, and shall be notified at least once a month, for three months before its presentation, in two newspapers printed in the city of Washington, and in one of the newspapers in which the laws of the United States shall be published in the State or Territory in which the patentee shall reside. The petition shall set forth particularly the grounds of the application. It shall be verified by oath; the evidence in its support may be taken before any judge or justice of the peace; it shall be accompanied by a statement of the ascertained value of the discovery, invention, or improvement, and of the receipts and expenditures of the patentee, so as to exhibit the profit or loss arising therefrom.

SECTION 3. *And be it further enacted,* That wherever any patent which has been heretofore, or shall be hereafter, granted to any inventor in pursuance of the act of Congress, entitled "An act to promote the progress of useful arts, and to repeal the act heretofore made for that purpose," passed on the twenty-first day of February, in the year of our Lord, one thousand seven hundred and ninety-three, or of any of the acts supplementary thereto, shall be invalid or inoperative, by reason that any of the terms or conditions prescribed in the third section of the said first-mentioned act, have not, by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, been complied with on the part of the said inventor, it shall be lawful for the Secretary of State, upon the surrender to him of such patent, to cause a new patent to be granted to the said inventor for the same invention for the residue of the period then unexpired, for which the original patent was granted, upon his compliance with the terms and conditions prescribed in the said third section of the said act. And, in case of his death, or any assignment by him made of the same patent, the like right shall vest in his executors and administrators, or assignee or assignees: *Provided however,* That such new patent so granted shall, in all respects, be liable to the same matters of objection and defence as any original patent granted under the said first-mentioned act. But no public use or privilege of the invention so patented, derived from or after the grant of the original patent, either under any special license of the inventor,

or without the consent of the patentee that there shall be a free public use thereof, shall, in any manner, prejudice his right of recovery for any use or violation of his invention after the grant of such new patent as aforesaid.

APPROVED July 3, 1832.

Repealed July 4, 1836. 5 Statutes at Large, Chap. 357, Section 21, p. 125.

PATENT ACT OF JULY 13, 1832.

4 STATUTES AT LARGE, 577.

An Act concerning the issuing of patents to aliens, for useful discoveries and inventions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the privileges granted to the aliens described in the first section of the act, to extend the privilege of obtaining patents for useful discoveries and inventions to certain persons therein mentioned, and to enlarge and define the penalties for violating the rights of patentees, approved April seventeenth, eighteen hundred, be extended in like manner to every alien who, at the time of petitioning for a patent, shall be resident in the United States, and shall have declared his intention, according to law, to become a citizen thereof: *Provided,* That every patent granted by virtue of this act and the privileges thereto appertaining, shall cease and determine and become absolutely void without resort to any legal process to annul or cancel the same in case of a failure on the part of any patentee, for the space of one year from the issuing thereof, to introduce into public use in the United States the invention or improvement for which the patent shall be issued; or in case the same for any period of six months after such introduction shall not continue to be publicly used and applied in the United States, or in case of failure to become a citizen of the United States, agreeably to notice given at the earliest period within which he shall be entitled to become a citizen of the United States.

APPROVED July 13, 1832.

Repealed July 4, 1836. 5 Statutes at Large, Chap. 357, Section 21, p. 125.

PATENT ACT OF 1836.

5 STATUTES AT LARGE, 117.

An Act to promote the progress of the useful arts, and to repeal all acts and parts of acts heretofore made for that purpose.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That there shall be established and attached to the Department of State an office to be denominated the Patent Office; the chief officer of which shall be called the Commissioner of Patents, to be appointed by the President, by and with the advice and consent of the Senate, whose duty it shall be, under the direction of the Secretary of State, to superintend, execute, and perform all such acts and things touching and respecting the granting and issuing of patents for new and useful discoveries, inventions, and improvements, as are herein provided for, or shall hereafter be, by law, directed to be done and performed, and shall have the charge and custody of all the books, records, papers, models, machines, and all other things belonging to said office. And said Commissioner shall receive the same compensation as is allowed by law to the Commissioner of the Indian Department, and shall be entitled to send and receive letters and packages by mail, relating to the business of the office, free of postage.

