

ing the patent, cannot depart from the letter of the instrument, either by excluding present terms or by interpolating others which do not appear. Its duty is discharged, and its authority exhausted, when it defines the character of the patented invention according to that significance of the words employed by the inventor in claiming and describing it which is most in harmony with its known essential attributes.

§ 738. Rule of Liberal Construction does not Authorize an Equivocal or Elastic Interpretation of the Claims.

Nor does the rule permit of such interpretations as render the inventor's Claims elastic or ambiguous.¹ The object of interpretation is to make the indefinite exact and the doubtful plain. An invention, whether it be an art or an instrument, has a concrete existence which is capable of precise definition and of clear description. It is only where the language of the patent fails to define with precision, or to describe with clearness, that any especial exercise of the interpretative power becomes necessary, and it must then be employed for the removal not the creation of ambiguities, and for the erection not the destruction of limitations to the in-

O. G. 230; *Roemer v. Peddie* (1886), 27 Fed. Rep. 702; 37 O. G. 338.

That a Claim cannot be enlarged by construction to cover what was intentionally omitted, see *Bate Refrigerating Co. v. Eastman* (1885), 24 Fed. Rep. 645; 32 O. G. 517.

That peculiarities of shape or arrangement will not be construed as distinctive features of the invention in order to save the Claim, unless the Description or Claim suggest it, see *Bradley & Hubbard Mfg. Co. v. Charles Parker Co.* (1885), 25 Fed. Rep. 907; 34 O. G. 249.

That details are not construed as essential features in order to save the Claim unless referred to in the Claim, especially where the Description merely recommends them, see *Roemer v. Neumann* (1885), 26 Fed. Rep. 102.

That a Claim is not to be construed to cover later inventions, see *Root v.*

Lamb (1881), 19 O. G. 937; 7 Fed. Rep. 222.

That a patent will not be construed so liberally as to cover all that the patentee now thinks he might have covered, see *Trader v. Messmore* (1875), 7 O. G. 385; 1 Bann. & A. 639.

That if a patent does not cover all that the patentee intended to claim, he must amend it, the difficulty not being removable by construction, see *Becker v. Hastings* (1884), 22 Fed. Rep. 827; 28 O. G. 98.

§ 738. ¹ That patents are not to be so liberally construed as to permit ambiguous or elastic Claims, see *Parker v. Sears* (1850), 1 Fisher, 93.

That intentionally loose and ambiguous Claims are not favored in the construction, see *Taylor v. Garretson* (1871), 5 Fisher, 116; 9 Blatch. 156.

ventor's Claim.² Every invention is a unit, distinct from every other invention, however similar in purpose or appearance, and except in cases where there is a joinder of inventions a patent covering one does not afford protection to the other. To construe a patent in such a manner that it may apply to either of these separate inventions at the pleasure of the inventor defeats the very object for which the power has been confided to the courts. While the patentee is entitled to the broadest definite interpretation which his language will legitimately bear, and is presumed to claim the invention to its full extent as so defined, the patent, when interpreted, must point out the invention whose protection it secures with a completeness and exactness which distinguish it from every other. Ambiguities and inaccuracies in essential portions of the patent, which cannot be removed by such interpretation, render the patent to that extent inoperative and void.

§ 739. Rule of Liberal Construction Permits an Interpretation in Accordance with the Real Nature of the Invention unless the Language of the Patent Clearly Forbids it.

Where the language of a patent is clear and capable of but one meaning, the duty of the court is fulfilled by interpreting its words and phrases in their proper sense, and defining the invention in accordance with this interpretation.¹ If,

² That a patent cannot be extended by construction to embrace any invention which it does not specifically claim, see *Van Camp v. Maryland Pavement Co.* (1888), 43 O. G. 884.

That Claims are not to be expanded by construction so as to cover more than the patentee first intended, see *Couse v. Johnson* (1879), 16 O. G. 719 ; 4 *Bann. & A.* 501.

That limited Claims are not to be expanded into general ones by implication or otherwise, see *Detmold v. Reeves* (1851), 1 *Fisher*, 127.

That the courts will not enlarge Claims by construction, see *Burns v. Meyer* (1879), 100 U. S. 671 ; *Railway*

Co. v. Sayles (1878), 97 U. S. 554 ; 15 O. G. 243 ; *Keystone Bridge Co. v. Phoenix Iron Co.* (1877), 95 U. S. 274 ; 12 O. G. 980.

That a Claim for the special arrangement of parts must be construed to cover only the special parts and special arrangement, see *Buzzell v. Andrews* (1885), 25 *Fed. Rep.* 822 ; 34 O. G. 830.

§ 739. ¹ That the specification and Claims ought to be construed to mean just what they seem to mean, see *Anders v. Gilliland* (1880), 19 O. G. 177.

That when Claims are clear and explicit they cannot be restricted or en-

as thus defined, the invention is not patentable either for want of novelty, utility, or inventive skill, or on account of previous dedication to the public, the inventor must abide the consequences, procuring an amendment of his patent when it does not correctly represent his actual invention, or relinquishing his claims entirely when what he has invented proves to be not entitled to protection. But when the language is not clear, or is capable of various constructions, recourse to extrinsic facts is often necessary to ascertain the sense in which in this particular case it must be understood.² The most important of these facts is the nature of the actual invention which the patent was intended to secure.³ This

larged by reference to features not mentioned therein nor implied thereby, see *Funck v. Doty* (1878), 14 O. G. 157.

That the patentee is not limited to the literal import of his description, but may depart from it provided he does not change the principle nor make material alterations in its operation, see *Grier v. Castle* (1883), 17 Fed. Rep. 523; 24 O. G. 1176.

² That the construction of a patent depends on its words, or where these are ambiguous, on other circumstances, see *Evans v. Eaton* (1818), 3 Wheaton, 454; 1 Robb, 243.

³ In *Van Marter v. Miller* (1879), 15 Blatch. 562, Wallace, J.: (563) "In construing a patent, it is first pertinent to ascertain what, in view of the prior state of the art, the inventor has actually accomplished; and this having been found, such a construction should be given as will secure the actual invention to the patentee, so far as this can be done consistently with giving due effect to the language of the specification and Claim." 4 Bann. & A. 124 (124).

In *Page v. Ferry* (1857), 1 Fisher 298, Wilkins, J.: (302) "The intention of the inventor, so as to effect the object designed, is to govern the con-

struction of the language he employs. Inventors are not always educated or scientific men. Some most useful inventions have sprung from an illiterate source. Genius is not always blessed with the power of language. Courts look to the manifest design in order to remove any ambiguity arising from the terms employed. But this ambiguity must not be such as would perplex an ordinary mechanic in the art to which it applies."

In *Winans v. Denmead* (1853), 15 How. 330, Curtis, J.: (341) "Now, while it is undoubtedly true that the patentee may so restrict his Claim as to cover less than what he invented, or may limit it to one particular form of machine, excluding all other forms though they also embody his invention, yet such an interpretation should not be put upon his Claim if it can fairly be construed otherwise; and this for two reasons: (1) Because the reasonable presumption is that, having a just right to cover and protect his whole invention, he intended to do so, — *Haworth v. Hardcastle*, Web. P. C. 484; (2) Because specifications are to be construed liberally, in accordance with the design of the Constitution and the Patent Laws of the United States to promote the progress of the useful arts, and allow in-

being known the language of the patent must be construed to correspond with its essential attributes, unless such a construction would do violence to the terms employed. In that event a different interpretation must be given, although the eventual defeat of the patent may be thus ensured.

§ 740. Nature of the Invention Shown by State of Art at Date of Invention.

The nature of the invention attempted to be covered by the patent is sometimes evident upon its inspection or upon an examination of its practical operation. When this is not the case an investigation of the state of the art at the date of the invention may be instituted.¹ Every invention is a step

ventors to retain to their own use, not anything which is matter of common right, but what they themselves have created."

Further, that the patent is to be construed by the nature of the invention, see *Steam Gauge and Lantern Co. v. Ham Mfg. Co.* (1886), 28 Fed. Rep. 618; *Hoff v. Iron Clad Mfg. Co.* (1886), 35 O. G. 1230; *Fitch v. Bragg* (1881), 20 O. G. 1589; 8 Fed. Rep. 588; *Washburn & Moen Mfg. Co. v. Haish* (1881), 7 Fed. Rep. 906; 10 Bissell, 83; *Robinson v. Sutter* (1880), 10 Bissell, 100; 19 O. G. 127; 8 Fed. Rep. 828; *Whitnum v. Seaman* (1880), 5 Bann. & A. 95; 17 O. G. 626; 4 Fed. Rep. 436; *Clark v. Kennedy Mfg. Co.* (1877), 11 O. G. 67; 14 Blatch. 79; *Merrill v. Yeomans* (1877), 94 U. S. 568; 11 O. G. 970; *Good-year Dental Vulcanite Co. v. Davis* (1877), 12 O. G. 1; 3 Bann. & A. 115; *Bruff v. Ives* (1877), 11 O. G. 924; 14 Blatch. 198; *Mann v. Bayliss* (1876), 10 O. G. 789; *Bussey v. Wager* (1875), 9 O. G. 300; *Glue Co. v. Upton* (1874), 4 Clifford, 237; 6 O. G. 837; 1 Bann. & A. 497; *Barnes v. Straus* (1872), 2 O. G. 62; 9 Blatch. 553; 5 Fisher, 531; *McDougal v. Eames* (1872), 2 O. G. 87; *Taylor v. Garretson* (1871), 5 Fisher, 116; 9 Blatch. 156; *Coffin v.*

Ogden (1869), 7 Blatch. 61; 3 Fisher, 640; *Woodman v. Stimpson* (1866), 3 Fisher, 98.

That a patent will be so construed, if possible, as to protect the entire invention, see *Henderson v. Cleveland Co-operative Stove Co.* (1877), 2 Bann. & A. 604; 12 O. G. 4; *Hamilton v. Ives* (1873), 6 Fisher. 244; 3 O. G. 30.

That a specification should be construed with reference to the purpose of the invention, see *Roberts v. Schreiber* (1880), 2 Fed. Rep. 855; 18 O. G. 125; 5 Bann. & A. 491.

That a patentee is entitled to such a construction of his patent as will enable it to protect all forms of his invention, though he has described but one, unless he has restricted himself to certain forms in his Claims, see *Grier v. Castle* (1883), 24 O. G. 1176; 17 Fed. Rep. 523; *Winans v. Denmead* (1853), 15 How. 330.

That the construction given to the patent by the patentee will be sustained, if it is consistent with the language used, see *Tondeur v. Stewart* (1886), 28 Fed. Rep. 561; 37 O. G. 672; *Bradley v. Dull* (1884), 19 Fed. Rep. 913; 27 O. G. 625; *Klein v. Russell* (1873), 91 Wall. 433.

§ 740. ¹ That patents are to be construed in view of the state of the art,

forward in the progress of the art to which it belongs, and the character of that step is often best determined by examining the condition of the art immediately before the step was taken and comparing it with the condition to which such step advanced the art. The difference between these must be the precise result of the inventor's act, and when it can be clearly ascertained it affords the safest guide to the exact scope of his invention. The state of the art at the date of the invention may be shown by previous patents, by the processes or instruments then known to the art, or by the testimony of persons acquainted with its general history and development.²

see *Grier v. Wilt* (1887), 120 U. S. 412; 38 O. G. 1365; *Railway Register Mfg. Co. v. Broadway & Seventh Ave. R. R. Co.* (1886), 26 Fed. Rep. 522; 34 O. G. 921; *Reed v. Chase* (1885), 25 Fed. Rep. 94; 33 O. G. 996; *Buckingham v. Porter* (1884), 10 Sawyer, 289; 36 O. G. 820; 26 Fed. Rep. 759; *Jones v. Barker* (1882), 22 O. G. 771; 11 Fed. Rep. 597; *Sutro v. Moll* (1881), 8 Fed. Rep. 909; 19 Blatch. 89; *Root v. Lamb* (1881), 7 Fed. Rep. 222; 19 O. G. 937; *Washburn & Moen Mfg. Co. v. Haish* (1880), 10 Bissell, 83; 7 Fed. Rep. 906; *Webster Loom Co. v. Higgins* (1879), 16 O. G. 675; 15 Blatch. 446; 4 Bann. & A. 83; *Van Marter v. Miller* (1879), 4 Bann. & A. 124; 15 Blatch. 562; *Blaisdell v. Tuffts* (1878), 15 O. G. 881; *Bruff v. Ives* (1877), 11 O. G. 924; 14 Blatch. 198; *Clark v. Kennedy Mfg. Co.* (1877), 14 Blatch. 79; 11 O. G. 67; *Estabook v. Dunbar* (1876), 10 O. G. 909; 2 Bann. & A. 427; *Salamanca Felting Co. v. Haven* (1875), 9 O. G. 253; 2 Bann. & A. 164; 3 Dillon, 131; *Burden v. Corning* (1864), 2 Fisher, 477; *Pitts v. Wemple* (1855), 1 Bissell, 87; 2 Fisher, 10.

That a patent must be construed to claim only what the state of the art shows to be new, see *Scott v. Evans* (1882), 11 Fed. Rep. 726.

That where the scope of the art is limited the Claim must receive a narrow construction, see *Adams v. Bellairo Stamping Co.* (1886), 28 Fed. Rep. 360; 36 O. G. 567.

That the specification will be construed in view of the state of human knowledge and not as intending the impossible, see *Tilghman v. Mitchell* (1864), 2 Fisher, 518.

That a patent is construed by the state of the art at the date of the invention, and the description is limited to what thus appears to be new, see *Neacy v. Allis* (1882), 22 O. G. 1621; 13 Fed. Rep. 874; *Jones v. Barker* (1882), 11 Fed. Rep. 597; 22 O. G. 771; *Giant Powder Co. v. California Vigorit Powder Co.* (1880), 4 Fed. Rep. 720; 18 O. G. 1339; 6 Sawyer, 508.

That it is the state of the art at the date of the invention, not the application, which gives its meaning to the patent, see *Sprague v. Adriance* (1877), 14 O. G. 308; 3 Bann. & A. 124.

Contra, — That every patent is construed according to the state of the art at the date of the patent, see *Salamanca Felting Co. v. Haven* (1875), 3 Dillon, 131; 9 O. G. 253; 2 Bann. & A. 164.

² That a specification will be construed by a history of the art and the

§ 741. Nature of the Invention Shown by Other Acts and Circumstances.

The character of the actual invention may also be evidenced by other statements of the inventor concerning its essential attributes. His allegations after the patent has been issued are of little weight, whether they tend to narrow or enlarge the scope of his invention.¹ But the position he assumed before the Patent Office while applying for a patent, the claims he then asserted, the concessions he there made, are all important indications as to the true nature of the idea of means which he embodied in his concrete invention and which he has endeavored to describe and claim in his patent.² Thus his correspondence with the Patent Office, the application, the amendments filed, the disclaimers offered, the objections raised and answered or avoided, are proper matters for examination by the court.³ Besides these, any other

invention, see *Giant Powder Co. v. California Vigorit Powder Co.* (1880), 6 Sawyer, 508; 18 O. G. 1339; 4 Fed. Rep. 720.

That the description in a patent is to be construed in the light of prior patents, and its general terms are to be restricted by them, see *Parsons v. Colgate* (1882), 15 Fed. Rep. 600; 24 O. G. 203; 21 Blatch. 171.

That the patent will be construed in the light of the uncontradicted testimony as to prior devices, in order to ascertain its real scope, see *Day v. Combination Rubber Co.* (1880), 17 O. G. 1347; 2 Fed. Rep. 570; 5 Bann. & A. 385.

§ 741. ¹ That the Claims may be construed in connection with the testimony of the patentee as to the actual invention, see *Matthews v. Iron Clad Mfg. Co.* (1888), 124 U. S. 347; 42 O. G. 827.

That a patent will not be narrowed from its evident meaning for the reason that the patentee and former owner says that his invention was not as broad as his specification, see *Union Paper Bag*

Mach. Co. v. Pultz & Walkley Co. (1878), 15 Blatch. 160; 15 O. G. 423; 3 Bann. & A. 403.

² That the terms of the application and the proceedings in the Patent Office are to be considered in construing Claims, see *Otis Bros. Mfg. Co. v. Crane Bros. Mfg. Co.* (1886), 27 Fed. Rep. 550.

That a patentee cannot insist that his patent shall be construed to cover matter which he was compelled to abandon in the Patent Office in order to obtain a patent, and the records of the Office may be examined on this question, see *Sutter v. Robinson* (1886), 119 U. S. 530; 38 O. G. 230.

³ That the meaning of a patent may be ascertained by examining the correspondence of the inventor with the Patent Office during the application, see *Goodyear Dental Vulcanite Co. v. Davis* (1880), 102 U. S. 222; 19 O. G. 543.

That a patent cannot be construed to cover articles which the Commissioner and the patentee agreed were outside it when the patent was issued, and this agreement may be shown by the corre-

facts may be considered which in the judgment of the court tend to disclose the object of the patent and thereby lead to a correct construction of its terms.⁴

§ 742. **Second General Rule: Entire Patent Construed together as an Indivisible Instrument.**

Subordinate to the fundamental rule that a patent must be liberally interpreted in order to accomplish, if possible, the purpose for which it was issued, is the rule that in ascertaining this purpose the entire patent must be construed together, and effect given to all its parts as members of a single indivisible instrument.¹ The vital force of a patent resides in

spondence between them, see *Pike v. Potter* (1859), 3 Fisher, 55.

That a patent is to be construed without reference to previous correspondence with the Office, or to rejected applications, see *Piper v. Brown* (1870), 4 Fisher, 175; *Holmes*, 20; *Goodyear Dental Vulcanite Co. v. Gardiner* (1870), 4 Fisher, 224; 3 Clifford, 408.

That a patent may be construed, if necessary, by the intention of the inventor in the use of words, and for ascertaining this the records of amendments in the specification, &c., in the Patent Office may be examined, see *Trader v. Messmore* (1875), 1 Bann. & A. 639; 7 O. G. 385.

That where an application, being rejected, is amended by adding new features and the patent is then allowed, it cannot be construed as covering the invention described in the rejected application, see *Milligan v. Lalancé & Grosjean Mfg. Co.* (1884), 21 Fed. Rep. 570; 29 O. G. 367.

That where the patentee acquiesces in the limitation of his Claims by the Patent Office, the court cannot construe the patent to cover anything thus excluded, see *Crawford v. Heysinger* (1887), 123 U. S. 589; 42 O. G. 197; *Phoenix Caster Co. v. Spiegel* (1886), 26 Fed. Rep. 272; *Otis Bros. Mfg. Co. v. Crane*

Bros. Mfg. Co. (1886), 27 Fed. Rep. 550.

That a patentee acquiescing in the rejection of broad Claims must be restricted to those allowed, though the rejection was improper, see *Blades v. Rand, McNally, & Co.* (1886), 27 Fed. Rep. 93; 37 O. G. 99.

That a patent in the hands of an assignee cannot be construed to cover matter excluded from the Claims by a wrongful rejection in the Patent Office, see *Blades v. Rand, McNally, & Co.* (1886), 27 Fed. Rep. 93; 37 O. G. 99.

⁴ That no construction of a patent by acquiescence can arise in one year only, see *Johnston Ruffler Co. v. Avery Mach. Co.* (1886), 28 Fed. Rep. 193.

§ 742. ¹ In *Carver v. Braintree Mfg. Co.* (1843), 2 Story, 432, Story, J.: (446) "There is no magic in words; and above all, in patents, the court looks through the whole patent and specification, in order to ascertain what the thing claimed and patented is; whether it is for an entirety or for various distinct improvements, capable of a distinct operation and independent use in the same machine, or for both, or whether it is for a combination of two or more things in a particular machine, to produce a given result, or for a simple or single improvement in a particular

its Claims. These measure the protection which the inventor seeks and the exclusive privilege which he obtains. Where they are clear, explicit, unmistakable, they need no aid, and are not aided, by reference to the other portions of the patent.² But when they are obscure or capable of different interpretations, the whole Description, drawings, model, oath, and title are to be considered as exponents of the Claims, and as determining the meaning and application of their words. No one of these descriptive portions of the patent can control the others.³ The name given to the invention in the title or the

machine; or whether it is for any one or more of them. There is no artificial or universal rule of interpretation of such instrument beyond that which common-sense furnishes, which is to construe the instrument as a whole, and to extract from the descriptive words and the Claim what the invention is which is intended to be patented, and how far it is capable of exact ascertainment, and how far it is maintainable in point of law, supposing it clear from all ambiguity." 2 Robb, 141 (155).

See also *American Wood-Paper Co. v. Heft* (1867), 3 Fisher, 316; *Morris v. Barrett* (1859), 1 Bond, 254; 1 Fisher, 461; *Day v. Cary* (1859), 1 Fisher, 424; *Pitts v. Wemple* (1855), 2 Fisher, 10; 1 Bissell, 87; *Pitts v. Whitman* (1843), 2 Story, 609; 2 Robb, 189.

² That the specification and drawings are useful only to construe the Claim, see *Pitts v. Wemple* (1855), 1 Bissell, 87; 2 Fisher, 10.

That where a Claim is clear and explicit its language controls its meaning, without referring to the specification, see *Rich v. Close* (1870), 4 Fisher, 279; 8 Blatch. 41.

³ In *Francis v. Mellor* (1871), 1 O. G. 48, McKennan, J. : (50) "Patents are to be construed liberally, so as to sustain and not destroy the right of the inventor. Hence the whole of the specification may and should be looked at, to learn from the description of the

invention not only how to make it, but to ascertain what it really is. By the requirements of the statute the description must be in full, clear, and exact terms, and it is, therefore, an authorized guide to an accurate comprehension of what the patentee meant to claim as his invention. It is not only where the specification is expressly referred to that the Claim is to be construed in connection with it; but, as a general rule, the explanations contained in it are to be taken as the inventor's own interpreter of the meaning of his Claim, and of the essential qualities of the invention protected by his patent. *Turrill v. R. R. Co.*, 1 Wall. 511; *Curtis on Patents*, Secs. 453 and 454." 5 Fisher, 153 (157); 8 Phila. 157 (158).

In *Ransom v. Mayor of New York* (1856), 1 Fisher, 252, Hall, J. : (260) "In order to determine what the plaintiffs claim as their invention, we are to look to the specification annexed to their patent, which specification is in the language of the alleged inventors themselves, is made by law a portion of the patent, and must be referred to for the purpose of determining what the patentees claimed as their invention, and what the Government have agreed to secure to them as their exclusive privilege. In determining the construction of these Claims (and their construction is a question of law exclusively for the court, and not for the determination of the

oath should be consistent with its character as set forth in the specification; the drawings and the model should in

jury, unless, indeed, there may be technical terms, or terms which need explanation by the evidence given before the jury), it is proper that the court should refer to the whole specification, and consider the whole of it in connection."

In *Pottibone v. Dorringer* (1818), 4 Wash. 215, Washington, J. : (217) "But there can be no doubt that where the construction of the patent and specification, as to the subject of the grant, is doubtful, the affidavit, if more precise, may be resorted to to explain the ambiguity. It would seem to be particularly proper to do so for restraining general expressions in the specification; as the oath required to be taken by the act of Congress is, that the inventor does verily believe that he is the true inventor of the art, machine, or improvement for which he solicits a patent." 1 Robb, 152 (155).

Further, that the entire specification, with the drawings, model, oath, and title are to be considered as interpreting the Claims, see *Matthews v. Iron Clad Mfg. Co.* (1888), 124 U. S. 347; 42 O. G. 827; *Ex parte Holt* (1884), 29 O. G. 171; *Bruce v. Marder* (1882), 20 Blatch. 355; 22 O. G. 1039; 10 Fed. Rep. 750; *Brainard v. Cramme* (1882), 20 Blatch. 530; 22 O. G. 769; 12 Fed. Rep. 621; *Holly v. Vergennes Mach. Co.* (1880), 4 Fed. Rep. 74; 18 O. G. 1177; 18 Blatch. 327; *Matthews v. Schoneberger* (1880), 18 O. G. 1464; 4 Fed. Rep. 635; 18 Blatch. 357; *Evans v. Kelly* (1880), 9 Bissell, 251; 5 Bann. & A. 71; 23 O. G. 192; 13 Fed. Rep. 903; *Robinson v. Sutter* (1880), 10 Bissell, 100; 19 O. G. 127; 8 Fed. Rep. 828; *Day v. Combination Rubber Co.* (1880), 17 O. G. 1347; 5 Bann. & A. 385; 2 Fed. Rep. 570; *National Car Brake Shoe Co. v. Lake Shore & Michigan Southern R. R. Co.* (1880), 4 Fed.

Rep. 219; 18 O. G. 1179; 9 Bissell, 503; *Burko v. Partridge* (1878), 58 N. H. 349; *Bruff v. Ives* (1877), 11 O. G. 924; 14 Blatch. 198; *Fuller v. Yontzer* (1876), 94 U. S. 288; 11 O. G. 551; *Estabrook v. Dunbar* (1876), 2 Bann. & A. 427; 10 O. G. 909; *Metropolitan Wringing Mach. Co. v. Young* (1876), 14 Blatch. 46; *Westinghouse v. Gardner & Ranson Air Brake Co.* (1875), 2 Bann. & A. 55; 9 O. G. 538; *Wells v. Jacques* (1874), 1 Bann. & A. 60; 5 O. G. 364; *Ex parte Marsh* (1872), 2 O. G. 197; *Roberts v. Dickey* (1872), 1 O. G. 4; 4 Fisher, 532; 4 Brews. (Pa.) 260; *Carew v. Boston Elastic Fabric Co.* (1871), 8 Clifford, 356; 5 Fisher, 90; 1 O. G. 91; *Francis v. Mellor* (1871), 5 Fisher, 153; 1 O. G. 48; 8 Phila. 157; *Seymour v. Osborne* (1870), 11 Wall. 516; *Coffin v. Ogden* (1869), 7 Blatch. 61; 3 Fisher, 640; *Turrill v. Railroad Co.* (1863), 1 Wall. 491; *Hayden v. Suffolk Mfg. Co.* (1862), 4 Fisher, 86; *Whipple v. Middlesex Co.* (1859), 4 Fisher, 41; *Bell v. Daniels* (1858), 1 Fisher, 372; 1 Bond, 212; *Ransom v. Mayor of N. Y.* (1856), 1 Fisher, 252; *Kittle v. Merriam* (1855), 2 Curtis, 475; *Winans v. Denmead* (1853), 15 How. 330; *Corning v. Burden* (1853), 15 How. 252; *Hogg v. Emerson* (1850), 11 How. 587; *Hogg v. Emerson* (1848), 6 How. 437; 2 Robb, 655; *Davoll v. Brown* (1845), 1 W. & M. 53; 2 Robb, 303; *Ryan v. Goodwin* (1839), 3 Sumner, 514; 1 Robb, 725.

That the Claims of a patent must be construed by the specification, and if the latter describes an entire article, the separable parts of the article are not regarded as inventions unless so claimed, see *Evans v. Kelly* (1880), 23 O. G. 192; 13 Fed. Rep. 903; 9 Bissell, 251; 5 Bann. & A. 71.

That an element limited to a peculiar

their respective modes disclose the precise features which are presented by the language of the Description; but variations between these are not to be regarded, provided their examination as a whole reveals the essential attributes of the invention claimed.⁴ This rule applies equally to cases where the patent covers several inventions. As these must be mutually dependent and co-operative in order to be capable of joinder, the Claim for each may be, so far as necessary, elucidated and defined by the descriptions of the others.⁵

construction in one Claim will be limited in the same way in construing other Claims, see *Railway Register Mfg. Co. v. Third Avenue R. R. Co.* (1887), 42 O. G. 379.

That a doubtful specification may be aided by the drawing, see *Tinker v. Wilber Eureka Mower & Reaper Mfg. Co.* (1880), 1 Fed. Rep. 138; 5 Bann. & A. 92; *Banker v. Bostwick* (1880), 18 O. G. 61; 3 Fed. Rep. 517; 5 Bann. & A. 463; *Ingels v. Mast* (1873), 6 Fisher, 415; *Foss v. Herbert* (1856), 1 Bissell, 121; 2 Fisher, 31; *Hogg v. Emerson* (1850), 11 How. 587; *Burrall v. Jewett* (1830), 2 Paige (N. Y.), 133.

That drawings are to be construed by the specifications, see *Hamilton v. Ives* (1873), 6 Fisher, 244; 3 O. G. 30.

That drawings cannot be so used as to change the character of the invention described in the specification, see *Hailes v. Albany Stove Co.* (1887), 123 U. S. 582; 42 O. G. 95.

That the drawing may show that the machine claimed under the patent is not the one for which it issued, see *Burrall v. Jewett* (1830), 2 Paige (N. Y.), 133.

That the drawings may be interpreted by the model, see *Aiken v. Dolan* (1867), 3 Fisher, 197.

That Claims will be construed by the drawings and model, see *Hancock Inspirator Co. v. Jenks* (1884), 21 Fed. Rep. 911.

That a clause in the application immediately connected with the Claim, and evidently stating what the inventor intended to secure, will be construed as part of the Claim, see *La Rue v. Western Electric Co.* (1886), 28 Fed. Rep. 85; 36 O. G. 453; 24 Blatch. 18.

⁴ That the names and terms used by the patentee are to be construed in view of the entire specification and drawings, see *Foye v. Nichols* (1882), 8 Sawyer, 201; 13 Fed. Rep. 125; 22 O. G. 2243.

That the title of the invention should agree with the specification, see *Good-year v. Railroad* (1853), 1 Fisher, 626; 2 Wall. Jr. 356.

That the title of the invention in the patent does not control, but is to be taken in connection with the specification and drawings, and a liberal construction given to all, see *Bell v. Daniels* (1858), 1 Bond, 212; 1 Fisher, 372; *Sickels v. Gloucester Mfg. Co.* (1856), 1 Fisher, 222.

⁵ That a construction making two Claims cover the same thing will be avoided if possible, see *Tondeur v. Stewart* (1886), 28 Fed. Rep. 561; 37 O. G. 672.

That one Claim cannot be so construed as to render another Claim of the same patent meaningless, see *Cohansey Glass Mfg. Co. v. Wharton* (1886), 28 Fed. Rep. 189; 36 O. G. 343.

§ 743. Second General Rule Authorizes the Restriction of the Claims by the Other Portions of the Patent, but not their Enlargement.

In thus construing the Claims of a patent by its descriptive portions, the scope of the Claims may often be restricted, but can never be enlarged.¹ The Claims are based on the description, the invention secured to the patentee being always identical with or contained in that communicated to the public; and therefore the interpretation given to the Claims must limit them to the invention previously described, however wide and comprehensive they might otherwise appear.² To meet extended Claims the rule of liberal construction requires all other members of the patent to be interpreted as broadly as the legitimate use of language, drawings, or models will permit, but when the Claims exceed such an interpretation of the descriptive matter they must be restricted by it or must wholly fail.³ The converse of this proposition, however, is

§ 743. ¹ That the Claim may be illustrated, not enlarged, by the other parts of the specification, see *Yale Lock Co. v. Greenleaf* (1886), 117 U. S. 554; 35 O. G. 386.

² That a general Claim will be limited to the invention described in the specification, see *Ex parte Hahn* (1875), 8 O. G. 597; *U. S. Steam Gauge Co. v. American Steam Gauge Co.* (1874), 5 O. G. 208; *Holmes*, 309; *Cammeyer v. Newton* (1874), 5 O. G. 753; 12 *Blatch*. 122; 1 *Bann. & A.* 294; *Mitchell v. Tilghman* (1873), 19 *Wall*. 287; 5 O. G. 299; *Forsyth v. Clapp* (1873), 4 O. G. 527; *Holmes*, 278; 6 *Fisher*, 528; *Smith v. O'Connor* (1873), 4 O. G. 633; 2 *Sawyer*, 461; 6 *Fisher*, 469; *Roberts v. Dickey* (1872), 4 *Fisher*, 532; 1 O. G. 4; 4 *Brews. (Pa.)* 260.

That general words in a Claim are limited by particular words in the specification, see *Knox v. Murtha* (1871), 9 *Blatch*. 205; 5 *Fisher*, 174.

That a Claim cannot receive a construction broader than the invention as shown in the specification, see *Anders v. Gilliland* (1880), 19 O. G. 177.

That general words in a Description or Claim are to be limited by the real nature of the invention, see *Fischer v. Hayes* (1881), 6 *Fed. Rep.* 76; 20 O. G. 239; 19 *Blatch*. 26.

That Claims are not limited by drawings when the specification shows that the real invention was broader, see *Hamilton v. Ives* (1873), 6 *Fisher*, 244; 3 O. G. 30.

³ That a general description at the beginning of the specification will be construed by the subsequent specific directions for making the invention, and the description of its peculiar properties, see *Holt v. Kendall* (1885), 26 *Fed. Rep.* 622; 35 O. G. 874.

That a Claim is to be construed by the specification, and if the specification describes only the entire article the Claims do not cover each separate part of it, see *Evans v. Kelly* (1880), 13 *Fed. Rep.* 903; 9 *Bissell*, 251; 5 *Bann. & A.* 71; 23 O. G. 192.

That the Claims of a patent cannot be enlarged by the correspondence of the inventor with the Patent Office, nor by the proceedings pending the appli-

not type. Although the Claims must follow the description, it is not necessary that they cover all the patentable matter there described. The inventor may abandon portions of it to the public, or reserve them for the protection of a future patent. Whatever of such matter the legitimate meaning of his Claims, in their widest sense, embraces, they must be construed to hold, but beyond this meaning they cannot be enlarged by general terms in the description, or by its statement of other and distinct inventions.

§ 744. Third General Rule: Words and Phrases Interpreted, if possible, in their Ordinary Sense.

Subject to the preceding rules are those which govern the signification of the individual words and phrases employed by the inventor in his Description and Claims of the invention, and by the Patent Office in framing the letters-patent. Unless the contrary appears, a word has its ordinary meaning.¹ If commonly applied in different senses, it may be used in one part of the patent to denote a certain object, and in another to denote a different object,—its sense in each connection being determined by the object to which it relates.² If it has varied in its meaning since the date of the invention, it must be taken as including only the acts or things to which it then re-

cation, see *Goodyear Dental Vulcanite Co. v. Gardiner* (1871), 3 Clifford, 408 ; 4 Fisher, 224.

That clear and distinct Claims will govern where the specification is ambiguous, see *McKesson v. Carnrick* (1881); 9 Fed. Rep. 44 ; 21 O. G. 137 ; 19 Blatch. 158.

That a process cannot be inferred by the court from a description of its product, see *Western Electric Co. v. Ansonia Co.* (1885), 114 U. S. 447 ; 31 O. G. 1305.

§ 744. ¹ That words used in a specification have their usual meaning unless the contrary appears, see *Root v. Lamb* (1881), 7 Fed. Rep. 222 ; 19 O. G. 937 ; *Day v. Cary* (1859), 1 Fisher, 424 ; *Goodyear v. Cary* (1859), 4 Blatch. 271.

That terms known in the art are

construed as there used, see *Day v. Stelman* (1859), 1 Fisher, 487.

That under Sec. 4888, Rev. Stat., the specification must point out the exact invention, and the patent must be taken as it reads, in the light of common knowledge, until the contrary appears, see *McCloskey v. Dubois* (1881), 19 O. G. 1286 ; 20 O. G. 371 ; 8 Fed. Rep. 710 ; 19 Blatch. 205.

That where a specification misuses words, their ordinary meaning will still have weight, see *Root v. Lamb* (1881), 19 O. G. 937 ; 7 Fed. Rep. 222.

² That the meaning of words in a specification is dependent on the context, and the same words may mean different things in different connections, see *Drummond v. Greenough* (1879), 16 O. G. 959.

ferred and not those which it has more recently embraced.³ Words also are interpreted according to the intent of the inventor, as indicated by their use in the specification, or in the art to which the invention appertains, or in his correspondence with the Patent Office.⁴ Ambiguous words, if capable of no intelligible construction and the object of the patent can be made clearly known without them, may be rejected as surplusage.⁵ General words may be limited in meaning, and special words extended, as the interpretation of the entire instrument requires. The arrangement of words in a sentence is of little moment, if its purport can be accurately discovered.⁶

§ 745. Practical Application of the Foregoing Rules.

In construing a patent in accordance with these rules the first object of attention is the Claim. If this requires no explanation, the court expounds it by the ordinary meaning of its words and defines the invention which it covers.¹ If

³ That the language of a patent will be construed by its meaning at the date of the patent, not by that subsequently acquired, see *McDougal v. Eames* (1872), 2 O. G. 87.

That names are interpreted by evidence of their meaning at the time when they were used, not afterward, see *Florence Sewing Mach. Co. v. Grover & Baker Sewing Mach. Co.* (1872), 110 Mass. 70.

⁴ That the language of a specification is to be interpreted according to the evident intention of the inventor, see *Union Paper Bag Co. v. Nixon* (1873), 6 Fisher, 402 ; 4 O. G. 31.

That general terms and special words are construed to cover the real invention if it can be done without violence to the language of the Claim, see *Fitch v. Bragg* (1881), 20 O. G. 1589 ; 8 Fed. Rep. 588 ; *Estabrook v. Dunbar* (1876), 10 O. G. 909 ; 2 Bann. & A. 427.

⁵ That ambiguous words will be construed to suit the real nature of the invention, see *White v. Allen* (1863), 2 Clifford, 224 ; 2 Fisher, 440.

That ambiguous words in the specification will be controlled by the Claim or treated as superfluous, see *McKesson v. Carnrick* (1881), 9 Fed. Rep. 44 ; 19 Blatch. 158 ; 21 O. G. 137.

That phrases in a specification have no fixed meaning, but are to be interpreted by the courts, see *Union Paper Bag Co. v. Nixon* (1873), 6 Fisher, 402 ; 4 O. G. 31.

⁶ That the specification is construed rather by the true import of the words used than by any arrangement of words, see *Allen v. Hunter* (1855), 6 McLean, 303.

§ 745. ¹ In *Rich v. Close* (1870), 4 Fisher, 279, Woodruff, J. : (283) "It is quite true that in the construction of a Claim reference is to be had to the descriptive portion of the specification, or to any other portion of it, to ascertain the true interpretation of the Claim. But where the Claim is such as to leave no room for construction, where it is clear and explicit, and especially where there is nothing in the specification which shows that the patentee did not

explanation is required, the entire field of inquiry is open. The nature of the actual invention is sought in the history of the art, in the formal statements of the inventor before his patent issued, and in other facts which indicate its character. To this invention the entire description of the patent is applied, and whatever has been properly described and might, therefore, lawfully be claimed, is taken as the true interpretation of the Claim so far as the legitimate use of language will allow.² By this method of construction the rights of the inventor are secured to the fullest extent which is compatible with the preservation of the public right. Whenever he fails of complete protection it is through his own faults of statement, which he may correct by a re-issue.

SECTION II.

OF THE CONSTRUCTION OF LETTERS-PATENT: SPECIAL RULES.

§ 746. Special Rules: Pioneer Patents: Re-issued Patents: Patents Granted by Act of Congress.

In addition to the foregoing general rules, certain special rules of construction have arisen from the application of these

mean just what the plain language of the Claim imports, we are not aided by and have no need of aid from such specification." 8 Blatch. 41 (44).

That a Claim must be construed by its terms when they are clear, and cannot be enlarged by the context, see *White v. Dunbar* (1886), 119 U. S. 47; 37 O. G. 1002.

That where the import of a Claim is clear it cannot be enlarged by the Description, see *Railway Register Mfg. Co. v. Third Avenue R. R. Co.* (1887), 42 O. G. 379.

² In *Johnson v. Root* (1858), 1 Fisher, 351, Sprague, J.: (355) "In determining what it is that the plaintiff has secured to him by his patent from the Government, the court looks, in the first place, at what is called, technically, the

Claim, which is the summing up, at the close of the patent, or specification preceding, the Claim being in the terms: 'What I claim to have invented, and wish to secure by letters-patent, is —, ' and then a condensed statement of what he wishes to have secured to him by his patent. But in construing that we take into view the whole of what precedes it in the specification, and also such extraneous facts presented by the evidence as may aid in giving the true construction to the patent, particularly the documents from the Patent Office which have preceded the granting of the patent itself." See also *Woodman v. Stimpson* (1866), 3 Fisher, 98; *Whipple v. Baldwin Mfg. Co.* (1858), 4 Fisher, 29; and § 739 and notes, *ante*.

general rules to particular cases. A pioneer patent, introducing to the public some art or instrument entirely new, must be interpreted as liberally as its language will permit in order to protect the original conception in its widest form, notwithstanding any Description or Claim for specific details which the patent may contain.¹ A re-issued patent, if ambiguous and uncertain in itself, may be aided by referring to the specifications, drawings, and model of the original.² A patent granted by special act of Congress, upon representations made by the inventor as to the real nature of his invention, must be limited to the invention as thus represented, whatever else the terms of the patent might otherwise include.³

§ 746. ¹ That the Claims of a pioneer patent are to be construed broadly, see *Kirk v. DuBois* (1887), 42 O. G. 297; *Hammerschlag Mfg. Co. v. Bancroft* (1887), 40 O. G. 1339; 32 Fed. Rep. 585; *May v. County of Fond du Lac* (1886), 27 Fed. Rep. 691; *Thayer v. Spaulding* (1886), 27 Fed. Rep. 66; 36 O. G. 1044; *Worswick Mfg. Co. v. City of Buffalo* (1884), 22 Blatch. 157; 27 O. G. 1239; 20 Fed. Rep. 126; *Pickhardt v. Packard*, (1884), 23 Blatch. 23; 30 O. G. 179; 22 Fed. Rep. 530.

That a pioneer patent is not to be limited to specific details if it is fairly open to a liberal construction, see *Hammerschlag v. Scamoni* (1881), 7 Fed. Rep. 584; 20 O. G. 75.

That when a new art is discovered and patented the Claims of the patent are broadly construed so as to cover all means of practising it, see *Standard Measuring Machine Co. v. Teague* (1883), 15 Fed. Rep. 390; *Kimball v. Hess* (1883), 15 Fed. Rep. 393; 26 O. G. 107.

That on a question of joinder the rule of construction is most liberal, see *Ex parte Herr* (1887), 41 O. G. 463.

² That the Claims of a re-issue, if obscure, may be interpreted by the original specifications and drawings, see *Bussey v. Wager* (1875), 9 O. G. 300.

That an original patent can be referred to in order to construe the re-issue, see *Reedy v. Scott* (1874), 23 Wall. 352; 7 O. G. 463.

That in construing a re-issued patent the new matter claimed may be referred to as interpreting the good Claims, but only so far as it could properly have appeared in the original specification, see *Schillinger v. Cranford* (1885), 4 Mackey, 450; 37 O. G. 1349.

³ That a patent granted by special act of Congress will be limited by representations made by the patentee to Congress in order to obtain the patent, see *Union Mfg. Co. v. Lounsbury* (1863), 2 Fisher, 389.

That a patent, having been irregularly granted and afterwards confirmed by special act of Congress, is to be governed and construed by the law in force when it was originally granted, see *New American File Co. v. Nicholson File Co.* (1881), 20 O. G. 524; 8 Fed. Rep. 816.

§ 747. Special Rules: Claims for Combinations: Improvements:
Joint Inventions.

A Claim for a combination is to be construed liberally in order to support the combination, although another Claim is made for a special arrangement of the same elements.¹ Where a combination apparently claimed is shown to be old, the Claim may be interpreted to cover the particular elements employed, if the language of the Claim is capable of that construction.² The use of the word "combination" in some Claims, and not in others, indicates an intention to exclude the combination from the latter.³ A patent for an improvement will be read in the light of the original invention and its own relations thereto.⁴ A patent for a joint invention,

§ 747. ¹ That a Claim for a combination will be construed broadly, though another Claim is made for a special arrangement of the same elements, see *Ex parte Marsh* (1872), 2 O. G. 197.

That in patents for combinations the limitations imposed by the inventor, especially after the rejection of a Claim, must be strictly construed in favor of the public as disclaimers, see *Sargent v. Hall Safe & Lock Co.* (1885), 114 U. S. 63; 31 O. G. 661.

That a patent for a combination cannot be construed to cover an element expressly disclaimed, see *Shaver v. Skinner Mfg. Co.* (1887), 41 O. G. 232.

That the courts cannot by construction eliminate a claimed element of a combination simply because it is practically useless, see *Williams v. Stolzenbach* (1885), 23 Fed. Rep. 39; 30 O. G. 891.

That all claimed elements are to be regarded as material in construing the patent, see *Sargent v. Hall Safe & Lock Co.* (1885), 114 U. S. 63; 31 O. G. 661; and §§ 156, 278, 282, 527, and notes, *ante*.

That a Claim for a combination includes everything which is either expressed or necessarily implied to be material, see *Thompson v. Gildersleeve* (1888), 43 O. G. 886.

That a Claim for an arrangement of all the parts constituting the article is construed as a Claim for the article itself, see *Donoughe v. Hubbard* (1886), 27 Fed. Rep. 742; 35 O. G. 1561.

That a Claim for a process consisting of several steps may be limited by the state of the art and the Description of the patent to the instrumentalities described, or their equivalents, which are essential to the performance of the process, see *Lawther v. Hamilton* (1888), 42 O. G. 487.

That a Claim for a combination may be construed as a Claim for a manufacture, see *Duff v. Calkins* (1883), 25 O. G. 601.

That a Claim for a combination covers all its effects though they are not named, see *Thompson v. American Bank Note Co.* (1888), 45 O. G. 347.

² That a Claim for a combination shown to be old may be construed as a Claim for the particular devices employed, see *Clough v. The Gilbert & Barker Mfg. Co.* (1878), 15 O. G. 1009.

³ That the use of the word "combination" in some Claims but not in others excludes the idea of it from the latter, see *Burden v. Corning* (1864), 2 Fisher, 477.

⁴ That a Claim for an improvement is

which is subsidiary to a prior sole invention, cannot be so construed as to embrace the sole invention.⁵

§ 748. **Special Rules : Claims for Principles, Functions, or Effects.**

A Claim for the principle or force employed in an invention will be interpreted, if possible, as a Claim for the instrument or operation by which the force is applied to its appropriate object.¹ A Claim for a function, where the specification describes the device or apparatus which performs it, will be construed as intended to cover such apparatus or device.² A Claim for a result or effect will be considered as a Claim for the means by which the effect is produced, if the specification, as a whole, is open to that interpretation.³

§ 749. **Special Rules : Claims for an Entirety not Divisible : Claims for Separate Devices not Consolidated.**

A Claim for an entire instrument or process, consisting of several steps or divisible parts, cannot usually be divided by construction in such a manner as to cover these independent members.¹ If the interpretation given to the invention by the specification, however, indicates that these steps or parts

to be construed in view of the original and its relations to it, see *Brown v. Selby* (1871), 2 Bissell, 457 ; 4 Fisher, 363.

That the court can determine whether two designs are the same by comparing them, see *Jennings v. Kibbe* (1882), 10 Fed. Rep. 669 ; 22 O. G. 331 ; 20 Blatch. 353 ; and §§ 201-207, 306, and notes, *ante*.

⁵ That a joint invention, subsidiary to a prior invention of one of the joint inventors, cannot be so construed as to include it, see *Hopkins & Dickinson Mfg. Co. v. Corbin* (1878), 14 Blatch. 396 ; 14 O. G. 3.

§ 748. ¹ That a Claim will not be construed to cover a principle if it can be so interpreted as to apply to a device, see *Union Paper Bag Co. v. Nixon* (1873), 4 O. G. 31 ; 6 Fisher, 402 ; and §§ 508, 509 and notes, *ante*.

² That functional Claims will be construed, if possible, as Claims for what performs the function, see *Albany Steam Trap Co. v. Felthousen* (1884), 22 Blatch. 169 ; 20 Fed. Rep. 633 ; *Mfg. Co. v. Ladd* (1877), 11 O. G. 153 ; 2 Bann. & A. 488 ; *Ex parte Shippen* (1875), 8 O. G. 727 ; and § 518 and notes, *ante*.

³ That a Claim for a result will be construed, if possible, to be a Claim for a means of effecting a result, see *Palmer v. Gatling Gun Co.* (1881), 8 Fed. Rep. 513 ; 19 Blatch. 392 ; 20 O. G. 815 ; *Henderson v. Cleveland Co-operative Stove Co.* (1877), 2 Bann. & A. 604 ; 12 O. G. 4 ; and § 519 and notes, *ante*.

§ 749. ¹ That a Claim for a whole cannot be divided by construction so as to cover the parts, see *Evans v. Kelly* (1880), 9 Bissell, 251 ; 13 Fed. Rep. 903 ; 23 O. G. 192 ; 5 Bann. & A. 71.

are the true means conceived by the inventor, the Claim may be extended to embrace them.² Two apparently separate Claims cannot be construed together as one Claim and be thus supported by each other.³

§ 750. Special Rules: Foreign Words: "Substantially as Described:" "Generic," etc.

Foreign words occurring in a patent are to be interpreted by the context and the real object of the inventor, and to receive such meaning as will effect his intention.¹ The phrase "substantially as described," in the Claim, signifies much or little, as the patentee evidently designed.² This phrase is always supposed to be incorporated in the Claim, whether or not it is actually inserted.³ In any case it relates only to the material features of the invention, as shown by its purpose and by the elements which compose it and

² That effect is to be given to the whole description in the specification and drawings, and if it can be seen that the patentee intended to claim the parts separately, the patent must be so construed, see *National Car Brake Shoe Co. v. Lake Shore & Michigan Southern R. R. Co.* (1880), 9 Bissell, 503; 18 O. G. 1179; 4 Fed. Rep. 219.

³ That two apparently separate Claims cannot be construed as one, and be supported by each other, see *Seymour v. McCormick* (1856) 19 How. 96.

That two patents cannot be construed to supplement each other, see *Blades v. Rand, McNally, & Co.* (1886), 27 Fed. Rep. 93; 37 O. G. 99.

That a Claim covering a class, where the invention is only one of the class, is confined to the invention, see *Opinion Atty. Gen.* (1856), 8 Op. Atty. Gen. 269.

§ 750. ¹ That foreign words will be interpreted by the context, and the real nature of the invention, see *White v. Allen* (1863), 2 Fisher, 440; 2 Clifford, 224.

² That the phrase "substantially as

described" means much or little, as the intention of the patentee requires, see *Seymour v. Osborne* (1869), 3 Fisher, 555.

³ That the words "substantially as described" are always understood in the Claim, and refer to the specification, see *Matthews v. Schoneberger* (1880), 4 Fed. Rep. 635; 18 O. G. 1464; 18 Blatch. 357; *Westinghouse v. Gardner & Ranson Air Brake Co.* (1875), 2 Bann. & A. 55; 9 O. G. 538; *Mitchell v. Tilghman* (1873), 19 Wall. 287; 5 O. G. 299; and § 517 and notes, *ante*.

That Claims referring to the specification must be construed by it, see *Gottfried v. Phillip Best Brewing Co.* (1879), 5 Bann. & A. 4; 17 O. G. 675; *Sickels v. Evans* (1863), 2 Fisher, 417; 2 Clifford, 203.

That the Claim may be construed by the specification so as to be good, though on its face it covers only a function or a result, if it refers to the specification by the words "substantially as described," see *Seymour v. Osborne* (1870), 11 Wall. 516; *Seymour v. Osborne* (1869), 3 Fisher, 555.

enable it to accomplish its results.⁴ The similar phrase "as herein described" likewise refers to the specification for a fuller and more exact statement of the subject-matter of the Claim.⁵ The word "specification" is sometimes employed to denote both the Claim and the Description, and sometimes only the Description. In statutes and elsewhere, when it is used alone, it has the former meaning; when the word "Claim" is also used, it has the latter.⁶ The term "generic" varies in its application. It is a relative term, the same invention being generic as to some inventions and specific as to others.⁷ It is to be interpreted according to the nature of the operation or instrument to which it is applied, and the position of such instrument or operation in the art to which it belongs. The word "manufacture" may denote the article made, or the means by which it is produced.⁸

⁴ In *Waterbury Brass Co. v. Miller* (1871), 9 Blatch. 77, Woodruff, J.: (97) "They relate only to material features of the combination specified, and these are to be ascertained by considering the object or purpose of the machine, and what are the elements of the combination which create its distinctive character, and are effective in producing the peculiar result for which the contrivance is made." 5 Fisher, 48 (68).

That in the Claim the words "in the manner and for the purposes herein specified" should not be construed to cover every part shown in the drawings and Description, nor to confine the invention to the precise form therein shown, see *Reed v. Chase* (1885), 25 Fed. Rep. 94; 33 O. G. 996.

⁵ That the words "as herein described" or "set forth" refer to the specification, and may embrace elements not mentioned in the Claim, see *Vance v. Campbell* (1859), 1 Fisher, 483.

That the words in the Claim "all as shown and described" limits the Claim to the exact thing shown, see *Osceola Mfg. Co. v. Pie* (1886), 28 Fed. Rep. 83.

⁶ In *Wilson v. Coon* (1880), 18 Blatch. 532, Blatchford, J.: (535) "The word 'specification,' when used separately from the word 'claim,' in § 4916, means the entire paper referred to in § 4888, namely, the written description of the invention, 'and of the manner and process of making, constructing, compounding, and using it,' and the Claims made. The word 'specification,' meaning Description and Claims, is used in that sense in §§ 4884, 4895, 4902, 4903, 4917, 4920, and 4922. In some cases, as in §§ 4888 and 4916, the words 'specification and claim' are used, and in § 4302 the word 'description' and the word 'specification' are used. But it is clear that the word 'specification,' when used without the word 'claim,' means Description and Claim." 19 O. G. 482 (482); 6 Fed. Rep. 611 (615). See also §§ 655-657 and notes, *ante*.

⁷ That the term "generic" is relative, the same invention being "generic," as to some, and "specific" as to others, see *Ex parte Ewart* (1880), 17 O. G. 448; and §§ 535, 536, and notes, *ante*.

⁸ That the word "manufacture" may

§ 751. Special Rules: Terms Admitting of Degrees: Other Terms.

Terms admitting of degrees — such as “tight,” “hard,” “hot,” and the like — refer to that degree which is best suited to the purposes of the invention as indicated by its practical use.¹ The phrase “in any other convenient manner” includes every method which the invention can perform.² “Suitable materials” embrace all known materials proper for the purpose.³ The “making” or “selling” of a substance is essentially distinct from its “use,” and a patent for the latter does not confer upon the patentee any exclusive right to the former.⁴ Other special words are interpreted in view of the practical character of the invention and as they would ordinarily be employed by persons skilled in the art.⁵

mean the article made, or the work of making it, see *Shaw v. Colwell Lead Co.* (1882), 20 Blatch. 417; 11 Fed. Rep. 711.

§ 751. ¹ That terms admitting of degrees of meaning, such as “tight,” “hard,” etc., mean such degree as is suited to the purposes of the invention, see *Robinson v. Sutter* (1881), 8 Fed. Rep. 828; 19 O. G. 127; 10 Bissell, 100.

The words “to be hardened,” in a Description, mean to be made as hard as possible, see *Monce v. Adams* (1874), 7 O. G. 177; 1 Bann. & A. 126; 12 Blatch. 1.

² That in the specification the phrase “or in any other convenient manner,” is construed to cover such manner as the device can perform, see *Illinois Central R. R. Co. v. Turrill* (1876), 94 U. S. 695; 12 O. G. 709.

³ That the phrase “suitable materials” means “known materials,” see *Bailey Washing & Wringing Mach. Co. v. Lincoln* (1871), 4 Fisher, 379.

⁴ That a patent for the “use” of a thing does not cover the making and selling of it, see *Keystone Bridge Co.*

v. Phoenix Iron Co. (1872), 5 Fisher, 468; 1 O. G. 471.

⁵ That “jointly” in a Claim may mean “by united action,” not necessarily “simultaneously,” see *Gold & Stock Telegraph Co. v. Commercial Telegram Co.* (1885), 23 Blatch. 199; 23 Fed. Rep. 340; 31 O. G. 1558.

That “perfect” means perfect according to the standard required in the art, see *Adams v. Bridgewater Iron Co.* (1886), 26 Fed. Rep. 324; 34 O. G. 1045.

That “free from defect” means sufficiently free for practical purposes, see *Adams v. Bridgewater Iron Co.* (1886), 26 Fed. Rep. 324; 34 O. G. 1045.

That “concavo-convex” means such a degree of each as mechanical judgment may show to be needed, see *Temple Pump Co. v. Goss Pump & Rubber Bucket Mfg. Co.* (1887), 39 O. G. 467; 30 Fed. Rep. 446.

That the words “or other part” mean “or other equivalent part,” and do not render the Claim uncertain, see *Babcock & Wilcox Co. v. Pioneer Iron Works* (1888), 43 O. G. 756.

CHAPTER V.

OF THE TRANSFER OF LETTERS-PATENT.

§ 752. Patented Inventions are Property, and as Such Transferable.

A PATENTED invention, being capable of exclusive possession and dominion, is property, and occupies the same legal position and is governed by the same legal rules as any other object of human ownership. The patentee has the same rights in it, and the same authority over it, that are vested in him as to any class of property.¹ His title to it rests on the same ultimate basis of prior occupancy, receives the same sanction and vindication through the provisions of positive law, and is held and enjoyed upon the same general conditions of subservience to the rights of others and to the public good. And as, like most species of property, its value to its owner resides principally in his power to dispose of it for different property, its transfer by the patentee to other persons is restricted only by the nature of the property itself.² Of what forms of transfer a patented invention is capable is thus an inquiry preliminary to any discussion of the modes by which it may be practically conveyed.

§ 753. Property in a Patented Invention Twofold: the Invention, and the Monopoly.

The property in a patented invention is composed of two different elements, distinct in their origin, in their nature,

§ 752. ¹ That an invention belongs to the inventor as fully as any other property, see *Sloat v. Patton* (1852), 1 Fisher, 154; and § 61 and notes, *ante*. *Campbell v. James* (1880), 2 Fed. Rep. 338; 18 Blatch. 92; 18 O. G. 1111; *Parker v. Haworth* (1848), 4 McLean, 370; 2 Robb, 725.

² That every patent and every interest in a patent is transferable, see *Howe v. Chatham* (1885), 64 Tex. 36; *That each Claim is separately transferable*, see *Pope Mfg. Co. v. Gormully & Jeffrey Mfg. Co.* (1888), 34 Fed. Rep. 893.

and in the subordinate rights into which they may be divided. The first of these elements is the property in the invention itself. This element originates in the inventive act by which the invention was produced, consists of the right to practise the invention, and is divisible into the subordinate rights to make, use, and sell the art or instrument invented. The second element is the property in the patent privilege by which the invention is protected. This element originates in a grant of the sovereign power acting under the enactments of positive law, consists in the right to prevent all persons except the patentee from practising the invention, and is divisible into the subordinate rights to prohibit the making, use, or sale of the invention except upon such terms or by such persons as the patentee may deem expedient, and to obtain redress for its forbidden making, use, or sale. The first of these two elements is wholly independent of the second. It exists equally whether the invention is patented or not, and it may be transferred by the inventor either as a whole or as to any one or more of its subordinate rights. Nor does this element draw after it the second. While the invention remains a secret with the inventor or his transferees, their enjoyment of its benefits may be exclusive, but if it becomes known to others, their ownership of the invention confers upon them no power to prevent its general use. The necessity for the second element then first arises, and this being obtained bestows authority on the inventor to restrict the practice of the invention within such limits as he pleases, and to recover compensation from all persons who infringe on his exclusive rights. This second element is thus a mere prohibitory power.¹ While it confers a monopoly on

§ 753. ¹ *In re Brosnahan* (1883), 4 McCrary, 1, Miller, J. : (5) "It is to be observed that no constitutional or statutory provision of the United States was, or ever has been, necessary to the right of any person to make an invention, discovery, or machine, or to use it when made, or to sell it to some one else. Such right has always existed and would exist now if all patent laws were repealed. It is a right which may

be called a natural right, and which, so far as it may be regulated by law, belongs to ordinary municipal legislation ; and it is unaffected by anything in the Constitution or Patent Laws of the United States. The sole object and purpose of the laws which constitute the patent and copyright system is to give to the author and the inventor a monopoly of what he has written or discovered, — that no one else shall make

the inventor, it neither creates the invention nor any of the rights which accrue from the inventive act. On the contrary, it presupposes their existence, and if they do not exist the grant of the monopoly is void. Both its own nature and the purposes for which it is bestowed, however, render it so far dependent on the former element that it cannot subsist except in the inventor or in those to whom he has conveyed some interest in the invention; though any interest in the invention less than the exclusive right to make and use and sell may be transferred by the inventor without bestowing any part of his monopoly. Hence in every patented invention there are two objects capable of alienation,—the invention or the right to make, use, and sell the patented art or instrument, and the monopoly or the right to prohibit others from practising the invention, and to obtain redress for its forbidden making, use, or sale. The principles which govern the alienation of these objects are very different.

§ 754. **Property in the Invention Transferable without Restriction.**

The alienation of the invention, or the rights to make, use, or sell, is unrestricted by the nature of the property or the rules of law. The owner of the invention may confer these rights, either separately or together, upon one person or upon many different persons, and each may exercise the rights so conferred without reference to the others.¹ He may transfer them before or after the patent is granted, and may or may

or use or sell his writings or his invention without his permission; and what is granted to him is the exclusive right, not the abstract right, but the right in him to the exclusion of everybody else.

. . . (6) the purpose of the Patent Law and of the constitutional provision are answered when the patentee is protected against competition in the use of his invention by others; and when the law prevents others from infringing on his exclusive right to make, use, or sell, its object is accomplished." 18 Fed. Rep. 62 (64).

Further, that a patent gives only a

right to exclude others from practising the invention, see *De Witt v. Elmira Nobles Mfg. Co.* (1875), 5 *Hur.*, 301; *Hawks v. Swett* (1875), 4 *Hun.*, 146; 6 *Thomp. & C.* 529; *Bloomer v. McQuewan* (1852), 14 *How.* 539.

§ 754. ¹ That the rights to make, to use, and to sell, are essentially distinct and may be separately granted, see *Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co.* (1874), 12 *Blatch.* 202; *Adams v. Burke* (1873), 17 *Wall.* 453; 33 *O. G.* 114; *Jenkins v. Greenwald* (1857), 2 *Fisher.* 37; 1 *Bond.* 128.

not unite with this transfer a conveyance of the entire monopoly or any lawful interest therein.² Such transfer does not take effect by virtue of his patent, if he has procured one, nor does its validity as against him depend on the legality of the monopoly which he has received. Its sole relation to the patent arises from the fact that the patentee is not permitted to exercise the prohibitory powers of his monopoly against those to whom he has transferred a right to the invention, and is compelled in certain cases to employ these powers for their protection.

§ 755. **Property in the Monopoly Transferable only within Certain Limits.**

The alienation of the monopoly created by the patent is, on the other hand, restricted both by its own nature and the rules of law. Of its own nature it is indivisible, except as to the territorial area over which it may be exercised.¹ That each of two independent persons should possess the power to prohibit the practice of an invention in the same locality involves a contradiction of terms; for as this prohibitory power cannot exist apart from the property in the invention, each would at once have a right to make, use, and sell the patented invention and yet be subject to the prohibition of the other. An indivisible monopoly may reside in one person or in several. It may be vested in one owner as to one section of

² That a sale of the patented device and of the right to use it, conveys no part of the monopoly, see *Goodyear v. Beverly Rubber Co.* (1859), 1 Clifford, 348.

§ 755. ¹ In *Gayler v. Wilder* (1850), 10 How. 477, Taney, C. J. : (494) "For it was obviously not the intention of the legislature to permit several monopolies to be made out of one, and divided among different persons within the same limits. Such a division would inevitably lead to fraudulent impositions upon persons who desired to purchase the use of the improvement, and would subject a party who, under a mistake as to his rights, used the invention

without authority, to be harassed by a multiplicity of suits instead of one, and to successive recoveries of damages by different persons holding different portions of the patent right in the same place."

Further, that the monopoly is indivisible except as to locality, see *Sanford v. Messer* (1872), 2 O. G. 470; 5 Fisher, 411; Holmes, 149; *Burr v. Duryee* (1862), 2 Fisher, 275; *Metropolitan Washing Machine Co. v. Earle* (1861), 3 Wall. Jr. 320; 2 Fisher, 203; *Goodyear v. Railroad* (1853), 1 Fisher, 626; *Suydam v. Day* (1846), 2 Blatch. 20; and § 61 and notes, *ante*.

country and in a different owner as to another, but wherever it exists, it must exist as an entirety. It might indeed be possible, in theory, to sever the monopoly in correspondence to the rights embraced in the invention, conferring upon one person the power to prohibit all others from making the invention, upon another the power to forbid its use, and upon another the authority to prevent its sale; but the practical result of such divisions upon the rights of the respective monopolists, as well as upon those of the owners of these various interests in the invention, would be too disastrous to be long tolerated by an industrial community. The law, therefore, peremptorily forbids such multiplication of monopolies, and provides that the prohibitory powers bestowed upon the patentee shall be regarded as indivisible in subject-matter, and constitute but one monopoly in any given portion of the United States.²

§ 756. Transfers of Two Classes: First Class Transfers both the Invention and the Monopoly.

These differences between the alienability of an invention and that of the monopoly created by the patent indicate the differences between the two great classes of conveyances by which the transfer of an interest in a patented invention is effected. One of these classes operates directly both on the invention and on the monopoly. It not only conveys the entire or partial interest in the invention, conferring on the transferee the right to practise it, but it also bestows upon him the prohibitory power by virtue of which he can, within the area specified in his conveyance, prevent all other persons from enjoying it, and compel those who transgress to make him compensation for the injury. And as the power to prohibit includes the power to relieve from prohibition, this transferee, in alienating rights, in his turn, to practise the invention, emancipates his alienees from the restrictions of

² In *Gayler v. Wilder* (1850), 10 How. 477, Taney, C. J. : (495) "Unquestionably, a contract for the purchase of any portion of the patent right may be good as between the parties as a license, and enforced as such in the courts of justice. But the legal right

in the monopoly remains in the patentee, and he alone can maintain an action against a third party who commits an infringement upon it."

See also *Sanford v. Messer* (1872), 5 Fisher, 411; *Holmes*, 149; 2 O. G. 470.

the monopoly to an extent commensurate with their respective interests in the invention.

§ 757. Second Class Transfers the Invention, but not the Monopoly.

The second class of conveyances operates directly only upon the invention. It transfers no interest in the monopoly, though it protects the transferee against the exercise of the prohibitory powers and enables him in certain cases to invoke them in his favor. It vests in him no authority either to forbid others to practise the invention, or to bestow upon them the right to its enjoyment; though when his interest in the invention is made alienable by the express terms of his conveyance, or by legal implication, his alienee receives the same rights, under the same restrictions and with the same degree of deliverance from the monopoly. Such a conveyance does not rest upon the patent nor affect the exclusive ownership of the monopoly by the patentee or those to whom, by the first class of conveyances, it has been transferred. Its sole operation upon the monopoly is that of an estoppel, — the transferor, and all persons who derive a title to the monopoly from him after the transfer of such interest in the invention, being estopped from enforcing their prohibitory powers against the transferee in such a manner as to impair the value of the interest transferred.

§ 758. No Transfer can be of the First Class unless it Conveys the Entire Interest, or an Undivided Portion of the Entire Interest, in the Invention for the Whole or for Some Definite Part of the United States.

The final test to which the conveyance of an interest in a patented invention is to be subjected, in order to determine whether it belongs to the former or the latter class, is found in the same difference between the alienability of an invention and of a monopoly. As the monopoly is created and subsists only to secure the benefits of the invention to its lawful owners, so the monopoly cannot exist except in one who owns the entire interest or a partial interest in the invention. It thus resides originally in the patentee, who

is the owner of the invention at the issue of the patent, and must remain in him until legally conveyed by him to others.¹ But the monopoly being indivisible in subject-matter cannot be transferred in connection with any one of the subordinate rights in the invention and still vest in the patentee in reference to the other rights which he retains. If he conveys the right to make the invention, or the right to use it or to sell it, or any two of these without the third, the monopoly is not affected, since it cannot follow these rights into the alienee, and therefore must remain entirely in the patentee. Nor where these subordinate rights in the invention are themselves divided and conveyed can the monopoly be divided and transferred with them. The conveyance of a right to make and use and sell the invention, leaving in the patentee an independent right to make and use and sell, is proper as a transfer of the invention, but has no operation upon the monopoly; for the monopoly, being indivisible, must either follow the rights conferred upon the transferee and reside in its entirety in him, or continue undivided in the patentee; and the retention by the latter of his rights in the invention is inconsistent with an intention to confer the whole monopoly upon another. But the alienation of the entire interest in the invention or of an undivided portion of the entire interest, either for the whole or any sectional part of the United States, operates also as the transfer of a similar interest in the monopoly. When the patentee conveys the exclusive right to make, use, and sell the invention he has no longer any occasion for the exercise of the prohibitory powers created by the patent, while they become essential to his alienees for the assertion and vindication of their exclusive rights. If he transfers an undivided portion of the entire interest in the invention, he thereby confers upon his transferees rights equal to his own, in all respects, in the invention, and receives them into co-ownership with himself in the monopoly which is now as essential to their protection as it was to his.² And the monopoly being divisible as to locality,

§ 758. ¹ That there are no owners of a patent except the patentee and his assignees or grantees, see *Jordan v. Dob-*

son (1870), 2 *Abbott*, 398; 4 *Fisher*, 232; 7 *Phila.* 533.

² That an assignment of an undivided

when he bestows on any person the exclusive rights in the invention or an undivided portion of the exclusive rights within a given area, the monopoly to the same territorial extent passes entirely, in the first case, to the alienee, and in the second, resides undivided in the joint-ownership of both.³ From these principles it is evident that no conveyance can belong to the first class, and directly operate upon the monopoly, unless it transfers the entire interest in the invention or an undivided portion of such entire interest either for the whole or some defined part of the United States, and that every conveyance which leaves in the owner of the patented invention any distinct and independent right therein is of the second class, and can have no effect on the monopoly, except as it estops the owner of the patent from asserting his prohibitory powers in opposition to the rights conferred by him upon his alienee.

§ 759. First Class Divisible into Two Sub-Classes according to the Territorial Limits of the Monopoly Granted.

The first class of conveyances may evidently be subdivided into two inferior classes on the line fixed by the divisibility of the monopoly,—one subdivision embracing those conveyances which transfer the entire interest in the invention, or an undivided portion of the entire interest, for the whole United States; the other subdivision including those by which the entire interest, or an undivided part thereof, within some specified area is alienated.¹ The difference between these subdivisions

part of a patent makes the assignee and the patentee joint-owners, see *Potter v. Holland* (1858), 4 Blatch. 206 ; 1 Fisher, 327.

³ That the sale of the exclusive right to make, use, and vend in a particular place confers a portion of the patent privilege, see *Goodyear v. Beverly Rubber Co.* (1859), 1 Clifford, 348.

§ 759. ¹ In *Gayler v. Wilder* (1850), 10 How. 477, Taney, C. J. : (494) “ By the eleventh section of the act of 1836, the patentee may assign his whole interest, or an undivided part of it. But if

he assigns a part under this section, it must be an undivided portion of his entire interest under the patent, placing the assignee upon an equal footing with himself for the part assigned. Upon such an assignment, the patentee and his assignees become joint-owners of the whole interest secured by the patent, according to the respective proportions which the assignment creates. By the fourteenth section, the patentee may assign his exclusive right within and throughout a specified part of the United States, and upon such an assignment the

relates, not to the nature, but to the territorial limits of the rights and powers which they confer: A conveyance of the former species vests in the transferee, either alone or jointly with his transferor or others, the right to practise the invention, and to exercise prohibitory authority, anywhere within the United States. A conveyance of the latter species has the same effect within the boundaries which it describes.

**§ 760. Forms of Transfer Corresponding to the Foregoing Classes :
First Class, Assignment and Grant: Second Class, License.**

The acts of Congress in providing for the transfer of interests in letters-patent, and the Federal courts in adjudicating upon the rights of parties to such transfer, have conformed to the essential nature of a patented invention, as thus described, and to the principles upon which its alienation must inevitably be based. The statutes recognize only two modes by which the monopoly may be transferred, — one by a conveyance of the entire interest in the invention, or of an undivided part thereof, for the whole country ; the other by a conveyance of a similar interest, or part interest, within some portion of the United States.¹ To the former conveyance the courts have given the technical name of an Assignment; the latter they have called a Grant.² The conveyance of the subordinate rights in the invention, either separately or united, without affecting the monopoly otherwise than by estoppel, is also permitted ; and the interests thus created are fully vindicated and sustained. To this conveyance custom and judicial sanction have attached the name of License.³

assignee may sue in his own name for an infringement of his rights. But in order to enable him to sue, the assignment must undoubtedly convey to him the entire and unqualified monopoly which the patentee held in the territory specified, — excluding the patentee himself, as well as others. And any assignment short of this is a mere license." See also *Littlefield v. Perry* (1874), 21 Wall. 205 ; 7 O. G. 964.

§ 760. ¹ That there can be no assign-

ment except of either an entire interest or an undivided interest in the whole United States, or of an entire interest, or an undivided interest, in a certain territory, see *Littlefield v. Perry* (1874), 21 Wall. 205 ; 7 O. G. 964.

² That the terms "assignee" and "grantee" are not synonymous, see *Potter v. Holland* (1858), 1 Fisher, 327; 4 Blatch. 206.

³ That there are three forms of conveyance : Assignment, Grant, and Li-

§ 761. **Transfer of Patented Inventions Unrestricted except by their own Nature.**

Subject to the restrictions established by the nature of a monopoly, a patented invention is as freely alienable as any other personal property.¹ Every interest therein may reside in one owner or in several joint-owners, and may be enjoyed in any way which is compatible with the character of the interest itself.² The rights and obligations created between the parties by the transfer of these interests are governed by the ordinary rules which are applied to all contracts. The prohibitory powers, which vest in the owners of the monopoly by virtue of the patent, are controlled and exercised according to the special provisions of the Patent Law.³ These will now be examined in detail, in reference to each of the forms of conveyance — Assignment, Grant, and License — in their order.

SECTION I.

OF THE TRANSFER OF LETTERS-PATENT: ASSIGNMENT: GRANT.

§ 762. **Assignment Defined: Its Effect.**

An assignment is a transfer of the entire interest in a patented invention, or of an undivided portion of such entire interest, as to every section of the United States.¹ It operates

cense, see *Potter v. Holland* (1858), 1 Fisher, 327; 4 Blatch. 206.

§ 761. ¹ That all interests in patents are assignable, see *Campbell v. James* (1880), 2 Fed. Rep. 338; 18 Blatch. 92; 18 O. G. 1111.

That any contract may be made concerning patents provided it does not enlarge the right, see *Star Salt Caster Co. v. Crossman* (1878), 3 Bann. & A. 281; 4 Clifford, 568.

That under the laws of New York an assignment which suspends the power of alienation longer than the lives of the assignors does not create a perpetuity, since all may join in a transfer at

any time, see *Ladd v. Milis* (1884), 22 Blatch. 242; 20 Fed. Rep. 792.

² That a patent may be assigned either in whole or in part, see *Parker v. Haworth* (1848), 4 McLean, 370; 2 Robb, 725; *Boyd v. McAlpin* (1844), 3 McLean, 427; 2 Robb, 277.

³ That an assignment and all rights under it rest on the statute, see *Gayler v. Wilder* (1850), 10 How. 477; *Suydam v. Day* (1846), 2 Blatch. 20; and § 61 and notes, *ante*.

§ 762. ¹ In *Potter v. Holland* (1858), 4 Blatch. 206, Ingersoll, J.: (211) "An assignee is one who has had transferred to him in writing the whole interest of the

both upon the invention and upon the monopoly, and conveys them, either wholly or in part, to the assignee. When the entire interest is assigned, it substitutes the assignee for the original patentee, conferring upon him, to their full extent, the rights embraced in the invention and the prohibitory powers bestowed by the patent.² Where an undivided interest is transferred, it places the assignee upon an equality, in all respects, with his assignor and the original patentee, vesting in him complete but not exclusive rights and powers as to the monopoly and the invention.³

§ 763. **Assignments Distinguished from Grants : from Licenses.**

To determine whether a given conveyance is an assignment or a grant involves little practical difficulty,—the essential difference between them consisting in the territorial area to which they relate.¹ An assignment and a license are, how-

original patent, or any undivided part of such whole interest, in every portion of the United States ; and no one, unless he has had such an interest transferred to him, is an assignee." 1 Fisher, 327 (333).

² That the assignment of a patent is a sale of personal property, see *Holden v. Curtis* (1819), 2 N. H. 61.

That an assignee, as well as a patentee, is entitled to an injunction, see *Jenkins v. Greenwald* (1857), 1 Bond, 126 ; 2 Fisher, 37.

³ That an assignment of an undivided interest makes the assignor and assignee joint-owners of the patent, see *Potter v. Holland* (1853), 4 Blatch. 206 ; 1 Fisher, 327.

§ 763. ¹ In *Meyer v. Bailey* (1875), 2 Bann. & A. 73, McKennan, J.: (76) "What is meant by an assignee seems now to be settled by repeated adjudication, and by the explicit definition of the act of 1836. In *Taylor v. Fuel*, 6 Cranch, it was held, under the act of 1793, that one to whom was transferred all the rights secured by a patent, excepting certain counties in the State of

Vermont, was not an assignee within the meaning of the law, but a mere grantee of a sectional interest in the patent ; and in *Whittemore v. Cutter*, 1 Gallison, 429, it was held that the transferee of an undivided part of an entire patent was an assignee. From these decisions it results that only a person who is invested with the entire ownership of a patent or an undivided part of the whole is to be regarded as an assignee. Such, also, is the import of the act of 1836, in the eleventh section of which it is provided that 'every patent shall be assignable in law, either as to the whole interest or any undivided part thereof, by any instrument in writing,' and this assignment, 'and also every grant and conveyance of the exclusive right under any patent to make and use the thing patented within and throughout any specified portion of the United States, shall be recorded,' &c. The distinction established by previous judicial decisions between an assignee and the grantee of a sectional interest in a patent is evidently contemplated by this section, as it is also by the fourteenth sec-

ever, more easily confounded. They are alike in that each may apply to the entire United States, and each may operate upon all the rights embraced in the invention. They are unlike in that an assignment transfers also some interest in the monopoly, while a license leaves the monopoly unaffected in the hands of the licensor, except that it cannot be enforced against the rights conferred by him upon the licensee.² Now if the monopoly were separable from the invention, and were customarily transferred by a distinct conveyance, no question as to the character of any given instrument of transfer should arise. But inasmuch as certain transfers of the invention *ipso facto* convey the monopoly, and as every instrument transferring the monopoly must also pass some interest in the invention, and as a license as well as an assignment may operate upon all the rights included in the invention, it often becomes doubtful to which of these two classes a given instrument should be referred. The test is

tion, which authorizes the bringing of suits by 'patentee, assignee, or grantee of the exclusive right within and throughout some specified part of the United States.'" 8 O. G. 437 (438).

In *Potter v. Holland* (1858), 4 Blatch. 206, Ingersoll, J. : (211) "There are three classes of persons in whom the patentee can vest an interest of some kind in the patent. They are an assignee, a grantee of an exclusive sectional right, and a licensee. An assignee is one who has had transferred to him in writing the whole interest of the original patent, or any undivided part of such whole interest, in every portion of the United States; and no one, unless he has had such an interest transferred to him, is an assignee. A grantee is one who has had transferred to him, in writing, the exclusive right under the patent, to make and use, and to grant to others to make and use, the thing patented, within and throughout some specified part or portion of the United States. Such right must be an exclusive sectional right, excluding the patentee therefrom. A licensee is one who has had transferred to

him, in writing or orally, a less or different interest than either the interest in the whole patent, or an undivided part of such whole interest, or an exclusive sectional interest." 1 Fisher, 327 (333).

That the distinctions between patentees, assignees, grantees, and licensees are the same under the act of 1870 as under the act of 1836, see *Nelson v. McMann* (1879), 16 O. G. 761; 16 Blatch. 139.

² In *Howe v. Wooldredge* (1866), 12 Allen 18, Gray, J. : (22) "An assignment (and possibly a license to make, use, and sell) is a transfer of a part of the franchise granted by the government to the patentee; a mere license to use a single machine, or a sale of a single machine, transfers no part of the franchise, but simply discharges that machine from the operation of the franchise, and puts it upon the common ground of other property."

That an assignment and a license are entirely different, see *Theberath v. Celluloid Mfg. Co.* (1880), 5 Bann. & A. 577; 3 Fed. Rep. 143.

this: If the conveyance vests in the alienee the entire interest in the invention, or if it makes him a joint-owner with the alienor in such entire interest, it transfers the monopoly to the same extent as the invention, and is an assignment. But if it leaves in the alienor any exclusive right whatever in the invention, or if the rights conferred upon the alienee are not exclusive rights vesting in him alone or in him jointly with his alienor, the monopoly is not transferred and the conveyance is a license.³ Thus the conveyance of an exclusive right

³ In *Gamewell Fire-Alarm Telegraph Co. v. Brooklyn* (1882), 14 Fed. Rep. 255, Wallace, J.: (256) "The statutory power of assignment, as is said in *Littlefield v. Perry*, 21 Wall. 205, 219, 'has been so construed by the courts as to confine it to the transfer of an entire patent, an undivided part thereof, or the entire interest of the patentee or an undivided part thereof throughout a certain specified portion of the United States.' In that case there was in one instrument a conveyance of the entire patent, and there was also an instrument, executed concurrently, called a supplementary agreement, which contained a reservation of the right of the patentee to apply the invention himself to certain specified purposes. The two instruments were construed as a conveyance of the title to the patent, with a license back from the assignees to the patentee; and upon this construction the assignees were held as vested with the legal title. From the reasoning of the opinion it is evident, if there had never been a transfer of the patentee's right to the limited use of the invention, the interest transferred would not have been considered as vesting the statutory title in the assignees. In the present case the transfer was only of a right to use and vend the invention for limited purposes in specified places; the right to use and vend it for general purposes remaining intact until it was conveyed to the Western Union Telegraph Company.

The right transferred was not an undivided part of an entire patent, or an undivided part of the entire interest of the patentee in specified territory, but was a segregated right for a particular employment of the invention. The complainant was, therefore, merely a licensee, within the rule established in *Gayler v. Wilder*, 10 How. 477; the right transferred to him being less than that of the entire and unqualified monopoly. The case of *Ingalls v. Tice*, 13 Reporter, 676, is directly in point. There the transfer to the complainant was of the sole and exclusive right to sell the patented article in certain specified territory; and as the right of the patentee to make and use the invention did not pass by the instrument, it was held that complainant did not acquire the legal estate, and, the patentee not having been made a party to the suit, a demurrer for that reason was sustained." 22 O. G. 1978 (1978). In this opinion the court, in speaking of the "entire patent," employs the usual language in reference to the subject of an assignment. As every Claim in a patent is, in effect, a separate patent, and may be the subject of a distinct assignment, the phraseology here and elsewhere found must be understood with that limitation. See *Pope Mfg. Co. v. Gornully & Jeffrey Mfg. Co.* (1888), 34 Fed. Rep. 893.

See further, on the difference between assignment and license, § 808 and notes, *post*.

to make, *or* use, *or* sell, for any special purpose, is a mere license, since the exclusive rights remaining in the alienor are his distinct and separate property, and require for their protection an ownership by him of the prohibitory powers which, being indivisible, cannot abide in him and at the same time pass to his alienee. For the same reason the transfer of a simple non-exclusive right to make *and* use *and* sell the invention is not an assignment. The alienor retains the same rights in himself, holding them as his own, and not in common with his alienee; his rights are still exclusive against all other persons except the alienee; and hence in order to preserve them the indivisible monopoly must still reside in him. On the other hand, the transfer of an exclusive right to make *and* use *and* sell, or, what is of the same effect as to all classes of inventions except arts or processes, of the exclusive right to make *and* sell the invention, or of an undivided interest in such exclusive right, vests the entire invention and consequently the monopoly also in the alienee, either alone or jointly with the alienor, and hence is an assignment.⁴

§ 764. Character of Assignment Determined by its Subject-Matter, not by its Terms or Conditions.

The character of a conveyance, as thus determined by its subject-matter, cannot be varied by the terms and conditions upon which the transfer has been made. These belong to the contract in pursuance of which the transfer was effected, not to the nature of the transfer itself. The parties may annex such qualifications to the conveyance, and impose such obligations upon themselves in reference to their respective rights, as they may deem expedient, — if the instrument transfers any interest in the invention which carries the monopoly, it is an assignment or a grant, but otherwise is a license. Thus, though they should provide that the consideration for the transfer shall be paid by the alienee to the alienor in the form of periodic royalties, or that the title of the alienee shall become forfeited by breach of certain specified conditions, — pro-

⁴ That the assignment of the right monopoly, see *Nellis v. Pennock Mfg. Co.* (1882), 15 Phila. 493; 13 Fed. Rep. 451; 22 O. G. 1131.

visions which are generally annexed only to licenses, — the conveyance will be none the less an assignment or a grant, if in its subject-matter it embraces any interest in the monopoly.¹

§ 765. *Assignment, by whom Made.*

An assignment of a patented invention can be made only by one in whom the ownership of both the invention and the monopoly resides. At the outset this double ownership vests in the patentee, — his right to the invention arising from his own inventive act; his right to the monopoly being conferred upon him by the patent.¹ Unless transferred by an assignment, or territorially divided by a grant, this ownership remains in him while living, and at his death passes to his executor or administrator as trustees for his heirs or devisees. Hence until the patentee has made either an assignment or a grant, the entire ownership resides in him, and he only can transfer it to another. If his first transfer is an assignment of the entire ownership, his own interest in the patented invention ceases, and no further transfer can be made except by his assignee. The same effect follows each succeeding assignment of the entire ownership, vesting the exclusive title to the invention in the successive assignees.² If any holder of the entire ownership assigns an undivided interest therein, the title and the power of assignment vest equally in all the owners of the patented invention, and each may now assign his interest, without restriction by the others.³ But when the

§ 764. ¹ That the fact that an assignee must account and pay a royalty does not make him a mere licensee, see *Littlefield v. Perry* (1874), 21 Wall. 205; 7 O. G. 964.

That a clause of forfeiture for non-performance does not show that the assignee is a mere licensee, see *Littlefield v. Perry* (1874), 21 Wall. 205; 7 O. G. 964.

§ 765. ¹ That the legal title to a patent vests in the patentee on its issue, see *Consolidated Electric Light Co. v. Edison Electric Light Co.* (1885), 25

Fed. Rep. 719; 33 O. G. 1597; 23 Blatch. 412.

² That the power to assign, grant, and license vests in the assignees of the patent, of whatever degree, see *Selden v. Stockwell Self-Lighting Gas Burner Co.* (1881), 19 Blatch. 544; 20 O. G. 1377; 9 Fed. Rep. 390.

³ That the owner of a distinct interest in a patent may assign his own share, see *May v. Chaffee* (1871), 2 Dillon, 385; 5 Fisher, 160.

See also §§ 796, 798, and notes, *post.*

patentee or any subsequent assignee of the entire ownership divides it territorially by a grant, no further assignment of the patented invention is possible unless, perhaps, by a conveyance in which all the owners join.⁴ The ownership of the grantor, like that of the grantee, is then a mere sectional ownership, subject to further grants either within the same or narrower territorial limits, but not to an assignment which must relate to the entire ownership within the United States. The transfer of a right to practise the invention, as distinguished from a right in the monopoly, does not, however, affect the title to the patented invention. A patentee or assignee or grantee may license others to make use or sell without thereby diminishing his power to alienate his interest, or change the nature of the rights of which that interest consists.⁵ Upon the death of any owner of a patented invention, his ownership and power of alienation are transferred to his administrators or executors by the express provisions of the statutes, to be preserved and exercised by them in the same manner as by himself when living, though for the benefit of his heirs and devisees.⁶ The power of infants and married women to assign their interests in patented inventions is governed by the local law.⁷

§ 766. Assignment, by whom Made when the Owner is Insolvent.

The rule that an assignment can be made only by the actual owner of the patented invention admits of no exception in the

⁴ That co-owners may unite in one assignment though they own different territory, see *Ladd v. Mills* (1884), 22 Blatch. 242 ; 20 Fed. Rep. 792.

⁵ See § 782 and notes, *post*.

⁶ That an administrator may assign a patent when renewed in his own name, see *Brooks v. Jenkins* (1844), 3 McLean, 432.

That an assignment by one administrator gives a perfect title unless others can show a better, see *Donoughe v. Hubbard* (1886), 27 Fed. Rep. 742 ; 35 O. G. 1561 ; *Bradley v. Dull* (1884), 27 O. G. 625 ; 19 Fed. Rep. 913.

That the assignment of a patent by

one of two administrators is good and will pass the entire interest in the patent, see *Wintermute v. Redington* (1856), 1 Fisher, 239.

See also § 406 and notes, *ante*, and §§ 800, 801, and notes, *post*.

⁷ That an infant must assign by guardian, but the guardian is governed by the local law, see *Fetter v. Newhall* (1883), 21 Blatch. 445 ; 25 O. G. 502 ; 17 Fed. Rep. 841.

That the power of a married woman to assign a patent depends on the provisions of the local law, see *Fetter v. Newhall* (1883), 21 Blatch. 445 ; 25 O. G. 502 ; 17 Fed. Rep. 841.

interest of creditors. Valuable as his property therein may be, it cannot be subjected to the payment of his debts by any of the ordinary methods of involuntary alienation. This is not due to any peculiar sanctity which the law attaches to this class of property, but to the fact that the statutes which create the monopoly provide no other mode of transferring it than through the voluntary act of its real owner. The ownership of a patented invention cannot be seized and sold on execution by a sheriff like a personal chattel, nor like other incorporeal rights does it vest in a receiver or a trustee in insolvency by virtue of the judicial decree of the court by which these various officials are appointed.¹ Thus neither a bankrupt court, nor a court of equity, nor any person acting under their authority, can affect the ownership of a patented invention without the actual or presumed co-operation of the individual in whom such ownership is vested by the issue of

§ 766. ¹ That a patent privilege cannot be seized and sold on execution, nor set off to a judgment creditor, see *Carver v. Peck* (1881), 131 Mass. 291; *Pacific Bank v. Robinson* (1881), 57 Cal. 520; *Stevens v. Gladding* (1854), 17 How. 447; *Stephens v. Cady* (1852), 14 How. 528.

That the patent privilege does not vest in a receiver merely by virtue of his appointment, see *Dick v. Struthers* (1885), 25 Fed. Rep. 103; 34 O. G. 131.

That a receiver, as such, has no power to convey the legal title to a patent, see *Adams v. Howard* (1884), 23 Blatch. 27; 22 Fed. Rep. 656; *Gordon v. Anthony* (1879), 16 O. G. 1135; 16 Blatch. 234; 4 Bann. & A. 248.

That a receiver, as such, may convey the equitable title, see *Adams v. Howard* (1884), 23 Blatch. 27; 22 Fed. Rep. 656.

That a trustee in insolvency does not acquire the patents of the insolvent by virtue of his appointment as trustee, see *Campbell v. James* (1880), 2 Fed. Rep. 338; 18 Blatch. 92; 18 O. G. 1111;

Gordon v. Anthony (1879), 16 Blatch. 234; 16 O. G. 1135; 4 Bann. & A. 248; *Ashcroft v. Walworth* (1872), 5 Fisher, 528; 2 O. G. 546; *Holmes*, 152.

That a State has power to enact a statute by virtue of which an assignee in insolvency will become entitled to the patents of the insolvent, and a court of equity will be empowered to compel the insolvent to transfer them to the assignee, see *Barton v. White* (1887), 144 Mass. 281.

That under § 5046, Rev. Stat., a right to the patents of the bankrupt vested in the trustee by virtue of his appointment, see *Carver v. Peck* (1881), 131 Mass. 291; *Prime v. Brandon Mfg. Co.* (1879), 16 Blatch. 453; 4 Bann. & A. 379.

That under § 5046, Rev. Stat., the rights of the trustee were superior to those of an assignee of record whose assignment was made by the bankrupt after the bankruptcy, see *Prime v. Brandon Mfg. Co.* (1879), 16 Blatch. 453; 4 Bann. & A. 379.

the patent or by assignment from the patentee. Either of these courts may have the power to compel the owner to transfer the ownership by an assignment to the receiver or trustee, and a court of equity, on his refusal, may treat the equitable rights as vested in the creditors and appoint a trustee for the owner to convey the legal title, in his name and behalf, to the officer in charge of his bankrupt estate, but the title in all such cases is still derived from him on whom it was originally conferred.² That Congress has the power at any time to meet this difficulty, by creating methods of involuntary alienation, there can be no doubt, but in the absence of such statutes and judicial orders, the patented invention remains entirely and exclusively under the control of its owner, and may be retained or conveyed by him at his pleasure without reference to any existing condition of insolvency.³

§ 767. Assignment, to whom Made.

An assignment of a patented invention may be made to any person without regard to age, capacity, or citizenship.¹ A corporation may become the owner both of the invention and monopoly without receiving special charter-powers for that purpose, although such powers might be required in order to enable it to practise the invention.² Every assignee, of whatever degree of removal from the original patentee, occupies the same position and enjoys the same rights as any of his predecessors or co-owners, and is entitled to all the privileges

² That an insolvent court or court of equity may compel the insolvent to assign his patents to the trustee or receiver, see *In re Keach* (1884), 14 R. I. 571; *Pacific Bank v. Robinson* (1881), 57 Cal. 520; 20 O. G. 1314; *Murray v. Ager* 1881), 1 Mackey, 87; 20 O. G. 1311; *Barnes v. Morgan* (1875), 3 Hun, 703; 6 Thomp. & C. 105; *Ashcroft v. Walworth* (1872), 2 O. G. 546; 5 Fisher, 528; *Holmes*, 152.

That if the insolvent refuses to convey when ordered by the court, it may appoint a trustee to make the assignment, see *Murray v. Ager* (1881), 1 Mackey, 87; 20 O. G. 1311.

See further on this subject, §§ 803-805 and notes, *post*.

³ That an assignment of all the assignor's property except such as is exempt by law does not carry a patent-right, see *Campbell v. James* (1880), 18 O. G. 1111; 2 Fed. Rep. 338; 18 Blatch. 92.

§ 767. ¹ That married women or infants may be made assignees, see *Fetter v. Newhall* (1883), 21 Blatch. 445; 25 O. G. 502; 17 Fed. Rep. 841.

² That a corporation may take the assignment of a patent without special charter powers for that purpose, see *Dorsey Harvester Rake Co. v. Marsh* (1873), 6 Fisher, 387.

and is subject to all the obligations conferred or imposed by the statutes upon the patentee and his assignees.³

§ 768. Form of Assignment: General Requisites.

No particular form for an assignment is prescribed.¹ It

¹ In *Seldon v. Stockwell Self-Lighting Gas Burner Co.* (1881), 19 Blatch. 544, Blatchford, J. : (552) " 'The assignee' means the assignee in any degree and however remote. By § 4884 the grant is directed to be made to 'the patentee, his heirs, or assigns.' This is not limited to the first assignee. So § 4898, in declaring that 'every patent, or any interest therein, shall be assignable,' and that 'the patentee or his assigns' may convey an exclusive right under the patent, for the whole or any specified part of the United States, clearly means that an assignee in any degree is an assignee for all purposes. All parts of the statute are to be construed harmoniously in this respect, as there appears to be no good reason for a contrary construction. It is true that § 4 of the Patent Act of February 21st, 1793 (1 U. S. Stat. at Large, 322), used the words 'assignees of assigns, to any degree;' but the absence of the words 'to any degree' cannot, in view of all the provisions of the present statute, be regarded as restricting the meaning of the word 'assignee.' " 20 O. G. 1377 (1378) ; 9 Fed. Rep. 390 (396).

§ 768. ¹ That assignments are governed wholly by statute, see *Suydam v. Day* (1846), 2 Blatch. 20.

That an assignment is not valid unless it complies with the laws of the United States, see *Higgins v. Strong* (1836), 4 Blackf. (Ind.) 182.

That an assignment requires no special form, see *Siebert Cylinder Oil Cup Co. v. Beggs* (1887), 32 Fed. Rep. 790 ; *Campbell v. James* (1880), 18 O. G. 1111 ; 18 Blatch. 92 ; 2 Fed. Rep. 338.

That an assignor, having only a residuary interest, may convey that by assigning "all his right, title, and interest," whether his prior assignment is recorded or not, see *Turnbull v. Weir Plow Co.* (1874), 7 O. G. 173 , 1 Bann. & A. 544 ; 6 Bissell, 225.

That a certificate of the patentee that another person owns part of the patent is not an assignment, unless so intended, see *Kearney v. Lehigh Valley R. R. Co.* (1886), 27 Fed. Rep. 699.

That a certificate that the holder is the owner of $\frac{5}{8}$ of the patent and property of the M. T. Co., and "will receive shares of stock to that amount when the company is formed" is not an assignment, see *Hope Iron Works v. Holden* (1870), 58 Me. 146.

That if the description of the patent in the assignment be intelligible it is sufficient, see *Myers v. Turner* (1855), 17 Ill. 179.

That the deed need not set out the specification of the invention, if it is otherwise clearly shown, see *Hill v. Thuermer* (1859), 13 Ind. 351.

That the vendee of a patent must exercise ordinary care in inspecting the specification and Claims to see what the invention is, see *Edmunds v. Myers* (1854), 16 Ill. 207 ; *Edmunds v. Hildreth* (1854), 16 Ill. 214.

That circumstantial variance between the patent and its description in the assignment does not show fraud or prevent the title from passing, see *Case v. Morey* (1818), 1 N. H. 347 ; *Holden v. Curtis* (1819), 2 N. H. 61.

That the sale of an improvement is valid if the patent referred to in the conveyance so describes the improve-

must be made in writing and be signed by the assignors.² It must also contain operative words unequivocally indicating an intention to convey an interest both in the invention and in

ment that a person skilled in the art could make it, though it does not describe the original machine, see *Harmon v. Bird* (1839), 22 Wend. 113.

² That an assignment must be in writing, see *Gottfried v. Miller* (1882), 104 U. S. 521; 21 O. G. 711; *Blakeney v. Goode* (1876), 30 Ohio St. 350; *Ashcroft v. Walworth* (1872), 2 O. G. 546; *Holmes*, 152; 5 Fisher, 528; *Jordan v. Dobson* (1870), 4 Fisher, 232; 2 Abbott, 398; 7 Phila. 533; *Davy v. Morgan* (1868), 56 Barb. 218.

That an agreement based on a parol assignment is void for want of consideration, see *Davy v. Morgan* (1868), 56 Barb. 218.

That a patent is personal property, and but for the statute could be conveyed by parol, see *Springfield v. Drake* (1876), 58 N. H. 19.

That an oral agreement for the sale of an invention before patent, is not a contract for goods under the Statute of Frauds, see *Somerby v. Buntin* (1875), 116 Mass. 279.

That an agreement to hold a patent in trust for another may be by parol, see *Blakeney v. Goode* (1876), 30 Ohio St. 350.

That a parol contract to assign will pass an equitable title which a court of equity will enforce, see *Burr v. De La Vergne* (1886), 102 N. Y. 415; *Whitney v. Burr* (1885), 115 Ill. 289.

That equitable interests and rights to the proceeds of the sales of patents may be created by parol, see *Blakeney v. Goode* (1876), 30 Ohio St. 350.

That a verbal assignment vests in the assignee an equitable right to grant licenses, and notes given for such licenses are upon sufficient consideration, see *Burke v. Partridge* (1873), 58 N. H. 349.

That a parol agreement to assign and to allow the assignee to take out the patent in his own name, is valid, see *Lockwood v. Lockwood* (1871), 33 Iowa, 509.

That a parol agreement by the inventor to permit another to receive the patent in his own name for value, if carried out, can be shown and the value recovered, see *Lockwood v. Lockwood* (1871), 33 Iowa, 509.

That the legal title to a patent can be transferred only by a written instrument, signed by the owner of the patent, see *Ashcroft v. Walworth* (1872), 2 O. G. 546; *Holmes*, 152; 5 Fisher, 528.

That a contract binds the parties who participate in it, though signed only by one party representing the rest, see *Bean v. Clark* (1887), 40 O. G. 1454.

That an assignment executed by attorney must be signed with name of the principal and sealed with his seal, see *Machesney v. Brown* (1886), 38 O. G. 1130; 29 Fed. Rep. 145; 24 Blatch. 168.

That an assignment by an attorney in his own name is invalid, the signature of the owner being essential, see *Pryor v. Coulter* (1830), 1 Bailey (S. C.), 517.

That where the owner of a patent consents in writing to its transfer by another, it is as good as if the transfer were made directly by himself, see *Sherman v. Champlain Transportation Co.* (1858), 31 Vt. 162.

That a conveyance by a corporation with its seal, and by its president with his seal, is good as to both, see *Campbell v. James* (1879), 18 O. G. 979; 17 Blatch. 42; 4 Bann. & A. 456.

That a corporation may assign letters-patent although some shares of its

the monopoly.³ A contract to sell the patented invention, therefore, is not an assignment, though it may be enforced in equity, and meanwhile operate by estoppel as a license.⁴ But an irrevocable power of attorney, giving full control over the patented invention, may vest the entire ownership at once in the attorney named, and however widely differing in form from a conveyance may be a true assignment.⁵ Whether a given instrument is or is not an assignment must be determined from its subject-matter, as described in the instrument itself. Parol evidence is not admissible to vary its terms except in cases of mutual mistake.⁶ The motive for an assignment is immaterial.⁷ A seal is not required.⁸

§ 769. Assignment before Patent : Its Form and Effect.

An assignment of a completed invention may be made either before or after the issue of the patent.¹ An inventor has, by

capital stock may be under attachment in a suit against a stockholder, see *Gottfried v. Miller* (1881), 104 U. S. 521 ; 21 O. G. 711.

That a forged assignment may be ratified *in pais*, see *Campbell v. James* (1879), 17 Blatch. 42 ; 18 O. G. 979 ; 4 Bann. & A. 456.

³ In *Campbell v. James* (1880), 18 Blatch. 92, Wheeler, J. : (101) "All interests in patents are assignable by instrument in writing. No particular form is required ; but still there must be some operative words expressing at least an intention to assign, in order to constitute an assignment." 18 O. G. 1111 (1114) ; 2 Fed. Rep. 338 (347).

⁴ That a contract for the purchase of part of a patent-right may be good as a license, see *Sauford v. Messer* (1872), 5 Fisher, 411 ; 2 O. G. 470 ; Holmes, 149.

⁵ That an irrevocable power of attorney may be an assignment, see *Hartshorn v. Day* (1856), 19 How. 211.

That an irrevocable and exclusive power to act as "sole agent" for making and selling an article, and to pay the proceeds to the principal less the commission is not an assignment, see

Kempton v. Bray (1868), 99 Mass. 350.

That where the owners of a patent assign to a third party in trust to exercise certain powers on their behalf, the assignee possesses an authority coupled with an interest, see *Ladd v. Mills* (1884), 22 Blatch. 242 ; 20 Fed. Rep. 792.

⁶ That parol evidence cannot vary the terms of an assignment, except in mutual mistake, see *Knowlton Platform & Car Coupling Co. v. Cook* (1879), 70 Me. 143 ; *Hammond v. Pratt* (1879), 16 O. G. 1235 ; *Ruggles v. Eddy* (1872), 5 Fisher, 581 ; 10 Blatch. 52.

⁷ That the motive for an assignment is immaterial, see *Siebert Cylinder Oil Cup Co. v. Phillips Lubricator Co.* (1882), 10 Fed. Rep. 677.

That a conveyance made to deceive the Patent Office is inoperative, see *Prime v. Brandon Mfg. Co.* (1879), 16 Blatch. 453 ; 4 Bann. & A. 379.

⁸ That it is not required that an assignment of a patent be under seal, see *Gottfried v. Miller* (1882), 104 U. S. 521 ; 21 O. G. 711 ; *Van Ostrand v. Reed* (1828), 1 Wend. 424.

§ 769. ¹ That an assignment of an

virtue of his inventive act, not merely the ownership of his invention, but an inchoate right to the monopoly which is to become vested upon his application for and receipt of letters-patent. This ownership of the invention, and inchoate right to the monopoly, together with the right to perfect his title to the monopoly by obtaining letters-patent, is made assignable by law equally with the patented invention; and an assignment covering these rights and properly recorded secures to the assignee both the invention and monopoly immediately on the issue of the patent.² To authorize an issue of the patent directly to the assignee, however, the instrument of assignment must contain a written request to the Commissioner of Patents that the letters-patent may be granted to the assignee, or to the assignee and the inventor jointly if the conveyance operates upon an undivided interest, and must be filed for record in the Patent Office before the date fixed for the payment of the final fee.³ Such a convey-

invention before patent is valid, see *Cam-meyer v. Newton* (1876), 94 U. S. 225 ; 11 O. G. 287 ; *Hammond v. Mason & Hamlin Organ Co.* (1875), 92 U. S. 724 ; *Continental Windmill Co. v. Empire Windmill Co.* (1871), 8 Blatch. 295 ; 4 Fisher, 428 ; *Appleton v. Bacon* (1862), 2 Black, 699 ; *Rathbone v. Orr* (1850), 5 McLean, 131 ; *Herbert v. Adams* (1825), 4 Mason, 15 ; 1 Robb, 505.

That the right to an invention dates from its discovery, see *Wintermute v. Redington* (1856), 1 Fisher, 239.