SECTION 2. *And be it further enacted,* That there shall be in said office an inferior officer, to be appointed by the said principal officer, with the approval of the Secretary of State, to receive an annual salary of seventeen hundred dollars, and to be called the Chief Clerk of the Patent Office; who in all cases during the necessary absence of the Commissioner, or when then said principal office shall become vacant, shall have the charge and custody of the seal, and of the records, books, papers, machines, models, and all other things belonging to the said office, and shall perform the duties of Commissioner

during such vacancy. And the said Commissioner may also, with like approval, appoint an examining clerk, at an annual salary of fifteen hundred dollars; two other clerks at twelve hundred dollars each, one of whom shall be a competent draughtsman; one other clerk at one thousand dollars; a machinist at twelve hundred and fifty dollars; and a messenger at seven hundred dollars. And said Commissioner, clerks, and every other person appointed and employed in said office, shall be disqualified and interdicted from acquiring or taking, except by inheritance, during the period for which they shall hold their appointments, respectively, any right or interest, directly or indirectly, in any patent for an invention or discovery which has been, or may hereafter be granted.

SECTION 3. *And be it further enacted,* That the said principal officer, and every other person to be appointed in the said office, shall, before he enters upon the duties of his office or appointment, make oath or affirmation truly and faithfully to execute the trust committed to him. And the said Commissioner and the chief clerk shall also, before entering upon their duties, severally give bonds, with sureties, to the Treasurer of the United States, the former in the sum of ten thousand dollars, and the latter in the sum of five thousand dollars, with condition to render a true and faithful account to him or his successor in office, quarterly, of all moneys which shall be by them respectively received for duties on patents, and for copies of records and drawings, and all other moneys received by virtue of said office.

SECTION 4. *And be it further enacted,* That the said Commissioner shall cause a seal to be made and provided for the said office, with such device as the President of the United States shall approve; and copies of any records, books, papers, or drawings belonging to the said office, under the signature of the said Commissioner, or, when the office shall be vacant under the signature of the chief clerk, with the said seal affixed, shall be competent evidence in all cases in which the original records, books, papers, or drawings could be evidence. And any person making application therefor may have certified copies of the records, drawings, and other papers deposited in said office, on

paying for the written copies the sum of ten cents for every page of one hundred words; and for copies of drawings the reasonable expense of making the same.

SECTION 5. *And be it further enacted,* That all patents issued from said office shall be issued in the name of the United States, and under the seal of said office, and be signed by the Secretary of State, and countersigned by the Commissioner of the said office, and shall be recorded, together with the descriptions, specifications, and drawings, in the said office, in books to be kept for that purpose. Every such patent shall contain a short description or title of the invention or discovery, correctly indicating its nature and design, and in its terms grant to the applicant or applicants, his or their heirs, administrators, executors, or assigns, for a term not exceeding fourteen years, the full and exclusive right and liberty of making, using, and vending to others to be used, the said invention or discovery, referring to the specifications for the particulars thereof, a copy of which shall be annexed to the patent, specifying what the patentee claims as his invention or discovery.

SECTION 6. *And be it further enacted,* That any person or persons, having discovered or invented any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvement on any art, machine, manufacture, or composition of matter, not known or used by others before his or their discovery or invention thereof, and not, at the time of his application for a patent, in public use or on sale, with his consent or allowance, as the inventor or discoverer; and shall desire to obtain an exclusive property therein, may make application, in writing, to the Commissioner of Patents, expressing such desire, and the Commissioner, on due proceedings had, may grant a patent therefor. But before any inventor shall receive a patent for any such new invention or discovery, he shall deliver a written description of his invention or discovery, and of the manner and process of making, constructing, using, and compounding the same, in such full, clear, and exact terms, avoiding unnecessary prolixity, as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use