That a mortgage of a future invention will cover it, though the invention be divided and patented in different patents under different names, see *Hollins v. Mallard* (1854), 10 How. Pr. 540.

See as to this whole subject §§ 409-411 and notes, *ante*.

² Sec. 4895, Rev. Stat.

That a sale by the inventor before the patent issues secures the invention to the vendee after the patent is granted, see *Rathbone v. Orr* (1850), 5 McLean, 131.

That an assignment of "one third of the full and exclusive right to the invention as set forth and described" in a specification about to be filed carries a one-third interest in all the patentable devices described and claimed in such specification and in all patents obtained therefor, see *Puetz v. Bransford* (1887), 31 Fed. Rep. 458 ; 39 O. G. 1083.

That alterations in one of such devices and the procuring a separate patent therefor do not take it out of such assignment, see *Puetz v. Bransford* (1887), 31 Fed. Rep. 458 ; 39 O. G. 1053.

That an assignee may accept a different patent in the room of the one agreed to be assigned, and if acting on such acceptance is estopped to claim the other, see *Topliff v. Topliff* (1887), 122 U. S. 121 ; 40 O. G. 115.

³ That the patent cannot issue to the assignee unless the assignment contains a request to that effect, and is duly entered for record as prescribed by the rules, see *Wright v. Randell* (1881), 19 Blatch. 495 ; 21 O. G. 493 ; 8 Fed. Rep.

ance transfers to the assignee the legal as well as equitable title to the patented invention; and if by any fraud or accident the letters-patent should be issued in the name of the inventor only, the property in the invention and monopoly will, nevertheless, be vested in the assignee.⁴ An instrument purport-

591; *Hammond v. Pratt* (1879), 16 O. G. 1235.

That the Patent Office cannot take notice of an equitable interest, whose existence is contingent on the issuing of a patent, see *Martin v. Olney* (1876), 9 O. G. 1107.

That the assignment of a future patent, not containing a request that the patent issue to the assignee, is not recordable, and if recorded is not notice, see *Wright v. Randell* (1881), 8 Fed. Rep. 591; 19 Blatch. 495; 21 O. G. 493; *Gay v. Cornell* (1849), 1 Blatch. 506.

⁴ That no legal title exists till the patent issues, see *Pontiac Knit Boot Co. v. Merino Shoe Co.* (1887), 31 Fed. Rep. 286.

That the issue of a patent to an assignee gives him the legal title, see *Perkins v. U. S. Electric Light Co.* (1883), 24 O. G. 204; 21 Blatch. 308; 16 Fed. Rep. 513.

That a patent may issue to the assignee of an assignee, see *Consolidated Electric Light Co. v. Edison Electric Light Co.* (1885), 25 Fed. Rep. 719; 33 O. G. 1597; 23 Blatch. 412.

That the patent may issue to any assignee of record if the rights of paramount owners are not thereby affected, see *Consolidated Electric Light Co. v. Edison Electric Light Co.* (1885), 25 Fed. Rep. 719; 33 O. G. 1597; 23 Blatch. 412.

That where a patent issues to the first of several successive assignees, all whose assignments were on record pending the application, the title vests in the last, see *Consolidated Electric Light Co. v. McKeesport Light Co.* (1888), 34 Fed. Rep. 335; 44 O. G. 110; Con-

solidated Electric Light Co. v. Edison Electric Light Co. (1885), 25 Fed. Rep. 719; 33 O. G. 1597; 23 Blatch. 412.

That it is not necessary that the true owner of the patent be made the nominal patentee, see *Consolidated Electric Light Co. v. Edison Electric Light Co.* (1885), 25 Fed. Rep. 719; 33 O. G. 1597; 23 Blatch. 412.

That an assignment, made before the issue of the patent and recorded in the Patent Office, and conveying all the right of the inventor and the legal title which he expects to obtain, and requesting that the patent issue to the assignee, transfers the right to the assignee although the patent actually issues to the assignor, see *Gayler v. Wilder* (1850), 10 How. 477.

That an assignment made before the patent issues, requesting an issue to the assignee, will vest the legal title in the assignee on recording the assignment though the patent had been ordered to be issued to the assignor before the assignment was made, and was actually issued to him before the assignment was recorded, see *United States Stamping Co. v. Jewett* (1880), 7 Fed. Rep. 869; 18 O. G. 1529; 18 Blatch. 469.

That where an applicant assigns, requesting the patent to issue to the assignee, and the assignment is not recorded until after the patent issues, and subsequently to such record the patentee assigns to another, the title of the first assignee dates from the date of the record and prevails over the second assignee, see *U. S. Stamping Co. v. Jewett* (1880), 18 Blatch. 469; 7 Fed. Rep. 869; 18 O. G. 1529.

ing to be an assignment, but not containing this request or not recorded in due season, does not convey the legal title to the patented invention. It may create an equitable title which a court of chancery will enforce against the inventor and against all other parties who, having notice of the assignment, subsequently become interested in the invention; but it cannot prevail over a later assignment which confers a legal title upon a *bona fide* assignee who has no notice of the former.⁵ In the absence of such intervening legal titles, the patent issues to the inventor, as if no equitable title had been previously created, and chancery compels him to receive and hold it as trustee for his equitable assignees, or to convey it to them by a regular assignment.⁶

⁵ That an assignment before patent, not requesting the issue to the assignee, is a contract to assign the patent after issue, and creates an equitable title in the assignee, see *Hammond v. Pratt* (1879), 16 O. G. 1235; *Newell v. West* (1875), 13 Blatch. 114; 9 O. G. 1110; 2 Bann. & A. 113; 8 O. G. 598; *Troy Iron & Nail Co. v. Corning* (1852), 14 How. 193.

That the equitable title of an assignee before patent without request, etc., cannot prevail over the legal title of subsequent *bona fide* purchasers without notice, see *Davis Wagon Wheel Co. v. Davis Wagon Co.* (1884), 22 Blatch. 221; 20 Fed. Rep. 699; *Wright v. Randell* (1881), 19 Blatch. 495; 21 O. G. 493; 8 Fed. Rep. 591.

⁶ That an equitable prevails over the legal title in a court of equity, and the legal owner is treated as trustee for the equitable owner, see *Whiting v. Graves* (1878); 3 Bann. & A. 222; 13 O. G. 455. See also § 786 and notes, *post*.

That the interest in an invention cannot be assigned by parol so as to entitle the assignee to the patent as against the patentee, see *Hammond v. Pratt* (1879), 16 O. G. 1235.

That a contract to assign a future

patent can be specifically enforced in equity, see *Hagood v. Rosenstock* (1885), 23 Blatch. 95; 23 Fed. Rep. 86; *Hammond v. Pratt* (1879), 16 O. G. 1235; *Ex parte Edison* (1875), 7 O. G. 423.

That a court of equity will not aid an inventor to obtain a patent in violation of his own agreements, see *Runstetler v. Atkinson* (1883), 23 O. G. 940.

That an assignee before patent, having notice of a prior unrecorded assignment, and with such notice procuring the patent to be issued to himself, takes the legal title in trust for the first assignee and may be compelled to convey to him, see *Pontiac Knit Boot Co. v. Merino Shoe Co.* (1887), 31 Fed. Rep. 286.

That specific performance will not be decreed in favor of one who has repeatedly broken the contract, though the defendant first transgressed it, see *Ohio Steel Barb Fence Co. v. Washburn & Moen Mfg. Co.* (1886), 26 Fed. Rep. 702; 35 O. G. 1337.

That no specific performance will be decreed where it would avail nothing, or where the petitioner has not acted equitably, see *Werden v. Graham* (1883), 24 O. G. 101; 107 Ill. 169.

That though a specific performance

§ 770. Assignment of Extension.

When the law provides for the grant of an extension to the patentee, he may assign his right to the extension in the same manner, even before the original patent has been issued.¹ Such an assignment creates an equitable title in the assignee, which becomes operative on the grant of the extension, and thereupon both the invention and monopoly vest in him according to the terms of his conveyance.² If the assignee is already an owner of the patented invention under the original patent, the effect of such extension is merely to prolong the period of his existing ownership. If his ownership is to commence with the extension, or to be enlarged thereby, and a

has been rendered impossible through the fraudulent act of the defendant, the court will not decree it, see *Kennedy v. Hazelton* (1888), 128 U. S. 667; *Kennedy v. Hazelton* (1888), 33 Fed. Rep. 293.

That an employer cannot compel his employee to assign a patent to him unless there was an agreement to that effect, see *Hapgood v. Hewitt* (1886), 119 U. S. 226; 37 O. G. 1247.

That where a workman is hired to invent, and agrees that his inventions shall belong to his employer, the employer is their real owner, see *Joliet Mfg. Co. v. Dice* (1883), 105 Ill. 649.

That a contract to sell the patent privilege is made good by securing a second patent when the first is void, see *Stanley v. Whipple* (1839), 2 McLean, 35; 2 Robb, 1.

That under a contract to assign several methods the assignee is not bound to accept an assignment of one, though the others are open to the public, see *Serviss v. Stockstill* (1873), 30 Ohio St. 418.

That an agreement to transfer property on the happening of a certain event gives an immediate right thereto upon the happening of the event, see *McBurney v. Goodyear* (1853), 11 Cush. 569.

See further §§ 408-414 and notes, *ante*, and §§ 786, 1228, 1229, and notes, *post*.

§ 770. ¹ That an extension may be assigned before it is granted, see *Consolidated Fruit Jar Co. v. Mason* (1877), 7 Daly, 64; *Ex parte Holmes* (1873), 4 O. G. 581; *Nicholson Pavement Co. v. Jenkins* (1872), 14 Wall. 452; 1 O. G. 465; 5 Fisher, 491; *Railroad Co. v. Trimble* (1870), 10 Wall. 367; *Clum v. Brewer* (1855), 2 Curtis, 506.

That an extension may be contracted for, but not assigned, before it is granted, see *Day v. Candee* (1853), 3 Fisher, 9.

That an assignment of an extension, before even the original patent has issued, is valid, see *Ex parte Holmes* (1873), 4 O. G. 581.

² That an agreement to assign an extension is valid in equity, see *Prime v. Brandon Mfg. Co.* (1879), 16 Blatch. 453; 4 Bann. & A. 379; *Newell v. West* (1875), 8 O. G. 598; 2 Bann. & A. 113; 13 Blatch. 114; 9 O. G. 1110; *Pitts v. Hall* (1854), 3 Blatch. 201.

That an assignment of a future extension becomes operative on the grant of the extension, see *Gear v. Grosvenor* (1873), 3 O. G. 380; *Holmes*, 215; 6 Fisher, 314; *Railroad Co. v. Trimble* (1870), 10 Wall. 367.

That an agreement to sell an extension creates an equitable title, and becomes a legal title when the price is paid, see *Hartshorn v. Day* (1856), 19 How. 211.

now conveyance after the extension thus becomes necessary to perfect his legal title, chancery will enforce the preceding equitable assignment by compelling the patentee to execute such further transfer as may be required.³ Though the extension be not granted until after the death of the patentee, his previous assignments bind it in the hands of his executors or administrators, who without the consent of his heirs or devisees, and without any order from the local court of Probate, may procure the extension and complete the title of the assignee.⁴

§ 771. **Contract to Assign Future Inventions not an Assignment.**

A contract for the transfer of inventions not yet in being is valid as a contract, but is not an assignment.¹ The subject-matter of an assignment is an existing invention, not only conceived as an idea of means but actually reduced to practice, and thus invested with the inchoate or perfected right to that monopoly which must always pass with the invention in this form of conveyance.² An intended or incomplete invention rests merely in purpose and expectation. It does not clothe the proposed inventor with any special privileges or entitle him to any rights in the monopoly which, if his purpose were accomplished, he might be able to secure. The transfer of such future inventions is a mere executory contract to assign them if they happen to be made.³ It binds the

³ That an inchoate right to an extension may be sold, and a contract for such sale specifically enforced in equity, see *Newell v. West* (1875), 8 O. G. 598; 13 Blatch. 114; 9 O. G. 1110; 2 Bann. & A. 113; *Aiken v. Dolan* (1867), 3 Fisher, 197.

⁴ That an administrator may fulfil a contract to convey an extension, by procuring the extension and assigning it, no order of the Probate Court and no consent of the heirs being necessary, see *Newell v. West* (1875), 13 Blatch. 114; 8 O. G. 598; 9 O. G. 1110; 2 Bann. & A. 113.

See also as to the assignment of an extension, § 412 and notes, *ante*, and §§ 779, 844, and notes, *post*.

§ 771. ¹ That the right to an invention can be transferred before it is completed and while its value is prospective and contingent, see *Marshall v. Peck* (1833), 1 Dana, 609; and §§ 368, 409, and notes, *ante*.

² That an assignment entitling the assignee to have a patent issued to him must be a formal assignment of a completed invention, not an agreement to assign future inventions, see *Runstetler v. Atkinson* (1883), 23 O. G. 940.

³ That an instrument purporting to convey inventions not yet in being is a mere executory contract, not an assignment, see *Ex parte Edison* (1875), 7 O. G. 423.

inventor, and if the inventions are completed it gives the other party a contract right which equity can protect and make effectual when the interests of third parties without notice are not thereby prejudiced.⁴

§ 772. **Assignment Before Patent Favored in Law.**

An assignment of a patented invention before the grant of letters-patent is not regarded as the transfer of a lawsuit or a controverted right, and is consequently favored by the law.¹ Even where a patent has been once applied for and refused, a subsequent assignment of the inventor's interests is valid, and upon a new application a patent may be issued vesting the title in the assignee.² But when the application for a patent has been finally rejected and abandoned, the rights conferred by the inventor upon his assignees become extinguished, and if thereafter the heirs of the inventor obtain letters-patent by a special act of Congress, the interest in the invention and monopoly reside in them to the exclusion of the assignees.³

⁴ That the assignment of an imperfect invention, with all its future improvements, is an assignment of the perfected result, and the assignee is the equitable owner of the patent when issued, see *Littlefield v. Perry* (1874), 21 Wall. 205 ; 7 O. G. 964.

That an assignment of a patent with future improvements is valid and vests an equitable interest in the improvements when made, which the court may follow with decree for legal title, see *Aspinwall Mfg. Co. v. Gill* (1887), 40 O. G. 1133 ; 32 Fed. Rep. 697.

That on an agreement to assign a future patent, the right to an assignment becomes absolute when the patent issues, see *Satterthwait v. Marshall* (1872), 4 Del. Ch. 337.

That a contract to assign will be specifically enforced, see *Hapgood v. Rosenstock* (1885), 23 Blatch. 95 ; 23 Fed. Rep. 86 ; *Ex parte Edison* (1875), 7 O. G. 423 ; and § 411 and notes, *ante*, and § 1228 and notes, *post*.

§ 772. ¹ That an assignment pending an application is not an assignment of a lawsuit, see *Gay v. Cornell* (1849), 1 Blatch. 506.

² That an assignment of an invention before patent is valid, although a patent had been refused to the applicant before the assignment was made, see *Gay v. Cornell* (1849), 1 Blatch. 506.

That where an assignment had been made of an improvement pending an application for a patent, and the application being rejected a new application is filed and granted, the patent enures to the benefit of the assignee, see *Littlefield v. Perry* (1874), 21 Wall. 205 ; 7 O. G. 964.

³ That when the inventor makes an assignment of his invention before a patent is granted, and the patent being refused on his application the application is abandoned, and his rights and all those derived from him are lapsed, and after his death his heirs obtain a patent by special act of Congress, their patent

§ 773. Effect of Assignment, how Determined: Its Construction.

The extent of the interest created in the assignee by an assignment depends in part upon the interest owned by the assignor, and in part upon the terms of the conveyance. An assignor cannot transfer what he does not himself possess. A sole patentee can assign the entire interest in the patented invention, but the owner of an undivided interest can convey only that undivided interest, and the owner of an interest which has been limited by previous grants or by irrevocable licenses, can give no title except to the residuary or reversionary rights that still remain in him.¹ Hence, however broad may be the words of the conveyance, they operate upon the patented invention only within the scope of the rights vested in the assignor at the date of the assignment. The assignee must take his interest subject to all previous lawful conveyances and to the restrictions originally imposed upon his assignor. Within these limits the interest transferred by the assignment is measured by the terms of the conveyance.² These are to be so construed as to effect the intention of the parties, but cannot be varied by parol evidence, except in cases of mutual mistake.³ If more than one instrument enters into the transaction, as where the equitable title created by an

is not subject to the old assignment, see *Fire Extinguisher Co. v. Graham* (1883), 16 Fed. Rep. 543; 24 O. G. 793.

§ 773. ¹ That an assignee's rights cannot be greater than those of his assignor, see *Gottfried v. Miller* (1881), 10 Fed. Rep. 471.

That it will never be presumed that a grantor intends to grant what he has no right to grant, or that the grantee expects to receive what is already his, see *Day v. Cary* (1859), 1 Fisher, 424.

That where an assignor has any right at all to convey, his grant of all his rights will not be intended as attempting to include rights previously transferred by him, see *Turnbull v. Weir Plow Co.* (1874), 6 Bissell, 225; 7 O. G. 173; 1 Bann. & A. 544.

² That the rights of the assignee are

governed by the assignment, see *Hendrie v. Sayles* (1878), 98 U. S. 546.

³ That a grant should be construed to cover whatever is necessary to render it effective, see *Hamilton v. Kingsbury* (1878), 15 Blatch. 64; 14 O. G. 448.

That an assignment of an interest in an invention is a contract, and is to be construed so as to effect the intention of the parties, see *Nicholson Pavement Co. v. Jenkins* (1872), 14 Wall. 452; 5 Fisher, 491; 1 O. G. 465.

That parol evidence cannot vary an assignment unless there has been a mutual mistake, see *Knowlton Platform & Car Coupling Co. v. Cook* (1879), 70 Me. 143; *Hammond v. Pratt* (1879), 16 O. G. 1235; *Ruggles v. Eddy* (1872), 5 Fisher, 581; 10 Blatch. 52.

assignment before patent is protected by the subsequent conveyance of the legal title, both are to be interpreted together in ascertaining the extent of the interest assigned.⁴

§ 774. **Assignment, its Implied Warranty of Title.**

The terms of the conveyance are important, not only as a measure of the interest assigned but as an indication of the liability of the assignor upon his implied warranty of title. As will be seen hereafter, the assignment imports a covenant that the assignor has a good right to convey the interest therein described; and whenever this interest exceeds the interest which he could actually convey the assignee has an appropriate remedy for the breach of warranty.¹ Hence the significance of the interpretation put by the courts upon the language of the instrument in two classes of cases; one where it purports to convey the entire interest in the patented invention; the other where it is construed to cover only such interest as the assignor may himself possess.

§ 775. **Assignment of "All Rights" in the Patented Invention Warrants a Perfect Title.**

An assignment of all rights to the patented invention, in whatever language such rights may be described, transfers or attempts to transfer the entire interest covered by the patent. By it the assignor asserts himself to be the sole owner of the patented invention, free from all incumbrances created by any prior transfer. From it, if this assertion of the assignor be true, the assignee derives an exclusive title to the invention and to the monopoly; if not true, such ownership as the assignor possessed is vested in him together with a right of action on the implied warranty, or at his option the transfer may be treated as inoperative and void. Thus an assignment

⁴ That where an assignment has been duly recorded, and a supplementary assignment is not recorded, both are to be construed together, see *Littlefield v. Perry* (1874), 21 Wall. 205; 7 O. G. 964.

That titles to patents are not to be overthrown on soluble doubts, see *Blandy v. Griffith* (1869), 3 Fisher, 609.

That in case of doubt the practical construction given to the contract by the acts of the parties may control, see *Topliff v. Topliff* (1887), 122 U. S. 121; 40 O. G. 115.

§ 774. ¹ See §§ 783, 1232, and notes, *post*.

of "all the right" to the patented invention, or of the "exclusive right to make and sell" throughout the United States for the whole term of the patent, or with any equivalent words of description, purports to convey the entire interest in the patented invention,¹ and is justified only when the assignor has the unqualified ownership of all the rights created or protected by the patent.

§ 776. Assignment of "All My Rights" in the Patented Invention Implies no Warranty of Title.

An assignment of all the rights of the assignor in the patented invention, on the other hand, contains no implied averment as to the nature or scope of the interest conveyed.¹ Such an assignment will operate upon any ownership which may be vested in the assignor, and will transfer it to the assignee subject to any previous conveyances or contracts which the assignor or his predecessors may have made, whether these have created legal or equitable rights, and whether or not they are recorded.² An assignee under this form of con-

§ 775. ¹ In *Turnbull v. Weir Plow Co.* (1880), 9 Bissell, 334, Drummond, J.: (336) "Where a man assigns all the right which was conveyed to him by letters-patent, the meaning is that the assignment takes with it everything that the letters-patent conveyed. It is certainly different from an assignment which declares merely that he assigns all the interest which he, at the time he makes the assignment, has in the letters-patent, provided, as in this case, he had previously assigned a part of the interest which he had to another person." 23 O. G. 91 (91); 14 Fed. Rep. 108 (110); 5 Bann. & A. 288 (290).

That the grant of "an exclusive right to make and sell" the invention "in the United States for the whole term of the patent" carries the entire interest in the invention, see *Pickhardt v. Packard* (1884), 23 Blatch. 23; 30 O. G. 179; 22 Fed. Rep. 530; *Nellis v. Pennock Mfg. Co.* (1882), 13 Fed. Rep. 451; 22 O. G. 1131; 15 Phila. 493.

That whether the form of a conveyance is that of an assignment or a license, if it transfers all rights under the patent it is an assignment, and the transferee may sue in his own name, see *Siebert Cylinder Oil Cup Co. v. Beggs* (1887), 32 Fed. Rep. 790.

§ 776. ¹ That a conveyance of all my right, title, and interest does not import a warranty, see *Turnbull v. Weir Plow Co.* (1874), 7 O. G. 173; 6 Bissell, 225; 1 Bann. & A. 544.

That an assignment of "all my right" purports to cover only the right he then has, see *Turnbull v. Weir Plow Co.* (1880), 23 O. G. 91; 9 Bissell, 334; 5 Bann. & A. 288; 14 Fed. Rep. 108.

That a conveyance of the right, title, and interest in a patent "as fully as the same would have been enjoyed by me but for this assignment," is a mere quitclaim without warranty, see *Gilmore v. Aiken* (1875), 118 Mass. 94.

² That a conveyance of "all my right, title, and interest in and to" a

voyance is put upon his guard and is chargeable with notice of all facts which he might have ascertained by inquiring of the prior owners of the patented invention, or of any person claiming a right under the patent.³ Where an assignment of this character has once been made, every one who derives his title through it is presumed to have received his ownership with the same knowledge of existing interests in others which is imputed to the original assignee, and one transferring such rights to another is not bound by any suppression of the truth by future owners or by their failure to disclose the actual condition of the title.⁴

§ 777. Assignment Transfers only the Invention Specifically Assigned.

The assignment of a patented invention operates only upon the invention covered by the patent. Other inventions owned by the same assignor, though related to the one assigned as modifications or improvements, and though essential to the practical employment of the one assigned, are not transferred by the conveyance.¹ Even when the assignment confers in

patent, though properly recorded, does not affect a territorial right previously conveyed, even if the prior conveyance is not recorded, see *Turnbull v. Weir Plow Co.* (1880), 23 O. G. 91; 9 Bissell, 334; 5 Bann. & A. 288; 14 Fed. Rep. 108; *Turnbull v. Weir Plow Co.* (1874), 6 Bissell, 225; 7 O. G. 173; 1 Bann. & A. 544.

³ That the expression "right, title, and interest," in an assignment from a person holding under the patentee, is enough to put the assignee on inquiry and to charge him with notice of what he could have found out from the first grantor, see *Hamilton v. Kingsbury* (1880), 17 O. G. 847; 4 Fed. Rep. 428; 17 Blatch. 460.

That where an assignment refers to an invention as in use, such reference is an express notice to the assignee of such use, and of the claim of the licensee of the right to use, see *Prime v. Brandon*

Mfg. Co. (1879), 16 Blatch. 453; 4 Bann. & A. 379.

⁴ That an assignor of his "right, title, and interest" only is not bound by any suppression of truth on the part of his assignees, nor by their failure to disclose the true state of the title, see *Hamilton v. Kingsbury* (1880), 4 Fed. Rep. 428; 17 O. G. 847; 17 Blatch. 460.

See further as to implied warranty, §§ 783, 794, 1232, and notes, *post*.

§ 777. ¹ That an assignment of one invention does not carry an interest in a different one, see *Puetz v. Bransford* (1887), 39 O. G. 1427; 31 Fed. Rep. 458.

That the assignment of all right, title, and interest in and to an improvement, conveys no interest in the original invention, see *Leach v. Dresser* (1879), 69 Me. 129.

That a conveyance under a specific

express terms upon the assignee a right to future improvements on the invention, it cannot affect an independent invention; nor can a general conveyance of the interest of the assignor in all his patents previously obtained create a title in the assignee to a subsequent improvement upon any one of the assigned inventions.² The invention transferred by the assignment to the assignee also remains in him distinct from any other invention which he may acquire. The meeting in a single person of the ownership of several patented inventions does not unite the inventions, nor confer upon their owner any rights which could not have been asserted by the several owners of the different patents.³ Thus where the elements

patent confers no right to use improvements which have been invented since the date of such patent, although they were in existence at the date of the conveyance, see *American Hide & Leather Splitting & Dressing Machine Co. v. American Tool & Machine Co.* (1870), 4 Fisher, 284; *Holmes*, 503.

That the word "invention," in a contract for the assignment of a patent therein recited includes only the invention described in the patent and its renewals, not any other improvements, though the invention would be worthless without them, see *United Nickel Co. v. American Nickel Plating Works* (1878), 4 Bann. & A. 74.

² That an assignment of a patent with the right to the improvements to be made does not cover distinct inventions, see *Stebbins Hydraulic Elevator Mfg. Co. v. Stebbins* (1880), 17 O. G. 1348; 4 Fed. Rep. 445.

That an assignment of the assignor's interest in all patents previously obtained does not carry a subsequent invention of an improvement in one of these, see *Hammond v. Pratt* (1879), 16 O. G. 1235.

That where an agreement was made to sell two inventions, one only of which was patented, and the conveyance was duly made of the patent, and

afterwards the other was patented, the conveyance was held to cover only the first patent, see *Warren v. Cole* (1867), 15 Mich. 265.

³ In *Washburn & Moen Mfg. Co. v. Griesche* (1883), 5 McCrary, 246, Treat, J. : (249) "When, through several assignments, an individual becomes the owner of several distinct patents he can have no greater rights than his assignors respectively. He cannot claim that as no one of the assigned patents is specifically infringed, yet, if they are all considered, and some element of one is imported into another, and thus by patchwork a really new combination, unpatented, can be formed, therefore the defendant, who uses none of these patents, must be held to infringe. To infringe what? No existing patent. To illustrate: If A has a patent and B has a patent, and C infringes neither; and if A assigns his patent to D, and B does likewise, does C, by force of those assignments, become an infringer, when he infringes neither? 3 Fisher, 536; 16 Pet. 336; 15 Wall. 187; 1 Black, 427; *id.* 78; 2 Fisher, 89. In these, as in some other cases recently argued, there seemed to be an unexpressed, yet implied thought, that the assignment of different patents to a common assignee gave to the latter greater

of a combination are separately patented the assignee of all these patents does not become thereby the owner of the combination, nor can he use the elements combined without a license under the patent for the combination. Nor can the assignee of several patents lap one upon the other, and in this manner cover features of the invention which the patents in the hands of separate owners would not protect.

§ 778. Assignment Transfers only the Monopoly Created by American Patents: Its Effect on Foreign Patents.

But while the operation of an assignment is thus uniformly limited to the invention covered by the patent, the scope of the monopoly conveyed is not invariable. An inventor may secure for his invention one monopoly under his original American patent, another dependent on the first under each re-issue, a third still dependent on the first, but more distinct from it than a re-issue, under an extension, and others under foreign patents. In connection with the invention, he may assign any one or several of these concurrent or successive monopolies, and which will pass under a given conveyance depends upon the terms of the assignment and the presumptions of law. That an assignment of the invention carries one of these monopolies is evident, since the possession of prohibitory powers is essential to the effective ownership of the entire interest or any undivided part of the entire interest in a patented invention. Hence an assignment before patent creates an equitable title in the assignee to the original term of the future American patent, and if in due form and properly recorded it vests in him the legal title also when the patent is actually granted. Re-issues, being dependent on and superseding the original patent, likewise pass by such assignment unless the assignee prefers to hold his monopoly as created by the original patent.¹ An assignment during

rights than the respective patents conferred on their patentees; so that the assignee claiming under both could, by lapping one over the other, or incorporating parts of one into the other, obtain a right, unpatented, which neither of the assignors could separately maintain.

No such doctrine can be accepted. Each patent must rest on its own merits alone. *Munson v. Gilbert & Barker Mfg. Co.*, 3 Bann. & A. 595." 16 Fed. Rep. 669 (671).

§ 778. ¹ That as far as an assignment of a patent is concerned, the re-

the original term has the same effect on the monopoly arising from the original or re-issued patent, the legal title thereto always vesting in the assignee. The monopolies created by foreign patents, having no legal existence in the United States and being controlled entirely as to their operation and assignment by foreign laws, are not affected by any transfer of the patented invention, or of the invention before patent, which can be recognized and sustained in this country as the conveyance of a monopoly. For this reason an assignment of an invention, whether before or after the issue of an American patent, does not transfer the monopoly created by a foreign patent, nor does the existence of a foreign patent at the date of the assignment preclude the assignee from claiming title to the monopoly arising under the patent granted by the United States.² An express provision in such assignment transferring foreign patents would at best be but a contract which equity could enforce against the assignor by compelling him to execute such instruments as, under the foreign law, would operate as a conveyance of the monopoly within the country for which it was granted.

§ 779. Effect of Assignment upon an Extension.

It being certain that in every case an assignment operates upon the original term of the American patent and upon its re-issues, and that it never operates upon a foreign patent except by virtue of the laws of the country where the patent is in force, the only doubt which can arise in reference to the effect of an assignment upon the monopoly relates to an extension. An extension, when allowed by law, is intended for the benefit of the inventor.¹ It is permitted to him only on the

issue is part of the original patent and is covered by the assignment, see *Littlefield v. Perry* (1874), 21 Wall. 205; 7 O. G. 964.

That an assignee may accept or reject a re-issue as he pleases, see *Littlefield v. Perry* (1874), 21 Wall. 205; 7 O. G. 964.

² That the sale of the "invention" and all patents, present or future, while it is patented only under a foreign pat-

ent, carries not only that patent but subsequent American patents, see *Emmons v. Sladdin* (1875), 2 Bann. & A. 199; 9 O. G. 352.

§ 779. ¹ That an extension is for the benefit of the inventor, see *Ex parte Baker* (1872), 1 O. G. 632; *Case v. Redfield* (1849), 4 McLean, 526; 2 Robb, 741.

That no extension will be granted if the assignees are to reap the entire

ground that his inventive skill has not received a sufficient reward during the original term, and that this insufficiency is not due to his own fault or neglect.² It was not provided as a recompense to the assignees for the devotion of their capital or their business energies to the development of the invention and the distribution of its practical results among the public.³ Thus an extension can be obtained by the inventor alone, if living, or by his administrator or executor after his death.⁴ At the same time, the possibility of an extension adds to the value of the invention even before the original patent has been issued; and if he then is able to transfer it, and obtain a higher price on that account, he indirectly receives the recompense which the extension was intended to bestow. Hence the law recognizes his right to transfer this monopoly as well as any other,⁵ only requiring that, as a simple assignment of the invention is satisfied by the passage of the original term, an instrument which is to operate upon the extension must expressly and unequivocally include it.⁶ The presumption as to any given assignment is that it does not refer to the extension; and therefore, if its words can be construed to relate only to the original term and the re-issues, the assignment will be limited to these monopolies. Thus an assignment of all the assignor's right, title, and interest "during the term for which a patent may be granted;" or a conveyance of "all the patents which the grantor now has, or has in contemplation to obtain;" or a transfer of "all my right and title to the patent and the invention thereby secured;" or the assignment before patent of all the rights "I

benefit, see *Ex parte Munger* (1873), 3 O. G. 323; *Ex parte Baker* (1872), 1 O. G. 632.

See also § 836 and notes, *post*.

² See Sec. 18, act of 1836.

³ That the extension of a patent does not enure to the benefit of an assignee of the original term, see *Wilson v. Rousseau* (1846), 4 How. 646; 2 Robb, 372.

⁴ See Sec. 18, act of 1836; also *Woodworth v. Wilson* (1846), 4 How. 712; 2 Robb, 473; *Woodworth v. Sherman* (1844), 3 Story, 171; 2 Robb, 257.

⁵ See § 770 and cases cited, *ante*.

⁶ That the assignment of a patent during the original term, or before the patent issues, does not carry the extension unless there are express words to that effect, see *Hendrie v. Sayles* (1878), 98 U. S. 546; *Gibson v. Cook* (1850), 2 Blatch. 144; *Case v. Redfield* (1849), 4 McLean, 526; 2 Robb, 741; *Phelps v. Comstock* (1848), 4 McLean, 353; *Brooks v. Bicknell* (1845), 4 McLean, 64; *Woodworth v. Sherman* (1844), 3 Story, 171; 2 Robb, 257.

now have, or by letters-patent should be entitled to have," to the invention "to the full extent to which the same could be enjoyed by me but for this assignment," and providing for the issue of the patent to the assignee "as the owner of the whole right and title" to the invention; or a conveyance of "the patent" or of the "invention" after the patent has been granted,—have all alike been held to operate upon the original term and the re-issues only, for want of words which necessarily included the extension.⁷ On the other hand it has been said that an assignment before patent of "the invention" without any restrictions, or an assignment of "the invention and of all rights that may from time to time be

⁷ That a conveyance, during the original term, of all right, title, and interest during "the term for which letters-patent are or may be granted" does not carry an extension, see *Gear v. Grosvenor* (1873), 3 O. G. 380; *Holmes*, 215; 6 *Fisher*, 314.

That an assignment of the "right, title, and interest" in letters-patent about to be issued does not carry an extension, see *Johnson v. Wilcox & Gibbs Sewing Mach. Co.* (1886), 23 *Blatch.* 531; 27 *Fed. Rep.* 689.

That the grant of all patents which the grantor "now has or has in contemplation to obtain," does not carry an extension, see *Wetherell v. Passaic Zinc Co.* (1872), 2 O. G. 471; 6 *Fisher*, 50; 9 *Phila.* 385.

That an assignment by the patentee of all his right and title to the patent and to the invention thereby secured does not cover the extension, see *Waterman v. Wallace* (1875), 13 *Blatch.* 128; 2 *Bann. & A.* 126.

That an assignment, before a patent is granted, of all the right "I now have or by letters-patent would be entitled to have" in the invention, "to the full extent to which the same could be enjoyed by me but for this assignment," and providing for the issue of the patent to the assignee, "as the owner of the whole right and title"

to the invention, does not cover an extension, for want of words showing an intention to convey a future interest, see *Mowry v. Grand St. & Newtown R. R. Co.* (1872), 10 *Blatch.* 89; 5 *Fisher*, 586.

That an assignment of the "patent" does not carry the extension, see *Ex parte Holmes* (1873), 4 O. G. 581.

That the assignment of an "invention" after a patent issues is the grant only of the current term, see *Waterman v. Wallace* (1875), 13 *Blatch.* 128; 2 *Bann. & A.* 126.

That an assignment of the "invention" does not carry the extension, unless expressly so stated, see *Ex parte Holmes* (1873), 4 O. G. 581.

That the "term for which letters-patent may be granted" in the *habendum* is to be construed by the rest of the deed, and usually includes nothing except re-issues, see *Jenkins v. Nicholson Pavement Co.* (1870), 4 *Fisher*, 201; 1 *Abbott*, 567.

That a contract by the patentee in 1829 that his assignee shall have the benefit of all renewals, covers only re-issues, and not extensions, in the hands of the administrator, extensions being unknown to the law at the date of the contract, see *Wilson v. Rousseau* (1846), 4 *How.* 646; 2 *Robb*, 372.

secured," or of "the invention to the full end of the term for which a patent may be granted," or of "all patents and renewals" or of "the invention as now secured by letters-patent," and "to the full end of the term for which letters-patent are or may be granted," or a conveyance by the owner of the right to an extension of "all my rights" in the invention, — transferred the patentee's rights to the monopoly under the extension, and imposed on him the obligation to obtain the extension, if possible, and by a proper instrument convey it to his assignee.⁸ These illustrations show how comprehensive the language of an assignment may be, and yet not operate upon the extension; and also that no special form of words is necessary in order to convey it. In all cases the question is one of intention; and the interpretation put upon the instrument in this respect must be governed by its entire provisions, and by the circumstances of the contracting parties and the object they endeavored to effect. The assignee is presumed to know what rights to an extension may eventually vest in the assignor, and how such an extension would affect his own use and enjoyment of the invention; and he must either protect himself by the insertion of such provisions into the assignment as will secure to him the monopoly under the extension, as well as under the original patent, or abide by the presumption of the law that the right to the extension remains in the inventor.⁹

⁸ That the assignment of an "invention" without any restrictions carries all future patents for it, see *Emmons v. Sladdin* (1875), 2 Bann. & A. 199; 9 O. G. 352.

That a conveyance of an "invention" and "of all rights that may from time to time be secured" carries an extension, see *Railroad Co. v. Trimble* (1870), 10 Wall. 367.

That an assignment of the "invention" "to the full end of the term for which a patent may be granted" covers an extension, see *Nicholson Pavement Co. v. Jenkins* (1872), 14 Wall. 452; 1 O. G. 465; 5 Fisher, 491.

That an assignment of patents and

renewals carries extensions, see *Union Mfg. Co. v. Lounsbury* (1864), 42 Barb. 125; *Goodyear v. Cary* (1859), 4 Blatch. 271; *Wilson v. Turner* (1845), Taney, 278.

That an assignment of "the invention as secured by letters-patent" and "to the full end of the term for which letters-patent are or may be granted" carries the extension also, see *Ruggles v. Eddy* (1872), 5 Fisher, 581; 10 Blatch. 52.

That where an assignor owns a right to the extension, his conveyance of "all his right," etc., will carry the extension, see *Ex parte Mason* (1872), 1 O. G. 357.

⁹ In *Brooks v. Bicknell* (1845), 4

§ 780. Single Assignment may Transfer Several Patented Inventions.

An assignment by the owner of several patents may include one or more or all of them, as the parties may desire; though, to avoid confusion on the records, a separate conveyance for each patent is desirable. When such an instrument describes each patent by its date and number, the subject-matter of the assignment is evident. A general assignment of all such patents as the assignor "has in his own right" is, however, valid, and will transfer all patents of which he is the apparent owner, or part-owner, though not those which he holds in trust for others.¹

McLean, 64, *per Curiam*: (67) "The assignment transferred only the interest expressed on its face. No right, beyond the term named in the original patent, was conveyed by the assignment, unless so specified. But it is said that the assignee had ground to expect, when the patent expired, that he, in common with others, would have a right to use it; and that to deny him this right would be unjust. When he purchased the patent, in whole or part, he knew, or at least must be presumed to have known, that the patent could be renewed by Congress, and as a prudent man, he should have provided for such a contingency, in his contract of assignment, and what, under a renewal, would be a just provision in behalf of the assignee. For the time of the patent, he has not only had the right to use the machine, but to sell the invention to others. Now, no hardship results to the assignee from the renewal, unless he has a machine in operation which is necessarily suspended by the extension of the patent. The assignee could not claim, on any supposed ground of hardship, anything beyond the use of the machine or machines he may have in operation at the time of the renewal of the patent. But, under the

construction claimed for the assignee, he not only takes the use of the machine, if the assignment was a general one, but the entire beneficial interest in the renewed patent. Such a construction is in direct opposition to the declared intention of the act."

That where a patentee agrees to sell a right under an extension, and the buyer pays part of the purchase-money, but refuses to pay the rest, this does not, *ipso facto*, cancel the contract, since it is part executed, though a court of equity would decree cancellation of it in terms, see *Gibson v. Barnard* (1848), 1 Blatch. 388.

See further as to the assignment of an extension, §§ 412, 770, and notes, *ante*, and § 844 and notes, *post*.

§ 780. ¹ That the grant of such patents only as the grantor "has in his own right" does not include such as he holds for the benefit of others, but does include those in which he has only a part interest, see *Wetherell v. Passaic Zinc Co.* (1872), 2 O. G. 471; 6 Fisher, 50; 9 Phila. 385.

That a trade-mark used to designate patented articles is assignable with the patent, see *Julian v. Hoosier Drill Co.* (1881), 78 Ind. 408.

§ 781. Assignment of Patented Invention Does not Transfer Rights of Action for Past Infringements.

An assignment carries no right to sue for past infringements, unless so expressed.¹ These are injuries against the former owners of the patent, for which they have their remedy. Like other choses in action, the right to pursue this remedy can be transferred to the assignees of the invention, as well as to any other parties; but it is not embraced in the ownership either of the invention or the monopoly, and hence requires distinct words of conveyance. The assignment of an expired patent, however, being of no effect as an alienation of a patented invention for want of any existing subject-matter, may take effect upon those rights of action which alone remain, and be valid as a power of attorney to enforce them.² A conveyance *pendente lite* does not affect the litigation; but the judgment binds the parties to the assignment, according to the nature of the interests involved.³

§ 782. Effect of Assignment upon Existing Licenses and Powers of Attorney.

An assignment of the entire interest of the assignor in a patented invention revokes all his revocable licenses and terminates all his previous powers of attorney, unless the as-

§ 781. ¹ That an assignment of a patent does not cover claims for past infringements, unless so expressed, see *Kaolatype Engraving Co. v. Hoke* (1887), 30 Fed. Rep. 444; 39 O. G. 589; *May v. Juneau Co.* (1887), 30 Fed. Rep. 241; 41 O. G. 578; *New York Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1883), 21 Blatch. 519; 25 O. G. 1076; 18 Fed. Rep. 638; *Merriam v. Smith* (1882), 11 Fed. Rep. 588.

That an assignment of a patent by an administrator under order of court does not carry the right of action for past infringements, see *May v. Juneau Co.* (1887), 41 O. G. 578; 30 Fed. Rep. 241.

That the assignment of all "right, title, interest, claims, and demands

whatsoever which the estate has in, to, by, under, and through" letters-patent, carries rights of action for past infringements, see *May v. County of Logan* (1887), 30 Fed. Rep. 250; 41 O. G. 1387.

See further as to assignment of rights of action, §§ 790, 943, and notes, *post*.

² That the assignment of an expired patent may be good as a power of attorney to collect damages for past infringements, but not otherwise, see *Bell v. McCallough* (1858), 1 Bend, 194; 1 Fisher, 380.

³ That a conveyance *pendente lite* does not affect the litigation, see *Campbell v. James* (1880), 18 O. G. 1111; 18 Blatch. 92; 2 Fed. Rep. 338.

signed by continuing to recognize them as still in force estops himself from denying their validity.¹ The assignment of an undivided part of the entire interest creates a joint ownership in the invention and the monopoly, the proportion of each co-owner being determined by the provisions of the assignment. The relation sustained by these co-owners toward each other, and the rights of each as to the enjoyment of the patented invention, will be considered in a separate section.²

§ 783. Assignment for Valuable Consideration Implies a Warranty of Title, and a Right to Assign: Express Warranties.

From the assignment of a patented invention for a valuable consideration a warranty of title to it, and of a right to assign it according to the terms of the assignment, is implied by law.¹ This warranty grows out of the sale itself, not out

§ 782. ¹ That the conveyance of a patent revokes all revocable licenses, see *Shaw v. Colwell Lead Co.* (1882), 20 Blatch. 417; 11 Fed. Rep. 711.

That where a patent and all future improvements are assigned to one person, and subsequently an agreement is made by the assignor with another not to interfere with his manufacture, and after this an improvement is made and patented and assigned to the first assignee, the latter may enforce this new patent against the promisee under the agreement, see *Troy Iron & Nail Factory v. Corning* (1852), 14 How. 193.

That where the patentee sells to a corporation, and having obtained a re-assignment for the purpose of procuring an extension secures his extension and secretly licenses to others before he assigns back to the corporation, it is a fraud upon the corporation and the licensee acquires no rights, see *Consolidated Fruit Jar Co. v. Mason* (1877), 7 Daly, 64.

That an assignee of an interest in a patent, after a license is granted and while it is running, cannot compel the

licensee to account to him separately for his share of the royalties, see *Bergmann v. Macmillan* (1881), L. R. 17 Ch. D. 423.

That the sale of a patent terminates all previous powers of attorney, see *Labaree v. Peoria, Pekin, & Jacksonville R. R. Co.* (1877), 3 Bann. & A. 180.

That assignees of a patent who allow a power of attorney to remain and permit others to act on it may be bound by it, see *Labaree v. Peoria, Pekin, & Jacksonville R. R. Co.* (1877), 3 Bann. & A. 180.

That where an entire invention is assigned before the application and the attorney has received his power from the inventor alone, the power must be ratified by the assignee, or a new attorney must be appointed, see *Ex parte Ackerman* (1880), 17 O. G. 1036.

² See §§ 795-799, and notes, *post*.

§ 783. ¹ That in the sale of a patent there is always an implied warranty of title, see *Faulks v. Kamp* (1880), 3 Fed. Rep. 898; 17 O. G. 851; 17 Blatch. 432; 5 Bann. & A. 73; *Sher-*

of the instrument by which the conveyance is effected.² It draws after it any subsequently acquired title of the assignor which may be necessary to make his former transfer valid, and confers upon the assignee a right to damages wherever the interest actually vested in him by the assignment is less than that which it purports to convey.³ Express covenants of warranty may also be inserted in the assignment. These bind the assignor according to their terms, and may wholly or in part supersede the implied warranty.⁴ From a conveyance of all the assignor's right, title, and interest in the invention no warranty of title is implied. Such a conveyance passes the rights then vested in the alienor, whatever they may be, but imposes no obligation upon him, either on account

man *v.* Champlain Transportation Co. (1858), 31 Vt. 162.

That the sale of a patent right not only implies a warranty of title to it but a right to sell it, see *Faulks v. Kamp* (1880), 17 O. G. 851; 3 Fed. Rep. 898; 17 Blatch. 432; 5 Bann. & A. 73.

² That the warranty of title grows out of the sale itself, not out of the form of the conveyance, see *Faulks v. Kamp* (1880), 3 Fed. Rep. 898; 17 O. G. 851; 17 Blatch. 432; 5 Bann. & A. 73.

³ That the warranty implied in the sale of a patent right draws after it any after acquired title of the vendor which may be necessary to make the sale effective, see *Faulks v. Kamp* (1880), 3 Fed. Rep. 898; 17 O. G. 851; 17 Blatch. 432; 5 Bann. & A. 73.

That the assignee may recover damages for the breach of warranty, see §§ 1229-1232, and notes, *post*.

⁴ That there is no implied warranty in the sale of a patent that the patent is valid, see *Hiatt v. Twomey* (1836), 1 Dev. & Bat. Eq. (N. C.) 315.

That in the sale of a patent it is doubtful whether there is any implied warranty of validity where all is done in good faith, and both parties are assignees and are equally ignorant and

there is no fraud, see *Johnson v. Wilimantic Linen Co.* (1866), 33 Conn. 436.

That the conveyance of such inventions "as I have a patent right for" does not warrant that the vendor has a valid patent right, see *Bull v. Pratt* (1815), 1 Conn. 342.

That a subscriber for a share in a patent right, paying nothing and signing only as an inducement to lead others to subscribe, does not warrant to them the validity of the patent or the value of the invention, but they run their own risks, see *Lane v. Smith* (1878), 68 Me. 178.

That an agreement to protect the sales of the vendee from suits for infringements on other patents is a warranty that the article does not infringe other patents, see *Croninger v. Paige* (1880), 48 Wis. 229.

That a covenant of warranty is valueless when the property warranted does not exist, see *Bliss v. Negus* (1811), 8 Mass. 46.

That if the instrument conveying the patent contains no warranty, the vendee cannot set up a parol warranty, see *Joliffe v. Collius* (1855), 21 Mo. 338.

of a defect in his existing title or in respect to any title he may subsequently acquire.⁵

§ 784. Assignment to be Recorded : Record Constructive Notice.

For the protection of all persons subsequently becoming interested in the patented invention, the law requires that an assignment shall be recorded in the Patent Office within three months after the date of its execution.¹ During these three months the subsequent alienee must protect himself by such investigation as he is able to make, and runs his own risk of a defective title through the timely recording of a prior assignment.² But after three months without record the prior conveyance becomes invalid as against his later transfer, except in cases where he has actual notice of its existence.³ The record of the title to a patented invention, as it appears in the Patent Office, is thus conclusive in favor of all *bona fide* purchasers of any interest in the invention who have no other knowledge of the state of the title than that which the record furnishes, and against all unrecorded assignees whose title dates more than three months before the subsequent title is acquired.⁴ But such a record is not necessary to

⁵ See § 776 and notes, *ante*.

§ 784. ¹ Sec. 4898, Rev. Stat. "An assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from the date thereof."

See also *Turnbull v. Weir Plow Co.* (1874), 6 Bissell, 225; 1 Bann. & A. 544; 7 O. G. 173; *Gibson v. Cook* (1850), 2 Blatch. 144.

² In *Gibson v. Cook* (1850), 2 Blatch. 144, Nelson, J. : (148) "In order to guard against an outstanding title of over three months' duration, the purchaser need only look to the records of the Patent Office. Within that period he must protect himself in the best way he can, as an unrecorded prior assignment would prevail; but it must be an assignment in writing, that may be recorded within the time limited."

³ That an assignment is not valid against innocent parties, unless recorded, see *Boyd v. McAlpin* (1844), 3 McLean, 427; 2 Robb, 277; *Higgins v. Strong* (1836), 4 Blackf. (Ind.) 182.

That the law requiring a record of assignments, etc., is for the protection of *bona fide* purchasers without actual notice, see *Turnbull v. Weir Plow Co.* (1874), 6 Bissell, 225; 7 O. G. 173; 1 Bann. & A. 544.

That an assignment duly recorded protects the assignee in all his rights as against a subsequent assignee, see *Aspinwall Mfg. Co. v. Gill* (1887), 32 Fed. Rep. 697.

That actual notice to a subsequent purchaser is equivalent to record, see *Peck v. Bacon* (1847), 18 Conn. 377; and cases cited in note 5, *post*.

⁴ That the record of the patent and its assignments in the Patent Office is notice to all the world, and every one

render an assignment valid as between the assignor and those claiming under him, or between the assignee and any person having actual notice.⁶ The record, though made after

is chargeable with such knowledge as the search of the records would convey, see *National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co.* (1884), 28 O. G. 1007; 19 Fed. Rep. 514; *Newell v. West* (1875), 13 Blatch. 114; 8 O. G. 598; 9 O. G. 1110; 2 Bann. & A. 113.

That the assignee of a patent may rely on the record title, see *Campbell v. James* (1880), 18 Blatch. 92; 18 O. G. 1111; 2 Fed. Rep. 338; *Secombe v. Campbell* (1880), 2 Fed. Rep. 357; 18 Blatch. 108.

That the title of an assignee of record, derived from an assignor of more than six months ownership, cannot be attacked on the ground of fraud in the assignor, see *Racine Seeder Co. v. Joliet Wire Check Rower Co.* (1886), 27 Fed. Rep. 367; 37 O. G. 452.

That an assignment must be recorded before the assignee can sue on the patent, see *Wyeth v. Stone* (1840), 1 Story, 273; 2 Robb, 23.

That the Commissioner must be governed by the record title to the patent and cannot regard mere equitable claims, see *Ex parte Edison* (1875), 7 O. G. 423.

⁶ In *Perry v. Corning* (1870), 7 Blatch. 195, Woodruff, J. : (201) "It is sufficient to say that as against a purchaser in good faith, for value, without notice of any prior assignment, an assignment not recorded within the time limited in the act is not valid, and will not affect his rights acquired from the patentee before such record is made; and that, on the other hand, the instrument, though not recorded, is a perfectly valid instrument, and effectual according to its purport, as against the assignor and all others except third persons who, in good faith, for value, without notice, become pur-

chasers or acquire rights or interests in or under the patent."

In *Pitts v. Whitman* (1843), 2 Story, 609, Story, J. : (615) "Now, it is observable that there are no words in this enactment which declare that the assignment, if not recorded, shall be utterly void; and the question, therefore, is whether it is to be construed as indispensable to the validity of an assignment that it should be recorded within the three months, as a *sine qua non*, or whether the statute is merely directory for the protection of purchasers. Upon the best reflection which I have been able to bestow upon the subject, my opinion is that the latter is the true interpretation and object of the provision." 2 Robb, 189 (196).

Further, that an unrecorded assignment is valid between the parties, see *Horne v. Chatham* (1885), 64 Tex. 36; *Maurice v. Devo* (1883), 23 W. Va. 247; *Turnbull v. Weir Plow Co.* (1874), 7 O. G. 173; 6 Bissell, 225; 1 Bann. & A. 544; *Moore v. Bare* (1860), 11 Iowa, 198; *Sone v. Palmer* (1859), 28 Mo. 539; *Black v. Stone* (1858), 33 Ala. 327; *Hildreth v. Turner* (1855) 17 Ill. 184; *McKernan v. Hite* (1855), 6 Ind. 428; *Louden v. Burt* (1853), 4 Ind. 566; *Case v. Redfield* (1849), 4 McLean, 526; 2 Robb, 741; *Peck v. Bacon* (1847), 18 Conn. 377.

That an assignment though not recorded is good, except against creditors and subsequent *bona fide* purchasers, see *Holden v. Curtis* (1819), 2 N. H. 61.

That one who knows of a prior unrecorded assignment cannot be a *bona fide* purchaser, see *Ashcroft v. Walworth* (1872), 2 O. G. 546; *Holmes*, 152; 5 *Fisher*, 528.

That an assignment though unre-

three months have elapsed, affords constructive notice to all persons acquiring interests in the invention subsequently to the date of record.⁶

§ 785. Record of Unrecordable Instrument not Constructive Notice.

The law provides for the recording of three instruments only: an assignment before patent when the patent is to issue to the assignee, either alone or jointly with the inventor; an assignment after patent; and a grant.¹ The record of no other instrument than these affords constructive notice, although if thus brought to the knowledge of any person it may become as to him individually an actual notice of whatever rights the instrument purports to convey.² Thus an

recorded is good against all who have actual notice, see *Maurice v. Devo* (1883), 23 W. Va. 247; *Ashcroft v. Walworth* (1872), 5 Fisher, 528; *Holmes*, 152; 2 O. G. 546; *Continental Windmill Co. v. Empire Windmill Co.* (1871), 4 Fisher, 428; 8 Blatch. 295.

That it has been doubted whether actual notice of an unrecorded grant would bind subsequent assignees, see *Perry v. Corning* (1870), 7 Blatch. 195, and cases there cited.

That a prior unrecorded assignment is good against subsequent assignees without value, see *Saxton v. Aultman* (1864), 15 Ohio St. 471.

⁶ That the rule requiring an assignment to be recorded within three months is directory only, the record being good between the parties whenever it is made, see *Brooks v. Byam* (1843), 2 Story, 525; 2 Robb, 161.

That the record of an assignment is notice to subsequent purchasers, see *Case v. Redfield* (1849), 4 McLean, 526; 2 Robb, 741.

§ 785. ¹ That under the act of 1836 only an assignment of the whole or a part of the entire interest in an existing patent, or a grant of a territorial inter-

est, could be recorded, see Sec. 11, 1836, and *Brooks v. Byam* (1843), 2 Story, 525; 2 Robb, 161.

That under the act of 1870 and the Revised Statutes an assignment before patent may also be recorded, see Sec. 33, 1870, and Sec. 4895, Rev. Stat.

That Sec. 4895, Rev. Stat., does not provide for recording assignments of unpatented inventions, unless the patent is to issue to the assignee, and if recorded, such record is not notice to any one, see *Wright v. Randel* (1881), 21 O. G. 493; 19 Blatch. 495; 8 Fed. Rep. 591.

That the conveyance of a right to use within a limited territory need not be recorded, see *Stevens v. Head* (1837), 9 Vt. 174.

That under Sec. 5046, Rev. Stat. an assignment by the bankrupt court to the assignee need not be recorded in the Patent Office, see *Prime v. Brandon Mfg. Co.* (1879), 16 Blatch. 453; 4 Bann. & A. 379.

² That the record of an instrument which the law does not require to be recorded is not constructive notice of anything to any person, see *Wright v. Randel* (1881), 19 Blatch. 495; 8 Fed. Rep. 591; 21 O. G. 493; *Hamilton v.*

assignment before patent, unaccompanied by a request that the patent issue to the assignee, although recorded in due season, cannot prevail over a subsequent assignment with such request to a *bona fide* assignee for value, but the latter will receive the patent and can enforce it against the former.³ The record of an assignment of a right of action under a patent, for the same reason, is not constructive notice to the party against whom such action lies.⁴

§ 786. Relation of Legal and Equitable Titles Arising from Assignments.

Through the operation of these rules concerning the record of assignments, as well as by the other methods before noticed, the legal and equitable titles to a patentable invention may become separated from each other and vest in different owners, or an equitable title as against certain individuals may be created in one party while both the legal and equitable titles, as against all the world, may reside in another. Where, for example, an inventor assigns his invention before the granting of a patent, and then procures the issue of a patent in his own name, the assignment not containing a request for it to issue to the assignee, the legal title

Kingsbury (1879), 17 Blatch. 264 ; 17 O. G. 147.

That an agreement to assign a patent is not a recordable instrument, and if recorded does not amount to notice, see *N. Y. Paper Bag Mach. Co. v. Union Paper Bag Mach. Co.* (1887), 32 Fed. Rep. 788.

The record of a recordable instrument is constructive notice to all persons, whether cognizant of the record or not. But a person, having actual knowledge that any instrument is on record is put on inquiry as to all facts which the instrument suggests and which a reasonable search might ascertain, whether or not the instrument is in itself properly recordable. Thus that where some papers which the law does not require to be recorded are recorded while others are not, a party who acts

upon those recorded, in ignorance of the latter, is still bound by them as if also known, being put on inquiry by those recorded, see *Hamilton v. Kingsbury* (1879), 17 Blatch. 264 ; 17 O. G. 147.

³ That an unrecorded assignment, or an assignment before patent not requesting the issue of the patent to the assignee though put on record, cannot avail against a subsequent *bona fide* legal title to the patent, and such subsequent assignee may have the patent issued to him and hold it against the former, see *Wright v. Randel* (1881), 19 Blatch. 495 ; 8 Fed. Rep. 591 ; 21 O. G. 493.

⁴ That an assignment of a right of action need not be recorded, see *Gear v. Fitch* (1878), 16 O. G. 1231 ; 3 Bann. & A. 573.

vests in the inventor and the equitable title in the assignee.¹ Or where a party, having knowledge of the existence of a prior unrecorded assignment, after the time limited for recording it takes an assignment to himself and places it on record, he holds the legal title to the patented invention though the equitable title belongs to the former assignee.² In these cases, and in all others where the legal and equitable titles are severed from each other, chancery will regard the holder of the legal title as a trustee for the equitable owner, and compel him to execute such conveyances and perform such other acts as equity may require.³ But where a legal and equitable title meet in the same person, these will prevail over all other merely equitable titles unless their equity is

§ 786. ¹ That an assignment of the patent privilege, before the patent issues, is a contract to assign the patent when issued, and creates an equitable title to the patent in the assignee although the patent issues to the inventor, see *Aspinwall Mfg. Co. v. Gill* (1887), 40 O. G. 1133; *United States Stamping Co. v. Jewett* (1880), 7 Fed. Rep. 869; 18 Blatch. 469; 18 O. G. 1529; *Hammend v. Pratt* (1880), 16 O. G. 1235; *Littlefield v. Perry* (1875), 21 Wall. 205; 7 O. G. 964; *Newell v. West* (1875), 13 Blatch. 114; 8 O. G. 598; 9 O. G. 1110; 2 Bann. & A. 113; *Troy Iron & Nail Co. v. Corning* (1852), 14 How. 193; *Gayler v. Wilder* (1850), 10 How. 477.

That where a patent issues to an inventor after its assignment to another with a request that it issue to the assignee, the legal title vests in the assignee, upon his recording of the assignment, see *United States Stamping Co. v. Jewett* (1880), 7 Fed. Rep. 869; 18 Blatch. 469; 18 O. G. 1529; and other cases cited in § 769, notes 4 and 5, *ante*.

² That an assignee of record, taking his assignment with notice of prior unrecorded conveyances, acquires at most the legal title only, while the equitable title resides in the former assignees, see

Maurice v. Devo (1883), 23 W. Va. 247; *Ashcroft v. Walworth* (1872), 5 Fisher, 528; 2 O. G. 546; *Holmes*, 152; *Perry v. Corning* (1870), 7 Blatch. 195; and other cases cited in § 784, notes 3 and 5, *ante*.

³ That chancery will compel the holder of the legal title to do whatever may be required to protect the interests of the owner of the equitable title, see *Haggood v. Rosenstock* (1885), 23 Blatch. 95; 23 Fed. Rep. 86; and cases cited in § 769, note 6, *ante*, and § 1228 and notes, *post*.

That where the absolute owner of a patent conveys it to joint trustees, with full discretionary powers, they cannot act otherwise than jointly, and their sole contracts are void, see *Wescott v. Wayne Agricultural Works* (1882), 11 Fed. Rep. 298.

That contract right may be protected in equity by enjoining the patentee from violating it, even though a specific performance cannot be decreed, see *Goddard v. Wilde* (1883), 17 Fed. Rep. 845.

That the sale of the invention, and the patent or extension to be thereafter obtained for it, with covenants of quiet enjoyment, gives an equitable interest in the patents so obtained, and the

superior to his.⁴ Thus when an assignment before patent, unaccompanied by a request that the patent issue to the assignee, is followed by another assignment to a *bona fide* assignee for value containing such request, which being duly recorded secures the patent to the later assignee, the legal title vests in him by the issue of the patent, and the equities being equal he can hold the patented invention against the equitable title of the former assignee.⁵ Or where, during the time limited for placing an assignment upon record, another *bona fide* purchaser obtains a title which he could enforce in chancery against his assignor, the due recording of the previous assignment enables the assignee in whom the legal and the equitable titles both inhere to vindicate them against any claim that may be set up by the later alienee.⁶ The legal title is shown by the patent itself, as granted and assigned by proper instruments duly recorded.⁷ Equitable titles may

patentee will be a trustee for the vendee, see *Emmons v. Sladdin* (1875), 9 O. G. 352; 2 Bann. & A. 199.

⁴ That the legal title to a patent will prevail over the equitable, unless the legal owner had notice of the equities, see *Davis Wagon Wheel Co. v. Davis Wagon Co.* (1884), 20 Fed. Rep. 699; 22 Blatch. 221; and cases cited in § 769, note 5, *ante*.

That notice to individual stockholders of an outstanding equitable title is not notice to the corporation, see *Davis Wagon Wheel Co. v. Davis Wagon Co.* (1884), 22 Blatch. 221; 20 Fed. Rep. 699.

⁵ That an assignment before patent with request that the patent issue to the assignee, if recorded, gives superior title to that of prior assignees of a prior patent, with contract to assign all future inventions of which this is one, provided the second assignment is *bona fide* and without notice, see *Wright v. Randel* (1881), 8 Fed. Rep. 591; 19 Blatch. 495; 21 O. G. 493.

That a subsequent *bona fide* purchase for value prevails over any mere

contract to sell a future term, see *Gibson v. Cooke* (1850), 2 Blatch. 144; and cases cited in § 769, note 5, *ante*.

That where an inventor assigns a patent with the interest in a new invention made by him, and afterward assigns the new invention to others and requests the patent to issue to them, which latter assignment is recorded and the patent so issued, these latter assignees may hold the new invention against the former assignee, see *Wright v. Randel* (1881), 21 O. G. 493; 19 Blatch. 495; 8 Fed. Rep. 591.

⁶ That an assignee, recording his assignment within the period prescribed by law, prevails over all intervening assignees, whether with or without notice of his assignment, see *Gibson v. Cook* (1850), 2 Blatch. 144.

⁷ That the legal title to a patent is shown by the patent as granted and assigned, whatever equitable rights any mere contracts may create, see *Graham v. McCormick* (1880), 5 Bann. & A. 244; 10 Bissell, 39; 21 O. G. 1533; 11 Fed. Rep. 859.

That title by grant of letters-patent

rest upon contracts to convey, which are unrecordable, or upon recordable conveyances where record has been unlawfully delayed.⁸ The parties having power in all cases to secure their rights by making proper conveyances and recording them in compliance with the law, the hardship which results from the extinguishment of merely equitable ownerships by those in which the legal and the equitable titles both unite must be attributed to their own negligence, rather than to the legal doctrine by which these respective rights are regulated and preserved.

§ 787. Assignor Estopped to Deny Validity of Patent or Title of Assignee.

The assignor of a patented invention is estopped from denying the validity of the patent or his own title to the interest transferred.¹ He cannot become the owner of an older patent

is title of record, see *Ex parte Osgood* (1885), 33 O. G. 1265.

That an assignment in trust gives the assignee a legal title, see *Campbell v. James* (1879), 17 Blatch. 42; 18 O. G. 979; 4 Bann. & A. 456.

⁸ That a contract to assign creates only an equitable interest, see *Gibson v. Cooke* (1850), 2 Blatch. 144; *Park v. Little* (1813), 3 Wash. 196; 1 Robt. 17; and cases cited in § 769, note 5, and § 771, note 4, *ante*.

That an equitable title may rest on unrecorded conveyances, see note 2, *ante*.

§ 787. ¹ That an assignor is estopped to deny the validity of the patent, see *American Paper Barrel Co. v. Laraway* (1886), 28 Fed. Rep. 141; 37 O. G. 674; *Underwood v. Warren* (1884), 21 Fed. Rep. 573; *Time Telegraph Co. v. Carey* (1884), 22 Blatch. 34; 26 O. G. 826; *Consolidated Middlings Purifier Co. v. Guilder* (1881), 9 Fed. Rep. 155; 3 McCrary, 186; *Faulks v. Kamp* (1880), 5 Bann. & A. 73; 17 O. G. 851; 17 Blatch. 432; 3 Fed. Rep. 898; *Onderdonk v. Fanning* (1880), 4 Fed. Rep. 148. See § 1021 and notes, *post*.

That parties subsequently becoming interested with the assignee are bound by the same estoppel, see *Time Telegraph Co. v. Carey* (1884), 22 Blatch. 34; 26 O. G. 826.

That an assignor is estopped to deny his own right to convey the patent, see *Faulks v. Kamp* (1880), 17 O. G. 851; 5 Bann. & A. 73; 17 Blatch. 432; 3 Fed. Rep. 898; *Ex parte Edison* (1875), 7 O. G. 423.

That a patentee is not estopped to deny the validity of his patent as against an assignee of his own trustee in bankruptcy, see *Cropper v. Smith* (1881), L. R. 26 Ch. D. 700; 10 App. Cas. 249.

That the estoppel operates against the assignor in favor of the assignee though the patent be invalid or the title void as against all the world beside, see *Curran v. Birdsall* (1883), 20 Fed. Rep. 835; 27 O. G. 1319.

That where a member of an infringing firm was formerly a part-owner of the patent, he is estopped from denying its validity unless he conveyed his interest to the plaintiff without considera-

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for the same invention and hold it against his assignee, nor can he practise the invention contrary to the provisions of his assignment, and when sued for infringement set up in his defence the invalidity of the patent or his own inability to convey it.² On the contrary, if the patent be in fact invalid, and the assignor obtains a valid patent for the same invention, the valid patent enures to the benefit of the assignee, except where his assignment covered only the then existing rights of the assignor.³ In the same manner the assignee is estopped

tion, see *Parker v. McKee* (1885), 32 O. G. 137.

That a plaintiff cannot deny the existence of a company through which he derived title, see *Bogart v. Hinds* (1885), 33 O. G. 1268.

That a patentee is estopped from denying the validity of the patent or its re-issues in a suit against him by his assignee, though the re-issues were granted after the assignment, and the assignee ought to have known that they were void, see *Burdsall v. Curran* (1887), 42 O. G. 1167; 31 Fed. Rep. 918.

That an applicant is estopped to deny his deed of assignment, see *Ex parte Edison* (1875), 7 O. G. 428.

² That a patentee having sold his patent cannot buy in an older patent and thus defeat his assignee's rights, even if the older patent be manifestly superior to his, see *Rumsey v. Buck* (1884), 20 Fed. Rep. 697; *Curran v. Burdsall* (1883), 27 O. G. 1319; 20 Fed. Rep. 835.

That where an assignor is co-owner of an older and superior patent, the assignee of the junior patent becomes the licensee of the other co-owners, and these must look to the assignor for their compensation, see *Curran v. Burdsall* (1883), 27 O. G. 1319; 20 Fed. Rep. 835.

That where an assignor agreed to stop making the invention and paid a license fee to the assignee for the privilege of selling what he had on hand, he cannot deny the validity of

the patent in a suit against him by the assignee for infringement by making and selling after the assignment under new letters-patent, see *Consolidated Middlings Purifier Co. v. Guilden* (1881), 9 Fed. Rep. 155; 8 McCrary, 186.

That a party who clothes another with the legal title to a patent, and confers upon the assignee the power to determine who shall take its benefits, is estopped to complain of fraud on the ground that another is not allowed to share in it, see *Racine Seeder Co. v. Joliet Wire Check Rower Co.* (1886), 27 Fed. Rep. 367; 37 O. G. 452.

See as to infringements by assignors § 914 and notes, *post*.

³ That where the grantor of a patent afterwards acquires a patent for the same invention, the latter enures to the benefit of his grantee, see *Faulks v. Kamp* (1880), 5 Bann. & A. 73; 17 Blatch. 432; 17 O. G. 851; 3 Fed. Rep. 898.

That if the title of the vendor is invalid at the time of the sale, a title afterwards acquired by him will enure to the benefit of the vendee, see *Sherman v. Champlain Transportation Co.* (1858), 31 Vt. 162.

That where one of two joint-patentees obtains a sole patent for the same invention, after the assignment of the joint patent, the sole patent vests in the assignees, see *Kohler v. Kohler* (1888), 43 O. G. 247.

That where an assignor grants to

from denying the validity of the patent, and of the title conferred upon him by the assignor, if he has taken and still enjoys the benefits of the assignment.⁴ Where by the terms of the assignment he becomes liable to the assignor for royalties on sales or for a share in the profits made by him from the use of the invention he cannot, in an action of account brought by the assignor for their recovery, defend upon the ground that the invention was unpatentable, or the patent void, or the assignor without a title which he could convey.⁵ Nor can he purchase an outstanding claim against the assignor and hold it as a set-off against the amount due according to the terms of his assignment.⁶ But where an assignee, on discovering the defects in the patent or the title, repudiates the assignment and relinquishes its benefits, the estoppel is no longer operative upon him.⁷

one person, and afterwards to another without warranty, and then again becomes the owner of the rights of the first grantee, the second grant becomes effective by estoppel, see *Littlefield v. Perry* (1874), 21 Wall. 205 ; 7 O. G. 964.

That a title may be acquired by estoppel against an inventor who permits third parties to deal with his invention as if it were their own, see *National Feather Duster Co. v. Hibbard* (1881), 11 Bissell, 76 ; 21 O. G. 635 ; 9 Fed. Rep. 558.

That an estoppel *in pais* cannot turn into a first and original inventor one who is not so, but can merely divert the patent from the inventor to an equitable assignee or defeat it altogether, see *Swift v. Rochow* (1880), 17 O. G. 450.

See further as to the estoppel of the assignor §§ 981, 1046, and notes, *post*.

⁴ That an assignee of a patent who has derived profits under it is estopped from denying its validity in an action for an account, see *Swift v. Rochow* (1880), 17 O. G. 450.

See also §§ 1238, 1239, and notes, *post*.

⁵ That an assignee cannot defend against a claim for royalties on the ground of fraud in the assignor, if he has received all the benefits of the assignment, see *Shaw v. Soule* (1884), 20 Fed. Rep. 790.

That an assignee manufacturing on terms cannot deny the validity of the patent when called to an account, see *Kinsman v. Parkhurst* (1855), 18 How. 289.

⁶ That an assignee cannot purchase of a third person a claim against the patentee and set it up against him on an account rendered in pursuance of an agreement to manufacture, see *Kinsman v. Parkhurst* (1855), 18 How. 289.

⁷ That a recital in a conditional contract of assignment that "the vendor is the owner of the patent," is not an estoppel on the purchaser, if the contract is rescinded before it takes effect, see *Swift v. Rochow* (1880), 17 O. G. 450.

See further as to the general doctrine of estoppel upon assignees and licensees, §§ 820, 1238, 1239, 1251, 1252, and notes, *post*.

§ 788. Assignments upon Condition: Reversionary Interests of Assignor.

An assignment may be made upon condition, or for a term less than the entire duration of the patent, and thus reversionary interests may be created in the assignor.¹ These interests he can protect according to their nature, enforcing the conditions and maintaining actions, legal or equitable, as the case requires.² After the termination of his interest in the invention, whether by forfeiture for breach of condition or by lapse of time, the assignee can neither license others to practise it, nor in any other manner limit the rights now vested in the assignor.³

§ 788. ¹ That unless an assignment is unconditional the assignor has rights which he can protect, see *Cook v. Bidwell* (1881), 20 O. G. 1083; 8 Fed. Rep. 452.

That as long as the conditions of a conditional assignment are not fulfilled, the assignor has a reversionary interest, see *Otis Bros. Mfg. Co. v. Crane Bros. Mfg. Co.* (1886), 27 Fed. Rep. 550.

That an assignment for a term of years leaves a reversionary interest in the assignor, which he can protect, see *Still v. Reading* (1881), 20 O. G. 1025; 9 Fed. Rep. 40; 4 Woods, 345; *Cook v. Bidwell* (1879), 20 O. G. 1083; 8 Fed. Rep. 452.

That whether an assignment on condition subsequent has been defeated is a question for the courts, not for the Patent Office, see *Hammond v. Pratt* (1880), 16 O. G. 1235.

² That where a patent is sold with a condition of reconveyance, the condition may be enforced, see *Andrews v. Fielding* (1884), 20 Fed. Rep. 123.

That where the assignee of a patent fails to carry out the purpose for which it has been assigned to him, and the contract provides for a reverting of the patent in such case to the assignor, it will so revert, see *Buckley v. Sawyer Mfg. Co.* (1881), 7 Fed. Rep. 358; 2 McCrary, 350.

That any person taking title from

a conditional assignee with notice of the conditions is bound by them, see *Werderman v. Société Générale d'Électricité* (1881), L. R. 19 Ch. D. 246.

That where the inventor agrees with a capitalist to develop an invention, and each party is to use due diligence, and the patent is to revert to the inventor if the capitalist is in fault, no reverter will be decreed if both are in fault, and the inventor has been remunerated, see *Buckley v. Sawyer Mfg. Co.* (1881), 2 McCrary, 350; 7 Fed. Rep. 358.

That where the owner of a patent, having assigned the exclusive right to make and sell, excepting the right to sell in a certain place, and reserving to himself the personal right to make and sell anywhere, and having transferred to the assignee the right to sue infringers and take the proceeds of the suits, afterwards sells the patent to one who knows of this assignment and its terms, the assignee can enjoin the vendee from making and selling, except in the particular place excepted, see *Haygood v. Rosenstock* (1885), 23 Blatch. 95; 23 Fed. Rep. 86.

³ That after an assignment has been forfeited by breach of condition, the assignee can grant nothing either by way of license or otherwise, see *Abbett v. Zusi* (1879), 5 Bann. & A. 38.

§ 789. Assignees: when Bound by Prior Acts of Assignors.

The privity which exists between the assignor of a patented invention and his assignees renders them subject to the legal consequences of all his prior acts of which they have actual or constructive notice or of which such notice is presumed.¹ They are concluded, equally with himself, by judgments rendered against him before the assignment, and receive their interests subject to all the equities of which they have knowledge.² If their title accrues pending an interference, they are bound by its results to the same extent that the assignor would have been had the assignment not been made.³ But private conduct or admissions of the assignor, of which his assignees could have obtained no information or were not bound to make inquiry, do not thus affect them.⁴ Acts subsequent to the assignment cannot prejudice their rights.

§ 789. ¹ That an assignee takes the patent subject to all the legal consequences of the inventor's prior acts, see *Worley v. Tobacco Co.* (1881), 104 U. S. 340; 21 O. G. 559; *McClurg v. Kingsland* (1843), 1 How. 202; 2 Robb, 105.

That an assignee of the interest of another assignee takes no more than his grantor had, and is chargeable with notice of what he might have learned if he had inquired of the original grantor, as against a later assignee of the original grantor, see *Hamilton v. Kingsbury* (1880), 17 Blatch. 460; 17 O. G. 847; 4 Fed. Rep. 428.

² That the assignee of a patent is concluded by a decree against his assignor, see *Pennington v. Hunt* (1884), 20 Fed. Rep. 195; and §§ 983, 1017, 1048, and notes, *post*.

That an assignee takes subject to the assignor's disclaimers, and other acts working an estoppel, see *Blades v. Band, McNally, & Co.* (1886), 27 Fed. Rep. 93; 37 O. G. 99.

That where an assignee assigns his rights, his assignee is bound by all the equities of which he has knowledge, see

Kinsman v. Parkhurst (1855), 18 How. 289.

³ That a purchaser who buys an interest in an invention during an interference is bound by the rule of *caveat emptor*, see *Ex parte Mason* (1872), 2 O. G. 274.

That under Sec. 58, act of 1870, an assignee is not estopped by the patentee's statement in an interference proceeding as to the date of his invention, see *Union Paper Bag Mach. Co. v. Crane* (1874), 1 Bann. & A. 494; 6 O. G. 801; *Holmes*, 429.

That a concession as to priority does not affect prior assignees, see *Hammond v. Pratt* (1880), 16 O. G. 1235.

That the rights of an assignee against a rival inventor are the same as those of his assignor, see *Gay v. Cornell* (1849), 1 Blatch. 506.

⁴ That an assignee for valuable consideration is not bound by a prior unrecorded equitable claim of which he had no notice, see *Campbell v. James* (1880), 18 Blatch. 92; 18 O. G. 1111; 2 Fed. Rep. 338.

That whether assignees without notice are estopped by the conduct of the

§ 790. Assignment of Right of Action for Past Infringements.

The right to sue for past infringements may be assigned in connection with an assignment of the patent, like any other chose in action, and the remedy can be enforced in law or equity by the assignee.¹ Such an assignment may be made after a suit has been commenced, in which case the defendant must be notified thereof before proceeding further in the cause.² No especial form is required for such assignment. An irrevocable power of attorney to collect the claims, or an instrument purporting to assign the patented invention, but executed after the patent has expired, are regarded as sufficient for this purpose.³ Such an assignment is not legally recordable.⁴

inventor, *quere*, see *Sprague v. Adriance* (1877), 3 Bann. & A. 124; 14 O. G. 308.

That a purchaser, pending a suit to which he is a party, takes subject to the equities of the other parties to the suit, see *Kearney v. Lehigh Valley R. R. Co.* (1886), 27 Fed. Rep. 699.

§ 790. ¹ That the right to sue for the infringement of a patent is assignable, see *Shaw v. Colwell Lead Co.* (1882), 11 Fed. Rep. 711; 20 Blatch. 417; *Hamilton v. Rollins* (1877), 5 Dillon, 495; 3 Bann. & A. 157.

That the assignment of a share in the proceeds of suits for infringements creates no interest in the invention or the monopoly, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That a right of action for infringement survives to personal representatives and may be sued on or assigned by them, and the assignee may sue thereon in his own name if the local law permits, see *May v. County of Logan* (1887), 30 Fed. Rep. 250; 41 O. G. 1387.

That an assignment by an administrator of all rights under or through an expired patent carries claims for past infringements, see *May v. Saginaw Co.* (1887), 32 Fed. Rep. 629.

That a sale of patents by an admin-

istrator under order of court for a nominal sum does not carry a right to sue for past infringements, see *May v. Juneau Co.* (1887), 30 Fed. Rep. 241; 41 O. G. 578.

That an assignment of a claim for the use of an invention is not an assignment of the patent, see *Campbell v. James* (1880), 18 Blatch. 92; 18 O. G. 1111; 2 Fed. Rep. 338.

That an assignee of claims for past infringements takes subject to all equities, see *New York Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1883), 21 Blatch. 519; 25 O. G. 1076; 18 Fed. Rep. 638.

² That when a right of action is assigned after a suit is brought, the defendant should be notified of it, see *Gear v. Fitch* (1878), 3 Bann. & A. 573; 16 O. G. 1231.

³ That an assignment of an expired patent can take effect only as an assignment of claims for past infringements, see *May v. Saginaw Co.* (1887), 32 Fed. Rep. 629.

That the assignment of an expired patent may operate as a power of attorney to sue for and collect damages for past infringements, see *Bell v. McCullough* (1858), 1 Bond, 194; 1 Fisher, 380.

⁴ That an assignment of the right

§ 791. Grant Defined: Distinguished from Assignment.

The grant of a patented invention differs from an assignment only as to the territorial limits within which it operates. It differs from a license as to the nature of the rights conveyed. The grantee has the exclusive interest both in the invention and in the monopoly, within the prescribed limits, and may maintain an action in his own name for an infringement of the patent within his territory. A licensee has either a non-exclusive interest or an interest in less than all the rights embraced in the invention, and no interest in the monopoly which he can make effective by a suit at law in his own name. To distinguish, therefore, an assignment from a grant it is only necessary to determine whether the conveyance is of force throughout the entire United States or is confined to a particular locality.¹ It matters not whether the restrictions are in positive or negative terms. An instrument transferring all the rights secured by the patent, except as to a certain town or county, is as true a grant as if the area lying outside of such town or county were specifically described.²

§ 792. Grant Distinguished from License.

To distinguish a grant from a license, regard must be paid to the nature of the interest conveyed. The interest must be

to maintain suits need not be recorded, see *Gear v. Fitch* (1878), 16 O. G. 1231; 3 Bann. & A. 573.

See further as to an assignment of a claim for past infringements, § 781 and notes, *ante*, and § 943 and notes, *post*.

§ 791. ¹ See § 763, note 1, *ante*.

² That the transfer of the entire interest in the invention within specified territory is a grant, see *Potter v. Holland* (1858), 4 Blatch. 206; 1 Fisher, 327; *Ritter v. Serrell* (1852), 2 Blatch. 379.

That the transfer of all the patentee's interest in a given territory is a grant, see *Perry v. Corning* (1870), 7 Blatch. 195.

That an assignment of all rights

"except certain counties already sold" is valid and certain, since evidence may show what counties have been sold, see *Washburn & Moen Mfg. Co. v. Haish* (1880), 19 O. G. 173; 10 Bissell, 65; 4 Fed. Rep. 900.

That the grant of a State-right "except 14 counties," with an agreement to furnish a list of such counties, leaves the grantee free to select them until the list is furnished, see *Pryor v. Coulter* (1830), 1 Bailey (S. C.), 517.

That when a territorial assignee sells his "right to use and sell" as mentioned in the patent, it carries his entire rights, see *Burdell v. Denig* (1865), 2 Fisher, 588.

entire within the prescribed area, and exclusive.¹ A transfer of the right to make or use or sell, or of the exclusive right to make or use or sell, does not convey the entire interest; the grant must operate on all three of these rights, and be exclusive as to all; and a transfer which does not thus operate is a mere license. But these rights need not be particularly described in the conveyance, if it manifests an evident intention of the grantor to transfer them. An alienation of all the rights mentioned in the patent is an assignment or a grant according to the territorial limits fixed by the conveyance.²

§ 793. Grants upon Condition.

A grant, like an assignment, may be conditional or temporary. It may also be limited as to the extent of its enjoyment. The grant of an exclusive right to make and use and sell a certain number of the patented devices within the prescribed territory, and of the exclusive use of the invention within such territory, is a valid grant, conferring upon the grantee the sole interest in the invention and monopoly in that area, and yet restricting him in its enjoyment to the number of the articles described.¹ Limits may also be placed to his mode

§ 792. ¹ In *Littlefield v. Perry* (1874), 21 Wall. 205; 7 O. G. 964, the Supreme Court seem to recognize the grant of an undivided interest within a certain territory as valid and proper. The statute on which the power to transfer the monopoly depends, however, makes no provision for the conveyance of any rights within a specified area unless such rights are exclusive. Sec. 4898, Rev. Stat.: "The patentee . . . may in like manner grant and convey an exclusive right under his patent to . . . any specified part of the United States." See also *Potter v. Holland* (1858), 4 Blatch. 206; 1 Fisher, 327; *Gayler v. Wilder* (1850), 10 How. 477. A non-exclusive right must, therefore, be an interest in the invention as distinguished from the monopoly, — that

is, a mere license, unless a grant of an undivided interest could be construed as making the grantee and grantor co-grantees, in whom the entire and exclusive sectional interest resided.

² That an assignment of all the patentee's right, title, and interest within certain territory is the grant of an exclusive right, see *Perry v. Corning* (1870), 7 Blatch. 195; *Burdell v. Denig* (1865), 2 Fisher, 588.

That an exclusive right for a term of years to use the invention in a given territory, and to use and sell the product of such use, is a mere license, not a grant, see *Oliver, Finnie & Co. v. Rumford Chemical Works* (1883), 109 U. S. 75; 25 O. G. 784.

§ 793. ¹ That the grant of an exclusive right to make, use, and sell a cer-

of using the invention, or to the sale of it or of its products outside of his territory; the conveyance is still a grant unless the enjoyment thus denied to the grantee is reserved to the grantor or vested in some other alienee.² His right is no less exclusive for being limited in exercise, provided it resides in him alone. But in the absence of such restrictions the grantee may enjoy the rights to make and use and sell within his district as fully as the patentee could have done, and the products which arise out of his practice of the invention may be used by his vendees in any portion of the United States.³

tain number of the patented devices within a certain territory, and of the exclusive use of the patent in such territory, vests an exclusive territorial interest in the grantee, see *Ritter v. Sorrell* (1852), 2 Blatch. 379.

² That a grant of specific territory may be limited as to the mode of use and yet be valid, see *Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co.* (1874), 12 Blatch. 202; 1 Bann. & A. 330.

³ That an assignee of a territorial right, without restrictions, may sell the patented device to be used anywhere, see *Hatch v. Hall* (1884), 30 O. G. 1096; 22 Fed. Rep. 438; *McKay v. Wooster* (1873), 2 Sawyer, 373; 6 Fisher, 375; 3 O. G. 441.

That such an assignee cannot sell the device to have it sold again or used in the course of trade outside his territory, see *Hatch v. Adams* (1884), 22 Fed. Rep. 434; 29 O. G. 776.

See also §§ 824, 914, and notes, *post*.

That where the patentee grants a territorial right to make, use, and sell without limiting the use by the vendee, the vendee of the grantee may use the invention anywhere without reference to other grants of the patentee, see *Adams v. Burke* (1873), 17 Wall. 453; 33 O. G. 114.

That a grantee cannot make outside his own territory, for use outside it, see *American Paper Barrel Co. v. Laraway* (1886), 28 Fed. Rep. 141; 37 O. G. 674.

That an assignment, by the assignee of an exclusive right to make and use the invention within a given territory, exhausts his own interests within that territory, and he has no right to make up the invention and put it into the market, to be used after the patent expires, contrary to the rights of the patentee on the extension, see *Union Paper Bag Mach. Co. v. Nixon* (1876), 9 O. G. 691; 2 Bann. & A. 244; 1 Flippin, 491.

That the assignor of a territorial right cannot sell the device in that territory or to be used in that territory, see *Union Paper Bag Mach. Co. v. Nixon* (1876), 2 Bann. & A. 244; 9 O. G. 691; 1 Flippin, 491.

That the reservation by an assignor of the right to use the invention in one of several assigned States does not affect the assignee's rights in the other States, see *Hobbie v. Smith* (1886), 27 Fed. Rep. 656.

That an agreement that the grantee only should manufacture is not void as being in restraint of trade, see *Kinsman v. Parkhurst* (1855), 18 How. 289.

§ 794. Form of Grant: Implied Warranties: Estoppels.

A grant, like an assignment, must be in writing and duly signed by the grantor.¹ It must also be recorded within the same period in order to avail against subsequent *bona fide* assignees and grantees for value.² It imports a warranty of title, and gives rise to the same estoppel and the same privities of interest and obligation as an assignment.³ Having in view the essential difference between them, the rules which have been stated as regulating and applying to the one form of conveyance may be predicated, *mutatis mutandis*, of the other.

SECTION II.

OF THE TRANSFER OF LETTERS-PATENT: JOINT-OWNERS.

§ 795. Property of Joint-Owners in the Patented Invention.

By the assignment of an undivided interest in a patented invention, the alienor and alienee become joint-owners both of the invention and the monopoly. On account of the peculiar nature of this species of property, the relations of such joint-owners toward each other present questions of difficulty, not all of which can be considered as yet fully settled. Property in an invention, as well as property in a monopoly, is incorporeal. It is incapable alike of physical partition, and of united physical possession. The subordinate rights embraced in the invention may indeed be separated, and be

§ 794. ¹ Sec. 4898, Rev. Stat.

² Sec. 4898, Rev. Stat. See also § 784 and notes, *ante*.

That a conveyance of "all my right, title, and interest in and to" a patent, though recorded, does not affect territorial rights previously conveyed by the grantor, but not recorded, see *Turnbull v. Weir Plow Co.* (1880), 14 Fed. Rep. 108; 9 Bissell, 334; 23 O. G. 91; 5 Bann. & A. 288.

³ That an assignment of "all our right, title, and interest" in certain

territory "to the full end of the term," etc., is not a mere release, but implies that a patent has been issued in due form, and if this is not true the price is not recoverable, see *Shepherd v. Jenkins* (1881), 73 Mo. 510.

That if a grantee avails himself of the grant, he cannot, in a suit for royalties on goods sold, deny that the patentee is the true inventor, unless he has been evicted, see *Birdsall v. Perrigo* (1865), 5 Blatch. 251.

hold by different owners, but the monopoly is indivisible, and whether it resides in many individuals, or in one alone, must be of the same character and limits. When, therefore, a patented invention, which includes both the invention and the monopoly, vests in two or more persons their relations to each other as co-owners must follow one of three rules: either (1) each owner must individually possess all the subordinate rights embraced in the invention together with the entire and indivisible monopoly; or (2) he must individually possess the rights embraced in the invention while the monopoly resides entire and indivisible in all the owners collectively; or (3) the rights embraced in the invention as well as the monopoly must vest indivisibly in all the owners as a single person. The first rule might be pronounced untenable upon its face had not the courts, ignoring the fact that the right to suspend prohibitory powers is as true a part of the monopoly as is the right to enforce them, already held with tolerable uniformity that each joint-owner may, at his pleasure, abrogate the monopoly both as against himself and his co-owners, — a position which assumes that the monopoly is indivisibly and entirely his to destroy, if not to exercise. The second rule, and probably the correct one, has as yet received no formal recognition except, perhaps, indirectly in cases where one joint-owner has been held liable to his co-owners for an infringement of their common patent. The third rule has been repeatedly discarded by the courts, and it may be accepted as an established doctrine that whatever may be their relation to the monopoly such joint-owners are not co-partners, nor collective owners of the invention, but that their interests therein are distinct, each being independent of the others, though subject to the limitations imposed upon its disposition and enjoyment by the monopoly conferred on his co-owners.¹

§ 795. ¹ In *Pitts v. Hall* (1854), 3 Blatch. 201, Hall, J. : (206) "In the case of joint-patentees, where no agreement of co-partnership exists, the relation of co-partners certainly does not result from their connection as joint-patentees; and, when one joint-owner

of a patent transfers his undivided interest to a stranger, the assignee does not become the partner of his co-proprietor. In both cases the parties interested in the patent are simply joint-owners, or tenants in common, of the rights and property secured by the

§ 796. Reciprocal Rights and Duties of Joint Owners in reference to the Enjoyment of the Patented Invention.

According to the second rule the monopoly resides in the co-owners collectively, and can neither be abrogated nor

patent; and their rights, powers, and duties, as respects each other, must be substantially those of the joint-owners of a chattel. Part owners of goods and chattels are either joint-owners or tenants in common, each having a distinct or at least, an independent, although an undivided, interest in the property. Neither can transfer or dispose of the whole property; nor can one act for the other in relation thereto, but merely for his own share, and to the extent of his own several right and interest; and at common law the one had no action of account against the other for his share of the profits derived from the common property. (Story on Partnership, § 89.) A personal chattel vested in several different proprietors cannot possibly be enjoyed advantageously by all, without a common consent and agreement among them. To regulate their enjoyment in case of disagreement is one of the hardest tasks of legislation, and it is not without wisdom that the law of England and of this country, in general, declines to interfere in their disputes, leaving it to themselves either to enjoy their common property by agreement or to suffer it to remain unenjoyed or to perish by their dissension, as the best method of forcing them to a common consent for their common benefit. (Abbott on Shipping, 98.) It is well settled that a destruction or sale of the joint property by one of the part owners, authorizes his co-proprietor to maintain trover for the conversion. (2 Kent's Comm., 8th ed., 351, note.) But on such a sale only the right of the party who makes the sale passes to the purchaser; and the purchaser becomes a tenant in

common with the owner of the remaining interest, unless and until the latter confirms the sale, or recovers the value of his share from the wrong-doer. The principles of these doctrines are, it strikes me, applicable to the case of the joint-ownership of patent rights. The grant of the exclusive right to make, use, and vend to others to be used, is to the patentees jointly and not to either severally. The right, the property secured by the patent, may be granted to others by license or assignment, or by the sale of machines by the patentees jointly; and a license or assignment or sale of a machine by them is a transfer, *pro tanto*, of the property secured by the patent. One joint-owner can legally grant, assign, license, or sell only in respect to his own share or right. He cannot sell and give a good title to his co-owner's right, for the same reason that one joint-owner of a chattel cannot transfer the share of his co-proprietor. And if he appropriates any portion of the exclusive right or common property to his separate use or benefit, by either the use or the sale of the patented machine, he does what is, in principle, the same as the conversion, by destruction or sale, of the joint property by a tenant in common, which authorizes his co-tenant to maintain trover."

That joint-owners of a patented invention are tenants in common, see *Dunham v. Indianapolis & St. Louis R. R. Co.* (1876), 7 Bissell, 223; 2 Bann. & A. 327; *De Witt v. Elmira Nobles Mfg. Co.* (1875), 5 Hun, 301.

That there is no true analogy between patent rights and any other property, and co-owners are not like tenants in

suspended without the consent of all, while each joint-owner individually possesses the subordinate rights embraced in the invention. This rule at once preserves the harmony of the law in reference to the nature and ownership of a monopoly, protects the exclusive privilege conferred by the patent upon all the patentees, and permits to each owner as wide a latitude in the enjoyment of the invention as is consistent with the rights of his co-owners. Under it each may himself practise the invention without accountability to them, and may convey his entire interest in the patented invention to another individual; since the exercise of such powers does not interfere with the enjoyment of their equal privileges by the other owners, nor with that security from competition which the patent is intended to afford. But it forbids an assignment of the interest of one joint-owner to several assignees, or the grant of licenses to make, or use, or sell the patented invention, because by multiplying the number of those persons who can practise the invention without disturbance from the exercise of the monopoly, the value of the patented invention to the other owners may be sensibly diminished and perhaps destroyed. In the few cases hitherto decided the courts, by partially adopting the first rule, have indeed recognized this power as inherent in each owner of the patented invention. They have held that his right to alienate his own interest to others is unlimited in respect to the number of his transferees; that by such transfer the entire monopoly is abrogated or suspended so that his assignees and licensees cannot be interfered with by the other owners of the prohibitory powers; and that, at most, he is accountable to them for their proportion of the purchase-money or license-fees which he may have received.¹ It is obvious that under this rule the other own-

common of lands, or ways, or tolls, or personal property, see *Vose v. Singer* (1862), 4 Allen, 226.

That a joint interest in a patent does not make the owners partners, see *Parkhurst v. Kinsman* (1849), 1 Blatch. 488.

That there may be any number of joint-owners, and each will be independent of the others, and not a co-partner, see *Vose v. Singer* (1862), 4 Allen, 226.

That the issue of a patent to one of two joint-owners of an invention enures to the benefit of both, see *Vetter v. Lentzinger* (1871), 31 Iowa, 182.

§.796. ¹ In *Dunham v. Indianapolis & St. Louis R. R. Co.* (1876), 7 Bissell, 223, Drummond, J. : (223) "The material point is, who is to answer, if any one, to the other patentees for the use of the part which does not belong to

ors do not obtain adequate protection. Those who desire to use their property by practising the invention are at the

them, when a joint-owner uses the improvement, or makes a contract with another person for its use. What is the position of patentees with reference to their right to use the thing patented? The patentees are tenants in common of the right. One of them has no superiority of right over the others. One of them can manufacture and use the article patented without the consent of the others; that is, each has the same right, although one may own a greater share of the thing patented than the others. The grant was, in this case, to the three to use and vend the improved car-brake shoes, and while it is clear that one of the patentees cannot grant what does not belong to him, and if he gives a license or makes a contract for the use of the thing patented, he can only grant that which he has himself, and not the rights of the other patentees, still he can clothe his grantee or his licensee with the same right that he has himself, namely, the right to sell or use the thing patented. And it seems to me the better rule is to hold, if there is a liability at all, that where a party owning less than the whole of a thing patented, makes a grant or a license, he shall be answerable to the others, rather than that the other patentees shall look to the grantee or licensee. There were three cases particularly referred to on the argument. One was the case of *Pitts v. Hall*, 3 Blatchford, 201, decided by Judge Hall, of the Northern District of New York. He seems to hold that if one joint-owner of a patent uses or sells his right without the authority of his co-owner, he is liable to an action by such co-owner for an infringement of the patent; and the conclusion, perhaps, to be drawn from his decision is that if the party to whom he sells uses the thing

patented, an action could be maintained and an injunction issued against the grantee or licensee of the co-owner. Judge Curtis, in the case of *Clum v. Brewer*, 2 Curtis, Circuit Court, 506, seems to hold, and I think that is the true rule upon the subject, that where one of the joint-patentees uses or sells the thing patented, or any portion of it, the others cannot sue him as for an infringement of the patent. The most that can be claimed is that if one uses or sells it to the detriment of the others, he may be held responsible. For example, if he obtains more than his share of the profits from the use of the article, or in issuing licenses he obtains more than his share of the license money, he possibly may be held responsible by the other joint-patentees; but Judge Curtis, in that case, held that an injunction should not issue against the use, by one of the joint-patentees, of the thing patented, and the principle decided by him is that one tenant in common of letters-patent has the same right as the others to make, use, and sell the thing patented, and a licensee under one tenant in common cannot be enjoined on a bill by another tenant in common. A case has been decided in England bearing on this question, *Mathers v. Green*, 1 Law Reports, Chancery Appeals, 29, and the opinion is given by Lord Chancellor Cranworth. That was a case of letters-patent granted to three individuals. The Chancellor says: 'The right conferred is a right to exclude all the world other than the grantees from using the invention. But there is no exclusion in the letters-patent of any one of the patentees. The inability of any one of the patentees to use the invention, if any such inability exists, must be sought elsewhere than in the letters-patent. But there is

mercy of those whose profit is derived from selling rights or granting licenses to others; and as each owner may fix

no principle, in the absence of contract, which can prevent any persons not prohibited by statute from using any invention whatever. Is there any implied contract where two or more persons jointly obtain letters-patent, that no one of them shall use the invention without the consent of the others, or, if he does, that he shall use it for their joint benefit? I can discover no principle for such a doctrine. It would enable one of two patentees either to prevent the use of the invention altogether, or else to compel the other patentee to risk his skill and capital in the use of the invention on the terms of being accountable for half the profit, if profit should be made, without being able to call on his co-patentee for contribution if there should be loss.' Now while this is the principle announced by the Chancellor, it perhaps should be with this qualification, — that if one of the patentees obtains more than his share of the profits, he might be held liable under certain circumstances to the others. Certainly I do not wish to be understood as affirming that there is never such liability. Of course we must take into consideration any risk which he may run, any outlay of money which he may make in the manufacture or sale of the article; but if, looking at it upon equitable principles, he has obtained more than his share of the profits arising from the thing patented, either in the use or sale of it, or of licenses, it seems to me he might in certain cases be held accountable to the other joint patentees." 2 Bann. & A. 327 (328).

See also *Clum v. Brewer* (1855), 2 Curtis, 506.

That one co-owner cannot be obliged to account to the other for the mere use of the invention or for profits arising

from its use, see *Fraser v. Gates* (1885), 118 Ill. 99; *Gates v. Fraser* (1881), 9 Bradwell (Ill.), 624.

That a surviving partner who uses a patent belonging to the late firm, against the objection of the representative of the deceased partner, is liable to account to such representative for one half the profits resulting from such use, see *Freeman v. Freeman* (1886), 142 Mass. 98.

That a part owner may be accountable to his co-owners for a share of the profits obtained by him from using the invention or selling rights, see *Aspinwall Mfg. Co. v. Gill* (1887), 40 O. G. 1133; 32 Fed. Rep. 697.

That whether one co-owner can compel another to account for one half the license fees, etc., received by him is doubtful, see *Gates v. Fraser* (1881), 9 Bradwell (Ill.), 624.

That each co-owner of a patent may use the right without the concurrence of the others and license at will, see *Washburn & Moen Mfg. Co. v. Chicago Galvanized Wire Fence Co.* (1884), 109 Ill. 71.

That a license by one co-owner is good against all, and their remedy is by account against him, see *De Witt v. Elmira Nobles Mfg. Co.* (1876), 66 N. Y. 459.

That one joint-owner cannot compel another to account for a share of his profits from a sale of the patented articles, see *Vose v. Singer* (1862), 4 Allen, 226.

That where one of several joint-patentees assigns to a third party, the estoppel against him operates as a license to the third party, and the other patentees must look to the assignor for an account, see *Curran v. Burdsall* (1883), 27 O. G. 1319; 20 Fed. Rep. 835.

his own price on the rights or licenses he grants, his liability to account to his co-owners for their share affords them no security of proper compensation. This rule seems to have been reached by treating property in a patented invention as analogous to property in a personal chattel, and endeavoring to apply to one the principles which govern the ownership of the other. If the sole property in a patented invention consisted in the right to practise it, some remote analogy to property in a personal chattel might exist. But the actual value of the property in a patented invention resides in the monopoly, by virtue of which its owners can not only prevent the use of a single personal chattel but of all others which are substantially identical with it in character. The right to practise the invention cannot be conferred without affecting these prohibitory powers, and no rule which ignores them, and permits the transfer of the invention without reference to its effect on them, can meet the requirements of the case. The second rule is far more just, and more in accordance with the nature of the subject, and in closer analogy to the rules applied to the joint-ownership of certain incorporeal rights to which those of the co-owners of a patented invention bear the nearest but by no means a perfect resemblance. It restricts the power of alienation on the part of a joint-owner within such limits as prevents an increase in the burden placed upon the common property of all, permitting him to enjoy his interest himself or to convey it to another single owner, whether an individual, a co-partnership, or a corporation, but not allowing him to multiply the number of those who are relieved from the monopoly without the consent of his co-owners. This rule also has its hardship, since it compels the joint-owner to practise the invention, or to sell his interest to a single purchaser or to such a group of purchasers as are acceptable to his co-owners, or to remain without the enjoyment of his property; but it is a rule conservative, not destructive, of the value of the patented invention as a whole, and entails on him no greater disadvantage than now rests upon the joint proprietors of a common, or a wharfing privilege, or any other incorporeal right, an increase in the number of whose occupants is forbidden by the law unless

it be with the express or implied permission of all the existing owners.²

§ 797. Joint-Owners cannot Practise Infringing Inventions.

Although the courts have recognized the right of one joint-owner to multiply indefinitely the number of those who can lawfully practise the patented invention without reference to

² Although no exact similitude exists between a patent privilege and any other property, yet the resemblance which it bears to a common of pasture is sufficient to suggest a possible solution of the present question. Both the patent privilege and the common of pasture are to be exercised within definite territory by specified means of enjoyment, and with a limited and determinable amount of profit. In both, the appropriation to himself, by one owner, of more than his just share of such profit is an unjust invasion of the rights of the others, whether, in the one case, by the introduction of an excessive number of commonable beasts, or, in the other, by distributing the patent privilege to an increased number of proprietors or licensees. Any assignment of either right which does not impose a greater burden on the common property, and any use of either by the owner which does not curtail its proper use by his co-owners, is fair and equitable although the ultimate result to him may far exceed any advantage which his co-owners may actually attain. Now the law finds no difficulty in regulating the rights and duties of commoners of pasture. It recognizes the fact that the profit is limited in amount and, therefore, prevents its distribution among a greater number of cattle than the owners have the right to introduce. But it does not measure the keenness of their appetites, nor the capacity of their stomachs, nor the benefit derived by one owner over another on account of his choicer breed of animals or the higher value to him of the food obtained. So far as analogy may be taken as a guide at all in such cases, does not this suggest that the joint-owners of a patent privilege enjoy all the rights to which they are entitled, as against each other, when each is allowed to practise the invention without accountability to his co-owners for any benefit which his superior skill or larger capital may enable him to realize, and to assign his interest to one other person, natural or artificial, for what price he pleases, with the same power to use and to assign; but that, as in the case of a commoner, he should not be allowed to introduce into the common property a greater number of those agencies by which its profits are to be absorbed, to the inevitable diminution of the advantage which his co-owners would otherwise have rightfully enjoyed? This suggestion, based on the nature of the property in the invention, takes no notice of the injury done to one owner of a patent by another when the latter prevents the former from exercising the prohibitory powers of the monopoly in his own defence, as under the present rules of law often occurs. But under this suggestion, that injury would also be avoided, since each owner could still enforce his rights against every person except the co-owner or the single individual to whom his interests had been assigned.

its effect on his co-owners, it has been held that neither a joint-owner nor his alienees can lawfully practise an infringing invention.¹ This limitation may appear inconsistent with

§ 707. ¹ In *Herring v. Gas Consumers' Association* (1878), 3 McCrary, 206, Treat, J. : (206) "The direct question presented is whether an infringer of a patent can escape liability for his infringement because he is a joint-owner of the original patent upon which the infringement occurs. The cases cited do not reach the precise point raised by the bill. It is evident that if a stranger was guilty of the infringement he would be compelled to respond in damages. Can a part-owner infringe the common patent and escape all liability? If he can, it is obvious that, however small his aliquot part, he can make the enjoyment of the patent valueless to his joint-owner. He has, by virtue of the joint-ownership, a right to use the patent, but he has no right, more than a stranger, to infringe the same. If there is an infringement, the right of recovery is in the party wronged. All the joint-owners should ordinarily be parties plaintiff, but if the wrong-doer is one who is guilty to the damage of the other joint-owner, the other should not be left remediless. As to such infringement they are strangers. All the joint-owners are on the record, and the amount of the recovery determines their respective interests. The infringer cannot escape the consequences of his wrong to his joint-owner by averring that he was by his infringement injuring not his joint-owner alone, but himself also. In other words, he cannot, *under cover* of his interest in the common patent, shield every wrong-doer who may infringe that patent. He can, as to the other part owners, by infringing, become liable to them for the wrong done. The amount of recovery will be in proportion to their respective interests. Were this not so, the door would be

open to the grossest frauds by one joint-owner against all other joint-owners. The case of *Pitts v. Hall*, 3 Blatchf. 204, and the comments thereon in *Curtis, Pat. § 108 et seq.*, do not cover this case. The question there discussed pertains to the use by one joint-owner of the common property. The difficulties in maintaining an action for an infringement against a joint-owner who merely uses the common patent may be insurmountable. As to that no opinion is expressed. In this case an entirely new and distinct proposition is presented, viz. : one of the several joint-owners is not using the common patent, but an infringing patent. His defence is that inasmuch as he had a right to use the original patent without question from his joint-owners, under the decision in *Pitts v. Hall, supra*, he has a right also to use any infringing patents, on the ground that his right to use the original being vested in him, his use of other and infringing patents did not cause any wrong or injury to himself as joint-owner. In other words, the defendant contends that as one joint-owner he could use the common patent without being liable to account to the other joint-owners; that he could not be sued as an infringer for using what he had a right to use by virtue of his proprietary interest; and, therefore, if he used an infringing device, he was only injuring himself in what he had a proprietary right to forbid. This would be correct if no interest except his own were involved, for a man may do what he pleases with his own, and "*volenti non fit injuria*" would be, *a fortiori*, applicable in such a case. If a stranger were using the infringing patent, this action would unquestionably lie against him; and the question before us is

the latitude allowed him under the preceding rule, but it is sound in principle. The powers included in his ownership of the invention are only such as can be exercised within the scope of the patent, by making, using, or selling the invention therein described and claimed; and his ownership of the monopoly, which exists only for the protection of his interest in the invention, does not entitle him to perform acts which would be an infringement in a stranger, unless they are the precise acts involved in the practice of the patented invention. The use by him of an infringing art or instrument is neither the practice of the patented invention nor the employment of prohibitory powers in its defence. It is an act entirely outside of the enjoyment of his rights as the owner either of the invention or of the monopoly. Acts of the same character on the part of licensees are equally beyond the privileges conferred upon them by their license, and are not affected by the estoppel which prevents the enforcement of the monopoly against their practice of the patented invention.² Joint-owners and their licensees are, therefore, as to such acts of infringement regarded as strangers to the patented invention, and are liable in damages to the other owners according to the proportion of their respective interests therein.

§ 798. Reciprocal Relations of Joint-Owners Variable by Contract: Their Relations to Third Parties.

While these general rules govern the relations of joint-owners in the absence of any special contract between them,

whether it will lie against a joint-owner, or, in the language of the bill, whether he, under cover of his joint ownership, can infringe and escape liability. So far as he acts outside of his interests or rights or powers as a joint-owner, there is no adequate reason for treating him, *quoad hoc*, otherwise, than as a stranger. If this be not so, then one joint-owner may destroy, without remedy, the rights of the other joint-owners." 21 O. G. 203 (203); 3 Bann. & A. 253 (254); 9 Fed. Rep. 556 (556).

That one joint-owner can enjoin an-

other in certain cases, see *Duke v. Graham* (1884), 19 Fed. Rep. 647.

That one co-owner is not estopped from denying the validity of the patent as against the others, see *Marston v. Swett* (1875), 4 Hun, 153; 6 Thomp. & C. 534.

² That a licensee is liable for infringement if he uses any other invention substantially identical with the one covered by his license, see *Miller's Falls Co. v. Ives* (1877), 14 O. G. 203; 14 Blatch. 169; 2 Bann. & A. 574.

they are nevertheless at liberty to regulate their reciprocal rights according to their own desires.¹ They may unite their interests more closely by additional agreements, or one may deprive himself of a portion of his rights in favor of the others. In reference to third parties, however, all the joint-owners of the patented invention are regarded as a single proprietor. Infringement by a stranger violates the right of all in whom the property in the patented invention vests, and all must join in action: to redress the wrong; the damages which they recover being apportioned among them according to their individual but undivided interests in the patented invention.²

§ 798. ¹ That joint-owners of a patent may subdivide it at pleasure, see *Vose v. Singer* (1862), 4 Allen, 226.

That an agreement of co-owners to account, if observed by them for a time, is not within the Statute of Frauds where the contract has been fulfilled on one side by the transfer of the interest in the patent, and might have been fully executed on the other within the year, see *Fraser v. Gates* (1885), 118 Ill. 99.

That an agreement of co-owners to account to each other is a continuing agreement, and enures to the benefit of a bankrupt owner who purchases the interest from his assignee in bankruptcy, see *Fraser v. Gates* (1885), 118 Ill. 99.

That an agreement to account to each other does not make the co-owners partners, see *Fraser v. Gates* (1885), 118 Ill. 99.

That joint-owners of a patent who are also partners are bound to account to each other for the use of the invention, see *Freeman v. Freeman* (1884), 136 Mass. 260.

That co-owners, being also co-partners, may hold each other to account for royalties and prices received for the invention, see *Burr v. De La Vergne* (1886), 102 N. Y. 415.

That owners not named as licensors in the license are entitled to their share of the royalties, if they were partners with the nominal licensor when the license was granted, see *Rogers v. Relesner* (1887), 41 O. G. 351; 30 Fed. Rep. 525.

That an agreement between a patentee and an improver of the patented device to take out a new joint patent makes them, in equity, joint-owners of the improved invention, and each can restrain the other from using it except for their joint benefit, see *Duke v. Graham* (1884), 19 Fed. Rep. 647.

That where the patentee and the inventor of an improvement re-issue the original patent for the improved device in their joint names, each can restrain the other from using the patent except for their joint benefit, see *Duke v. Graham* (1884), 19 Fed. Rep. 647.

² That a suit for infringement against a stranger should be brought in the names of all the joint-owners, and the damages recovered be distributed among them according to their respective interests in the patented invention, see *Herring v. Gas Consumers' Association* (1878), 3 McCrary, 206; 21 O. G. 203; 3 Bann. & A. 253; 9 Fed. Rep. 556, and cases cited under §§ 937-945, 1070, 1098-1102, *post*.

§ 799. Joint Grantees.

Joint grantees occupy toward each other in respect to their limited territorial ownership the same relations which subsist between the joint-owners of the entire interest for the whole United States. Within their local boundaries the complete property in the invention and the monopoly is vested in them as co-owners, and each may practise the invention, dispose of his own interest, or license others in the same manner as a joint assignee. Their several rights may be increased, diminished, or changed in character by mutual agreements, and in enforcing them against infringers they act as a collective body, in whom the indivisible monopoly resides. Owners of different territorial interests may similarly combine their privileges, or enter into contracts with each other whereby their rights, as otherwise defined by law, are variously modified.¹

SECTION III.

OF THE TRANSFER OF LETTERS-PATENT: EXECUTORS AND ADMINISTRATORS.¹

§ 800. Property of Decedent in Patented Inventions Vested by Federal Statutes in his Executor or Administrator.

Upon the death of any owner of a patented invention his interest vests immediately in his executor or administrator, by virtue of the statutes of the United States.² The title of

§ 799. ¹ That owners of different territorial rights do not mingle their rights by appointing a common attorney to convey, see *May v. Chaffee*, (1871), 5 Fisher, 160; 2 Dillon, 385.

That two assignees of different territory may appoint an agent to manage for both, and may thus restrict themselves in perpetuity from doing anything to injure each other, see *Ladd v. Mills* (1884), 20 Fed. Rep. 792; 22 Blatch. 242.

§ 800. ¹ For a discussion of this subject, in another connection, see §§ 404-406, and notes, *ante*.

² That the interest of the owner of a patented invention vests, upon his death, in his executor or administrator, see *Shaw Relief Valve Co. v. New Bedford* (1884), 19 Fed. Rep. 753; 28 O. G. 283; *Bradley v. Dull* (1884), 19 Fed. Rep. 913; 27 O. G. 625.

That the executor or administrator in whom the patent vests is the one

the administrator or executor is not derived from the local laws of the State in which he was appointed, or in which the property is situated, though his official character may be determined by such laws.³ His title rests upon the acts of Congress which control alike the nature of his ownership and the extent of his authority and obligations.⁴

§ 801. Nature of the Property of an Executor or Administrator in the Patented Inventions of his Decedent.

The property in a patented invention in the hands of an executor or administrator is not personal property belonging to the decedent's estate, nor assets liable to the claims of creditors or of distributees. It is a franchise which he holds, not in his official capacity under the probate laws, but in a different and special capacity under the Patent Laws.¹ It does not enter into his dealings with the estate as such, nor is he accountable for it to the personal representatives of the deceased. Though he is often said to be a trustee, in whom the patented invention vests for the benefit of the owner's

appointed at the domicile of the deceased owner, see *Hodge v. North Missouri R. R. Co.* (1869), 4 Fisher, 161; 1 Dillon, 104.

That the executor or administrator owns the entire interest of his decedent in every part of the United States, see *Hodge v. North Missouri R. R. Co.* (1869), 4 Fisher, 161; 1 Dillon, 104.

That where an inventor dies before application the executor or administrator must apply for the patent; and where he dies pending application the executor or administrator must receive the patent, see *Rice v. Burt* (1879), 16 O. G. 1050.

That where the inventor dies, pending the application, the executor or administrator may file a new application, but the rights of third parties cannot be affected thereby, see *Ex parte Smith* (1888), 43 O. G. 505; *Rice v. Burt* (1879), 16 O. G. 1050.

³ That an administrator's title to

a patent is not derived from the State law but from the United States law, and there is no necessity for local State administration, in order to enable him to sue anywhere, see *Goodyear v. Hullihan* (1867), 3 Fisher, 251; 2 Hughes, 492.

That the official character of an administrator is not a question for the United States Courts, see *Northwestern Fire Extinguisher Co. v. Philadelphia Fire Extinguisher Co.* (1874), 6 O. G. 34; 1 Bann. & A. 177.

⁴ That State laws cannot limit the powers of administrators under the Patent Laws of the United States, see *Brooks v. Jenkins* (1844), 3 McLean, 432.

§ 801. ¹ That a patent in the administrator's hands is not personalty belonging to the decedent's estate, but is a franchise held in trust for the heirs, see *Goodyear v. Hullihan* (1867), 3 Fisher, 251; 2 Hughes, 492.

heirs or devisees,² he is not a true trustee having a legal title to the property, but a mere instrument of the law, charged to perform certain duties in the interest of those to whom the patented invention properly belongs.³

§ 802. Relations of the Executor or Administrator to the Heirs and Devisees of the Decedent in reference to those Patented Inventions.

The title of an executor or administrator to a patented invention is identical with that of his decedent, so far as the Patent Office, the courts, and third parties are concerned. As between him and the heirs of the former owner, or the devisees on whom the will may have conferred the ownership of the invention, the property vests in them, though managed and controlled by him. In procuring letters-patent or a re-issue or an extension, in prosecuting actions for infringement or other wrongs against the property, in making contracts and assignments, and in granting licenses, he acts as if he were the independent owner of the patented invention, although accountable in equity to those in whom the beneficial interest in the invention legally resides.¹

² That a patent granted to an administrator is held by him in trust for the heirs, but the patent need not so state, see *Northwestern Fire Extinguisher Co. v. Philadelphia Fire Extinguisher Co.* (1874), 1 Bann. & A. 177; 6 O. G. 34.

That where an inventor dies leaving a will devising the invention, and the executor obtains a patent, he holds it in trust for the devisees by implication of law, see *Stimpson v. Rogers, Smith & Co.* (1859), 4 Blatch. 333.

³ In *Wintermute v. Redington* (1856), 1 Fisher, 239, Willson, J. : (241) "Administrators of an estate are not, properly speaking, trustees in whom is vested the legal title. The law clothes

them with certain powers, by which they are enabled to transmit the legal title of property. They are mere instruments of the law, and the effect is given to their acts upon the same principle that title to property is transferred by the official act of a sheriff or marshal."

§ 802. ¹ That an executor or administrator can assign a patent and give a good title thereto, see *Donoughe v. Hubbard* (1886), 35 O. G. 1561; 27 Fed. Rep. 742; *Bradley v. Dull* (1884), 27 O. G. 625; 19 Fed. Rep. 913.

That it is not necessary that all the executors or administrators should join in the assignment, see *Wintermute v. Redington* (1856), 1 Fisher, 239.

SECTION IV.

OF THE TRANSFER OF LETTERS-PATENT: JUDICIAL SALES.¹

§ 803. Patented Inventions not Subject to Execution nor to any Ordinary Method of Appropriation for the Benefit of Creditors.

The general principle that all the property of a debtor is liable for his debts applies to the property in a patented invention.² No reason exists, either in the nature of the property or in the meritorious acts of which it is considered a reward, that should exempt it from the claims of creditors.³ But in enforcing such claims several difficulties arise. The property is incorporeal, and therefore cannot be seized and appropriated to the satisfaction of a judgment by any of the methods known to the common law.⁴ It is also universal, not local, and therefore cannot be directly reached, to any considerable extent, by any process issuing out of courts of local jurisdiction.⁵ It is transferable, under the Patent Law of the

§ 803. ¹ For a discussion of this subject in part, see § 766 and notes, *ante*.

² That a patent is liable for the debts of the patentee, see *Shaw Relief Valve Co. v. New Bedford* (1884), 19 Fed. Rep. 753; 28 O. G. 233.

³ That property does not become "exempt from attachment" by its intrinsic nature, but by the provisions of positive law, see *In re Keach* (1884), 14 R. I. 571.

⁴ That a patent privilege cannot be seized and sold on execution, see *Carver v. Peck* (1881), 131 Mass. 291; *Pacific Bank v. Robinson* (1881), 57 Cal. 520; *Stevens v. Gladding* (1854), 17 How. 447; *Stephens v. Cady* (1852), 14 How. 528.

⁵ In *Stevens v. Gladding* (1854), 17 How. 447, Curtis, J. : (451) "There would certainly be great difficulty in

assenting to the proposition that patent and copyrights, held under the laws of the United States, are subject to seizure and sale on execution. Not to repeat what is said on this subject in 14 How. 531, it may be added that these incorporeal rights do not exist in any particular State or district; they are co-extensive with the United States. There is nothing in any act of Congress, or in the nature of the rights themselves, to give them locality anywhere, so as to subject them to the process of courts having jurisdiction limited by the lines of States and districts. That an execution out of the court of common pleas for the county of Bristol, in the State of Massachusetts, can be levied on an incorporeal right subsisting in Rhode Island, or New York, will hardly be pretended. That by the levy of such an execution, the entire right

United States, only by the patentee or his alienee or personal representatives, and therefore cannot be decreed by any court to vest in any person without the required conveyance from its actual owner.⁶ For these reasons patented inventions were for a long time regarded as practically exempt from the ordinary liability for the debts of their owners, though methods are now adopted by which they are with great facility made subject to the claims of creditors.⁷

§ 804. Patented Inventions Subjected to the Claims of Creditors only through some Form of Assignment by their True Owner.

These methods are in form or in effect assignments by the owner of the patented invention. Only by a grant can incorporeal property be transferred from one person to another. Only by a grant from some authority, having a jurisdiction over the property which is as universal as the property itself, could any beneficial transfer be accomplished. Only by a grant from the real owner of the patented invention can the requirements of the Patent Law concerning transfers be fulfilled. Hence any method which effects such transfer must be a conveyance by the lawful owner or its equivalent. Such is not the case with the judgment or order of any court or the act of any officer. In the absence of a statute of the United States to that effect, neither an adjudication in bankruptcy nor the voluntary assignment of the owner could put the property in the patented invention at the disposal of the court or assignee, unless the one was followed, and the other accompanied, by an actual transfer of the patented invention in the mode provided by the Patent Law.¹ Thus all the

could be divided, and so much of it as might be exercised within the county of Bristol sold, would be a position subject to much difficulty."

See also *Carver v. Peck* (1881), 131 Mass. 291.

⁶ See §§ 765, 766, and notes, *ante*.

⁷ In *Carver v. Peck* (1881), 131 Mass. 291, Gray, J. : (292) "The incorporeal and intangible right of an inventor or an author in a patent or a

copyright cannot be taken on execution at law; and a general assignment of his property under a bankrupt or insolvent act will either by its own force pass this right to the assignee in bankruptcy or insolvency, or will at least entitle the latter by proper proceedings to compel the debtor to convey it to him for the benefit of creditors." See also § 805 and notes, *post*.

§ 804. ¹ That an assignment by an in-

methods that might be devised are reducible in substance to one, — a voluntary or compulsory transfer by the owner of the patented invention.

§ 805. Owner of Patented Invention may be Compelled by a Court of Equity to Assign it for the Benefit of Creditors.

That courts of equity, acting in aid of courts of law, have the authority to compel the owner of a patented invention to assign it to a trustee or receiver, to be sold for the satisfaction of his judgment-debts, seems now to be decided.¹ This method

solvent to his trustee of all his property, not exempted by law, does not carry a patent, see *Campbell v. James* (1880), 18 Blatch. 92; 5 Bann. & A. 354; 18 O. G. 1111; 2 Fed. Rep. 338.

That the title to a patent does not vest in a receiver, see *Dick v. Struthers* (1885), 25 Fed. Rep. 103; 34 O. G. 131.

That neither the assignee in insolvency nor a receiver can assign or pass title to a patent except by a written instrument, signed by the owner of the patent and duly recorded, see *Gordon v. Anthony* (1879), 16 O. G. 1135; 16 Blatch. 234; 4 Bann. & A. 248.

That an assignment made by a judge of Probate under a State insolvent law, does not transfer the title to a patent, but an instrument of assignment must be executed by the owner, see *Ashcroft v. Walworth* (1872), 2 O. G. 546; *Holmes*, 152; 5 *Fisher*, 523.

That a receiver may convey the equitable title, though unable, without the concurrence of the real owner, to transfer the legal title, see *Adams v. Howard* (1884), 23 Blatch. 27; 22 Fed. Rep. 656.

§ 805. ¹ In *Pacific Bank v. Robinson* (1881), 20 O. G. 1314, McKee, J. : (1814) "The question is, has a court of equity power to compel its assignment and sale for the benefit of judgment creditors? In 1852 Mr. Justice Nelson, in *Stephens v. Cady* (14 How.

528), held that a copyright to print and publish maps of the State of New Hampshire could be reached by a creditor's bill and applied to the payment of debts of the owner of the copyright, under a decree compelling a transfer in conformity with the provisions of the act of Congress. That, however, was mere *obiter*, because the decision of the question was not necessarily involved in the case. And afterward, in 1854, in the case of *Stephens v. Gladding* (17 How. 447), which was a branch of the case of *Stephens v. Cady*, Mr. Justice Curtis declined to pass upon the question, because neither the copyright nor any interest in it had been attempted to be sold. But in 1875 the supreme court of New York, in the case of *Barnes v. Morgan* (3 Hun, 703), took up the *dictum* of Mr. Justice Nelson in *Stephens v. Cady* and approved of it as a sustainable legal proposition. An order had been made at special term, directing the defendant in the case to deliver to a receiver, appointed under supplementary proceedings, certain patents and models appertaining thereto. From the order defendant appealed to the supreme court. Assignability of the patents by the voluntary act of the owner under the act of Congress which created them was conceded, and according to the authority of *Hesse v. Stevenson* (3 B. & P. 577), *Nias v. Adamson* (3 B. & Ald. 225), and *Coles v. Barrow*

satisfies all the requirements of the law. Where the owner refuses to execute the necessary conveyances or is incapable of

(4 Taunt. 764), it had been established that patent rights of a bankrupt pass by act and operation of law to his assignees in bankruptcy for the benefit of creditors. In *Hesse v. Stevenson*, Lord Alvanley, in delivering the opinion of the court, used this language: 'It is said that although by the assignment every right and interest, and every right of action, as well as right of possession and possibility of interest, is taken out of the bankrupt and vested in the assignees, yet that the fruits of a man's own invention do not pass. It is true that the schemes which a man may have in his own head before he obtains his certificate, or the fruits which he makes of such schemes, do not pass, nor could the assignees require him to assign them over, provided he does not carry his schemes into effect until after he has obtained his certificate; but if he avails himself of his knowledge and skill, and thereby acquires a beneficial interest, which may be the subject of assignment, I cannot frame to myself an argument why that interest should not pass in the same manner as any other property acquired by his personal industry.' Patent rights being, therefore, assignable by the voluntary act of the owner and by act and operation of law, it followed that a court of equity could compel the defendant to assign them to a receiver, to be sold and applied to the satisfaction of judgments against him, and the supreme court affirmed the order of the special term. 'If,' said the court, 'the use of a monopoly which such a grant confers is not sufficiently productive in the hands of the inventor to pay his debts, the privilege bestowed, being a right of property as declared by Chief Justice Taney, should be transferred to the person designated by law

and sold for the benefit of the creditor. It would be a marvellous, if not unjust, perpetuation of the ideal if an inventor, having obtained a patent, thus divulging his secret and at the same time acquiring a property in it for practicable purposes, should be permitted to hold it unused against his creditors until, either by compromise or the lapse of time, his obligations should be discharged, and this, too, although it might be one which, by assignment or upon manufacture of the thing invented, would readily yield enough to pay all existing liabilities.'" 57 Cal. 520 (523).

In *Ashcroft v. Walworth* (1872), 2 O. G. 546, Shepley, J. : (547) "It might have been competent for the court under the insolvent law to have compelled the debtor to execute such an instrument in writing as, in accordance with the provisions of the Patent Act, would have been effectual to transfer the title in the patent to the assignee. If a right in a patent were such property as did not come within the exceptions of the insolvent law as property not liable to attachment, or if it is of such a nature that it is subject to the operation of State insolvent laws, this would seem to have been the only proper and effectual mode to have made it available for the benefit of the creditors. Without such a conveyance as the statute of the United States contemplates, we do not think the assignee acquires any legal title to any interest the debtor may have in any letters-patent. To invest the assignee with the legal title the court must compel a transfer in conformity with the requirements of the Patent Act." Holmes, 152 (154); 5 Fisher, 528 (530).

That the receiver of an insolvent is entitled to his patents, and the court

doing so, it has been held that the court of equity, in order to effectuate its own decree, may appoint a trustee to make the assignment in the name and on behalf of the recalcitrant or incapacitated owner, and that this conveyance is equivalent to one executed by himself.² Whether a State insolvent court could exercise the former power over the owner of a patented invention depends on the authority conferred upon it by the local law. The latter power, whose existence in any court is still open to question, must be derived expressly or impliedly from the laws of the United States.

SECTION V.

OF THE TRANSFER OF LETTERS-PATENT: LICENSES.

§ 806. License Defined: Distinguished from Assignment and Grant.

Any conveyance of an interest in a patented invention, which cannot operate as an assignment or a grant, is a

may order the debtor to assign them to him, see *In re Keach* (1884), 14 R. I. 571; *Carver v. Peck* (1881), 131 Mass. 291.

That a patent may be reached by a creditor's bill, see *Gillett v. Bate* (1881), 86 N. Y. 87; 10 Abb. N. C. 88.

That a patent may be subjected to the debts of the patentee by a creditor's bill, even against a fraudulent assignee, and where the citizenship of the parties is different the Federal courts have jurisdiction, see *Gorrell v. Dickson* (1886), 26 Fed. Rep. 454.

That a patent is assigned by the operation of law upon the bankruptcy of the owner, and though it cannot be seized on execution, it can be reached by a creditor's bill and by proceedings supplementary to execution, see *Barnes v. Morgan* (1875), 3 Hun, 703; 6 Thomp. & C. 105.

That the want of novelty or utility is no defence to a creditor's bill against

the patentee or a fraudulent assignee, see *Gillett v. Bate* (1881), 86 N. Y. 87; 10 Abb. N. C. 88.

That unpatented inventions cannot be reached by a creditor's bill, see *Gillett v. Bate* (1881), 86 N. Y. 87; 10 Abb. N. C. 88.

That an incomplete and experimental invention cannot be reached by a creditor's bill, see *Ryan v. Lee* (1882), 14 Mo. App. 599.

² That a court of equity may direct the sale of an inventor's interest in his patent to satisfy a judgment against him, and will require the patentee to assign as provided in Sec. 4898, Rev. Stat., and, if he refuses, will appoint a trustee to make the assignment, see *Murray v. Ager* (1881), 20 O. G. 1311; 1 Mackey, 87.

That a patent right cannot be reached by a creditor's bill under Gen. Stat. Mass. c. 113, § 2, cl. 11, see *Carver v. Peck* (1881), 131 Mass. 291.

license.¹ A license is distinguished from these other forms of transferring letters-patent by the single characteristic that an assignment and a grant transfer the monopoly as well as the invention, while a license transfers only the invention and does not affect the monopoly otherwise than by estopping the licensor from exercising its prohibitory powers in derogation of the privileges conferred by him upon the licensee.² Whether a given conveyance carries both the monopoly and the invention is usually determined by the language in which it describes the transferred interest in the invention, such instrument rarely mentioning the monopoly or treating it as the subject-matter of the alienation. Hence if the interest in the invention which the conveyance purports to transfer is one to which the law annexes the monopoly, the instrument is a grant or an assignment; and, on the contrary, if this interest is such that its alienation leaves the monopoly still residing, in contemplation of law, in the alienor, the conveyance is a mere license. This contract of license is governed and defined by State law, as distinguished from statutory Patent Law, and is subject to the incidents which attach to all agreements.³

§ 806. ¹ That anything less than a grant or an assignment is a license, see *Potter v. Holland* (1858), 1 Fisher, 327; 4 Blatch. 206.

² In *Sanford v. Messer* (1872), 2 O. G. 470, Shepley, J.: (471) "Any assignment which does not convey to the assignee the entire and unqualified monopoly which the patentee holds in the territory specified, or an undivided interest in the entire monopoly, is a mere license." 5 Fisher, 411 (412); Holmes, 149 (150).

See also *Theberath v. Celluloid Mfg. Co.* (1880), 3 Fed. Rep. 143; 5 Bann. & A. 577.

That while an assignment and grant convey the monopoly, a license merely waives the monopoly as to the licensee, see *Howe v. Wooldredge* (1866), 12 Allen, 18; *Buss v. Putney* (1859), 38 N. H. 44.

That the sole matter conveyed in a license is the right not to be sued, see *Hawks v. Swett* (1875), 4 Hun, 146; 6 Thomp. & C. 529.

That a license may be granted before the patent issues, see *Kelly v. Porter* (1883), 8 Sawyer, 482; 17 Fed. Rep. 519.

³ That licenses are governed by State laws, see *State of Missouri v. Bell Telephone Co.* (1885), 23 Fed. Rep. 539.

That the Federal courts may determine, in an infringement case, whether there is an outstanding license or not, see *Hammacher v. Wilson* (1886), 26 Fed. Rep. 239; 36 O. G. 233.

That a common carrier, though licensed by a patentee to carry on business with one customer only, may be compelled to carry it on with all, see *State of Missouri v. Bell Telephone Co.* (1885), 23 Fed. Rep. 539.

That a license under an expired pat-

§ 807. The Invention, not the Monopoly, Transferred by a License.

It is a necessary consequence of the indivisibility of the monopoly that nothing less than the conveyance of the entire interest in the invention, or of an undivided part of such entire interest, can operate upon it as a transfer. Though the subordinate rights in the invention are separable and may be aliened at the pleasure of its owner, the monopoly cannot be subdivided to correspond with them and be transferred with them to independent owners. The monopoly remains in him on whom the issue of the letters-patent conferred it, until he transfers to another person all the rights for whose vindication the monopoly was created, or makes that other person a joint-owner with himself. As long, therefore, as any interest resides in him to which the monopoly must attach, the interests which he conveys to others, unless they thereby become jointly interested with himself, are interests in the invention merely, not affecting the monopoly; and however extensive in its terms the instrument transferring them may be, it still leaves the monopoly in him.¹ The only alienation which can carry the monopoly is that of the exclusive right, or of an undivided interest in the exclusive right, to practise the invention, including the exclusive right to make, the exclusive right to use, and the exclusive right to sell the patented invention.²

§ 808. Any Transfer of less than the Entire Interest in the Patented Invention, or an undivided part of such Entire Interest, is a License.

Judged by this test every conveyance which does not transfer the exclusive right, or an undivided interest in the exclusive right, to practise the invention is a license.¹ All

ent, among others, is no evidence of fraud, since all parties are chargeable with notice as to the term of patents, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100; 37 O. G. 781.

That a license taken to avoid a suit is not taken under duress or fraud, see *Pope Mfg. Co. v. Owsley* (1886), 27

Fed. Rep. 100; 37 O. G. 781; *McKay v. Jackman* (1883), 17 Fed. Rep. 641.

§ 807. See §§ 753-758, and notes, *ante*, for a more extended discussion of these principles.

² See § 763 and notes, *ante*.

§ 808. ¹ That any grant which does not convey either an undivided interest

alienations of the right to make, or the right to use, or the right to sell, or of the right to make and use, or of the right to make and use and sell, are merely licenses.² All transfers of the exclusive right to use, or of the exclusive right to make and use, or of the exclusive right to use and sell, are also simple licenses.³ Conveyances of the exclusive right to use in a certain manner, or of the exclusive right to make and use and sell in a particular form or for a particular purpose, are only licenses.⁴ But an instrument conferring the exclu-

or an exclusive local interest, is a mere license, see *Nelson v. McMann* (1879), 16 Blatch. 139; 4 Bann. & A. 203; 16 O. G. 761.

That any grant less than an exclusive right within a given territory, is a mere license, see *Sanford v. Messer* (1872), 2 O. G. 470; 5 Fisher, 411; Holmes, 149; *Farrington v. Gregory* (1870), 4 Fisher, 221; *Gayler v. Wilder* (1850), 10 How. 477.

² That the grant of a right to use and sell only, but not to make, is a mere license, see *Sanford v. Messer* (1872), 2 O. G. 470; 5 Fisher, 411; Holmes, 149.

That a grant "to use and sell" in a given territory is a mere license, see *Farrington v. Gregory* (1870), 4 Fisher, 221.

That an agreement that the promisee may make and sell in a given territory, is a mere license, see *Gayler v. Wilder* (1850), 10 How. 477.

That an agreement by the patentee not to sue or disturb one who uses the invention is only a license, not affecting the patent right, see *Bull v. Pratt* (1815), 1 Conn. 342.

That a conveyance of the power to sell, use, and grant to others the right to use the patented device within certain territory for a certain period, is not a mere power of attorney, but a contract vesting rights in the grantee, see *Burdell v. Denig* (1875), 92 U. S. 716.

That the contract of a workman to

give his employer the benefit of his inventions is a license, not a grant, see *Whiting v. Graves* (1878), 13 O. G. 455; 8 Bann. & A. 222.

That an agreement between conflicting patentees for a common use of their patents, and the mutual defence of their rights, is not an assignment, but a mere license to each to use the inventions of the other, see *Aultman v. Holley* (1873), 5 O. G. 3.

That the conveyance of a right to canvass for and sell the patented article as an agent, conveys no interest in the monopoly, and may be oral, see *Springfield v. Drake* (1876), 58 N. H. 19.

³ That an exclusive territorial right to use and sell, but not make, is a mere license, see *Hill v. Whitcomb* (1874), 5 O. G. 430; Holmes, 317; 1 Bann. & A. 34; *Sanford v. Messer* (1872), 5 Fisher, 411; 2 O. G. 470; Holmes, 149.

That the grant of the sole right to sell the patented article within certain territory does not carry any part of the patent right, but is a mere license, the grantor still owning the entire patent, see *Ingalls v. Tice* (1882), 14 Fed. Rep. 297; 22 O. G. 2160.

That an irrevocable and exclusive power to act as "sole agent" for making and selling, to retain his commission, and pay the balance to the principal, is not an assignment but a mere license, see *Kempton v. Bray* (1868), 99 Mass. 350.

⁴ That the grant of an exclusive

sive right to make and sell carries the entire invention, since the exclusive right conferred gives to the alienee complete dominion over the use also, and thus transferring the monopoly becomes either an assignment or a grant.⁵ These limitations of the interest transferred may appear either in the description of the interest itself, or in the reservation of rights to the alienor, or may be implied from the remaining portions of the contract. The conveyance of the entire interest in the patented invention, reserving to the alienor a right to make it, or a right to sell it, even though not exclusive, vests in the alienee only an independent partial interest and makes him a mere licensee.⁶ The transfer of the entire in-

right to make and sell one form of the invention is a mere license, see *Nellis v. Pennock Mfg. Co.* (1882), 22 O. G. 1131 ; 13 Fed. Rep. 451.

That the grant of a right to use for a specific purpose is a mere license, see *Bogart v. Hinds* (1885), 33 O. G. 1268 ; 25 Fed. Rep. 484.

That the grant of the exclusive use of an invention for a certain purpose in a certain territory, and for a certain time, is a mere license, see *Oliver v. Rumford Chemical Works* (1883), 109 U. S. 75 ; 25 O. G. 784.

That a right to make, use, and sell for a particular purpose, in specified places, is only a license, see *Gamewell Fire Alarm Telegraph Co. v. Brooklyn* (1882), 14 Fed. Rep. 255 ; 22 O. G. 1978.

That an exclusive license to make or use for special purposes is not an assignment, see *Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co.* (1874), 12 Blatch. 202 ; 1 Bann. & A. 330.

⁵ That the conveyance of the exclusive right to make and sell carries the right to use, see *Nellis v. Pennock Mfg. Co.* (1882), 22 O. G. 1131 ; 13 Fed. Rep. 451 ; *Turnbull v. Weir Plow Co.* (1880), 23 O. G. 91 ; 9 Bissell, 334 ; 5 Bann. & A. 288 ; 14 Fed. Rep. 108.

That a non-exclusive right to make and sell is a mere license, see *Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co.* (1874), 12 Blatch. 202 ; 1 Bann. & A. 330 ; *Hussey v. Whitely* (1860), 1 Bond, 407 ; 2 Fisher, 120.

That the purchaser of an exclusive privilege of making and selling acquires an interest in the franchise secured by the patent, see *Mitchell v. Hawley* (1873), 16 Wall. 544 ; 3 O. G. 241 ; 6 Fisher, 331.

That an assignment of the exclusive right to make, use, and sell, and to vend to others to use and sell, carries the entire interest, although the right to sell the privilege of making is not mentioned, and not reserved to the assignors, see *Pickhardt v. Packard* (1884), 23 Blatch. 23 ; 30 O. G. 179 ; 22 Fed. Rep. 530.

That the grant of an "exclusive right to make and sell" the invention "in the United States for the whole term" of the patent, is an assignment of the whole patent and there is no right left in the assignor, see *Nellis v. Pennock Mfg. Co.* (1882), 13 Fed. Rep. 451 ; 22 O. G. 1131.

⁶ That any reservation of a right in the grantor renders the grant a license, not an assignment, see *Hussey v. Whitely* (1860), 1 Bond, 407 ; 2 Fisher, 120.

That a grant, reserving the right of

terest with a reservation of the right to use, however, gives to the alienee an absolute control over the patented invention, because without a making and a selling there can be no use, and hence such a conveyance is regarded as an assignment coupled with a license to the alienor to use the patented invention whenever, through the exercise of his rights by the alienee, the former may be able to procure it.⁷ The covenants embraced in the instrument may similarly determine whether the conveyance is an assignment or a license. When they impose such obligations on the parties as can exist only while the monopoly remains in the alienor, the granting clause and the description must be regarded as relating to the invention alone, and the instrument itself construed to be a license. A covenant on the part of the alienor to protect the alienee by prosecuting infringers, for example, indicates that in whatever terms the interest transferred may be described, the prohibitory powers are still in the alienor, that the interest conveyed is, therefore, less than the entire interest or an undivided part thereof, and that the transfer operates only as a license.⁸

making to the grantor, is only a license, see *Hamilton v. Kingsbury* (1880), 4 Fed. Rep. 428; 17 Blatch. 460; 17 O. G. 847; 5 Bann. & A. 157; *Sanford v. Messer* (1872), Holmes, 149; 2 O. G. 470; 5 Fisher, 411.

That a grant reserving to the grantor certain uses of the invention is a mere license, see *Ex parte Paine* (1878), 13 O. G. 408.

That an assignment of the entire interest in the patent, within a certain territory, but reserving to the assignor the right to sell devices of his own making, is a mere license, see *Hussey v. Whitely* (1860), 2 Fisher, 120; 1 Bond, 407.

⁷ That the conveyance of all rights in the invention within certain territory, except the right to use the patented device for a certain specific purpose, is a grant of the invention to the assignee, and a special license back to the assignor, see *Littlefield v. Perry* (1874), 21 Wall. 205; 7 O. G. 964.

That a patentee who sells all his interest in the patent, reserving a right to certain specified uses of the invention, is no longer an owner but a mere licensee under his assignee, see *Frankfort Whiskey Process Co. v. Pepper* (1885), 26 Fed. Rep. 336.

That a contract for an exclusive right to make, construct, and use in a given State, and to sell to others to be used, but reserving to the grantor the right to sell devices of his own make in the State, though neither an assignment nor a grant, is more than a mere license and is assignable, and vests a fixed right in the purchaser, see *Pitts v. Jameson* (1853), 15 Barb. 310.

⁸ That the presence in the instrument of a covenant binding the grantor to protect the grantee by suit, etc., shows that the instrument is a mere license, see *Theberath v. Celluloid Mfg. Co.* (1880), 5 Bann. & A. 577; 3 Fed. Rep. 143.

§ 809. License may be either Express or Implied: Express Licenses.

A license may consist in an express agreement between the owner of the patented invention and the licensee, or it may be implied from circumstances. An express license may be oral or in writing, and when in writing it may take any form that can be legally interpreted as a conveyance of those interests which a license is sufficient to transfer.¹ Thus, if an instrument attempting to convey the entire interest in the patented invention, or an undivided portion of it, is insufficient for that purpose, it may still be valid as a license.² A contract for such conveyance, or an agreement to bestow a license, when accepted and acted on by the proposed licensee, has the same effect.³ A compromise of litigated claims in which each party abandons all his rights to interfere with or restrain the other, or one by which the contending parties league together for the common enjoyment and common defence of their respective inventions, are other forms which this mode of conveyance may assume, and which are equally valid with licenses of greater definiteness of expression, provided the intention of the parties to transfer the proper interests can be clearly ascertained.⁴ The scope of an implied

§ 809. ¹ That a license need not be written, see *Buss v. Putney* (1859), 38 N. H. 44; *Potter v. Holland* (1858), 4 Blatch. 206; 1 Fisher, 327.

² That a contract for any part of the patent right may be good as a license, see *Gayler v. Wilder* (1850), 10 How. 477.

That an optional contract to purchase a patent does not operate as a license to the vendee's licensees to make an infringing article during the option, see *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.* (1887), 30 Fed. Rep. 615; 40 O. G. 578.

³ That an agreement to license, if acted on, becomes an actual license according to the intent of the parties, see *Magic Ruffle Co. v. Elm City Co.* (1875), 13 Blatch. 151; 2 Bann. & A. 152; 8 O. G. 773.

⁴ That where the parties to a suit compromise it by an agreement allowing each party to do what he pleased, without regard to their conflicting claims, it is a license, see *Troy Iron & Nail Factory v. Corning* (1849), 1 Blatch. 467.

That an agreement, in settling a suit, that the defendant has infringed and has paid for it, is no license for the future, see *Pickering v. Phillips* (1876), 4 Clifford, 383; 2 Bann. & A. 417; 10 O. G. 420.

That where a written license is found in the hands of the licensee, a person who claims that it was delivered as an escrow must prove it, see *Mellon v. Delaware, Lackawanna, & Western R. R. Co.* (1882), 21 O. G. 1616.

license is determined by the circumstances out of which it has arisen.⁶

§ 810. Express Licenses may Cover one or more of the Rights Embraced in the Invention.

A license may relate to any or to all of the subordinate rights embraced in the invention. These rights are in their nature independent of each other, and can be exercised either separately or together, and can vest in different persons or in a single individual. It is optional with the owner of the patented invention to divide them, and to confer upon one licensee the right to make, upon another the right to use, and upon another the right to sell, or to bestow the three, or any two of them, on the same licensee.¹ To which and to how many of these rights a given license relates depends upon its terms, interpreted by the intention of the parties as shown by all the circumstances of the case.

§ 811. Express Licenses: License to Make.

A license to make confers upon the licensee the right to construct the article which is described and claimed in the letters-patent. If conferred alone, it gives the licensee no right to use or sell the article when constructed, and hence is generally coupled expressly with one or the other of these additional rights, as in licenses to make and use, or to make and sell.¹ Where the express words of the license embrace only the right to make, and the other rights are necessary to enable

⁶ That the scope of an implied license is ascertained from the circumstances, see *Montross v. Mabie* (1887), 41 O. G. 931; 30 Fed. Rep. 234.

§ 810. ¹ In *Steam Cutter Co. v. Sheldon* (1872), 10 Blatch. 1, Woodruff, J. : (8) " True, the patent granted to an inventor confers upon him the right to make, to use, and to vend to others to be used ; and it is possible for him, in granting to others a share in his exclusive right, to limit the privilege granted, as he may see fit, and it is, therefore, possible for him to keep these

privileges distinct, if he can find persons willing to pay for one without the right to enjoy either of the others. Each case, however, must be judged of as well by the terms of the grant of privilege, as, also, by the situation of the parties or the circumstances under which they act." 5 Fisher, 477 (484).

See also *Porter Needle Co. v. National Needle Co.* (1883), 17 Fed. Rep. 536.

§ 811. ¹ That the right to make is distinct from the right to use, see *Bicknell v. Todd* (1851), 5 McLean, 236.

the licensee to derive any advantage from the license, the presumption that the licensor intended that the right conveyed should be beneficial to the licensee controls the interpretation of the license, and extends it to include the right to use or sell, rather than permit it to be practically void. Thus a license to make the invention, conferred upon a licensee in whose business the thing made is ordinarily employed, carries by implication a right to use it when constructed. A similar license to a manufacturer of articles for sale, who has no use for this particular article when made, authorizes him to sell as well as make it.² The scope of the license is governed by the same presumption. A license to make an article which is covered by several patents, all owned by the same licensor, is a license under each of these patents, to whatever extent the making of the invention may require.³

§ 812. Express Licenses: License to Use.

A license to use varies in signification according to the nature of the invention to which it relates. When the invention is an art a license to use it is a license to practise the invention, and confers a right to do whatever the specification of the patent may prescribe or suggest, no other form of license being appropriate to this class of inventions. When the invention is an instrument, however, a license to use bestows merely the right to employ the completed article for practical purposes, but not the right to make it nor to sell it.¹

² In *Steam Cutter Co. v. Sheldon* (1872), 10 Blatch. 1, Woodruff, J. : (8) "If a party engaged exclusively in the construction of machines of various kinds, for sale to others, were to receive a license to manufacture a patented machine, for a consideration presently paid to the patentee, a construction which would deny him all opportunity to make the privilege of any value, forbidding his sale of the machines when manufactured, should be very clearly imported by the license, or the court would hold that the parties meant that he should derive some benefit from the license, and not be left thereafter

wholly dependent on the will of the patentee." 5 Fisher, 477 (484).

³ That a general grant of the right to make the patented device, by the owner of two patents which cover the making, confers the right under both patents, see *Day v. Stellman* (1859), 1 Fisher, 487.

That a license under a foreign patent does not authorize the licensee to make the articles abroad for sale here, see *Société Anonyme v. Tilghman's Patent Sand Blast Co.* (1883), L. R. 25 Ch. D. 1.

§ 812. ¹ In *Steam Cutter Co. v. Sheldon* (1872), 10 Blatch. 1, Wood-

In the absence of express restrictions in the license, this right of use is unlimited as to place, quantity and method, and may be continued during the term for which the patent has been granted, although the use must be confined to the precise invention covered by the patent of the licensor.² Express restrictions as to place, time, quantity or mode of use, are binding on the licensee and render all use contrary to such restrictions an infringement of the patent. A license to use within a certain district only, or at a certain shop, or on a certain line of railway, gives no authority to the licensee or his vendees to employ the invention in another district, or at a different shop, or on a new or an extended line of railway.³ A license to use a specified number of the patented

ruff, J. : (8) "On the other hand, when the patentee, having made machines, sells one with the right to use the same, his grant may, with propriety, be limited to the particular machine sold ; and it is also clear that such a sale would (unless limited in terms, or by special circumstances), import the right to use, although not so expressed. So, a sale of a patented invention to a dealer, not for use but for sale to others, would carry with it the right, in the ultimate purchaser, to use the machine sold. Limitations in respect to territorial limits, extent of use, and the like, may be, and in general are, provided by express terms or stipulations." 5 Fisher, 477 (484).

² That a license does not authorize the use of any other invention than the one described in the license, though invented by the same licensee, see Miller's Falls Co. v. Ives (1877), 14 O. G. 203 ; 14 Blatch. 169 ; 2 Bann. & A. 574.

That the sale of an invention, the use of which involves the use of a process patented by the same grantor, is a license to use the process, see Downton v. Yaeger Milling Co. (1879), 17 O. G. 906 ; 1 McCrary, 26 ; 5 Bann. & A. 112 ; 1 Fed. Rep. 199.

That the sale of a machine with right to use a patented article therewith gives a license to use the article, but is not an assignment and need not be in writing, see Buss v. Putney (1859), 38 N. H. 44.

³ In Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co. (1874), 12 Blatch. 202, Woodruff, J. : (204) "The right to make and vend, and the right to use, are completely severable ; and, while a grant of the right to make and sell to others might be deemed to imply the right in the purchasers to use the thing purchased, a patentee may restrict the use. The patent as effectually secures to him a monopoly of the right to use as it does of the right to make. The patentee or his assignee may, therefore, give the exclusive right to make and sell for use within certain territory ; and such a restriction would be entitled to enforcement." 1 Bann. & A. 330 (332).

That a license to use within a certain district confers no rights beyond the limits of that district, see Chambers v. Smith (1870), 5 Fisher, 12 ; Woodworth v. Cook (1850), 2 Blatch. 151.

That a right to use in one place only makes a user in any other place an infringement, but such infringement does

articles, or to use the patented process for the production of a certain quantity of its results, does not empower the licensee to use a greater number or produce a greater quantity, even though he is willing to pay the licensor additional royalties or license-fees in proportion to the increase of his use of the invention.⁴ A license to use for a given purpose only, or in

not revoke the right to use in the place specified, see *Steam Cutter Co. v. Sheldon* (1872), 10 Blatch. 1; 5 Fisher, 477.

That a machine licensed to be used in certain territory cannot be used elsewhere by other purchasers, and a demand by an agent for royalties properly due cannot ratify its improper use, see *Wicke v. Kleinknecht* (1874), 1 Bann. & A. 608; 7 O. G. 1098.

That the purchaser of a machine from one who has a right to use, and to sell to others to be used, only in a certain territory, has no right to use it elsewhere, and if he does, is liable for royalties to the patentee, see *Burke v. Partridge* (1878), 58 N. H. 9.

That a license to manufacture "at their shop," in a place described, is not transferable, see *Searls v. Bouton* (1881), 21 O. G. 1784; 20 Blatch. 426; 12 Fed. Rep. 140.

That a license to one to use "at his own establishment" does not cover a use at a shop owned by himself and others, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

That the sale of certain buildings and machinery with the right to use certain patented processes, gives no license to use the processes elsewhere, see *Wetherell v. Passaic Zinc Co.* (1872), 2 O. G. 471; 9 Phila. 385; 6 Fisher, 50.

That a personal license to use a patented device in one certain shop does not forbid its being made elsewhere, see *Wood v. Wells, Crittenden & Co.* (1873), 6 Fisher, 382.

That a license to a railway company

to use a patented device on their road extends no farther than the road was built and used by it at the time the license was given, the use on roads built or leased afterwards not being protected, see *Emigh v. Chicago, Burlington, & Quincy R. R. Co.* (1863), 1 Bissell, 400; 2 Fisher, 387.

That a license to use the invention on a railroad fifty-eight miles long does not confer the right to use it on a new road owned by the same licensee, see *Emigh v. Chicago, Burlington, & Quincy R. R. Co.* (1863), 2 Fisher, 387; 1 Bissell, 400.

That a license to use a device on a certain railroad does not carry the right to use the device on the cars of the licensee over whatever railroad they may be run, see *Hodge v. Hudson River Railroad Co.* (1868), 6 Blatch. 85; 3 Fisher, 410.

That a railroad company, running its cars on another railroad, is not operating said road within the meaning of a license granted "to the operator" of such road, see *Hodge v. Hudson River Railroad Co.* (1868), 6 Blatch. 85; 3 Fisher, 410.

That a license to use the patented device "on any road now or hereafter owned," etc., covers its use on all machines on such roads, see *Matthew v. Pennsylvania R. R. Co.* (1881), 8 Fed. Rep. 45.

⁴ That a license based on the pre-payment of a specific sum for each machine used, will not permit the use of other machines unless paid for in the same manner, see *Wooster v. Seidenberg*

a particular manner, or for a period less than the duration of the patent, binds the licensee with equal strictness, and makes him liable as an infringer for any excess of use beyond what is distinctly conferred upon him.⁵ In licenses to use the law often implies the grant of other powers which in the case in question are essential to the enjoyment of the right to use.⁶ A license to use a specific article carries the right to repair it as long as its identity remains.⁷ A license to use a certain number of articles bestows the right to keep the number in use complete, by purchasing, or if necessary by making, new ones as the old are worn out or destroyed.⁸

§ 813. Express Licenses: License to Sell.

A license to sell confers the right to vend the patented article. Being comparatively valueless without the right to

(1875), 10 O. G. 244 ; 13 Blatch. 88 ; 2 Bann. & A. 91.

That the tender of an agreed price per machine for machines used beyond the scope of the license does not cure an infringement consisting in the use of such machines, see *Steam Cutter Co. v. Sheldon* (1872), 10 Blatch. 1 ; 5 Fisher, 477.

⁵ That a license to use only upon specified conditions confines the use to such conditions, see *Woodworth v. Cook* (1850), 2 Blatch. 151.

That the words "licensed to use once only," if stamped on an invention, is notice that it is used under such a license and that the license expires on its first use, see *American Cotton Tie Supply Co. v. Bullard* (1877), 17 O. G. 389 ; 17 Blatch. 160 ; 4 Bann. & A. 520. *Contra*: *American Cotton Tie Supply Co. v. Simmons* (1878), 13 O. G. 967 ; 3 Bann. & A. 320.

That a license granted for a certain period to a person, but not to "his assigns," will expire at his death, see *Oliver v. Rumford Chemical Works* (1883), 109 U. S. 75 ; 25 O. G. 784.

⁶ That a license to one man and "his legal representatives" of the "full and

exclusive right to use and to sell to be used," reserving to the assignor the right to make "for himself and his representatives," gives to the licensee the right to make the invention, since without it the license would be valueless, see *Hamilton v. Kingsbury* (1878), 15 Blatch. 64 ; 14 O. G. 448 ; 3 Bann. & A. 346.

That an exclusive license to a person and his assigns to make and use includes a right to sell without express words to that effect, see *Bellas v. Hays* (1819), 5 S. & R. 427.

⁷ That a gratuitous universal license to use machines confers the right to use them until they are used up, see *Wooster v. Sidenberg* (1875), 13 Blatch. 88 ; 2 Bann. & A. 91 ; 10 O. G. 244.

That a license "to use to the extent of one machine" includes the right to make for such use and to repair indefinitely, see *Steam Cutter Co. v. Sheldon* (1872), 10 Blatch. 1 ; 5 Fisher, 477.

⁸ That the grant of a right "to use any number of" the patented devices, carries the right to make them and have them made, see *Steam Stone Cutter Co. v. Shortsleeves* (1879), 16 Blatch. 381 ; 4 Bann. & A. 364.

produce the articles to be sold, it is usually coupled with a license to make. Whether granted alone, or in connection with the right to construct the invention, it may be restricted as to time, place, and quantity, and by such restrictions the licensee is bound as rigidly as in the case of a license to use. In this, as in all other instances where a license covers two or more rights, the restrictions may apply only to one right, or in the same or different degrees to each of the rights conveyed. A license to make and sell may thus limit only the place and time of making, leaving the maker to find his market when and where he can; or it may confine his sales within a given territory, and fix no boundaries to the act of manufacture. Provisions in the license may, to the same extent, curtail the rights of purchasers of the patented article from the licensee, by limiting his power to sell it except for use within a specified area or for a certain purpose.¹ When a license to practise an art is joined with an unrestricted license to sell its product, the latter license is superfluous unless the product also is a patented invention; but if the license to sell is limited as to time or place or purpose it may operate as a

§ 815. ¹ In *Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co.* (1874), 12 Blatch. 202, Woodruff, J.: (207) "Does the right to make and sell carry with it the right to use? If, by implication, the right to use is incident to, or implied in, the right to make and sell, does not the limitation of the right to make and sell to specific territorial limits, operate with equal strictness upon the right of use which is incidental thereto or is so implied? Is the incident broader in its scope than the principal grant? If it be true, as claimed, that when one who has the whole right in the invention, to make, sell, and use (either for the whole or a part of the United States), sells a machine, it passes from under the dominion of the patent, and may be used anywhere, does that follow when a mere licensee to make and sell within specified limits sells the patented inven-

tion to another? Does the cautiously guarded decision of the Supreme Court in *Adams v. Burke* (17 Wallace, 453), carefully limited to the precise case then under consideration, reasonably import an affirmative to the last question? Especially may one having a license to make and sell within a limited territory only deliberately contract to supply the patented invention for use in other territory, provided his manufacture and his actual negotiation of sales are within the privileged limits, and may he practically avail himself of the markets of the whole country?" 1 Bann. & A. 330 (335).

That the assignee of a territorial right to make, use, and sell a machine may sell the product of the machine anywhere, as the territorial restriction relates to the machine only, see *Simpson v. Wilson* (1846), 4 How. 709; 2 Robb, 469.

condition governing the enjoyment of the former license, and confining the use of the art to the production of such results as can lawfully be sold.² A license to sell, or to use and sell, may embrace by implication the right to make, when, under all the circumstances of the case, the rights expressly granted would otherwise be unavailable to the licensee.³

§ 814. **Express Licenses: Exclusive or Non-Exclusive.**

Licenses may be exclusive or non-exclusive. An exclusive license confers upon the licensee the sole right to make, use, or sell the invention within the area or for the purposes described.¹ A non-exclusive license confers this right upon him in common with the licensor, and with all other persons upon whom the licensor may see fit to bestow it. The nature of the right in either case is the same; its value alone being

² In *Boyd v. Brown* (1843), 3 McLean, 295, *per Curiam*: (296) "There can be no doubt that the original patentee, in selling rights for counties or States, might, by a special covenant, prohibit the assignee from vending the article beyond the limits of his own exclusive right. But in such a case the remedy would be on the contract, and not under the Patent Law. For that law protects the thing patented, and not the product. The exclusive right to make and use the instruments for the construction of this bedstead in Hamilton County is what the law secures, under his assignment, to the complainant. Any one violates this right who either makes, uses, or sells these instruments within the above limits. But the bedstead, which is the product, so soon as it is sold, mingles with the common mass of property, and is only subject to the general laws of property." 2 Robb, 203 (205).

³ That a license to use and sell carries the right to make, if without it the expressed privilege cannot be reasonably enjoyed, see *Hamilton v. Kingsbury* (1878), 15 Blatch. 64; 14 O. G. 448; 3 Bann. & A. 346.

That the right to make and sell includes the right to use, see *Turnbull v. Weir Plow Co.* (1880), 14 Fed. Rep. 108; 9 Bissell, 334; 5 Bann. & A. 288; 23 O. G. 91; also § 808 and notes, *ante*.

§ 814. ¹ That a covenant in a license not to give the same right to any other is equivalent to an exclusive right in the licensee, see *Day v. Cary* (1859), 1 Fisher, 424.

That the contract of a workman to give his employer the exclusive benefit of his inventions is an exclusive license during the life of the patent, see *Wilkins v. Spafford* (1878), 13 O. G. 675; 3 Bann. & A. 274.

That a licensor granting an exclusive territorial license excludes himself and all others from using any device, though different in name, which is substantially the same, see *Ferree v. Smith* (1877), 29 La. Ann. 811.

That an exclusive license, with an agreement to assign after the license expires, is without consideration if the patent is void, such a license conveying no rights which the licensee did not already have, see *Harlow v. Putnam* (1878), 124 Mass. 553.

affected by its confinement to himself or its indefinite distribution to others. To this statement there is apparently a single exception, — an exclusive license to make and use and sell operating upon the monopoly as well as the invention and vesting both in the licensee, while a non-exclusive license of the same extent merely conveys the rights in the invention.² But the exception is apparent only, — such an exclusive license being in reality, though not in form, an assignment or a grant, according to the territory to which it relates.

§ 815. **Express Licenses: By whom Granted: Caveat Emptor.**

Any owner of a patented invention may issue licenses within the limits of his own right, in any form and to any extent which he may deem expedient. A patentee or assignee, whether sole or joint, may license for the whole or for any part of the United States. A grantee can license only within the territory covered by his ownership of the invention. A license issued by one joint-owner is valid by estoppel against the other owners, though contrary to their will, whatever remedy they have under the present law being in an account for their share of the license-fee from the licensor.¹ But no part-owner can grant an exclusive license, or in any other manner restrict the licensing powers of the other owners of the patent.² As between the licensee and licensor the doctrine of *caveat emptor* is rigidly applied.³ The rights of

² In *Mitchell v. Hawley* (1872), 16 Wall. 544, Clifford, J. : (548) "Purchasers of the exclusive privilege of making or vending the patented machine hold the whole or a portion of the franchise which the patent secures, depending upon the nature of the conveyance." 3 O. G. 241 (242); 6 Fisher, 331 (333).

See also *Pickhardt v. Packard* (1884), 23 Blatch. 23; 30 O. G. 179; 22 Fed. Rep. 530; *Nellis v. Pennock Mfg. Co.* (1882), 13 Fed. Rep. 451; 22 O. G. 1131; *Farrington v. Gregory* (1870), 4 Fisher, 221; and § 808, note 5, *ante*.

§ 815. ¹ That a license by one joint-owner is valid, see *Washburn & Moen*

Mfg. Co. v. Chicago Galvanized Wire Fence Co. (1884), 109 Ill. 71; *Curran v. Burdsall* (1883), 20 Fed. Rep. 835; 27 O. G. 1319; *Dunham v. Indianapolis & St. Louis R. R. Co.* (1876), 7 Bissell, 223; 2 Bann. & A. 327; *De Witt v. Elmira Nobles Mfg. Co.* (1876), 66 N. Y. 459; *Clum v. Brewer* (1855), 2 Curtis, 506; and § 796 and notes, *ante*.

² See cases cited in note 1, and § 796 and notes, *ante*.

³ That the doctrine of *caveat emptor* obliges the licensee to ascertain whether the licensor has a good title, see *Abbett v. Zusi* (1879), 5 Bann. & A. 38.

the licensee can never exceed those of his licensor, and it is his duty to ascertain, before he purchases his rights, whether the licensor is able to convey the interest he proposes to bestow.⁴ No previous conveyance, whether assignment, grant, or license, can be affected by the one which he receives, and thus he takes his right subject to all the limitations these may impose upon him.⁵

§ 816. Duration of Express License: Effect of its Termination.

Unless otherwise agreed, an express license expires at the end of the original term of the patent.¹ No one but the patentee, or an assignee or grantee to whom the patentee has conveyed the extended term, can authorize the practice of the invention under the extension; and a license even by these is never presumed to cover the extended term unless such an intention clearly and unequivocally appears upon the face of the license itself.² A license for the "whole term for which let-

⁴ That the rights of a licensee cannot be broader than those of his licensor, see *Waterman v. Wallace* (1875), 13 Blatch. 128; 2 Bann. & A. 126.

⁵ That an assignee, having assigned all his interest in the patent, cannot confer any right on a subsequent purchaser to use the invention, either during the present or an extended term, see *Union Paper Bag Mach. Co. v. Nixon* (1876), 1 Flippin, 491; 2 Bann. & A. 244; 9 O. G. 691.

§ 816. ¹ That a license to practise an invention expires with the patent on which it is based, see *Wetherell v. Passaic Zinc Co.* (1872), 6 Fisher, 50; 2 O. G. 471; 9 Phila. 385; *Mitchell v. Hawley* (1872), 16 Wall. 544; 3 O. G. 241; 6 Fisher, 331; *England v. Thompson* (1869), 3 Clifford, 271.

That an exclusive license expires when the term of the patent ends, see *Union Paper Bag Mach. Co. v. Nixon* (1882), 105 U. S. 766; 21 O. G. 1275.

That a grant to make and use within certain territory for the term of the patent expires with the original term,

and does not remain under an extension, see *Wood v. Michigan Southern & Northern Indiana R. R. Co.* (1868), 3 Fisher, 464; 2 Bissell, 62.

That a sub-license to practise an invention expires with the term of the patent, see *Hawley v. Mitchell* (1871), 4 Fisher, 388; 1 O. G. 306; Holmes, 42.

That an express license to use an invention expires with the original patent, see *Union Paper Bag Mach. Co. v. Nixon* (1881), 105 U. S. 766; 21 O. G. 1275; *Wooster v. Sidenberg* (1876), 10 O. G. 244; 13 Blatch. 88; 2 Bann. & A. 91; *Mitchell v. Hawley* (1872), 16 Wall. 544; 3 O. G. 241; 6 Fisher, 331.

² That the license is presumed to cover only the original term of the patent, and one who claims that it covers the extended term must prove it, see *Hodge v. Hudson River Railroad Co.* (1868), 6 Blatch. 85; 3 Fisher, 410.

That a license may be made to endure under an extension, and the royalty will be collectible, see *Union Mfg. Co. v. Lounsbury* (1869), 41 N. Y. 363.

That a license to endure till all pat-

ters-patent are or may be granted," or under "any letters-patent granted by the United States," does not satisfy the requirements of this rule, and will be operative only during the original term.³ The effect of the termination of the license

outs now or hereafter to be granted for the invention expire is good, and will run until the expiration of the latest patent, see *McKay v. Mace* (1884), 23 Fed. Rep. 76.

That after an extension by act of Congress the licensee stands on his original title, not on the act of Congress granting the extension, such act not conferring rights but merely protecting them, see *Union Mfg. Co. v. Lounsbury* (1869), 41 N. Y. 363.

That one who takes a license under an extension thereby admits that he has no existing rights which he did not then set up, and is estopped from asserting them against the patentee, see *Wooster v. Taylor* (1874), 12 Blatch. 384; 1 Bann. & A. 594; 8 O. G. 644.

³ In *Hodge v. Hudson River Railroad Co.* (1868), 6 Blatch. 85, Blatchford, J.: (89) "The presumption of law in regard to every license under a patent is that the parties deal in regard only to the term existing when the license is given, unless an express provision is inserted looking to a further interest. (*Wilson v. Rousseau*, 4 How. 646, 685, 686). Unless there be such a stipulation, showing that the parties contemplated an extension, the court is bound to construe the instrument, in each and all of its provisions, as relating to the then existing term only. (*Gibson v. Cook*, 2 Blatchf. C. C. R. 144, 146.) The language of the license in the present case is very different from the language of the instrument in the case of *Phelps v. Comstock* (4 McLean, 353). In that case the language was 'to the full end of the term or terms for which letters-patent are or may be granted for said improvements.' The court held that that lan-

guage embraced any subsequent extension of the patent. So, also, in *Case v. Redfield* (4 McLean, 526), where the court held that the language of the instrument embraced an extension, the language was 'all the right, title, and interest . . . in said invention and improvement, as secured . . . by said letters-patent, for the whole of the United States, . . . for which letters-patent were or may be granted for said improvements.' In *Clum v. Brewer*, (2 Curtis, C. C. R. 506, 508), where the court held that the parties intended to cover an interest in any extension, the language was 'one undivided fourth part of my said invention, and of all my rights and property therein, secured by my said caveat or otherwise, that I have or may have from any letters-patent for the same, granted by the Government of the United States and within the limits thereof.' In *Pitts v. Hall* (3 Blatchf. C. C. R. 201), where the court held that there was no doubt that the parties intended by the language used to refer to and provide for an extension, the language to that effect was clear and unambiguous. In all four of the cases referred to, the instrument under consideration was one purporting to convey, by assignment or grant, an interest in the invention patented, and an interest in the entire right granted by the existing patent to make and use and vend to others to be used the invention patented. As Mr. Justice Curtis says, in *Clum v. Brewer* (p. 521), 'where the invention is the subject sold it would be natural to expect to find, in the instrument of sale, something showing an intention that the purchaser should be interested, not merely in the original letters-patent, but in any ex-

upon the privileges of the licensee, however, differs according to the right which forms the subject-matter of the license, and the class to which the patented invention properly belongs. If the invention is an instrument a license to make it, or to sell it, expires with the original term of the patent, and no further manufacture or sale will be lawful without a license under the extension.⁴ But a license to make and use, or a license to use a particular instrument manufactured under the patent and duly sold to the licensee, remains in force, so far as the use is concerned, until the instrument made or purchased is worn out and can no longer be repaired without destroying its identity.⁵ A license to use a certain number

tension thereof, securing the exclusive right to the same invention which was the subject of the sale.' In the present case neither the invention, nor any interest in it, nor any interest in the entire right covered by the patent was granted, but merely a license to use the invention, and to construct brakes containing it for such use on certain cars, on a certain railroad; and such license is to continue during *the term* for which *said* letters-patent are or may be granted. *The term* for which *said* letters-patent — that is, the letters-patent granted October 2d, 1849, and re-issued March 1st, 1853 — were granted, or might be granted, was a term ending October 2d, 1863. It is impossible, on any fair construction of the language, and in view of the adjudged cases, to hold that the license was intended by the parties to cover an extended term of the patent." 3 Fisher, 410 (414).

See also *Wetherell v. Passaic Zinc Co.* (1872), 6 Fisher, 50; 2 O. G. 471; 9 Phila. 385.

⁴ That a license to make or to sell, or to make and sell, a patented article expires with the original patent unless otherwise provided in the license, see *Mitchell v. Hawley* (1872), 16 Wall. 544; 3 O. G. 241; 6 Fisher, 331; *Wood v. Michigan Southern R. R. Co.* (1868), 2 Bissell, 62; 3 Fisher, 464.

That a license to make, use, and sell runs for the term of the patent, see *Birdsell v. Shaliol* (1884), 112 U. S. 485; 30 O. G. 261.

⁵ In *Mitchell v. Hawley* (1872), 16 Wall. 544, Clifford, J.: (548) "Purchasers of the exclusive privilege of making or vending the patented machine hold the whole or a portion of the franchise which the patent secures, depending upon the nature of the conveyance; and of course the interest which the purchaser acquires terminates at the time limited for its continuance by the law which created the franchise, unless it is expressly stipulated to the contrary. But the purchaser of the implement or machine for the purpose of using it in the ordinary pursuits of life stands on different grounds, as he does not acquire any right to construct another machine either for his own use or to be vended to another for any purpose. Complete title to the implement or machine purchased becomes vested in the vendee by the sale and purchase; but he acquires no portion of the franchise, as the machine when it rightfully passes from the patentee to the purchaser, ceases to be within the limits of the monopoly." 3 O. G. 241 (242); 6 Fisher, 331 (333).

In *Wetherell v. Passaic Zinc Co.* (1872), 2 O. G. 471, McKennan, J.:

of patented instruments in like manner confers upon the licensee the right to keep that number in employment during

(474) "A broad distinction is thus indicated between the use of an invention and the use of a patented machine. While the right to the use of the invention expires with the end of the term of the original patent, the right to the continued use of the machine which embodies it is protected. The law did not intend to revive an assignment or grant which expired with the term of the original patent, but to protect a species of tangible property, sold by the patentee, the value of which depended chiefly upon the owner's right to use it, and which, without some saving provision, would fall within the grasp of the exclusive rights vested in the patentee by the extension. It was manifestly, then, something less than the entire right to use the invention which the act contemplated. What that is is clearly stated in the opinion of the court, not as a dictum of the judge who delivered it, but as an exposition of the meaning of the act, which was necessary to a decision of the cause. 'The thing patented' is the subject of the use, and the court say, where these words are employed in the act in connection simply with the right to use, they refer only to the patented machine, and not to the invention. This, then, is an authoritative definition of their significance in the clause in question, and they must therefore be taken to mean a specific machine, and, in connection with the other words of the clause, to confer a right to use *it*, 'nothing more.' And it has since been held that this right is restricted to the mere use, and does not cover the reconstruction of the machine. It necessarily follows that this saving clause is applicable only to inventions which are susceptible of embodiment in a substantial and tangible form, and not to those which consist

in a formula for producing prescribed results, and when those results are obtained there is an end of the thing patented, and which, as often as it is employed in practice, involves the renewed use or reproduction of the entire invention." 6 Fisher, 50 (58); 9 Phila. 385 (389).

In *Hawley v. Mitchell* (1871), 1 O. G. 306, Shepley, J. : (307) "No words of limitation, however clearly expressed, confining an assignee's right to the original term, will have any effect to deprive the assignee or his assigns of the right to use, during the extended term of the patent, machines lawfully constructed and used by them during the original term. But this right applies only to machines which have passed outside of the monopoly by a lawful sale of the whole monopoly in the particular machine during the original term." Holmes, 42 (44); 4 Fisher, 388 (390).

In *Wood v. Michigan Southern & Northern Indiana R. R. Co.* (1868), 2 Bissell, 62, McDonald, J. : (65) "To every assignee or grantee of a patent holding the right, at the expiration of the first term of it, to use the thing patented, this section of the act plainly gives the same right to use it during the term of the renewal of the patent, exactly to the extent to which he had the right to use it under the first term of the patent. And it is clear that he may not only use it, but repair it for use till it is worn out. So the Supreme Court has decided. On the contrary, it is equally clear that this section does not authorize the assignee or grantee either to sell or to manufacture for sale the thing patented; for the terms of the section only embrace 'assignees and grantees of the right to use.' . . . (67) The same doctrine was adhered to in

the original term, to replace them with others as they become unserviceable, and to use those actually on hand when the patent expires until they are no longer capable of use.⁶ A general license to use the invention, having no reference to particular instruments or to a specific number of the patented articles, and not granted in connection with an unrestricted sale of

Wilson v. Simpson, 9 How. 109. And Mr. Justice Wayne, in delivering the opinion of the court in that case, said that the decision in *Wilson v. Rousseau* 'does not permit an assignee of the first term of a patent, after its renewal and extension, to make other machines.' The subsequent cases of *Bloomer v. McQuewan*, 14 How. 539; *Chaffee v. The Boston Belting Co.*, 22 How. 217; *Bloomer v. Millinger*, 1 Wallace, 340,-- all recognize and approve the same doctrine. The doctrine established in all these cases is that an assignee of a patent holding, at the expiration of the first term, a right during that term to make and use the thing patented, may during the time of its subsequent extension, continue to use it, and even repair it for use; but that he cannot make it for use, or for any other purpose. It is true that in the cases in the Supreme Court referred to, there was a remarkable diversity of opinion among the judges. But that diversity had no reference to anything favorable to the defence in this case. It seems to have arisen solely from an opinion, on the part of the minority of the judges, that the assignee of a patent for its first term had no right even to use the thing patented after the expiration of that term, unless the assignment, by its terms, gave him that right. And this circumstance may well admonish us not to extend this right to the thing patented." 3 Fisher, 464 (468).

See also *Union Paper Bag Mach. Co. v. Nixon* (1882), 105 U. S. 766; 21 O. G. 1275; *Eunson v. Dodge* (1873),

18 Wall. 414; 5 O. G. 95; *Brooks v. Bicknell* (1845), 4 McLean, 64.

That the right to use includes the right to repair and to purchase new when the old are worn out, see *Bicknell v. Todd* (1851), 5 McLean, 236.

That a right to use subsists with the same limitations as to place, etc., after an extension as before, see *Day v. Union India Rubber Co.* (1856), 3 Blatch. 488.

That the owners of an extension and their grantees take their title subject to the rights of the existing owners of the patented devices, see *Union Paper Bag Mach. Co. v. Nixon* (1882), 105 U. S. 766; 21 O. G. 1275.

That a licensee is neither an assignee nor a grantee, under Sec. 4928, Rev. Stat., but must be a purchaser of the patented article or be protected by some agreement of sale lawfully made by the owner of the patent, see *Wooster v. Sidenberg* (1875), 10 O. G. 244; 13 Blatch 88; 2 Bann. & A. 91.

That where an agent of the patentee, for a valuable consideration, licenses another to construct a device embodying the invention, the patentee has no right to the device, but the licensee may use the invention in connection with such device even under an extension, see *Black v. Hubbard* (1877), 3 Bann. & A. 39; 12 O. G. 842.

⁶ That a license to use one device is a license to make one for use and to use it until it is worn out, and to supply its place with another and so on, till the patent expires, and then to use the one at that time in use until it is also worn out, see *Woodworth v. Curtis* (1847), 2 W. & M. 524; 2 Robb, 603.

the patented article, on the contrary, expires with the patent.⁷ If the invention is an art, a license to use it is a license to practise the invention as a whole, and in analogy with the preceding rules should also terminate with the original patent.⁸ But it has been held that such a license granted by the patentee, or by an assignee to whom the extension has already been conveyed, continues during the extended term and authorizes the licensee not only to employ the process but to procure new apparatus for its use after the extension.⁹ These various rights the licensee will waive if he takes a new license from the owners of the extended term.¹⁰ A license to a specific person ceases at his death.¹¹

§ 817. Express License not Recordable.

A license is not such a conveyance of an interest in the patented invention as to affect its ownership, and hence is not required to be recorded.¹ All subsequent purchasers

⁷ That a general license to use expires with the patent, see *Union Paper Bag Mach. Co. v. Nixon* (1882), 105 U. S. 766; 21 O. G. 1275; *Wooster v. Sidenberg* (1875), 10 O. G. 244; 13 Blatch. 88; 2 Bann. & A. 91.

⁸ That the grant of a right to use a process, even though coupled with the sale of apparatus suitable for use in that process, does not convey the right to use the process during an extension, see *Wetherell v. Passaic Zinc Co.* (1872), 2 O. G. 471; 9 Phila. 385; 6 Fisher, 50.

⁹ That the right to practise a patented process, if derived from the patentee himself, continues during an extension, even against an assignee of the extended term, and even though the licensee makes new apparatus to do it with after the extension, see *Day v. Union India Rubber Co.* (1856), 3 Blatch. 488.

¹⁰ That where a licensee has articles in use at the expiration of the patent, and has the right to use them during the extension and until they are used

up, but takes a new license under the extension and forfeits it, his old license cannot avail him even as to these articles, see *Wooster v. Taylor* (1874), 12 Blatch. 384; 1 Bann. & A. 594; 8 O. G. 644.

¹¹ That a personal license granted for a certain period will expire at the death of the licensee unless also granted to his assigns, see *Oliver v. Rumford Chemical Works* (1883), 109 U. S. 75; 25 O. G. 784.

That under a personal and unassignable license to make and sell, the articles on hand at the death of the licensee may be sold by his representatives, see *Montross v. Mabie* (1887), 30 Fed. Rep. 234; 41 O. G. 931.

§ 817. ¹ That a license need not be recorded, see *Hamilton v. Kingsbury* (1879), 17 Blatch. 264; 17 O. G. 147; 4 Bann. & A. 615; *Chambers v. Smith* (1870), 5 Fisher, 12; *Farrington v. Gregory* (1870), 4 Fisher, 221; *Brooks v. Byam* (1843), 2 Story, 525; 2 Robb, 161.

take their titles subject to the rights of existing irrevocable licensees, as assignees of other property receive it subject to the obligations imposed upon it by the contracts of its previous owners.² The value of the patented invention to the vendee may be impaired by such outstanding licenses, but of this he must inform himself at his own risk as best he may. The record of a license, not being legally required, is not constructive notice to any person or for any purpose.³

§ 818. Express Licenses: How Construed.

A license is construed by the courts according to the intention of the parties, as manifested by the language they employ.¹ If the license is in writing all previous parol agreements covering the same subject-matter are merged in the written instrument, and oral evidence is not admissible to expand, contract, or vary its provisions.² When several licenses or other contracts constitute together one transaction, all are to be considered in the interpretation of each, as if they were a single instrument.³ The scope of any license, if general in its terms, is to be limited by the patent on which it is based; and where the conduct of the parties and their dealings with each other have given a practical construction to the conveyance, not inconsistent with its letter, this also is regarded in determining its meaning.⁴ A license conferred before the is-

² That an irrevocable license is good without record against subsequent purchasers of the patent, see *Farrington v. Gregory* (1870), 4 Fisher, 221.

³ That the record of a license is not constructive notice, see *Chambers v. Smith* (1870), 5 Fisher, 12.

§ 818. ¹ That a license is to be construed by the intent of the parties, see *Wetherell v. Passaic Zinc Co.* (1872), 2 O. G. 471; 9 Phila. 385; 6 Fisher, 50.

That in enforcing a license the courts will follow the contract, not the moral conditions outside it, see *Ex parte Fuller* (1874), 5 O. G. 643.

² That a parol agreement, made before a written license, is merged in the

license, see *Evory v. Candee* (1879), 17 Blatch. 200; 4 Bann. & A. 545.

That oral evidence is not admissible to explain a written license, but the parties must stand by it as made, see *Troy Iron & Nail Factory v. Corning* (1849), 1 Blatch. 467.

³ That several contracts for sale and license, made between the same parties on the same day, may all be construed together, see *Hammond v. Mason & Hamlin Organ Co.* (1875), 92 U. S. 724.

⁴ That a license is limited in scope by the patent on which it is based, see *Stuart v. Shantz* (1872), 6 Fisher, 35; 2 O. G. 524.

That a license to use the invention

sue of the patent must be construed as applying to the actual invention patented, however this may differ from the one described and claimed in the original application.⁵

§ 819. Reciprocal Rights and Duties of Licensors and Licensees.

The reciprocal rights and duties of licensors and licensees are determined by the express provisions of the license, and by implication of law from the relation which exists between them. If the licensee fulfils the conditions of the license, he is entitled to enjoy the privileges therein conferred upon him without interference from the licensor, and to be protected by the licensor against the violation of his rights by others.¹ Corresponding to this right of the licensee is the duty of the

covered by one Claim of a patent gives no right to use the inventions covered by its other Claims, see *United Nickel Co. v. California Electrical Works* (1885), 25 Fed. Rep. 475.

That the practical construction given to a license by the act of the parties is of great weight, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

⁵ That a license given pending an application for a patent covers the patent as granted, however it may differ from the original application, see *Kelly v. Porter* (1883), 17 Fed. Rep. 519 ; 8 Sawyer, 482.

§ 819. ¹ In *Cohn v. National Rubber Co.* (1878), 3 Bann. & A. 568, Clifford, J. : (568) "Inventors whose inventions are secured by valid letters-patent have the exclusive right, for the period allowed by law, to make, use, and vend the thing patented ; and by virtue of that right they may assign the patent, or license others to practise the invention. Persons duly licensed by the owner of the patent may make, use, and vend the patented product, within the terms and conditions of their license, without hindrance or interruption by the patentee, if they themselves comply with those terms and conditions." 15 O. G. 829 (829).

That a licensee, acting within his license, is not an infringer, see *Kelly v. Porter* (1883), 8 Sawyer, 482 ; 17 Fed. Rep. 519.

That a licensee cannot extend his license by acting beyond its terms, even where the conduct of his licensor is hostile, see *Aspinwall Mfg. Co. v. Gill* (1887), 40 O. G. 1133 ; 32 Fed. Rep. 697.

That a licensee, authorized to sell materials to be used in a patented process to the licensees of such process, becomes an infringer if he sells the materials for use to others known by him not to be licensees, see *Willis v. McCullen* (1886), 38 O. G. 1017 ; 29 Fed. Rep. 641.

That a license does not free the licensee from liability when he infringes a different patent not owned by the licensor, see *Stuart v. Shantz* (1872), 6 Fisher, 35 ; 2 O. G. 524.

That a licensee may deny that his acts are infringements even though his contract forbids him to deny it, see *White v. Lee* (1882), 23 O. G. 1621 ; 14 Fed. Rep. 789.

That a licensee is bound by his license though he neglects to read it before signing or accepting it, see *McKay v. Jackman* (1883), 17 Fed. Rep. 641.

licensor not to permit others to use gratuitously the privilege for whose enjoyment the licensee is compelled to pay, and to prosecute infringers whenever their wrongful acts become injurious to the licensee.² If the license is granted upon con-

² In *Goodyear v. Housinger* (1867), 2 Bissell, 1, Drummond, J. : (8) "It was unfair, and is always unfair, to those who are licensed to use the particular article or method, under letters-patent, to allow others to use what the licensees have thus purchased. It is true that this conduct may be explained. There may be circumstances such as would not warrant any inference against the patentee, from such conduct; as, for instance, if the patentee were unable to prosecute the parties thus infringing the patents; or, if circumstances were such as to indicate that there was no acquiescence, expressed or implied, in the violation; or, as appears in this case, that there was a suit pending in one of the circuit courts of the United States, where the right under the patent was to be tested. That would constitute a reason why the patentee, or those claiming under him, should not involve themselves in great expense while there might be a question as to the validity of the patent." 3 Fisher, 147 (153).

That an exclusive license implies no warranty against infringers, see *Baker v. Mason* (1854), 3 R. I. 45.

That a licensor fulfils his agreement to prosecute infringers if he stops the infringement in any way, see *Foster v. Goldschmidt* (1884), 22 Blatch. 287; 21 Fed. Rep. 70; 28 O. G. 915.

That a licensor covenanting to sue infringers, not to license others, and to use diligence in securing the licensee's rights, is not bound to protect the licensee against those who claim under adverse patents, nor does he warrant against them, nor is he estopped to deny the validity of the patent in an action against him for not suing, or for

licensing others, see *Jackson v. Allen* (1876), 120 Mass. 64.

That a patentee, after granting an exclusive license for the term of the patent and agreeing to assign the extended term, cannot contract with third parties against the interests of his licensee, see *Adams v. Bridgewater Iron Co.* (1886), 26 Fed. Rep. 324; 34 O. G. 1045.

That a new license, granted to others in violation of the rights of an existing licensee, makes the licensor liable for all damage resulting, see *Pitts v. Jameson* (1853), 15 Barb. 310.

That an agreement by the licensor not to license any other person is broken by every concession, by suit or otherwise, which operates as a recognition of the rights of others to make and use, whether they are later patentees or not, see *Jackson v. Allen* (1876), 120 Mass. 64.

That where a licensor agrees that royalties shall be reduced if subsequent licenses are granted to others upon lower terms, the licensee cannot insist on the reduction unless he accepts the other burdens imposed upon the later licensees, see *Foster v. Goldschmidt* (1884), 22 Blatch. 287; 21 Fed. Rep. 70; 28 O. G. 915.

That a licensor will not be enjoined from suing for his license fees on the ground that he charges the plaintiffs more than he agreed to, their relief being at law, but he may be enjoined from declaring the license void and thus causing damage to the plaintiffs, see *Baker Mfg. Co. v. Washburn & Moen Mfg. Co.* (1883), 18 Fed. Rep. 172; 5 McCrary, 504.

That suing out and serving an injunction is a breach of the licensor's contract,

dition precedent, the condition must be performed before the privileges described can vest in the licensee, and any premature exercise of them will be an infringement of the patent, and render the licensee liable to an injunction.³ Pending the license, a violation of its concurrent conditions by the licensee suspends his privileges, and subjects him to an action for a breach of contract.⁴ If he persists in using them after he has, either by words or conduct, repudiated his license, he may be sued as an infringer, and cannot plead his license as a defence.⁵ When the license is not made irrevocable by its terms, or paid for by a gross sum in advance, the licensor may recall it on condition broken;⁶ but an unconditional license, limited

see *Sullings v. Goodyear Dental Vulcanite Co.* (1877), 36 Mich. 313.

That a license may be annulled on account of fraudulent representations of the licensor as to the salability of the invention, see *Hull v. Fields* (1882), 76 Va. 594.

³ In *Goodyear v. Congress Rubber Co.*, (1856), 3 Blatch. 449, Ingersoll, J. : (455) "When a license is granted to any one to use a patent in the manufacture of goods, which license is accompanied with an obligation, in favor of the patentee, on the part of the one to whom it is granted, to do or not to do a particular thing, and which obligation is the consideration upon which the license is granted, he upon whom the obligation rests must perform it, and, if he will not perform it, an injunction will be granted to restrain him from any further right to use the patent under the license."

⁴ That a licensee, violating the provisions of his license, may be sued on the contract or for infringement, and if the suit is on the contract the damages are the damages from the infringement, see *Magic Ruffle Co. v. Elm City Co.* (1875), 8 O. G. 773 ; 13 Blatch. 151 ; 2 Bann. & A. 152.

⁵ In *Cohn v. National Rubber Co.* (1878), 3 Bann. & A. 568, Clifford, J. :

(571) "Licensees, if they fulfil the stipulations of their licenses, are entitled to practise the invention within the terms and conditions of the instrument, to the extent of the authority conferred without question or impediment by the owner of the patent. Doubt upon that subject cannot be entertained ; but if they refuse to perform on their part, and repudiate the license, they may be treated by the owner of the patent, at his election, as infringers. He may have his remedy by suit upon the license, in case they have repudiated the license, or he may elect to treat them in future as infringers of his exclusive rights under the patent. Being infringers, they cannot set up the license in defence of a suit, any more than if they had never possessed any such authority." 15 O. G. 829 (830).

See also *Moody v. Taber* (1874), Holmes, 325 ; 5 O. G. 273 ; 1 Bann. & A. 41 ; *Brooks v. Stolley* (1845), 3 McLean, 523 ; 2 Robb, 281.

That a purchaser from a repudiating licensee, with notice, will be an infringer, see *Moody v. Taber* (1874), 1 Bann. & A. 41 ; 5 O. G. 273 ; Holmes, 325.

⁶ That where a license is conditional a breach of the condition will avoid the license at the option of the licensor, see

in duration by the life of the patent, is irrevocable.⁷ The surrender of a license by one of several joint-licensees does not affect the privileges of the others.⁸

§ 820. Licensee under Express License: When Estopped to Deny Validity of the Patent.

A licensee, having accepted a license, and while exercising under its protection the rights therein conferred, is estopped from denying the validity of the patent in any suit in which such exercise of his license privileges is the basis of the controversy.¹ In the absence of express provisions in the license

Woodworth v. Cook (1850), 2 Blatch. 151.

That where a license is avoided for breach of condition both parties are remitted to their original rights, and the licensee may defend against the patent, as if there were no license, see *Woodworth v. Cook* (1850), 2 Blatch. 151.

⁷ That a license, unlimited as to time and not conditioned otherwise than on the grant of the patent, is irrevocable, see *Kelly v. Porter* (1883), 8 Sawyer, 482; 17 Fed. Rep. 519.

⁸ That the surrender of a license by a part of the licensees does not avoid it as to the others, see *Theberath v. Celluloid Mfg. Co.* (1880), 3 Fed. Rep. 143; 5 Bann. & A. 577.

§ 820. ¹ That an assignor taking a license under his assignee is estopped to deny the validity of the patent, see *Consolidated Middlings Purifier Co. v. Guilder* (1881), 3 McCrary, 186; 9 Fed. Rep. 155.

That a licensee who has enjoyed without disturbance the benefit of a patent cannot dispute its validity in a suit for compensation, see *Deane v. Hodge* (1886), 35 Minn. 146.

That an exclusive licensee, not evicted, and benefiting by the license, cannot impeach the patent on a suit for royalties, see *Rogers v. Reissner* (1887), 41 O. G. 351; 30 Fed. Rep. 525; *McKay v. Jackman* (1883), 17

Fed. Rep. 641; *White v. Lee* (1882), 14 Fed. Rep. 789; 23 O. G. 1621.

That a defendant in a suit brought to recover license fees, payable according to the quantity made, cannot deny the validity of the patent unless fraud has been practised upon him, for having had the benefit he must pay for it, see *Wilder v. Adams* (1846), 2 W. & M. 329.

That a purchaser from the licensee is not estopped to deny the validity of the patent, in a suit for infringement, see *Baltimore Car Wheel Co. v. North Baltimore Passenger R. R. Co.* (1884), 21 Fed. Rep. 47.

That a licensee is not necessarily estopped by his license, nor prevented from making any defence that any other defendant could, see *Burr v. Duryee* (1862), 2 Fisher, 275.

That a licensee, while claiming under the license, is estopped to deny the validity of the patent, see *Brown v. Lapham* (1886), 23 Blatch. 475; 27 Fed. Rep. 77; 37 O. G. 676; *Baltimore Car Wheel Co. v. North Baltimore Passenger Ry. Co.* (1884), 21 Fed. Rep. 47.

That a licensee cannot deny the consideration of his license after long delay and the enjoyment of all its benefits, see *Davis v. Gray* (1867), 17 Ohio St. 330.

That a licensee sued for license fees may deny the originality of the inven-

to the contrary, however, he may repudiate the license, cease to claim its protection, and as to his future exercise of the privileges described therein defend himself upon the ground that the patent is invalid.² After such a repudiation of the license he may also dispute the validity of the patent in actions against him for license fees for the past making or use of the invention, but not for royalties on completed sales.³ When the license in its terms admits the validity of the patent, and provides that no act of either party shall impair the effect of this admission, the licensee cannot, at any time during the period for which the license was granted, attack the patent in his own defence.⁴ Neither an offer to take a

tion unless the license estops him, see *Morse Arms Mfg. Co. v. U. S.* (1880), 16 Ct. of Cl. 296.

That although a patent may not be good for all its claims, a licensee taking its benefits cannot set up its invalidity in a suit against him for royalties, see *Milligan v. Lalancé & Grosjean Mfg. Co.* (1884), 21 Fed. Rep. 570 ; 29 O. G. 367.

² That a licensee cannot repudiate his contract without notice to his licensor, see *Marsh v. Dodge* (1875), 4 Hun, 278.

That where a licensee has the right to terminate the license on a three months notice, and notifies the licensor of his present intention to terminate it after three months, this is sufficient notice, see *Wilde v. Smith* (1879), 8 Daly, 196.

That a licensee, having repudiated his license with the knowledge of the licensor, may dispute the validity of the patent, see *Brown v. Lapham* (1886), 23 Blatch. 475 ; 27 Fed. Rep. 77 ; 37 O. G. 676 ; *White v. Lee* (1880), 3 Fed. Rep. 222 ; 5 Bann. & A. 572.

That if the licensor repudiates the license, the licensee is not estopped thereby, see *Baltimore Car Wheel Co. v. North Baltimore Passenger Ry. Co.* (1884), 21 Fed. Rep. 47.

³ For the cases in which a licensee

can or cannot dispute the validity of the patent in actions for license-fees and royalties due before his repudiation, see §§ 1251, 1252, and notes, *post*.

⁴ That a licensee is estopped to deny the validity of the patent, while the license is in force, if the license so provides, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100 ; 37 O. G. 781 ; *Magic Ruffle Co. v. Elm City Co.* (1875), 13 Blatch. 151 ; 8 O. G. 773 ; 2 Bann. & A. 152.

That if a licensee binds himself not to deny the validity of the patent, his only defence is that he keeps within his license, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100 ; 37 O. G. 781.

That a license is not affected by judgments in favor of third parties against the validity of the patent, if the licensee agreed not to dispute it, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100 ; 37 O. G. 781.

That where a license admits that the patent was lawfully granted, and provides that the revocation shall not impair the effect of this admission, the licensee is estopped to deny the validity of the patent, see *Evory v. Candee* (1879), 17 Blatch. 200 ; 4 Bann. & A. 545.

That a licensee under a license ad-

license, nor an expired license under which the defendant no longer claims, works such an estoppel.⁵ A licensee stamping articles answering to the description given in the patent with the name and date of the patent thereby admits that they were made under the protection of his license, and as to these is estopped from disputing the validity of the patent or his own obligations to the licensor.⁶

§ 821. Express License: Consideration Therefor: Royalties.

The consideration for the license, moving from the licensee to the licensor, may be money or any other object or obligation, as the parties may agree. Where the consideration is in money, it may be payable in a gross sum either in advance or at any other specified time, or it may be payable in periodical instalments, or in amounts determined by the extent to

mitting the validity of the patent, and binding him to defend it, is estopped to deny the patent and must pay royalties while he uses the invention, see *Washburn & Moen Mfg. Co. v. Cincinnati Barbed Wire Fence Co.* (1884), 22 Fed. Rep. 712.

That an agreement not to set up the invalidity of the patent as a defence, except under special circumstances, will be enforced, see *Ball v. Murry* (1848), 10 Pa. St. 111.

That a covenant by the licensee as to the mode of using the invention does not estop him to deny the validity of the patent when sued thereon, see *Bliss v. Negus* (1811), 8 Mass. 46.

That an agreement not to deny the validity of the patent will prevail, whatever the invalidity may consist in, see *Heilner v. Battin* (1856), 27 Pa. St. 517.

That taking a license for a definite period does not operate as an admission of validity after that period, nor work an estoppel, see *Rich v. Atwater* (1844), 16 Conn. 409.

That a licensee is not estopped in equity from denying the validity of the

patent on an infringement suit, unless the license expressly estops him, see *National Mfg. Co. v. Meyers* (1881), 7 Fed. Rep. 355.

⁵ That an offer to take a license does not estop the offerer from denying the validity of the patent, see *Evans v. Eaton* (1816), Peters, C. C. 322; 1 Robb, 68.

That an expired license is no bar to the denial of the validity of the patent, see *Blatherwick v. Carey* (1881), 10 Bissell, 494; 9 Fed. Rep. 202.

That one who was formerly a licensee and also claimed to own the patent is now estopped to deny its validity, see *Burr v. Kimbark* (1886), 28 Fed. Rep. 574; 37 O. G. 1480.

⁶ That when licensees stamp articles with the name and date of the patent they admit that the articles were made under the patent, see *Jones v. Vankirk* (1865), 2 Fisher, 586.

For a review of the cases concerning estoppel of licensee, see *Morse Arms Mfg. Co. v. U. S.* (1880), 16 Ct. of Cl. 296; and §§ 1250-1252, and notes, *post*.

which the licensee has practised the invention.¹ When the license is paid for by a gross sum in advance, it is not revocable by the licensor unless expressly so provided; but if by periodical license-fees or royalties, the question of its revocability is not affected by their payment.² A licensee remains liable for his license-fees or royalties until evicted by the licensor, although it is the duty of the licensor, unless otherwise agreed, to demand them and not wait for the licensee to pay them.³ A failure to make the stipulated payments

§ 821. ¹ That a licensee acting within his license is liable only for the royalty agreed on, see *Kelly v. Porter* (1883), 17 Fed. Rep. 519; 8 Sawyer, 482.

That a licensee is liable for royalties while he takes the benefit of any of the patents covered by his license, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100; 37 O. G. 781.

That on a license to practise the invention, as distinguished from selling, the royalty is not collectible if the patent is worthless, see *Jenkins v. Abbotts* (1874), 54 N. H. 447.

That a licensee is liable for royalties on a patent apparently valid, until the patent is rescinded, or revoked, or notice is given to the licensor that no more royalties will be paid, see *Marston v. Swett* (1880), 82 N. Y. 526.

That after a patent has been annulled and priority awarded to another, no more royalties can be recovered, see *Marston v. Swett* (1880), 82 N. Y. 526.

That an agreement to pay a certain royalty on every article made on the patented machine, is not an agreement to run the machine to its utmost capacity, see *Newell v. Wheeler* (1867), 36 N. Y. 244.

That an agreement in a license to pay a certain royalty for each of a certain number of devices is not an agreement to make and pay for the whole number, see *Babcock v. Northern Pac.*

R. Co. (1886), 26 Fed. Rep. 756; 36 O. G. 942.

That an agreement to pay royalties to a certain amount within a specified time, and the other accruing royalties within a year, obliges the licensee to pay the amount absolutely, and whatever other royalties may accrue within the year, see *Babcock v. Northern Pac. R. Co.* (1886), 26 Fed. Rep. 756; 36 O. G. 942.

That where royalties are made payable quarterly on the first days of January, April, July, and October, and the license is dated and executed January 7th, the first royalty becomes payable April 1st, see *Dare v. Boylston* (1880), 6 Fed. Rep. 493; 18 Blatch. 548; 19 O. G. 725.

That a right to royalties is property, and is insurable like other property, and its owner has an insurable interest in the factory where the articles are made, see *National Filtering Oil Co. v. Citizens Insurance Co.* (1885), 34 Hun, 556.

² That a license fully paid for in advance, and not upon condition, is irrevocable, see *Wood v. Wells, Crittenden & Co.* (1873), 6 Fisher, 382.

³ That royalties must be paid unless there has been an eviction, see *McKay v. Jackman* (1883), 17 Fed. Rep. 641; *White v. Lee* (1882), 14 Fed. Rep. 789; 23 O. G. 1621.

That it is the duty of a licensor to demand the license fee if he has no other agreement, and not wait for the

renders the licensee liable to an action at law to recover them, and to a proceeding in equity for the rescission of the license, but does not authorize the licensor to treat the license as already forfeited, and prosecute the licensee for an infringement.⁴

§ 822. Express License: How Forfeited.

It was formerly held that any breach of condition by the licensee, even the non-payment of royalties or license-fees, forfeited his license and made him an infringer of the patent.¹ This doctrine is in harmony with the nature of a license, which is not merely the conveyance to the licensee of an interest in the invention, but also an agreement not to exercise against him the prohibitory powers created by the patent, provided he fulfils the obligations which he has assumed. His failure to fulfil these obligations ought, therefore, to remove the restraint imposed upon the licensor by the agreement and enable him at once to enforce his monopoly against the offending licensee. Two practical difficulties, however, attend the application of this doctrine: one, that it permits the licensor to inflict the extreme penalty, of his own motion, for every trifling violation of his contract by the licensee; the other, that in suits for infringement, when a license is set up as a defence and its forfeiture alleged, a multiplicity of issues may arise, not involving the actual merits of the cause and preventing ultimate justice to the parties. To avoid the first of these difficulties, the doctrine has been modified by the courts so far as to require an ex-

licensee to pay it, see *Dare v. Boylston* (1880), 6 Fed. Rep. 493; 18 Blatch. 548; 19 O. G. 725.

⁴ See § 822 and notes, *post*.

That an agreement by parol with a licensee that if he becomes satisfied that the patent is void he need pay no royalties is no defence to a suit for license fees, under a written license, see *Evory v. Candee* (1879), 17 Blatch. 200; 4 Bann. & A. 545.

That where the defendant claims under a license and sustains his claim,

a decree may be made against him for overdue license fees, see *McKay v. Jackman* (1882), 20 Blatch. 466; 22 O. G. 85; 12 Fed. Rep. 615.

§ 822. ¹ That a license paid for by notes, and forfeitable for non-payment, is forfeited by the failure to pay the first note, see *Woodworth v. Weed* (1846), 1 Blatch. 165.

That a conditional license is avoidable at the option of the licensor for breach of condition, see *Woodworth v. Cook* (1850), 2 Blatch. 151.

press stipulation to that effect in the license in order for a mere breach of condition to work a forfeiture.² To overcome the second, later decisions hold that licenses containing express stipulations for their forfeiture are not *ipso facto* forfeited upon condition broken, but remain operative and pleadable until rescinded by a court of equity.³ The remo-

² That a breach of the covenant in a license does not work a forfeiture *per se*, unless it is so expressly agreed, see Consolidated Middlings Purifier Co. v. Wolf (1886), 37 O. G. 567; 28 Fed. Rep. 814; White v. Lee (1880), 5 Bann. & A. 572; 3 Fed. Rep. 222.

That a license to make and sell, not limited on its face, cannot be terminated by the licensee, without the consent of the licensor, see Starling v. St. Paul Plow Works (1887), 29 Fed. Rep. 790.

That a license may be conditioned to become void if the patent is infringed, see Wood v. Wells, Crittenden, & Co. (1873), 6 Fisher, 382.

For the construction of a special contract as to revocation of license, see Weed v. Draper (1870), 104 Mass. 28; Weed v. Draper (1868), 99 Mass. 53.

That an agreement, in a license that the license may be declared forfeited if the licensee fails to pay the royalties is valid and enforceable, see Hammacher v. Wilson (1886), 26 Fed. Rep. 239; 36 O. G. 233.

³ In White v. Lee (1880), 3 Fed. Rep. 222, Lowell, J. : (224) "No court of equity will say that a plaintiff, even if he have an election to put an end to a contract in a certain way, shall assume it to be ended without following that method, and proceed accordingly. This contract still exists until one party or the other, or both, bring it to an end. It cannot be treated as ended, as a legal consequence of a failure to pay the royalties. To this effect are the authorities, even before the late and controlling case of Hartwell v. Tilghman, 99 U. S. 547. See Wilson v. Sanford, 10

How. 99; Hartshorn v. Day, 19 How. 211; Goodyear v. Union R. Co., 4 Blatchf. 63; Blanchard v. Sprague, 1 Cliff. 288; Merserole v. Union Paper Collar Co. 6 Blatchf. 356-7." 5 Bann. & A. 572 (574).

That a license "conditioned to be void," etc., may be annulled in equity, see Adams v. Meyrose (1881), 7 Fed. Rep. 208; 2 McCrary, 360.

That a contract to give an exclusive right to sell on payment of royalties is not revocable on failure to pay, without a proceeding in equity, see Burdell v. Denig (1865), 2 Fisher, 588.

That a license is not avoided by the failure of the licensee to comply with its terms, even though it contains an express condition to that effect, and the licensee cannot be treated in equity as an infringer, though the license so declares, until the license has been judicially annulled, see Adams v. Meyrose (1881), 2 McCrary, 360; 7 Fed. Rep. 208; Hartell v. Tilghman (1878), 99 U. S. 547.

That written notice of his default must be served on the licensee in order to terminate his license, when the license so provides, see White v. Lee (1880), 3 Fed. Rep. 222; 5 Bann. & A. 572.

That a notice that the license "will be revoked" is not a notice of revocation, see Pope Mfg. Co. v. Owsley (1886), 27 Fed. Rep. 100; 37 O. G. 781.

That the contract is not dissolved *ipso facto* when the licensor forbids the licensee to further use the invention, see Union Mfg. Co. v. Lounsbury (1864), 42 Barb. 125.

dies now open to the licensor against a licensee who still claims under the license, but fails to perform his obligations, are a suit upon the contract for the damages sustained, or a bill in equity for the rescission of the license, followed by a suit for the infringement of the patent.⁴ In determining the questions presented by a bill in equity for the rescission of a license, the court is guided by the ordinary principles which govern its decisions in other cases. Thus where the breach complained of is the non-payment of money at the time fixed in the license, the license will not be rescinded if payment has been subsequently tendered or complete justice can be done by a judgment for the amount already due.⁵

⁴ That where the licensee exceeds his rights he breaks his contract and infringes the patent both, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100; 37 O. G. 781; *Magic Ruffle Co. v. Elm City Co.* (1875), 8 O. G. 773; 13 Blatch. 151; 2 Bann. & A. 152.

That when a license has been terminated by due notice the licensee becomes an infringer as to all subsequent acts, see *Hammacher v. Wilson* (1886), 26 Fed. Rep. 239; 36 O. G. 233.

⁵ In *White v. Lee* (1880), 5 Bann. & A. 572, Lowell, J. : (573) "The theory of the bill is that any failure by the licensee to pay the royalties, or to render an account, avoids the license immediately at the election of the licensor. A license is often compared to a lease of land, and many decisions follow this analogy. Now, so far is equity from decreeing the forfeiture of a lease for a breach of covenant, that it often interferes to prevent a forfeiture which would exist at law. I know of no case in which a mere failure to pay money, or keep some engagement of that nature, has been held a good cause for asking a court of equity either to declare a forfeiture, or to proceed as if one had been incurred. In some few patent cases, beginning with *Brooks v. Stolley*,

8 McLean, 523, it has been held that a patentee enjoyed the unusual privilege of treating a breach of covenant as if it, of itself, worked a forfeiture. No doubt the parties may agree that such an effect shall follow; and this will account for some of the decisions. The others of this sort are overruled by *Hartell v. Tilghman*, 99 U. S. 547." 3 Fed. Rep. 222 (223).

That failure to pay royalties at the date agreed upon is not *ipso facto* a forfeiture of the license, even though the license so provides, see *Dare v. Boylston* (1880), 6 Fed. Rep. 493; 18 Blatch. 548; 19 O. G. 725.

That a licensor who fails in his duties will not be aided by equity against his licensee, see *Foster v. Goldschmidt* (1884), 22 Blatch. 287; 21 Fed. Rep. 70; 28 O. G. 915.

That a provision for avoiding a license for non-payment of royalties is only a means of securing payment and is cured by tender after pay-day, see *Dare v. Boylston* (1880), 18 Blatch. 548; 6 Fed. Rep. 493; 19 O. G. 725.

That where an exclusive licensee fails to pay as he agrees and the patentee thereupon grants an exclusive license to another, who has notice of the prior license, the first licensee may at any time tender what is due and assert his

Nor will infringement by the licensee, by means of wrongful acts outside the limits of his license, be ground for a rescission, unless his conduct is so hostile to the patent as to amount to a denial of its claims.⁶ But a non-payment of royalties or license-fees, coupled with an abandonment of the privileges of the license and working other injuries to the licensor than the mere detention of money due, or arising from circumstances which indicate that future royalties and license-fees will likewise be unpaid, and any other breach of condition which under the agreement of the parties, interpreted according to the rules of equity, should operate as a forfeiture of the privileges conferred upon the licensee, are grounds upon which equity will annul the license, and restore the parties to their original rights, — the licensor to his right to maintain an action for infringement, and the licensee to his right to defend against it by denying the validity of the patent or the title of the licensor.⁷ The foregoing modifications have no application to cases where the licensee has openly repudiated his license, either by words or conduct. Such repudiation is more than a mere ground of forfeiture.⁸

rights as against the second licensee, see *Dare v. Boylston* (1880), 19 O. G. 725; 18 Blatch. 548; 6 Fed. Rep. 493.

That where the patentee revokes one license and then licenses another party who has notice of the first license, the second licensee is chargeable with notice that the first licensee still claims that his license is good, see *Dare v. Boylston* (1880), 18 Blatch. 548; 19 O. G. 725; 6 Fed. Rep. 493.

That if a royalty is based on the number of articles sold, and the licensee ceases to make and sell, he abandons his license, and the licensor may then license other parties, see *Pitts v. Jameson* (1853), 15 Barb. 310.

⁶ That the infringement of a patent by a licensee does not forfeit his license, unless his conduct is so hostile toward the patent as to amount to a repudiation of his rights as a licensee under

it, see *Wood v. Wells, Crittenden & Co.* (1873), 6 Fisher, 382.

That the use of the same machine as the invention of another than the licensor revokes the license to that extent, see *Steam Cutter Co. v. Sheldon* (1872), 10 Blatch. 1; 5 Fisher, 477.

⁷ That a license is forfeited by non-payment of royalties and disclaimer of licensor's rights, see *Bell v. McCullough* (1858), 1 Fisher, 380; 1 Bond, 194.

⁸ In *White v. Lee* (1880), 3 Fed. Rep. 222, Lowell, J.: (224) "It is true, as the plaintiffs contend, that if a licensee has renounced the license he may, on the one hand, defend against the agreement and set up the invalidity of the patent; and, on the other, may be treated as an infringer. *Moody v. Taber*, 1 Holmes, 325; *Cohn v. National Rubber Co.*, 15 O. G. 829." 5 Bann. & A. 572 (574).

It severs the relations between the licensee and licensor, and from that time forward authorizes the latter to treat all acts of the former, within the scope of the patent, as infringements, and estops the former from pleading his license in any suit for such acts of infringement that may be brought against him by the licensor.

§ 823. **Express License: When Transferable.**

Whether or not a license is transferable depends on the intention of the parties. There is nothing in the nature of a license, considered as the conveyance of an interest in the invention or as a release from the monopoly, which precludes its alienation as long as this does not extend the privileges thereby conferred. Clearly a licensee, unless receiving express authority to that effect, would have no right to multiply his privileges by sub-licenses, and thus increase the number of the individuals who could lawfully practise the invention. His authority to divide his rights, and to apportion them to others, must be measured by the circumstances of each case, and be so limited that the sum of all the rights distributed shall be no greater than his own. In view of the abuses likely to arise from the practical exercise of such powers of alienation, and the difficulties attending any attempt to vindicate the rights of the licensor, the courts have held that a license is not assignable unless it affirmatively appears that such was the intention of the parties.¹ Even where the license

§ 823. ¹ In *Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co.* (1874), 12 Blatch. 202, Woodruff, J. : (208) "Whether a license is or is not assignable is to be determined, not merely by the term 'license,' but by an inquiry into the fair meaning and intention of the parties; and it may be affected not only by the words of license, but by the nature of the transaction, the consideration paid, and other circumstances showing that an assignable right was conferred." 1 Bann. & A. 330 (336).

That licenses are generally personal, not assignable, see *Adams v. Howard*

(1884), 23 Blatch. 27; 22 Fed. Rep. 656.

That a license to use is personal and not assignable, see *Eclipse Windmill Co. v. Woodmanse Windmill Co.* (1885), 24 Fed. Rep. 650; 32 O. G. 1605.

That a license to make and use is personal and does not pass to the receiver of the licensed firm, see *Curran v. Craig* (1884), 22 Fed. Rep. 101.

That a "shop right" license is personal, not assignable, and is available only in the manner stipulated, see *Gibbs v. Hoefner* (1884), 22 Blatch. 36; 19 Fed. Rep. 323.

That a personal license is not assign-

is granted to the licensee "and his assigns," the force of the latter phrase is qualified or neutralized if the rights conferred upon the licensee himself are evidently not transferable.² A license to use "in the licensee's own business," or "at his shop," is personal only and cannot be assigned.³ But a license to use to a certain quantity on payment of a gross sum is *prima facie* alienable, since it can make no difference to the licensor by whom the quantity is used.⁴ A license to a partnership is not affected by a change of members in the firm, unless the license otherwise provides, and when such license is limited in number or amount it will enure to the benefit of each member of the firm, after the dissolution, if the limits named are not exceeded.⁵ Assignees of a license

able, see *Racine Seeder Co. v. Joliet Wire Check Rower Co.* (1886), 27 Fed. Rep. 367; 37 O. G. 452.

That a license to use for a special purpose is not transferable unless so expressed, not even passing to the licensee's administrator, see *Oliver v. Rumford Chemical Works* (1883), 109 U. S. 75; 25 O. G. 784.

That a license cannot be apportioned out to others by the licensee, see *Consolidated Fruit Jar Co. v. Whitney* (1874), 1 Bann. & A. 356.

That the exclusive right to supply the licensor with articles to be made on the patented machine, under a "personal" license, does not authorize the licensee to arrange with others for their manufacture and supply, and if the licensee cannot manufacture personally the license ceases, see *Houghton v. Rowley* (1874), 9 Phila. 288.

That where an exclusive right is granted to a licensee it vests at his death in his personal representatives so far as to enable them to finish up and dispose of the devices on hand, and then ceases, see *Pitts v. Jameson* (1853), 15 Barb. 310.

That a license to use an invention may be subjected in equity to the claim of a judgment in favor of the licensor,

see *Matthews v. Green* (1884), 19 Fed. Rep. 649.

² That the word "assigns" in the license is not conclusive, if the subject-matter is not transferable, see *Brooks v. Byam* (1843), 2 Story, 525; 2 Robb, 161.

³ That a license to use in "his own proper business" to a certain amount yearly is not transferable, see *Putnam v. Hollender* (1881), 6 Fed. Rep. 882; 19 Blatch. 48; 19 O. G. 1423.

That a license to use the patented invention at the licensee's shop, and to associate others with him in such use, is not assignable, see *Gibbs v. Hoefner* (1884), 19 Fed. Rep. 323; 22 Blatch. 36; *Searls v. Bouton* (1882), 21 O. G. 1784; 20 Blatch. 426; 12 Fed. Rep. 140; *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

⁴ That a license to use the invention to a certain extent on payment of a gross sum is *prima facie* assignable, see *Belding v. Turner* (1871), 8 Blatch. 321; 4 Fisher, 446.

⁵ That a license to a partnership is good, if paid for in advance, though one member of the firm retires and new members are admitted, unless the contrary is expressed, see *Belding v. Turner* (1871), 8 Blatch. 321; 4 Fisher, 446.

That where a firm is licensee a change

take it subject to all the obligations and conditions imposed upon the original licensee, and run their own risk of his right to transfer it.⁶ An unauthorized transfer may be ratified by the acceptance of the royalties or license-fees from the assignee after notice of the assignment.⁷

§ 824. Implied Licenses: License to Use Implied in Favor of Purchaser at any Lawful Sale of a Patented Article.

There are certain cases in which the law implies a license from the dealings of the parties with each other, or from the

in partners does not affect its duties or rights as such licensee, but the retiring partner is merely a surety for the royalties, and if he has to pay them he is entitled to be repaid by the firm, see *Sizer v. Ray* (1881), 87 N. Y. 220.

That a license granted to a firm and limited only as to the quantity to be made confers a right upon the remaining member of the firm after its dissolution, see *Belding v. Turner* (1871), 4 Fisher, 446 ; 8 Blatch. 321.

That a license to A., B. & C., "constituting the firm of A., B. & Co., and their executors, administrators, and assigns," is a license to A., B. & C., not to the firm, and the receiver of the firm has no right in it, but each party can assign his interest in it separately, see *Adams v. Howard* (1884), 23 Blatch. 27 ; 22 Fed. Rep. 656.

That a license to a partnership cannot be transferred to a corporation composed of the same persons, see *Locke v. Lane* (1888), 35 Fed. Rep. 289.

That the receiver of a bankrupt corporation, carrying on its business of making patented articles under a license by order of the court, cannot be interfered with by a new licensee without contempt of court, see *In re Woven Tape Skirt Co.* (1877), 12 Hun, 111.

⁶ That the purchaser of a licensee's right must take his own risks as to the vendor's right to sell, see *Chambers v. Smith* (1870), 5 Fisher, 12.

That licenses bind, as to terms, etc., all the assignees of the licensee, whether recorded or not, see *Hamilton v. Kingsbury* (1879), 17 O. G. 147 ; 17 Blatch. 264 ; 4 Baun. & A. 615.

That an assignment of a license on an annual royalty resembles the assignment of a lease, and follows the same rules, see *Wilde v. Smith* (1879), 8 Daly, 196.

That it is doubtful whether the same privity exists between the assignee of a license and the licensor as between the assignee of a lessee and the lessor, see *Wilde v. Smith* (1879), 8 Daly, 196.

That in a suit by a retiring partner, as surety for royalties which he has paid, the attitude of the firm toward the patentee is of no consequence, and judgment against the surety is conclusive against the firm, nor is it material whether the firm made a profit or not by their sales, see *Sizer v. Ray* (1881), 87 N. Y. 220.

⁷ That an assignment contrary to the terms of a license is validated by the acceptance of the royalty from the assignee, unless the licensor shows the contrary, see *Wilde v. Smith* (1879), 8 Daly, 196 ; *Bloomer v. Gilpin* (1859), 4 Fisher, 50.

That a notice by the licensor to the assignee that the royalty is due, and demanding payment, shows that the licensor knows of the assignment, see *Wilde v. Smith* (1879), 8 Daly, 196.

relations which subsist between them. The most frequent and important of these cases arises when a patented article is sold by any one who has a right to sell it. From such a sale the law implies a license to the purchaser, and to every subsequent owner of the article, to use it as long as its identity can be preserved.¹ This implied license rests upon the principle that the owner of the patented invention, having once received his recompense for releasing the article from the monopoly, either in its price directly paid to him or in the license-fee which he collects from its vendor, he can thereafter neither limit nor demand compensation for its use,² but

§ 824. ¹ That an absolute lawful sale of a patented device carries both the right to use it and the ownership of the device itself, see *Porter Needle Co. v. National Needle Co.* (1883), 17 Fed. Rep. 536.

That a patentee may sever the ownership of a patented article from the right to use it, if he chooses, see *Porter Needle Co. v. National Needle Co.* (1883), 17 Fed. Rep. 536.

That a machine may be sold without the right to use it, and the purchaser does not then acquire by the sale a right to use, see *Rodgers v. Torrant* (1880), 43 Mich. 113; *Wortendyke v. White* (1875), 2 Bann. & A. 25; *Wilson v. Stolley* (1847), 4 McLean, 273.

That where an inventor submits his invention to the United States for adoption and use, no presumption of a gratuitous license arises, but a license is implied at a reasonable royalty, see *McKeever v. United States* (1878), 14 Ct. of Cl. 396; 23 O. G. 1525.

That the sending of persons to buy of a suspected infringer after injunction is no consent, and raises no implied license, see *Knowles v. Peck* (1875), 42 Conn. 386.

That the capture of an article by an American vessel gives no right to use it as against the patentee, see *Opinions Atty. Gen.* (1820), 5 Op. At. Gen. 725.

That the use by the defendant, without interference, for years, is no evidence to show a right in his vendors, see *Baldwin v. Sibley* (1858), 1 Clifford, 150.

² In *Adams v. Burke* (1873), 17 Wall. 453, Miller, J. : (456) "But, in the essential nature of things, when the patentee, or the person having his rights, sells a machine or instrument whose sole value is in its use, he receives the consideration for its use, and he parts with the right to restrict that use. The article, in the language of the court, passes without the limit of the monopoly. That is to say, the patentee or his assignee, having in the act of sale received all the royalty or consideration which he claims for the use of his invention in that particular machine or instrument, it is open to the use of the purchaser, without further restriction on account of the monopoly of the patentees. If this principle be sound as to a machine or instrument whose use may be continued for a number of years, and may extend beyond the existence of the patent as limited at the time of the sale, and into the period of a renewal or extension, it must be much more applicable to an instrument or product of patented manufacture which perishes in the first use of it, or which, by that first use, becomes in-

by the sale delivers it from all the restrictions of the patent and makes it common property like any other personal estate.³ To have that effect, however, the sale must be a lawful and an unconditional sale. The sale is lawful when the vendor is the patentee himself, or some one to whom he has conveyed the right to sell without conditions, or some one upon whom such right to sell has been conferred by law.⁴

capable of further use, and of no further value." 5 O. G. 118 (119).

In *Goodyear v. Beverly Rubber Co.* (1859), 1 Clifford, 348, Clifford, J. : (354) "Patentees may grant an interest in the patent, or they may license another to manufacture the product produced by their process, and authorize him to sell the same in the market. Whether the inventor in any given case has a patent for the article manufactured, or only for the product or the material of which it is composed, the unconditional sale of the manufactured article carries with it the absolute dominion over the material as well as over the manufactured article. Having manufactured the material and sold it for a satisfactory compensation, whether as material or in the form of a manufactured article, the patentee, so far as that quantity of the product of his invention is concerned, has enjoyed all the rights secured to him by his letters-patent; and the manufactured article, and the material of which it is composed, go to the purchaser for a valuable consideration, discharged of all the rights of the patentee previously attached to it, or impressed upon it, by the act of Congress under which the patent was granted."

³ In *Howe v. Wooldredge* (1366), 12 Allen, 18, Gray, J. : (22) "When a single machine, made under a patent, has been sold, either by the patentee or by his assignee or licensee, acting within the authority conferred by an assignment or license, the machine thus sold is no longer subject to the franchise or

monopoly, but may be freely used or resold by the purchaser during the term of the patent, without making himself or any subsequent purchaser liable to the patentee, or his assignee or licensee, for any use which may be made of the machine."

In *Goodyear v. Beverly Rubber Co.* (1859), 1 Clifford, 348, Clifford, J. : (356) "By virtue of the contract of sale and the unconditional delivery of the manufactured article, it passes outside of the monopoly, and is no longer under the peculiar protection granted to patented rights. Whenever a valid sale of the patented article is thus made, it then becomes the private property of the purchaser, and is no longer protected by the laws of the United States, but by the laws of the State in which it is situated."

That the patented article, thus lawfully sold, is no longer under the monopoly, see also *Holliday v. Matheson* (1885), 24 Fed. Rep. 185; 31 O. G. 1444; 23 Blatch. 239; *Detweiler v. Voegel* (1881), 8 Fed. Rep. 600; 19 Blatch. 482; *American Cotton Tie Co. v. Simons* (1878), 3 Bann. & A. 320; 18 O. G. 967; *Mitchell v. Hawley* (1872), 16 Wall. 544; 6 Fisher, 331; 3 O. G. 241; *Adams v. Burke* (1871), 1 O. G. 282; *Holmes*, 40; 4 Fisher, 392.

⁴ That a purchaser from the patentee himself has an implied license to use, see *Detweiler v. Voegel* (1881), 8 Fed. Rep. 600; 19 Blatch. 482; *Black v. Hubbard* (1877), 12 O. G. 842; 3 Bann. & A. 39.

That where an American patentee

Thus an assignee whether sole or joint, a grantee selling within his own territory,⁶ and a licensee whose right to

sells the patented article abroad without restrictions, the purchaser can use and sell it in the United States, see *Holliday v. Matheson* (1885), 24 Fed. Rep. 185; 81 O. G. 1444; 23 Blatch. 239.

That if a factory and machinery are sold with the acquiescence of the patentee of the machines, and without notice to the buyer, he may use them, see *Dotweiler v. Voego* (1881), 8 Fed. Rep. 600; 19 Blatch. 482.

⁶ In *McKay v. Wooster* (1873), 3 O. G. 441, Sawyer, J.: (443) "At the date of the assignment to Billings the patentees were still the holders of the entire interest under the patent. Had they at that time, at Chicago, sold one of the patented articles in question without restriction or condition, that undoubtedly would have been a lawful sale without restriction or condition; and the article so sold would have been taken out of the monopoly, and the purchaser, or any one deriving title through him, would have been entitled to use it till worn out in any part of the United States. The patentee himself could not, by a subsequent assignment of his patent, have limited the right of the purchaser already vested. The vendor being at that time entitled to the whole monopoly for the entire jurisdiction of the United States, it was competent for him to wholly emancipate the article sold by taking the entire royalty for the use in any part of the territory. And a sale without restriction or limitation would work such emancipation. In such case any party subsequently purchasing the right to any specific portion of territory would take that right subject to the use of the machine so sold at any point within the territory purchased. What the patentees could do with respect to one machine, they

could do as to any number of machines in existence or to be brought into existence. What they could do themselves they could by contract authorize or convey the right to any other party to do. As the patentees themselves could *lawfully sell* these patented articles at Chicago *without restriction or condition*, so as to authorize the purchasers, or those claiming under them, to use the machines anywhere in the United States, they could convey the right to Billings to lawfully do the same. This authority to emancipate from the monopoly by an unrestricted sale was a part of their 'right, title, and interest in the invention secured by the patent,' that could be exercised and enjoyed at Chicago or other place east of the Rocky Mountains as well as elsewhere. The assignment to Billings is in the broadest terms. It is of 'all the right, title, and interest which the said John L. and George W. Stevens had in and to the said letters-patent, and the invention as secured to them by said letters-patent, and all their rights, liberties, privileges, and franchises which they had or might acquire by or under said letters-patent,' 'for, to, and in all the States and Territories of the United States east of the Rocky Mountains.' There is no limitation of the power to vend within the territory. The patentees could lawfully make without restriction or condition, could use without restriction or condition, or could *vend without restriction or condition*, anywhere within the specified territory; and all their rights they conveyed to Billings *without restriction or condition*, who thereupon stepped into the shoes of the patentees as to the territory sold. Had they intended to limit the right of vending 'to vending to be used' by the purchasers within the territory sold only, they should at least

sell is unrestricted by limitations as to the use of the thing

have so specified the intention, and by some apt words restricted the right of use in the deed of assignment. This unrestricted assignment of the right to vend put it in the power of Billings to lawfully vend the patented article within his territory without restriction or condition, and thereby wholly emancipate from the monopoly the article so sold. The complainant subsequently purchased his territory, and, whatever the terms of his grant, he could of course obtain only what was left of the franchise or monopoly. As the patentees, after their sale to Billings, could not object to sales by him without restrictions or conditions, their subsequent assignee cannot object. The latter's right is subject to the right of Billings and those who have lawfully purchased without restriction or condition from him." 6 Fisher, 375 (380); 2 Sawyer, 273 (379).

So far as the foregoing opinion proceeds on the assumption that the grant of all a patentee's "right, title, and interest" in the invention, within a given territory, transfers the right to license others to use, without the territory, the invention sold by the grantee within the territory, it is manifestly unsound. The error arises from confounding the *personal* right of the patentee with his *territorial* right. The patentee's territorial right consists in the right to make within the territory, to use within the territory, to sell within the territory, and to grant or license others to make, use, or sell within the territory. His personal right consists in the right he has as the owner of the whole monopoly, wherever he may be, to grant or license others to make, use, or sell, in any territory whatsoever, except that already covered by grants or exclusive licenses to other parties. The power of a patentee in Chicago to grant a license

to use in California is not a part of his territorial right in Chicago, but of his territorial right in California, and resides in him in Chicago only as a part of his personal right. This personal right is limited as to the area over which it may be exercised by his successive territorial transfers, but it never passes from him to any other person unless by an entire or partial assignment of all the interest remaining in him. Were this not so the first grantee of any territory, however small, would obtain the personal right of the patentee, and could license anywhere within the United States; and since his right in his own territory is exclusive of the patentee, the most important interest under the patent would vest in him, rendering the remaining interests of little security and value. Moreover, if the interest of the patentee "within the territory" includes his power to confer the right to use the invention everywhere, it must also embrace the power to confer the right to make and sell everywhere, and thus transfer the complete monopoly to the grantee, irrespective of any territorial boundaries, which is contrary to the fundamental idea of a grant of territory. Logically and consistently, only the patentee, and he only while he has as yet bestowed no exclusive rights on any person, can transfer the right to use the invention everywhere; and after such exclusive rights have been conferred, only he and his assignees can create rights co-extensive with the area uncovered by previous exclusive interests. Neither a grantee nor a licensee of specific territory possesses this authority, nor can they vest in any vendee of the articles made or sold under their grants or licenses any right to use outside the territory covered by their several conveyances. If the doctrine that a purchaser from a grantee has the

sold⁶ have, equally with the patentee, the power to transfer such a title to the purchaser as will draw after it a license to use the article as long as it exists, and to sell it to others with the same right to use. Thus, also, a sheriff, levying an execution on the assets of the patentee, or on the assets of another person with the patentee's consent, may sell the patented article if embraced among such assets, and the same license will attach thereto as if the sale had been made by the patentee.⁷ The sale must furthermore be un-

right to use the purchased article outside the vendor's territory has any legal basis, it is in the rule that public policy requires that such a right must be recognized as against all parties interested in the patent, in order to avoid the public inconvenience which the enforcement of their logical and otherwise inevitable rights would occasion. So broad a rule as this has never been sanctioned by any series of decisions, although in a few cases it has been advanced in justification of the judgment actually rendered. See the remainder of this note, and § 826, note 2, *post*.

Further, that a lawful sale by a grantee within his own territory frees the article sold from the monopoly throughout the United States, see *Hobbie v. Smith* (1886), 27 Fed. Rep. 656; *Adams v. Burke* (1873), 17 Wall. 453; 5 O. G. 118; *Hawley v. Mitchell* (1871), 4 Fisher, 388; 1 O. G. 306; *Holmes*, 42; *Adams v. Burke* (1871), *Holmes*, 40; 4 Fisher, 392; 1 O. G. 282.

⁶ In *Birdsell v. Shaliol* (1884), 112 U. S. 485, Gray, J.: (487) "A license from the patentee to make, use, and sell machines gives the licensee the right to do so, within the scope of the license, throughout the term of the patent; and has the same effect upon machines sold by the licensee, under authority of his license, that a sale by the patentee has upon machines sold by himself, of wholly releasing them from the monopoly, and discharging all claim

of the patentee for their use by anybody; because such is the effect of the patentee's voluntary act of licensing or selling, in consideration of the sum paid him for the license or sale." 30 O. G. 261 (262).

That a license to a maker, with a covenant not to sue his vendees, works an implied license to them, see *Colgate v. Western Electric Mfg. Co.* (1886), 28 Fed. Rep. 146; 37 O. G. 893.

That a purchaser of the patented articles from a licensee whom he knows to have forfeited his license may be sued in spite of such license, see *Moody v. Taber* (1874), *Holmes*, 325; 5 O. G. 273; 1 Bann. & A. 41.

⁷ In *Wilder v. Kent* (1883), 15 Fed. Rep. 217, Acheson, J.: (218) "We are therefore called upon to decide what rights a purchaser at sheriff's sale takes in a patented machine belonging to and sold as the property of the owner of the patent, — the defendant in the execution. The learned counsel agree that the question has never been judicially determined; and upon diligent search no case has been found involving the precise point now presented for decision. In *Sawin v. Guild*, 1 Gall. 485; 1 Robb, 47, the sheriff, upon an execution against the patentee, levied on and sold the 'materials' of several of the completed patented machines, and such sale was held to be no infringement of the patent right. 'He sold,' said Mr. Justice Story, 'the ma-

conditional. Not only may the patentee impose conditions, limiting the use of the patented article, upon his grantees

terials as such, to be applied by the purchaser as he should by law have a right to apply them. The purchaser must therefore act at his own peril, but in no respect can the officer be responsible for his conduct.' The specific ruling in *Chambers v. Smith*, 5 Fisher, 12, was that a purchaser at a marshal's sale of a patented machine was an infringer in operating it outside of the district to which its use was limited by the license granted to the defendant in the execution. The position taken by the plaintiff's counsel is that when the owner of a patent who does not manufacture for sale makes a machine for his own use only, and such patented machine is sold at a forced sale by the sheriff, the right to use it does not pass with it, but only the ownership of the materials of which the machine is constructed. To sustain this proposition reliance is placed upon the cases of *Stephens v. Cady*, 14 How. 528, and *Stevens v. Gladding*, 17 How. 477, in which it was held that the seizure and sale of the copperplate of a copyrighted map, under an execution against the owner of the copyright and plate, did not carry with it the right to print and publish the map. But the reason assigned for this is, that the copyright—the exclusive and intangible right to multiply copies of the original work—does not inhere in, and has no necessary connection with, the plate, which is the mere instrument for producing the copies. The copyright and the plate are wholly distinct and disconnected subjects of property, each capable of being owned and transferred independent of the other (*id.*), and therefore a judicial sale of the one does not carry any title to the other. But the lawful sale of a patented machine takes it out of the monopoly, either

altogether or *pro tanto*, according to the nature of the contract. The purchaser of a machine from the patentee acquires no right in the patent itself, and needs none to enable him to enjoy his acquisition. By implication he is invested with a license to use that particular machine, and, in the absence of express stipulation to the contrary, such license passes with the machine to successive owners as an incident of proprietorship. That such is the law in case of a voluntary sale of a patented machine by the patentee is incontrovertible. But wherefore should the rights of the sheriff's vendee, under an execution against the patentee, be less than those of a purchaser directly from the patentee? The rule is that the purchaser at a sheriff's sale succeeds to the beneficial rights of the defendant in the execution to the property sold. *Chambers v. Smith*, *supra*. But why should an exception be made where the subject-matter of sale is a patented machine? To deny to the sheriff's vendee the right to use such machine would in effect prevent its sale upon an execution at law as an operative apparatus, and practically withdraw it from the reach of the owner's execution creditors. The mischievous consequences to such creditors to which the doctrine contended for would lead (now that patented machinery has come into almost universal use) can hardly be estimated. The plaintiff's position is untenable. It is very true that the patent-right itself, being incorporeal and resting exclusively upon statutory grant, cannot be levied on at law, and is available to creditors only by proceedings in a court of equity. *Ager v. Murray*, 105 U. S. 126. But a patented machine is susceptible of manual seizure, and the unrestricted sale thereof does not involve

and express licensees, but any person having the right to sell may at the time of sale restrict the use of his vendee within specific boundaries of time or place or method, and these will then become the measure of the implied license arising from the sale.⁸ But when the sale is unconditional, as is the case in ordinary sales by authorized vendors in open market, the implied license gives to the purchaser and his vendees the unrestricted right to use the article unless such use infringes some other patent than the one by which the article itself has been protected.⁹

the transfer of any interest in the patent. The conclusion, therefore, is, that whatever right to use the patented machine a defendant in an execution may have passes with the machine when sold by the sheriff to his vendee." 23 O. G. 881 (832).

That where the owner of a patent consents to the sale of the patented invention under an execution, the purchaser has an implied license, see *Detweiler v. Voegel* (1881), 19 Blatch. 482; 8 Fed. Rep. 600.

That a foreclosure sale of a patented device, to which the patentee is a party, frees the device from the monopoly, see *Detweiler v. Voegel* (1881), 8 Fed. Rep. 600; 19 Blatch. 482.

⁸ In *Dorsey Revolving Harvester Rake Co. v. Bradley Mfg. Co.* (1874), 12 Blatch. 202, Woodruff, J.: (204) "I have no doubt of the right of a patentee to grant the right to make and sell the patented invention within specified territory, and to make that right exclusive in the grantee, and yet limit the use of the thing so made and sold within specified limits." 1 Bann. & A. 330 (332).

That a patentee may sell a patented article with restrictions as to its use, and these will bind the vendee, see *Holliday v. Matheson* (1885), 31 O. G. 1444; 24 Fed. Rep. 185; 23 Blatch. 239.

⁹ In *American Cotton Tie Co. v. Simmons* (1878), 3 Bann. & A. 320, Shepley, J.: (321) "The company clearly had the right, in selling a patented article, to put a restriction on its use or sale, and to convey only a restricted title, or to license only a restricted use, and the purchaser under such a restricted title could not convey a greater or better title than he had himself. The law upon this subject was fully stated in *Hawley v. Mitchell*, 1 Holmes, 42, and affirmed in the Supreme Court of the United States, 16 Wall. 544. But when the proprietor of a patented article sells it for the purpose of allowing it to be used in the ordinary pursuits of life, and to pass into the market of the country as an ordinary article of commerce, and subject to unrestricted purchase and sale, he waives his right to affix conditions or restrictions to its use or sale, and consents that, after one sale and the payment of one royalty, it shall pass out of the limits of the monopoly." 13 O. G. 967 (968).

That the unconditional sale of a patented article confers the whole title to it upon the vendee, and impliedly warrants full ownership in the vendor and a good title everywhere, though the sale were made abroad, see *Holliday v. Matheson* (1884), 30 O. G. 452.

§ 825. **Implied License: License to Use not Implied from Sale unless the Invention Sold and the Invention Used are Identical.**

The sale from which this universal license is implied must, moreover, be a sale of the precise article covered by the patent. A purchaser of the materials of which an article consists, or of the elements of which it is combined, obtains thereby no right to make and use the article, or to unite the elements and employ them in the combination, although the vendor is the owner of the patent in which the combination or the article is claimed. To this rule there is one exception. The sale of any object which can be used only in constructing a patented article, or in practising a patented art, is presumed to have been intended both by the buyer and seller, for that specific use; and when the seller is the owner of the patent for the article or art, his act of sale confers a license on the purchaser to employ the object for that purpose.¹ In order that the license may be implied in other cases the licensed article must be the subject-matter of the sale. Though the article has once been lawfully sold, if it is broken up and ceases to exist in its entirety, a purchaser of its severed parts obtains no right to reconstruct and use it.² But it is not im-

§ 825. ¹ In *Roosevelt v. Western Electric Co.* (1884), 20 Fed. Rep. 724, Wallace, J. : (724) "The purchase of a patented article from the patentee or owner of the patent confers upon the buyer the right to use the article to the same extent as though it were not the subject of a patent; but the sale does not import the permission of the vendor that it may be used in a way that will violate his exclusive property in another invention. Where the article is of such peculiar characteristics that it cannot be dealt in as a trade commodity, and cannot be used practically at all, unless as a part of another patented article of the vendors, it would be preposterous to suppose that the parties did not contemplate its use in that way. It would be against good conscience to allow an injunction to a vendor under

such circumstances. He would be estopped from asserting a right which the purchaser must have understood him to waive." 28 O. G. 812 (812).

That the purchaser of a machine covered by one patent does not, by using it, infringe a patent owned by the same party for a process which consists in the use of the machine, see *Downton v. Yaeger Milling Co.* (1879), 17 O. G. 906; 5 Bann. & A. 112; 1 McCrary, 26.

That the sale of a machine, in which needles covered by a different patent of the same patentee are used, carries a license to use those needles until they are used up, but not to replace them, see *Aiken v. Manchester Print Works* (1865), 2 Clifford, 435.

² That where an old licensed machine is broken up and sold at auction,

portant under what name the article is made the subject of the sale. The sale of the complete article by one who owns a patent for the materials of which it is composed, or of a combination by the patentee of its essential elements, carries a license to employ the materials in the article, or the elements in combination, and to use them, thus united or combined, without restriction.³

§ 826. **Implied License: Right to Use Unlimited as to Time, Territory, Method, and Quantity.**

This implied license of the purchaser and his vendees includes the right to use and the right to repair and the right to sell. His right to use is unlimited in duration. It continues not only during the original term of the patent, like the right under an express license, but unlike the right under an express license it subsists during an extension, even though such extension be conferred by special act of Congress.¹ It is

the purchaser has no right to use it, see *Wortendyke v. White* (1875), 2 Bann. & A. 25.

³ That the license extends to the materials of which the article sold is composed, see *Goodyear v. Beverly Rubber Co.* (1859), 1 Clifford, 348; cited in § 824, note 2, *ante*.

§ 826. ¹ In *Adams v. Burke* (1873), 17 Wall. 453, Miller, J. : (455) "We have repeatedly held that where a person had purchased a patented machine of the patentee or his assignee, this purchase carried with it the right to the use of that machine so long as it was capable of use, and that the expiration and renewal of the patent, whether in favor of the original patentee or of his assignee, did not affect this right. The true ground on which these decisions rest is that the sale by a person who has the full right to make, sell, and use such a machine carries with it the right to the use of that machine to the full extent to which it can be used in point of time." 5 O. G. 118 (119).

In *Mitchell v. Hawley* (1872), 18

Wall. 544, Clifford, J. : (546) "Patentees acquire by their letters-patent the exclusive right to make and use their patented inventions and to vend the same to others to be used for the period of time specified in the patent, but when they have made one or more of the things patented, and have vended the same to others to be used, they have parted to that extent with their exclusive right, as they are never entitled to but one royalty for a patented machine; and consequently a patentee, when he has himself constructed a machine and sold it without any conditions, or authorized another to construct, sell, and deliver it, or to construct and use and operate it, without any conditions, and the consideration has been paid to him for the thing patented, the rule is well established that the patentee must be understood to have parted to that extent with all his exclusive right, and that he ceases to have any interest whatever in the patented machine so sold and delivered or authorized to be constructed and oper-

also unlimited in place. The purchaser may use the article anywhere, whether within or without the territory covered by

ated. Where such circumstances appear, the owner of the machine, whether he built it or purchased it, if he has also acquired the right to use and operate it during the lifetime of the patent, may continue to use it until it is worn out, in spite of any and every extension subsequently obtained by the patentee or his assigns." 3 O. G. 241 (242); 6 Fisher, 331 (332).

In *Blanchard v. Whitney* (1855), 3 Blatch. 307, Nelson, J.: (309) "As I have already said, it would be a very forced and unreasonable construction of the transaction, to limit the duration of the use to the then existing term of the patent, in the absence of any express provision to that effect, inasmuch as the limitation of that term in no way operated necessarily as a restriction upon the title of the patentee and manufacturer. He could convey the right to an unlimited use. When the plaintiff built the machine now sought to be enjoined by him, he had a right to use it as long as it should last, for all coming time. This right he had irrespective of the patent. As the inventor and builder of the machine, he had this right to such use, without a patent. The patent secured to him the exclusive right to all machines made like it, and deprived all others of the right to make or use the same, without his consent, for a certain period of time. But the right to use the machine in question for all coming time was in the plaintiff, without the patent. The right which the plaintiff had to the machine in question, he conveyed to the defendant. He conveyed his whole right to it—his whole right to the use of it. And, as his whole right was a right to use it for all coming time, he conveyed to the defendant his right to that extent. By his voluntary act, his whole right to

use the machine in question became vested in the defendant; and the act of Congress of 1847, which authorizes the renewal and continuance of the plaintiff's patent to his use, does not purport to take away, neither could it take away, any right vested in the defendant, or any one else, by the voluntary act of the plaintiff."

Further, that such license to use continues during an extension, unless expressly restricted to the current term of the patent, see *Union Paper Bag Mach. Co. v. Nixon* (1876), 2 Bann. & A. 244; 1 Flippin, 491; 9 O. G. 691; *Wooster v. Sidenberg* (1875), 10 O. G. 244; 2 Bann. & A. 91; 13 Blatch. 88; *Hawley v. Mitchell* (1871), 4 Fisher, 388; *Holmes*, 42; 1 O. G. 306; *Adams v. Burke* (1871), 4 Fisher, 392; *Holmes*, 40; 1 O. G. 282; *Farrington v. Commissioners of Detroit* (1870), 4 Fisher, 216; *Farrington v. Gregory* (1870), 4 Fisher, 221; *Hodge v. Hudson River R. R. Co.* (1868), 3 Fisher, 410; 6 Blatch. 85; *Wood v. Michigan Southern & Northern Indiana R. R. Co.* (1868), 3 Fisher, 464; 2 Bissell, 62; *Bloomer v. Millinger* (1863), 1 Wall. 340; *Goodyear v. Beverly Rubber Co.* (1859), 1 Clifford, 348; *Day v. Union India Rubber Co.* (1856), 3 Blatch. 488; *Bloomer v. McQuewan* (1852), 14 How. 539; *Wilson v. Rousseau* (1846), 4 How. 646; 2 Robb, 372; *Simpson v. Wilson* (1846), 4 How. 709; 2 Robb, 469.

That the right of the purchaser of a patented device to use it during an extension is the same though the extension be granted by a special act of Congress, see *Bloomer v. McQuewan* (1852), 14 How. 539.

That the purchaser of a patented device may use it under a re-issue, see *Simpson v. Wilson* (1846), 4 How. 709; 2 Robb,

his vendor's grant or license, except perhaps within a district owned by a grantee whose title is anterior to that of his vendor.² It is likewise unlimited in method. Of whatever use the article is capable he may avail himself, even although the right to apply the patented articles to a special purpose has previously been granted to a different licensee.³ It is, finally, unlimited in quantity. The article vests in him as its absolute owner, and all the benefit which he can derive from its employment he is entitled to enjoy.

469 ; *Wilson v. Turner* (1846), 4 How. 712 ; 2 Robb, 467.

² As to the right of a purchaser from a grantee to use anywhere, see remarks on *McKay v. Wooster*, in § 824, note 5, *ante*.

That the purchaser from a territorial grantee or licensee, may use the article anywhere, except perhaps when the vendor's right is restricted to sales for use within such territory, see *Hobbie v. Smith* (1886), 27 Fed. Rep. 656 ; *Adams v. Burke* (1873), 17 Wall. 453 ; 5 O. G. 118 ; *McKay v. Wooster* (1873), 2 Sawyer, 373 ; 6 Fisher, 375 ; 3 O. G. 441 ; *May v. Chaffee* (1871), 2 Dillon, 385 ; 5 Fisher, 160 ; *Hawley v. Mitchell* (1871), 1 O. G. 306 ; 4 Fisher, 388 ; Holmes, 42 ; *Adams v. Burke* (1871), 4 Fisher, 392 ; Holmes, 40 ; 1 O. G. 282 ; *Jenkins v. Greenwald* (1857), 1 Bond, 126 ; 2 Fisher, 37.

That the purchaser of a patented article from a grantee may use it anywhere, and the sale is lawful though the grantee knows that it will be used outside his territory, see *Hobbie v. Smith* (1886), 27 Fed. Rep. 656.

That the purchaser of the patented device from an assignee of a territorial right to use and sell in that territory may use the device in any place in spite of other territorial assignments, see *Adams v. Burke* (1873), 17 Wall. 453 ; 5 O. G. 118.

That where a patented article is sold by the grantee of an entire territorial interest, the purchaser may use it anywhere, except perhaps in territory as-

signed prior to the assignment to his vendor, see *McKay v. Wooster* (1873), 3 O. G. 441 ; 6 Fisher, 375 ; 2 Sawyer, 373.

That no limitation in the assignment of his interest to a territorial assignee, will deprive a purchaser of the patented device from him of the right to use it always, see *Hawley v. Mitchell* (1871), 1 O. G. 306 ; 4 Fisher, 388 ; Holmes, 42.

That a limitation in a license as to the place and time of use of the patented devices made and sold by such licensee will bind his vendees, see *Hawley v. Mitchell* (1871), 1 O. G. 306 ; 4 Fisher, 388 ; Holmes, 42.

That a sale of the device by the patentee in a foreign country, without restrictions, confers a right to use it anywhere, see *Holliday v. Matheson* (1885), 24 Fed. Rep. 185 ; 31 O. G. 1444 ; 23 Blatch. 239 ; *Holliday v. Matheson* (1884), 30 O. G. 452.

³ That the lawful vendee of a patented article may use it in any mode of which it is capable, see *McKay v. Wooster* (1873), 3 O. G. 441 ; 6 Fisher, 375 ; 2 Sawyer, 373 ; *Adams v. Burke* (1871), 4 Fisher, 392 ; Holmes, 40 ; 1 O. G. 282.

That the purchaser of a patented device from an assignee of the right to make it may use it for any purpose, though the right to use it for a special purpose has been granted to a different assignee, see *Metropolitan Washing Machine Co. v. Earle* (1861), 2 Fisher, 203 ; 3 Wall. Jr. 320.

§ 827. Implied License: License to Use does not Embrace the Right to Make, nor to Sell as Matter of Traffic.

The right of the purchaser to repair the article does not embrace the right to make a new one nor to reconstruct the old.¹ He may replace its worn-out parts or elements with others, even when these are of the essence of the invention.² He may remove the effects of accident or wear and tear. He may add to it such improvements as he is able to procure. But when its original materials disappear, the article which he purchased ceases to exist, and with it the implied license to repair and use it.³ The power to sell the specific article

§ 827. ¹ In *Mitchell v. Hawley* (1872), 16 Wall. 544, Clifford, J.: (548) "But the purchaser of the implement or machine for the purpose of using it in the ordinary pursuits of life stands on different grounds, as he does not acquire any right to construct another machine either for his own use or to be vended to another for any purpose." 3 O. G. 241 (242); 6 Fisher, 331 (333).

That the purchaser of a patented device from the patentee may use it till it is worn out, but has no right to make another like it, see *Union Metallic Cartridge Co. v. United States Cartridge Co.* (1877), 2 Bann. & A. 593; 11 O. G. 1113.

That a license implied from the purchase of a patented invention does not attach to it when rebuilt, see *Gottfried v. Phillip Best Brewing Co.* (1879), 17 O. G. 675; 5 Bann. & A. 4.

That where the use of an invention destroys it, there is no implied license to reconstruct as there is to repair it, see *American Cotton Tie Co. v. Simmons* (1882), 106 U. S. 89; 22 O. G. 1976.

² In *Mitchell v. Hawley* (1872), 16 Wall. 544, Clifford, J.: (548) "Sales of the kind may be made by the patentee with or without conditions, as in other cases; but where the

sale is absolute, and without any conditions, the rule is well settled that the purchaser may continue to use the implement or machine purchased until it is worn out, or he may repair it or improve upon it as he pleases, in the same manner as if dealing with property of any other kind." 3 O. G. 241 (242); 6 Fisher, 331 (333).

That the lawful sale of a patented machine confers the right to replace worn-out parts, though these are the essence of the invention, see *Farrington v. Water Commissioners of Detroit* (1870), 4 Fisher, 216.

That the purchaser of a machine has an implied license to replace old parts as long as the identity of the machine remains, see *Gottfried v. Conrad Seipp Brewing Co.* (1881), 10 Bissell, 368; 8 Fed. Rep. 322.

That the right to repair continues during an extension, see *Hodge v. Hudson River R. R. Co.* (1868), 3 Fisher, 410; 6 Blatch. 85; *Wood v. Michigan Southern & Northern Indiana R. R. Co.* (1868), 3 Fisher, 464; 2 Bissell, 62.

³ In *Wilson v. Simpson* (1850), 9 How. 109, Wayne, J.: (122) "But the questions which were argued by counsel, — when repairs destroy identity and encroach upon invention, or when the thing patented ceases to exist, so as to exclude the repair or

thus purchased for use is also unrestricted, but does not extend to sales made in the ordinary course of trade.⁴

replacement of any one part of its combination, in connection with the rest of it, not requiring repair or to be replaced, — are before the court upon the evidence in the record. We admit, for such is the rule in *Wilson v. Rousseau*, 4 Howard, that when the material of the combination ceases to exist, in whatever way that may occur, the right to renew it depends upon the right to make the invention. If the right to make does not exist, there is no right to rebuild the combination. But it does not follow, when one of the elements of the combination has become so much worn as to be inoperative, or has been broken, that the machine no longer exists for restoration to its original use by the owner who has bought its use. When the wearing or injury is partial then repair is restoration, and not reconstruction. Illustrations of this will occur to any one, from the frequent repairs of many machines for agricultural purposes; also from the repair and replacement of broken or worn-out parts of larger and more complex combinations for manufactures. In either case repairing partial injuries, whether they occur from accident or from wear and tear, is only refitting a machine for use; and it is no more than that, though it shall be a replacement of an essential part of a combination. It is the use of the whole of that which a purchaser buys when the patentee sells to him a machine; and when he repairs the damages which may be done to it, it is no more than the exercise of that right of care which every one may use to give duration to that which he owns, or has a right to use as a whole. This foundation of the right to repair and replace, and its application to the point we are consider-

ing, will be found in the answers which every one will give to two inquiries. The right to repair and replace in such a case is either in the patentee or in him who has bought the machine. Has the patentee a more equitable right to force the disuse of the machine entirely, on account of the inoperativeness of a part of it, than the purchaser has to repair who has, in the whole of it, a right of use? And what harm is done to the patentee in the use of his right of invention, when the repair and replacement of a partial injury are confined to the machine which the purchaser has bought?"

⁴ In *Goodyear v. Beverly Rubber Co.* (1859), 1 Clifford, 348, Clifford, J: (356) "Suppose it to be an implement or machine, he may devise it or sell it, and if it be composed of various parts, he may break it up and use the materials for any other lawful purpose. Second purchasers acquire the same rights as the seller had, and may do with the article or its materials whatever the first purchaser could have lawfully done if he had not parted with the title."

That the purchaser of patented articles from a territorial grantee has no implied license to sell them outside such territory, as a matter of trade, though he may use them anywhere, see *Hatch v. Adams* (1884), 22 Fed. Rep. 434; 29 O. G. 776.

That the licensee of a grantee can sell within the territory to those who use the article outside the territory, but cannot himself sell outside the territory nor furnish the articles to others to be sold in the trade outside the territory, see *Hatch v. Hall* (1887), 30 Fed. Rep. 613; 40 O. G. 1342.

§ 828. Implied License: License to Use not Restricted by Unknown Prior Agreements of Licensor.

The purchaser of a patented article runs his own risk of his vendor's right to sell.¹ But if his vendor has received this right, the vendee is not bound by any previous covenants between the vendor and third parties of which he has no notice at the time of sale, nor can he be affected by any subsequent conveyance of the vendor.² Even an act of Congress cannot interfere with his enjoyment of the property which the sale has vested in him and which he now holds, not under the statutes of the United States, but under the common law that governs the usual contracts of vendors and vendees.³

§ 828. ¹ That the purchaser of a patented article runs the risk of the vendor's right to sell, see *Mitchell v. Hawley* (1872), 16 Wall. 544; 3 O. G. 241; 6 Fisher, 331.

² That covenants between patentees and their licensees do not follow the patented device into the hands of *bona fide* purchasers without notice, see *Metropolitan Washing Machine Co. v. Earle* (1861), 2 Fisher, 203; 3 Wall. Jr. 320.

That a licensee of a right to use the patented material for a certain article cannot hold as infringers those who purchase the article of licensed makers or sellers, and use the material for a different purpose, they having an implied license so to use it, see *Metropolitan Washing Mach. Co. v. Earle* (1861), 2 Fisher, 203; 3 Wall. Jr. 320.

That a recognition by the licensor of the rights of adverse patentees is binding on his prior licensees, see *Jackson v. Allen* (1876), 120 Mass. 64.

³ In *Bloomer v. McQuewan* (1852), 14 How. 539, Taney, C. J. : (552) "The fair inference from all of these special laws is this, that Congress has constantly recognized the rights of those who purchase for use a patented implement or machine; that in these various

special laws the patentee and purchasers of different inventions were intended to be placed on the same ground; and that the relative rights of both parties under the extension, by special act of Congress, were intended to be the same as they were when the extension was granted under the general law of 1836. It would seem that in some cases the attention of the legislature was more particularly called to the subject, and the rights of the purchaser recognized and cautiously guarded. And when the provision is omitted, the just presumption is that Congress legislated on the principle decided by this court in *Evans v. Eaton*, and regarded the special law as ingrafted on the general one, and subject to all of its restrictions and provisions, except only as to the time the patent should endure. Time is the only thing upon which they legislate. And any other construction would make the legislation of Congress on these various special laws inconsistent with itself, and impute to it the intention of dealing out a different measure of justice to purchasers of different kinds of implements and machines; protecting some of them, and disregarding the equal and just claims of others. And if such could be the interpretation of this law, the power of

§ 829. **Implied License: License to Use Implied in favor of Innocent Purchaser at Unlawful Sale, if Vendor afterwards Acquires an Interest in the Patented Invention.**

Another case of implied license, similar and collateral to the last, arises where a vendor, having no right to sell the patented article at the time of the purchase, afterwards acquires an interest in the patent by which a present right to sell is vested in him. Under these circumstances, the title of the former purchaser to the patented article becomes valid by estoppel, and from thenceforward his right to use it is complete against his vendor, and all subsequent vendees.¹ The acquisition by the vendee of an interest in the patent has the same effect upon a previous unlawful sale, and renders it thereafter operative both on the article, and on the right to its enjoyment.²

§ 830. **Implied License: License to Use Implied in favor of Purchaser at Unlawful Sale if Vendor afterwards Compensates the Owner of the Patent for the Infringing Sale.**

A third case, also collateral to the first, occurs where a vendor, who had no right to sell the article, is sued for the

Congress to pass it would be open to serious objections. For it can hardly be maintained that Congress could lawfully deprive a citizen of the use of his property, after he had purchased the absolute and unlimited right from the inventor, and when that property was no longer held under the protection and control of the general government, but under the protection of the State, and on that account subject to State taxation. The 5th amendment to the Constitution of the United States declares that no person shall be deprived of life, liberty, or property, without due process of law. The right to construct and use these planing machines had been purchased and paid for without any limitation as to the time for which they were to be used. They were the property of the respondents. Their only value consists in their use. And a special act of Congress passed after-

wards, depriving the appellees of the right to use them, certainly could not be regarded as due process of law."

§ 829. ¹ That where a person unlawfully sells a patented device, and afterwards acquires an interest in the patent, he is estopped from denying the right of his vendee to use the device till it is used up, see *Gottfried v. Miller* (1882), 104 U. S. 521 ; 21 O. G. 711.

That whether the other owners of the patent are also estopped, *quere*, see *Gottfried v. Miller* (1882), 104 U. S. 521 ; 21 O. G. 711.

² That where the purchaser of a patented article, from one who had no right to sell it, afterward obtains an assignment of the territorial right, his purchase of the invention becomes lawful, and he may use the article even during an extension, see *Eunson v. Dodge* (1873), 13 Wall. 414 ; 5 O. G. 95.

infringement by the owner of the patented invention, and satisfies the judgment which has been obtained against him. Here, if the owner of the patent receives his compensation by license-fees or royalties, or makes and sells the articles for public use, the damages which he recovers are the substitute for the license-fees which are his due, or for the profits he would have obtained if he himself had sold the article instead of the vendor. Thus by the satisfaction of his judgment he has already once received his lawful recompense for the release of this particular article from the monopoly, and estopped himself from claiming that the title of the purchaser is void. The purchaser, therefore, may retain the article as his rightful property, and use it and repair it as freely as if he had procured it from the patentee.¹ But where the owner of

§ 830. ¹ In *Allis v. Stowell* (1883), 16 Fed. Rep. 783, Dyer, J. : (787) " 'The recovery of profits and damages from the manufacturers of an infringing machine debars the patentee from recovering from a user for the use of the same machine,' where the user purchased the machine from the infringing manufacturers. *Booth v. Seevers*, 19 O. G. 1140, and cases there cited. These adjudications indicate the law to be that where a patentee recovers from an infringing manufacturer full damages and profits on account of the infringement, the purchaser from such manufacturer, who is a user of the machine, will be protected in such use against a suit for infringement, as he would be if he were a licensee from the patentee. But this could only be held on a clear showing that the purchaser was using the same patented machine or instrument as that involved in the suit between the patentee and the infringing manufacturer, and that the user was a vendee of such manufacturer; and under the authorities it would seem that to effect such a result it must further appear that the patentee's claim to profits and damages against the manufacturer has been actually paid and satisfied."

In *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24, Wheeler, J. : (31) " If the avails of the sales are claimed and taken, the right to the thing sold must be parted with; *solutio pretii emptionis loco habetur.* (2 Kent's Comm. 387.) It will be like taking judgment and satisfaction for the conversion of property, which always operates 'so that the defendant hath now the same property therein as the original plaintiff had, and this against all the world.' (*Adams v. Broughton*, Andr., 19, Strange, 1078.) And this relates back to the time of the conversion. (Addison on Torts, Wood's ed., 544; 6 Hen. VII., fols. 8, 9, pl. 4; Shep. Touch. 227; *Barnett v. Brandão*, 6 Man. & Gr. 640, note.) The sales must be adopted by the orator upon the very terms upon which the defendant made them, and as much right to the inventions must follow as if the sales had been made by the orator instead of by the defendant. It may be that this right will not follow until satisfaction is made; but whether it will or not is not now material. The question now is, how much the orator is entitled to recover by way of satisfaction; and this

the patent receives his compensation through his own use of the article, and neither licenses nor makes for sale to others,

is to be arrived at on the ground that satisfaction will be made. If not made, the defendant will not suffer unjustly by having it reckoned as if it would be. It follows, necessarily, that the defendant will be under no liability over to the purchasers after satisfaction, and that nothing should be deducted here on that account." 4 Bann. & A. 445 (451).

In *Perrigo v. Spaulding* (1876), 13 Blatch. 389, Johnson, J. : (391) "It seems to be well established that, when a patentee gets his remuneration by patent or license fees, a recovery of the license or patent fee from an infringer, and its payment, authorizes him to use the particular articles for which such recovery has been had. On the other hand, when a patentee chooses to use his invention himself, and find his remuneration in the sale of the products of its use, and to prevent others from using his invention, it is his right, and then a recovery for profits and damages will be limited to the profits and damages up to the time of the recovery. Such a recovery will not carry with it any right to the further use by the infringer of the invention. (*Suffolk Co. v. Hayden*, 3 Wall. 315 ; *Spaulding v. Page*, 4 Fisher's Pat. Cases, 641, 645, 646.) But where the patentee sells his patented instrument or machine for use by others, finding his remuneration in the profit of the sale of the manufactured machine or instrument, it is obvious that his interest is promoted by increasing the sale and that into his profit enters the value of the patented invention over and above the cost of manufacture and the ordinary fair profit of the manufacture. Even if no patent or license fee is fixed, the value thereof, as a profit, enters into the selling price, and, if not capable

of exact ascertainment, may, nevertheless be approximated to by estimation, when necessary. When the patentee sells, he receives this profit, and thus obtains full compensation for the article sold and for the right to use it while it lasts. When, for an infringement, he obtains both the profits and damages, he will be presumed to have obtained a full compensation for all the injury he has sustained, and to be placed in as good a position as if he had made and sold the article himself. Such is, I think, the presumption between parties thus situated, and if any different rule is sought to be applied in any particular case, it should appear that a recovery has not been sought or obtained for the whole gains of the manufacture as well as for all the damages sustained. (*Spaulding v. Page*, before cited ; *The Gilbert & Barker Manufacturing Co. v. Bussing*, 12 Blatchf. C. C. R. 426.) When a patentee manufactures and sells his patented article for use, the right to use passes by the sale. If an infringer manufactures and sells, he must account for and pay the profits, which are to be calculated upon the principle that the gain by the appropriation of the patentee's invention is their measure. If there are damages sustained and proved by the plaintiff, beyond the profits made by the infringer, these also may be recovered. But, when a full recovery and satisfaction from one party has been had, the patentee has obtained all that the law gives him, and the particular article or machine, if it be a machine, becomes, in effect, licensed by the patentee, and may be used so long as it lasts, free from any further claim by the patentee." 2 Bann. & A. 348 (350) ; 12 O. G. 352 (353).

In *Spaulding v. Page* (1871), 4 Fish-

his recovery of damages is a more recompense for injuries inflicted by the infringer upon his exclusive use. The payment of such damages is not the payment of a license-fee, nor of the profit on the article unlawfully sold. It leaves the article still under the monopoly, and any future use will be as truly an infringement as the past has been.² From the

er, 641, Sawyer, J. : (649) "Where a patentee does not use the patented machine himself, nor establish a patent fee, but manufactures the patented article, and sells at fixed prices, seeking his compensation in the profits of the manufacture and sale at such fixed prices, and another party infringes the patent by making and selling the patented article, and where the patentee sues the party so infringing, and claims to recover, and does recover, the full amount of profits which he himself would have obtained on said articles had he manufactured and sold them at his ordinary prices, by such claim and recovery he adopts the sale made by the party infringing, and the right to use the specific articles so sold, and for which the recovery has been had, vests in the purchaser." 1 Sawyer, 702 (709).

See also *Steam Stone Cutter Co. v. Sheldons* (1884), 21 Fed. Rep. 875 ; 22 Blatch. 484 ; *Booth v. SeEVERS* (1881), 19 O. G. 1140 ; *Gilbert & Barker Mfg. Co. v. Bussing* (1875), 12 Blatch. 426 ; 1 Bann. & A. 621 ; 8 O. G. 144.

That a conversion ratified may be regarded as a sale for purposes of royalty, see *Wilder v. Adams* (1860), 16 Gray, 478.

That a mere judgment against an infringing seller, without satisfaction does not confer an implied license on the purchaser, see *Tuttle v. Matthews* (1886), 28 Fed. Rep. 98 ; 36 O. G. 694 ; *Fisher v. Consolidated Amador Mine* (1885), 25 Fed. Rep. 201 ; 11 Sawyer, 190 ; *Birdsell v. Shaliol* (1884), 112 U. S. 485 ; 30 O. G. 261 ; *Gilbert & Barker*

Mfg. Co. v. Bussing (1875), 8 O. G. 144 ; 12 Blatch. 426 ; 1 Bann. & A. 621.

That when the judgment against an infringing seller is satisfied, the buyer has an implied license to use, see *Steam Stone Cutter Co. v. Sheldon* (1884), 22 Blatch. 484 ; 21 Fed. Rep. 875 ; *Gilbert & Barker Mfg. Co. v. Bussing* (1875), 8 O. G. 144 ; 12 Blatch. 426 ; 1 Bann. & A. 621.

That where a sale by an infringing vendor is ratified by his agreement with the patentee, the purchaser has an implied license to use and sell the device, see *Alabastine Co. v. Richardson* (1886), 26 Fed. Rep. 620 ; 35 O. G. 1225.

That the settlement of the vendor with the patentee for past infringements does not protect vendees subsequently purchasing, see *Matthews v. Spangenberg* (1882), 23 O. G. 92 ; 20 Blatch. 482 ; 19 Fed. Rep. 823.

That on an agreement to pay royalties on each article made by the licensee, royalties are due on articles made by infringers of the licensee's rights if he has received payment for the future use of such articles from the infringing makers, as if he himself had made them, see *Porter v. Standard Measuring Mach. Co.* (1886), 142 Mass. 191.

² See citation from *Perrigo v. Spaulding* (1876), 13 Blatch. 389, in note 1, *ante*.

That where no satisfaction has been made to the patentee, the purchaser from an infringing maker can be enjoined, for he cannot use the device without the consent of the patentee, see *Gilbert & Barker Mfg. Co. v. Buss-*

recovery and payment of mere nominal damages, in either case, no license is implied.³

§ 831. Implied License : License to Use Implied from Permission to Make before an Application for a Patent.

Another case in which a license is implied from the dealings of the parties with each other arises when, before his application for a patent, the inventor sells the article which is to be protected by the patent, or knowingly permits another to construct it, without a contract limiting the extent or method of its use. The purchaser or maker in this case obtains the right, by implication, to use or sell the specific article after the patent has been granted, with the same freedom from restrictions as if he had bought it from the patentee during the existence of the patent.¹

§ 832. Implied License : License to Use Inventions of Workmen Sometimes Implied in favor of Employer.

The principal case in which a license is implied from the relations of the parties occurs where an employee, during the period of his employment, makes an invention in the line of his employer's business. An employer, simply as such, has

ing (1875), 8 O. G. 144 ; 12 Blatch. 426 ; 1 Bann. & A. 621.

³ In *Blake v. Greenwood Cemetery* (1883), 16 Fed. Rep. 676, Benedict, J. : (677) "In this action the validity of the plaintiff's patent is not disputed, nor is it denied that the machine used by the defendant infringes upon that patent. But it is contended by the defendant that the recovery by the plaintiff of the sum of one dollar in the former suit, and the tender of that sum to him by the maker of the machine, is a bar to any recovery in this action against the user of the machine. To sustain this plea would be to hold that a decree for nominal damages recovered by a patentee against the manufacturer of infringing machines operates as a license to the manufacturer, and

also to his vendees, as to all existing infringing machines made by such manufacturer. The law is not so understood. The infringement by the manufacturer and the infringement by the user of an infringing machine, are separate trespasses, and judgment because of one is no bar to an action for the other. To create a bar there must be satisfaction, and nominal damages is not satisfaction." 25 O. G. 89 (90) ; 21 Blatch. 222 (223).

§ 831. ¹ See Sec. 4899, Rev. Stat.

That under this act a person making or buying an invention, before the application for a patent, has a right to use or sell only that specific thing, see *Brickill v. City of New York* (1879), 18 O. G. 463 ; 18 Blatch. 273 ; 5 Bann. & A. 544 ; 7 Fed. Rep. 479.

no right to the inventions of his employee.¹ If he contracts for his employee's inventive skill, and pays him for its exercise in his behalf, he may thereby become the equitable owner of the inventions which result, and be entitled to an assignment of the patents when they are obtained.² If their agreement is that the employer shall have the benefit, or the exclusive benefit, of the inventions of the employee, this is an express license to the employer to practise the inventions, but leaves their ownership in the inventor.³ But where, without any express agreement to that effect, an employee uses the time and tools of the employer in making an invention, and then applies it practically in the employer's business, the law implies a license to the employer to continue his enjoyment of the invention, even after the relations between himself and the inventor have been dissolved.⁴ The duration of

§ 832. ¹ That an employer, as such, has no right to the inventions of his employee, see *Hall v. Johnson* (1883), 23 O. G. 2411; *Hapgood v. Hewitt* (1882), 11 Bissell, 184; 11 Fed. Rep. 422; 21 O. G. 1786; *Damon v. Eastwick* (1882), 14 Fed. Rep. 40; 22 O. G. 1709; *Whiting v. Graves* (1878), 13 O. G. 455; 3 Bann. & A. 222; and § 414, and notes, *ante*.

² That an employer may become the equitable owner of his employee's inventions through a definite prior contract between them, see *Joliet Mfg. Co. v. Dice* (1883), 105 Ill. 649; *Continental Windmill Co. v. Empire Windmill Co.* (1871), 8 Blatch. 295; 4 Fisher, 428; *Appleton v. Bacon* (1862), 2 Black, 699; and § 414 and notes, *ante*.

That where an employee assigned his invention to his employer, who patented it, and under it the employee made devices for his employer as and for the one patented, he cannot claim after leaving the employ that such devices were not the ones patented, and if he makes them himself he is an infringer, see *Time Telegraph Co. v. Himmer* (1884), 19 Fed. Rep. 322; 26 O. G. 826; 22 Blatch. 34.

³ That a contract for the exclusive right to an employee's inventive skill for a specific period carries the exclusive license to use all inventions made during that period, under all patents and extensions, and also a license to use all inventions previously patented, but first made available during that period, see *Wilkins v. Spafford* (1878), 3 Bann. & A. 274; 13 O. G. 675.

⁴ In *Wade v. Metcalf* (1883), 16 Fed. Rep. 130, Lowell, J. : (131) "This section of the statute, which first appeared in the law of 1839, § 7 (5 St. 354), has been usually applied to the case of employer and workman. If the workman, by using the tools and time and money of his employer with his consent, makes an invention and applies it in his employer's business, the employer may continue to use it. If the improvement is a process, it has been held that the employer may continue to practise the process for the whole period of the patent. *McClurg v. Kingsland*, 1 How. 202; *Chabot v. American Button-hole, &c., Co.*, 6 Fisher, 71. But if the invention pertains to a machine, it is understood that only the specific machine or machines which have been so

his license in such cases depends upon the nature of the invention. If it is an art he may practise it until the origi-

made are licensed. *Pierson v. Eagle Screw Co.*, 3 Story, 402; *Brickill v. Mayor, &c., of New York*, 7 Fed. Rep. 470."

Further, that where a workman makes an invention at the expense of his employer, and applies the invention practically in the employer's business, the employer has an implied license to use it after the relation ceases, see *Jencks v. Langdon Mills* (1886), 27 Fed. Rep. 622; 36 O. G. 347; *Bensley v. Northwestern Horse Nail Co.* (1886), 26 Fed. Rep. 250; 36 O. G. 689; *Barry v. Crane Bros. Mfg. Co.* (1884), 22 Fed. Rep. 396; *Slemmer's Appeal* (1868), 58 Pa. St. 155.

That an employer, merely as such, has no right in the inventions of his employee, unless it be a naked license to use or sell the invention in his ordinary business, see *Hapgood v. Hewitt* (1882), 21 O. G. 1786; 11 Fed. Rep. 422; 11 Bissell, 184.

That where an inventor, using the tools and time of his employer, makes an invention under an agreement that the employer should have his invention for a certain sum, and uses it in the employer's business, the invention belongs to the employer as against subsequent assignees of the inventor, or at least the employer has an implied license to use it, see *Continental Windmill Co. v. Empire Windmill Co.* (1871), 8 Blatch. 295; 4 Fisher, 428.

That where an employee incorporates his inventions into machines belonging to his employers, it gives the employers an implied license to use the inventions in such machines after the employment ceases, see *Chabot v. American Button-hole and Overseaming Co.* (1872), 6 Fisher, 71.

That where an employee makes his experiments at the expense and in the

factory of his employer, and has his wages increased as a result of his success, and having perfected his invention permits the employer to use it without claiming any pay, this operates as an implied license to the employer to continue its use, see *McClurg v. Kingeland* (1843), 1 How. 202; 2 Robb, 105.

That where an employee is hired to invent, and does so, and puts his invention into use in his employer's business, the latter has a right to use the particular device till it is worn out, but acquires no rights in the patent itself, see *Whiting v. Graves* (1878), 3 Bann. & A. 222; 13 O. G. 455.

That where an employee constructs his invention for the use of his employer, and uses it until he applies for a patent, the employer has a right to use it until it is worn out, see *Magoun v. New England Glass Co.* (1877), 3 Bann. & A. 114; 14 O. G. 1.

That an inventor and employee, having supervised and directed the building of his machine for his employer, a license in favor of the latter to use it as long as it lasts is implied, see *American Tube Works v. Bridgewater Iron Co.* (1886), 26 Fed. Rep. 334; 34 O. G. 1047.

That if an employee puts his invention into his employer's use without the consent of the employer and without any agreement for compensation, and the invention develops in the employer's use into a practical condition at his expense, he has an implied gratuitous license to use it as long as it lasts, see *Barry v. Crane Bros. Mfg. Co.* (1884), 22 Fed. Rep. 396.

That use by an inventor in his employer's business of a new design, without express contract, gives the employer an implied license to continue the use

nal term of the patent has expired.⁵ If it is an article he may use it until it is worn out, and repair it as long as its identity can be retained.⁶ His license, however, is not transferable like that of a purchaser of a patented article.⁷ Arising out of the relations between himself and his employee it is personal in its character, and cannot be applied to the benefit or protection of any other users of the patented invention. A corporation, whether municipal or private, has the same right to the enjoyment of the inventions of its employes as is possessed by individual employers.⁸

§ 833. Implied License: License to Use Inventions of Co-partner sometimes Implied in favor of the Firm.

From the relations between a partnership and its members a similar license is implied. If one co-partner makes an invention at the cost of the firm, and applies it to their common benefit, the right to use it becomes vested in the partnership, and is not affected by the retirement of the inventor from the firm.¹ Upon the dissolution of the partnership this license

of the design until the patent expires, whether or not the employment continues, see *Herman v. Herman* (1886), 29 Fed. Rep. 92; 37 O. G. 892.

That if a workman uses his invention in his masters' employment without claiming it against them, they may have an implied license to use it, see *Hall v. Johnson* (1883), 23 O. G. 2411.

⁵ See *Wade v. Metcalf*, cited in note 4, *ante*.

⁶ See *Wade v. Metcalf*, cited in note 4, *ante*.

⁷ That the implied license of an employer is personal, not assignable, see *Hapgood v. Hewitt* (1886), 119 U. S. 226; 37 O. G. 1247; *Hapgood v. Hewitt* (1882), 11 Fed. Rep. 422; 21 O. G. 1786; 11 Bissell, 184.

⁸ That where the employee of a city invents a device, and uses it on machines belonging to the city before his application for a patent, a license to the city to continue its use on such machines,

until the devices used are used up, is implied, see *Brickill v. Mayor of New York* (1880), 18 Blatch. 273; 5 Bann. & A. 544; 18 O. G. 463; 7 Fed. Rep. 479.

§ 833. ¹ In *Wade v. Metcalf* (1883), 16 Fed. Rep. 130, Lowell, J.: (132) "The plaintiff contends that this law only applies to employers and employed. But there is no such limitation in the statute. When the plaintiff, as a member of the firm, and at the joint expense, made and altered these machines, and permitted their use by the firm, how does he escape the statute by being himself one of the firm? The law was applied without hesitation to a case of this kind in *Slemmer's Appeal*, 58 Pa. St. 155. Again, the plaintiff contends that if the statute has any application, it only grants a limited and personal license to a certain legal individual called a firm, which ends when the firm ends. But the section in question describes in

terminates; though where the patented invention is an article, and several having been constructed at the firm's expense are at its dissolution distributed among its members, each has the right to use the article conveyed to him, as if the partnership were still in being.² A license of the same character arises in favor of a corporation, one of whose members is the owner of a patented invention, if he knowingly permits its employment in their business, and receives his proportion of the benefit to be derived therefrom.³

§ 834. **Implied License: Licenses Arising by Estoppel: Implied Licenses, how Construed.**

Besides these special cases, which are of definite character and frequent occurrence, an implied license may arise out of any circumstances which operate as an estoppel on the owner of the patent to prevent him from denying the rights claimed by the apparent licensee.¹ Such circumstances must, however,

unmistakable language a complete and perpetual release of the specific articles from the monopoly."

That under circumstances like the above a license is implied in favor of each member of the firm, see *Wade v. Metcalf* (1883), 16 Fed. Rep. 130.

² That where one partner invents a device and permits the firm to use it, this is no implied license to a member of the firm to increase the number used after the firm is dissolved, although the firm paid the expense of procuring the patent, if the firm received from it a benefit greater than the expense, see *Keller v. Stolzenbach* (1884), 20 Fed. Rep. 47; 27 O. G. 209.

That where one member of a firm patented a design and used it in the firm's business, an implied license arose to use the design till the firm dissolved, and after dissolution to sell, by receiver or otherwise, all existing devices embodying such design, see *Montross v. Mabie* (1887), 30 Fed. Rep. 234; 41 O. G. 931.

That a firm, dealing with one of its

members as if it were a licensee, is licensee until the firm can close up its business, and if a receiver is necessary for that purpose, he will be a licensee, see *Montross v. Mabie* (1887), 41 O. G. 931; 30 Fed. Rep. 234.

That articles made under an implied license to a firm may be sold by any one of the partners after dissolution for the benefit of the firm, see *Montross v. Mabie* (1887), 41 O. G. 931; 30 Fed. Rep. 234.

That articles used by a firm under an implied license from one of its members, and afterwards distributed among the partners at the dissolution of the firm, may be used by them in like manner, see *Wade v. Metcalf* (1883), 16 Fed. Rep. 130.

³ That where the members of a corporation own patents, and permit the corporation to use the patented devices without objection, a license will be implied, see *Detweiler v. Voegel* (1881), 19 Blatch. 482; 8 Fed. Rep. 600.

§ 834. ¹ That a license may arise by estoppel, see *Gear v. Grosvenor* (1873),

be unequivocal and fulfil the ordinary requisites of an estoppel *in pais*. An acquiescence in known infringements does not authorize their continuance, nor does a judgment for past infringements license the infringer to practise the invention in the future.² An unmolested use during a defective patent affords no presumption of a license under the re-issue.³ But any conduct by which the owner of the patent induces the person who employs the invention to place himself in a situation where he must suffer injury unless his right to practise the invention is conceded will be regarded as implying such a right, and as estopping the owner of the patent from asserting his prohibitory powers in its defeat. An implied license is construed primarily according to the legal rules under which it arises out of the circumstances or relations of the parties; and subject to these rules, by the evident intention of the licensor and licensee.⁴

6 Fisher, 314; Holmes, 215; 3 O. G. 380; Reutgen v. Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

² That a license is not implied from the mere failure of the patentee to sue for infringements, see *City of Concord v. Norton* (1883), 16 Fed. Rep. 477; *McWilliams Mfg. Co. v. Blundell* (1882), 11 Fed. Rep. 419; 22 O. G. 177.

That no license is implied from a judgment for damages for past infringement, see *Hayden v. Suffolk Mfg. Co.*

(1862), 4 Fisher, 86; *Earle v. Sawyer* (1825), 4 Mason, 1; 1 Robb, 490.

³ That a use under a defective patent does not imply a license to use under a renewed patent, see *McWilliams Mfg. Co. v. Blundell* (1882), 11 Fed. Rep. 419; 22 O. G. 177.

⁴ That an implied license is construed according to the circumstances of the case and the evident intention of the parties, see *Montross v. Mabie* (1887), 41 O. G. 931; 30 Fed. Rep. 234.

CHAPTER VI.

OF THE EXTENSION OF LETTERS-PATENT.

§ 835. Extension of Letters-Patent: Origin and History of Extensions.

FROM the earliest history of Patent Law the fact has been recognized that through various causes an inventor may fail to obtain an adequate recompense for his inventive skill during the original term of his patent, and that justice to him and a due regard to the public interest may thus sometimes require an extension of his monopoly in the invention. The ancient crown grants were on this account frequently renewed after the expiration of their original terms, and though for a long period after the statute of James I. no such increase of the patent privilege was permitted by the laws of England, yet with the development of industrial enterprise in the first quarter of this century the importance of additional protection to the inventor became so apparent that Parliament in 1835 expressly provided means for extending letters-patent, at first for seven and then for fourteen years. In this country the propriety of such extensions in special cases has always been conceded, — the principal variations in our law relating to the tribunal in which the authority to grant extensions should reside. Prior to the act of 1836 this power was lodged in Congress, by whom alone the original term of the monopoly could be prolonged. In 1836 jurisdiction over the renewal as well as the first issue of letters-patent was conferred upon the Patent Office, subject to numerous restrictions as to the grounds of renewal and the duration of the extended term. In 1861 this jurisdiction over extensions was withdrawn as to all patents granted after the passage of that act, and Congress thus became the only source from which an increase of the monopoly created by future patents could

be obtained.¹ This is the present state of the law, — the Patent Office having authority to renew a patent issued before March 2, 1861, and acting as an examining and advisory tribunal concerning the extension of later patents when the existence of the conditions precedent to such extension is submitted to its judgment by a special act of Congress. Occasions for the exercise of its former power cannot now arise; and an exposition of the current law upon this subject might therefore leave unnoticed those peculiar doctrines which apply only to extensions granted by the Office when having general jurisdiction under provisions similar to those of 1836. Inasmuch, however, as Congress may at any time restore this jurisdiction, and when restoring it will probably preserve unchanged the leading characteristics which it previously possessed, this aspect of the law will also be considered in connection with the rules now practically in force.

§ 836. Extension: to Whom Granted.

As the sole object of an extension is to furnish to an inventor an additional opportunity to secure the recompense which he has hitherto failed to obtain, so no extension will be granted unless the inventor is to enjoy at least a substantial portion of its benefits.¹ It is not necessary that the legal title to the extended patent should vest permanently in him, for he may already have contracted to convey this to another; but even here the consideration for the transfer must be reasonable in amount or the purpose of the extension will fail, and the extension itself will consequently be refused.²

§ 835. ¹ That under Sec. 16, act of 1861, no future patents can be extended, see *De Florez v. Reynolds* (1880), 17 O. G. 503; 8 Fed. Rep. 434; 5 Bann. & A. 140; 17 Blatch. 436.

§ 836. ¹ That an extension is for the benefit of the inventor, see *Case v. Redfield* (1849), 4 McLean, 526; 2 Robb, 741.

That no extension will be granted unless the inventor is to profit by it, see *Ex parte Baker* (1872), 1 O. G. 632.

That when the patentee is to receive but five per cent of the benefits of the

extension it will be refused, see *Ex parte Peberdy* (1872), 2 O. G. 644.

² That an extension may be granted to an inventor who owns an interest in the patent, see *Ex parte Woodman* (1872), 1 O. G. 550.

That the patentee's interest in the extension may be equitable only, see *Gear v. Grosvenor* (1873), 3 O. G. 380; 6 Fisher, 314; Holmes, 215.

That a patent will not be extended where the assignees are to reap the entire benefit, see *Ex parte Munger* (1873), 3 O. G. 323.

Where there has been no contract to assign the extension the inventor will be presumed to have the beneficial interest therein, and the other conditions for its allowance being present he will receive it unaffected by his assignment of the original term or by any warrant of attorney which he may have previously made.³ Where assignees of the original patent have re-issued it without his concurrence, his extension may be based either on the original or the re-issued patent, but if he has consented to the re-issue the extension of the latter is alone permitted.⁴ The precise relation of the inventor to the patent must appear upon the face of his application for its extension, and if less than the whole future benefit is to be enjoyed by him, the proportion which he will receive must be specifically stated.⁵ A joint patent will not be extended unless all the joint inventors desire it, though the application of one may be ratified by the subsequent application of the others.⁶ The executor or administrator of a deceased inventor may apply for and obtain an extension in his own name, and will thereafter hold it in trust for the heirs or devisees of the inventor, or for such assignees as have already paid or have agreed to pay a valuable and reasonable consideration for its enjoyment.⁷

³ That there is no presumption that the assignee of the original term is interested in the extension, see *Goodyear v. Hullihen* (1867), 3 Fisher, 251; 2 Hughes, 492.

That an inventor may obtain an extension, though he may have given to another an irrevocable power of attorney, see *Ex parte Cox* (1872), 2 O. G. 491.

⁴ That an original patent may be extended to the patentee, though a re-issue has been obtained by an assignee, see *Ex parte Low* (1872), 1 O. G. 203; *Crompton v. Belknap Mills* (1869), 3 Fisher, 536.

That where an assigned patent has been re-issued to the assignee, and he has assigned half his interest therein to the inventor, the inventor cannot have an extension of the original, see *Ex parte Dickinson* (1873), 3 O. G. 91.

That no extension of the original patent can be granted after a re-issue, if the patentee consented to the re-issue, only the re-issue being extendible, see *Ex parte Packer* (1872), 2 O. G. 31.

⁵ That where the applicant for an extension has parted with any portion of his interest in the invention, the application must clearly show what interest he has left, see *Ex parte Lee* (1872), 1 O. G. 435.

⁶ That a joint patent will not be extended unless both patentees desire it, see *Ex parte Wickersham* (1873), 4 O. G. 155.

That one of two joint inventors may apply for an extension, if the other ratifies his act by applying also, see *Ex parte Beadle* (1872), 1 O. G. 434.

⁷ That an administrator may have an extension, and when granted will

§ 837. Extension : Conditions of Grant.

An inventor is entitled to an extension only when the recompense received by him during the original term of his patent is not commensurate with the benefit conferred by his inventive act upon the public. Whether or not the recompense has been in due proportion to the benefit depends upon the practical value of the invention in the arts, and the actual profit derived from it by the inventor under the original monopoly. The value of the invention must be demonstrated, either by experience or by the nature of the process or the instrument itself, and not rest in conjecture or on the mere assertions of the inventor.¹ If improvements have been made upon it since the issue of the original patent, its value must be due to the invention as first patented, and not solely to the subsequent improvements.² The sufficiency of the remuneration already obtained by the inventor is a special question of fact in each case, and cannot be measured by any general rules.³ Where the invention is of great industrial value the

hold it as trustee for the heirs of the inventor, and not for assignees, though the entire patent were assigned, see *Wilson v. Rousseau* (1846), 4 How. 646; 2 Robb, 372; *Brooks v. Jenkins* (1844), 3 McLean, 432; 1 Fisher, 41; *Brooks v. Jenkins* (1843), 3 McLean, 250; 2 Robb, 118.

§ 837. ¹ That no extension will be granted unless the value of the invention is proved, see *Ex parte Lockwood* (1873), 3 O. G. 439; *Ex parte Marston*, (1872), 1 O. G. 608.

That the value of the invention is not to be guessed at, but to be proved from experience, see *Ex parte Dick* (1872), 2 O. G. 147.

That an extension may be allowed though the invention is not yet in use, if it is of apparent value, and due diligence has been used, see *Ex parte Winans* (1872), 2 O. G. 440.

That an extension will not be granted on the mere allegation of the applicant that the invention is exceedingly useful,

but its utility must be proved, see *Ex parte Mathews* (1872), 1 O. G. 405; *Ex parte Falkenburg* (1872), 2 O. G. 3.

That a patent will not be extended when the invention is in little demand, or has gone out of use, see *Ex parte Behr* (1873), 3 O. G. 292.

That a contract to purchase the extension for \$2,000 shows the value of it, see *Ex parte Slemmons* (1874), 6 O. G. 575.

² That a patent will not be extended if the chief value of the invention resides in the improvements since made, see *Ex parte Roots* (1874), 6 O. G. 391.

That on an application for an extension the value of the invention to the public must be shown, and if improvements have been made, the value shown must be that of the original, separate from the improvements, see *Ex parte Haseltine* (1875), 8 O. G. 45.

³ That the sufficiency of the remuneration received is a special question of fact in each case, see *Ex parte Voel-*

enjoyment of large profits is not inconsistent with inadequacy of recompense; and, on the other hand, a small reward is ample when the advantage bestowed upon the public is of limited amount or short duration.⁴ If the failure of proper compensation has resulted from the negligence of the inventor, as by continued acquiescence in infringements or unreasonable delay in amending a defective patent,⁵ or if from sources not yet made available he will secure a profit proportioned to his merit, no reason exists for an extension and the application will therefore be denied.⁶

§ 838. Extension Must be for the Same Invention as Original.

As an extension is not a new patent, but a mere prolongation of the term of an original patent, it is obvious that it cannot embrace a different invention from the one claimed in and protected by the patent whose term it prolongs.¹ An inventor seeking this addition to his monopoly must base his application upon that precise form and scope of the monopoly which exists at the time when the extension, if granted, would

ter (1877), 12 O. G. 393; *Ex parte* Watterman (1872), 2 O. G. 247; *Ex parte* Dick (1872), 2 O. G. 147.

That want of proper remuneration must be affirmatively proved, see *Ex parte* Falkenburg (1872), 2 O. G. 3.

⁴ That an extension will be granted where the invention is of great value, although large profits have been already realized, see *Ex parte* Sturtevant (1873), 5 O. G. 2.

That less than \$5,000 is not sufficient remuneration in some cases, see *Ex parte* Lewis (1873), 3 O. G. 92.

⁵ That to acquiesce in the acts of infringers for ten years is negligence in attempting to secure remuneration, see *Ex parte* Lyman (1872), 2 O. G. 705.

That where an inventor has been deprived of his proper remuneration through infringements, and has pursued his legal remedies, he has exercised due diligence in securing his reward, see *Ex parte* Blandy (1872), 2 O. G. 174.

That no extension will be allowed if the failure of remuneration has arisen from the neglect to obtain a re-issue, see *Ex parte* Emmert (1872), 1 O. G. 90.

That when the patent has always been in the hands of assignees, the failure to apply for a necessary re-issue will not prevent the inventor from obtaining a renewal, see *Ex parte* Emmert (1872), 1 O. G. 90.

⁶ That an extension should be refused if the damages probably recoverable for past infringements will give recompense enough, see *Ex parte* Arnold (1874), 5 O. G. 553.

§ 838. ¹ That an extension is presumed to be for the same invention as the original, see *La Baw v. Hawkins* (1874), 6 O. G. 724; 1 Bann. & A. 428.

That an extension cannot cover a new invention or one not embraced in the original patent, see *Union Metallic Cartridge Co. v. United States Cartridge Co.* (1884), 112 U. S. 624; 30 O. G. 771.

take effect. He is not permitted to introduce new elements into the invention, nor discard others which he has previously treated as essential; nor can he select subordinate parts of the invention which separately considered may be of great value and yet hitherto have returned him little profit.² He must take an extension of the patent as it stands, or not at all; and though, if defective, it may still be amended by a re-issue or disclaimer, he cannot use the extension as a method of curing its defects.³ Where the patent has been re-issued during the original term with his consent, the re-issued patent, not the original, is the subject of extension, and if this contains new matter no extension will be conceded until the new matter has been disclaimed.⁴ The identity of the original invention being preserved, the number of successive or divisional re-issues which have been allowed is unimportant. The extension rests upon the last re-issue in which the inventor has concurred, and in the event of a divisional re-issue each division may be separately prolonged.⁵ Nor does it affect the inventor's rights that his original patent was limited by the duration of a prior foreign patent,—its term, whenever expiring, being capable of extension if justice and the public interest will be thereby promoted.⁶

² That an extension will not be allowed on an unimportant part of the invention, see *Ex parte Collender* (1873), 2 O. G. 727.

³ That an extension will not be granted to cure an insufficient specification, not remedied by a re-issue during the original term, see *Ex parte Morse* (1874), 6 O. G. 296.

⁴ That a re-issue containing new matter cannot be extended until the new matter is disclaimed, see *Ex parte Allen* (1872), 2 O. G. 89.

That a re-issue will not be extended if its claims are broader than the real invention, see *Ex parte Sexton* (1873), 3 O. G. 409; *Ex parte Lyman* (1872), 2 O. G. 705.

⁵ That the concurrence of the inventor in a re-issue makes the re-issue alone extendible, see *Ex parte Packer* (1872), 2 O. G. 31.

That each re-issue may be separately extended, see *Wheeler v. McCormick* (1873), 6 Fisher, 551; 11 Blatch. 334; 4 O. G. 692.

⁶ That an extension under the act of 1836 might be granted for patents limited by the terms of foreign patents, see *New American File Co. v. Nicholson File Co.* (1881), 8 Fed. Rep. 816; 20 O. G. 524.

That where, after a foreign patent had been issued, an American patent was granted, and the foreign patent expired before the American patent was extended, the extension was still valid, see *Tilghman v. Mitchell* (1871), 9 Blatch. 18; 4 Fisher, 615.

That under Sec. 4887, Rev. Stat., the extension of the foreign patent does not extend the American patent, see *Reissner v. Sharp* (1879), 16 Blatch. 383, 4 Bann. & A. 366; 16 O. G. 355.

§ 839. Extension of Invalid Patent not Permitted.

The extension of an invalid patent is manifestly unjust and improper, whether the invalidity is due to the nature of its subject-matter or to incurable defects in the instrument itself. Upon an application for a prolongation of the monopoly this entire question may be examined, and if it is apparent that the patent ought not to have been originally granted it will not be renewed.¹ Thus if it does not describe and claim a true invention, but covers simply a force, or function, or result; or if the invention which it claims was destitute of patentable novelty or utility, or had been abandoned; or if the original patent was obtained by fraud; or if it fails to disclose the invention to the public and cannot be amended, — in these and similar cases, where the grant may be at any time defeated, a continuance of the unlawful and unsustainable monopoly will not be attempted.² In determining this question, however, the presumption is in favor of the validity of the original patent, and this presumption is so far increased, if the patent has been upheld in the courts, that without new evidence the private opinion of the tribunal having jurisdiction over the allowance of the extension cannot prevail

§ 839. ¹ That on an application for an extension the Commissioner may consider the novelty and utility and scope of the invention, see *Ex parte Lyman* (1872), 2 O. G. 705; *Swift v. Whisen* (1867), 2 Bond, 115; 3 Fisher, 343.

² That no extension will be allowed where the patent does not embrace an invention, see *Ex parte Sabbaton* (1872), 2 O. G. 703.

That an extension will not be allowed where the patent covers a function merely, see *Ex parte Sexton* (1873), 3 O. G. 409.

That a patent for a result will not be extended, see *Ex parte Dick* (1872), 2 O. G. 147.

That an extension ought not to be allowed if the original invention was not new, see *Ex parte Arnold* (1874), 5 O. G. 553; *Ex parte Carrè* (1873), 4 O. G. 180; *Ex parte Stewart* (1873), 4 O. G. 665.

That no extension will be allowed where the original patent claims a device that was old when the patent was granted, unless such device is disclaimed, see *Ex parte Lewis* (1873), 3 O. G. 92.

That an extension ought scarcely to be allowed after a free public use for years, see *Ex parte Arnold* (1874), 5 O. G. 553.

That fraud in obtaining an extension will be a fatal objection to the patent, see *Goodyear v. Providence Rubber Co.* (1864), 2 Clifford, 351; 2 Fisher, 499.

That an extension will not be allowed when an invention is kept secret from the public, see *Ex parte Collender* (1873), 2 O. G. 727.

That an extension will be allowed, though the patent is defective, if it can be cured by a re-issue, see *Ex parte Mayall* (1873), 4 O. G. 582.

against it.³ An extension in the face of opposition strengthens this presumption, and in its turn may be urged in favor of the patent in the courts.⁴

§ 840. Extension: Procedure in Cases over which the Patent Office had Original Jurisdiction.

In cases of extension over which the Patent Office had original jurisdiction proceedings were commenced by filing a written application not more than six months, nor less than ninety days, before the expiration of the patent.¹ Upon receipt of the application the Commissioner caused notice to be given to persons interested adversely to the extension by publication in Washington and elsewhere, for at least sixty days before the hearing on the application,² and also instituted an examination in the ordinary method into the patentability of the invention. At the time appointed in the published notice

³ That if the patent has been sustained by the courts, and no new evidence against it is offered on the hearing for an extension, it will be regarded as valid, see *Ex parte Putnam* (1873), 3 O. G. 240; *Ex parte Blandy* (1872), 2 O. G. 174; *Ex parte Cox* (1872), 2 O. G. 491; *Ex parte Blake* (1872), 1 O. G. 605.

That personal doubts of the Commissioner as to validity yield to the judgments of the courts, see *Ex parte Putnam* (1873), 3 O. G. 240.

That a patent for a combination whose elements do not co-operate may be extended, if the courts have upheld the combination as a true and patentable one, see *Ex parte Lewis* (1873), 3 O. G. 92.

That no extension should be allowed when the original invention was not new, even though the courts, in the absence of certain evidence now at hand, have sustained it, see *Ex parte Lawson* (1873), 3 O. G. 150.

⁴ That an extension strengthens the presumption of novelty and utility, see *Whitney v. Mowry* (1867), 2 Bond, 45; 3 Fisher, 157.

§ 840. ¹ That the ninety days under Sec. 12, act March 2, 1861, begin with the day on which the application for an extension is filed, see *Johnson v. McCullough* (1870), 4 Fisher, 170.

That an application for an extension being filed February 15, and the patent expiring the 15th of May, the application was filed within ninety days before the expiration of the patent, see *Johnson v. Onion* (1877), 3 Hughes, 290.

That the jurisdiction of the Commissioner over an extension begins on the filing of the petition, and all subsequent steps are subject to his control, see *Gear v. Grosvenor* (1873), Holmes, 215; 6 Fisher, 314; 3 O. G. 380.

² That the publication sixty days previous to the hearing may begin on the first day of the sixty, see *Gear v. Grosvenor* (1873), 3 O. G. 380; 6 Fisher, 314; Holmes, 215.

That a notice of an application to extend the original is sufficient notice of an application to extend the re-issue, see *Crompton v. Belknap Mills* (1869), 3 Fisher, 536.

the interested parties were heard with their evidence upon all points involved in the controversy, and if the Commissioner was satisfied that the patentee, without his fault, had failed to secure a reasonable remuneration for his labor and expense, and that justice and the public good required a prolongation of the monopoly, he entered a certificate upon the patent renewing it for seven years after the close of the original term.³ This certificate being recorded in the Office gave the same effect to the patent as if it had at first been issued for the term of twenty-one years.⁴

§ 841. **Extension: Procedure in Cases Referred to the Patent Office by Congress.**

Applications for the extension of patents issued since March 2, 1861, must be made to Congress. Such applications may be directly granted or denied without further action, or may be granted subject to the decision of the Commissioner of Patents upon the merits of the application. In the latter cases the proceedings in the Patent Office, except as to the time and mode of their inception, closely resemble those arising under the former law. An application must be filed in the Office based upon the special act of Congress, a certified copy of which must accompany the application, and the applicant must at the same time furnish a statement under oath of the ascertained value of the invention, and of his receipts and expenditures on its account,

³ That a patent will be extended if there is no opposition, and the Commissioner is satisfied as to diligence and merit, see *Ex parte Robbins* (1873), 3 O. G. 292.

That an extension may be allowed though the Commissioner has doubts as to the patentability of the invention, see *Ex parte Lockwood* (1873), 3 O. G. 439.

That, although priority is in dispute, an extension may be allowed upon *ex parte* proofs with a disclaimer of the disputed Claims, see *Ex parte Nishwitz* (1872), 1 O. G. 141.

That a patent will not be extended where the same invention is covered by a previous patent to the same grantee, see *Ex parte Latta* (1873), 3 O. G. 349.

⁴ That the effect of an extension is to make the patent a patent for the old and new terms, see *Gibson v. Harris* (1846), 1 Blatch. 167.

That an extension vests an absolute and complete title in the patentee though the surrender and re-issue of the original was by another, see *Potter v. Empire Sewing Machine Co.* (1868), 3 Fisher, 474.

giving such facts and data in reference thereto as will enable the Commissioner to form an exact judgment concerning his real profits.¹ Any ambiguity or concealment in this statement is suspicious, and if it is unavoidably defective the reasons for the defect must appear. Upon this application four questions arise: the original patentability of the invention; its value to the public; the sufficiency of the remuneration already received by the inventor; and the effect of an extension upon the public interest. On the first point, in uncontested cases, no evidence is necessary. On the second, the testimony of disinterested persons must, if possible, be presented, and with such definiteness as to enable the Commissioner to estimate the industrial importance of the device or process covered by the patent. On the third point, it must be shown by sufficient proof that the inventor has employed all reasonable means to make his monopoly productive, and that without his fault he has failed to obtain a fair recompense for the time, ingenuity, and expense bestowed on the invention, and on its introduction into use.³ The conclusions of the Commissioner on the fourth point are drawn from the facts disclosed by the preceding inquiries, and from his general knowledge of the condition of the art. The rules of evidence governing this investigation are those established by the

§ 841. ¹ That the applicant for an extension must file an account showing facts and not mere opinions, see *Ex parte Lee* (1872), 1 O. G. 435.

That on an application for an extension, the account of receipts and expenditures need not give every item, but must give data enough for a clear judgment as to remuneration, see *Ex parte Wilson* (1872), 1 O. G. 185.

That on an application for an extension, the real gains received from the patented invention should be stated, although they are derived only from a part interest in the invention, see *Ex parte Miller* (1872), 1 O. G. 431.

That an account of profits taken on an extension hearing must include all profits received under foreign patents

for the invention, see *In re Newton's Patent* (1884), L. R. 9 App. Cas. 592; *In re Adair's Patent* (1881), L. R. 6 App. Cas. 176.

That where an application for an extension withholds particulars as to remuneration it is suspicious, see *Ex parte Wilson* (1872), 1 O. G. 185.

That the expenses of introducing into use may properly be set off against receipts in estimating value and remuneration, see *Ex parte Dick* (1872), 2 O. G. 147.

² That a patentee may be estopped by neglect from asserting his rights under the extension, see *Goodyear v. Honsinger* (1867), 2 Bissell, 1; 3 Fisher, 147.

Office for other cases in which exterior proof may be required.³ Any person may oppose an extension by serving notice of his opposition, and his reasons therefor, upon the applicant or his attorney, at least ten days before the day fixed for the closing of the evidence, and after such notice will be treated as an adverse party, and entitled to participate in all future proceedings, to offer testimony against the matters asserted by the applicant, and to be heard in argument. After the evidence has closed, the application is referred to the proper examiner for his determination of the patentability of the invention, and upon his report and the proof and arguments of the parties the Commissioner bases his decision, by which the extension is awarded or the application is dismissed.

§ 842. **Extension: Decision of Patent Office Final.**

In cases within the original jurisdiction of the Patent Office the decision of the Commissioner allowing an extension was final upon all matters necessarily involved in his judicial action.¹ If lawful on its face the extension could not be collaterally attacked for fraud or other irregularity, though the patent as extended was still open to all defences which could have been set up against it during the original term.²

³ That in extension cases the usual rules of evidence apply, see *Ex parte Lewis* (1873), 3 O. G. 92.

§ 842. ¹ That the decision of the Commissioner as to an extension is final, see *New American File Co. v. Nicholson File Co.* (1881), 20 O. G. 524; 8 Fed. Rep. 816; *U. S. Rifle & Cartridge Co. v. Whitney Arms Co.* (1877), 14 Blatch. 94; 2 Bann. & A. 493; 11 O. G. 373; *Ex parte Sexton* (1876), 9 O. G. 251; *Gear v. Grosvenor* (1873), Holmes, 215; 6 Fisher, 314; 3 O. G. 380; *Tilghman v. Mitchell* (1871), 4 Fisher, 615; 9 Blatch. 18; *Whitney v. Mowry* (1870), 4 Fisher, 207; *Jordan v. Dobson* (1870), 4 Fisher, 232; 2 Abbott, 393; 7 Phila. 533; *American Wood Paper Co. v. Glens Falls Paper Co.* (1870), 4 Fisher, 324; 8 Blatch. 513; *Crompton v. Belknap*

Mills (1869), 3 Fisher, 536; *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351; *Clum v. Brewer* (1855), 2 Curtis, 506; *Colt v. Young* (1852), 2 Blatch. 471.

² That an extension is a judicial act of the Commissioner, and cannot be collaterally impeached, see *Dorsey Harvester Rake Co. v. Marsh* (1873), 6 Fisher, 387; *American Wood Paper Co. v. Glens Falls Paper Co.* (1870), 8 Blatch. 513; 4 Fisher, 324; *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

That if an extension is regular on its face it cannot be attacked by the defendant in an infringement suit for fraud or irregularity, see *Tilghman v. Mitchell* (1871), 9 Blatch. 18; 4 Fisher, 615.

That extended letters-patent are not impeachable for fraud in a collateral

§ 843. Extension: Effect on Rights of Assignees, etc.

The rights of assignees under an extension are protected but not defined by the express provisions of the statutes. An extension does not purport to vary the contract relations between the inventor and other parties. Like the original monopoly it is property which may be transferred or enjoyed in every manner consistent with its nature, and rights under it may be created and enforced to the same extent as during the original term. Conveyances of the extension made before it is allowed, licenses so granted as to continue while the monopoly endures, and implied licenses to use the patented article free from the dominion of the monopoly, take effect under the extension, and are governed by the terms of the express or implied contracts in which they originate.¹ The inventor cannot make use of his extension to curtail any of these vested rights. An assignee of the original term, though having no interest in the extension, may nevertheless employ the patented devices which he has on hand at the expiration of the patent, until they are no longer capable of use. Grantees of territorial interests in the patent, and purchasers of the patented instruments at a lawful and unrestricted sale, enjoy a similar privilege. The owner of the extension is bound by the acts of the former owners of the patent in reference to these parties, and cannot prejudice their legal rights by any exercise of his prohibitory powers.²

suit, see *Gear v. Grosvenor* (1873), Holmes, 215; 6 *Fisher*, 314; 3 O. G. 380.

That the decision of the Commissioner allowing an extension has great weight, but not on the question of infringement, see *Evarts v. Ford* (1873), 5 O. G. 58.

§ 843. ¹ That the right to use the invention during an extension depends on the right to use during the original term, see *Union Paper Bag Mach. Co. v. Nixon* (1876), 9 O. G. 691; 1 *Flippin*, 491; 2 *Bann. & A.* 244.

That the act concerning extensions

avails assignees as well as patentees, according to the nature of their contracts, see *Wilson v. Turner* (1845), Taney, 278.

That an extension of the patent does not relieve a licensee from the duty of paying royalties, see *Union Mfg. Co. v. Lounsbury* (1869), 41 N. Y. 363; *Union Mfg. Co. v. Lounsbury* (1864), 42 Barb. 125.

² That the owners under an extension are bound by the acts of the patentee under the original patent, see *Goodyear v. Honsinger* (1867), 2 *Bissell*, 1; 3 *Fisher*, 147.

§ 844. Extension: Assignment of.

An extension may be assigned by the inventor even before the original patent is granted, though such an assignment is operative only as a contract until the extension is allowed, and then takes effect by vesting the title in the assignee.¹ No transfer made prior to or during the original term passes the extension, unless the language of the conveyance expressly embraces it, — the presumption being that the assignees of a patent are owners only of the monopoly created by the primary grant.² A contract to assign an extension may be specifically enforced in equity, and where an inventor having made such a contract dies before the extension can be procured, his executor or administrator may apply for and obtain it in trust for the true and equitable owner.³

§ 844. ¹ That an extension may be assigned before it is granted, see *Ex parte Holmes* (1873), 4 O. G. 581; *Nicholson Pavement Co. v. Jenkins* (1872), 14 Wall. 452; 5 Fisher, 491; 1 O. G. 465; *Clum v. Brewer* (1855), 2 Curtis, 506.

That an extension may be assigned before the original patent is granted, see *Ex parte Holmes* (1873), 4 O. G. 581.

That an extension cannot be conveyed before it is granted, though it may be contracted for, see *Day v. Candeo* (1853), 3 Fisher, 9.

That an agreement for the sale of an extension is good, see *Pitts v. Hall* (1854), 3 Blatch. 201.

That an assignment of an extension before it is granted operates from the date of the extension, and the legal title vests in the assignee, see *Gear v. Grosvenor* (1873), Holmes, 215; 6 Fisher, 314; 3 O. G. 380.

That an agreement to assign an extension when obtained makes the assignee the equitable owner of it when

it is obtained, see *Aiken v. Dolan* (1867), 3 Fisher, 197.

² That an assignment of an "invention" before the patent, and requesting that the patent issue to the assignee, does not cover the extension, see *Mowry v. Grand Street & Newtown R. R. Co.* (1872), 5 Fisher, 586; 10 Blatch. 89.

That an assignment of an interest in the invention and letters-patent pending the original term, does not carry an extension, unless it is so expressly stated, see *Jenkins v. Nicholson Pavement Co.* (1870), 4 Fisher, 201; 1 Abb. 567. See also §§ 412, 770, 779, and notes, *ante*.

³ That where a patentee, having agreed to convey an extension yet to be obtained, dies, his executor or administrator will take the extension in trust for, and may assign it to, the promisee, and the record of such assignment is notice to all concerned, see *Nowell v. West* (1876), 9 O. G. 1110; 8 O. G. 598; 2 Bann. & A. 113; 13 Blatch. 114.

§ 845. Extension under Special Acts of Congress.

Congress may extend a patent by special act in favor of the inventor or his heirs at any time before or after the expiration of the original term.¹ When such an extension is obtained, in addition to an extension under the original jurisdiction of the Patent Office, both are valid and the former is enjoyable after the termination of the latter.² As these extensions are entirely within the discretion of Congress, it may make such regulations as it pleases concerning the rights of assignees, though it cannot vary the relations which have been established by prior contracts between the inventor and other parties.³ Under an extension by special act, assignees have no privileges other than those arising out of contract, unless the act expressly confers them.⁴ All special acts of this character are considered as engrafted on the general law, and are interpreted in accordance with its permanent provisions.⁵

§ 845. ¹ That an extension may be granted by special act of Congress, see *Bloomer v. Stolley* (1850), 5 McLean, 158.

That an extension may be granted by special act of Congress after the original has expired, see *Jordan v. Dobson* (1870), 2 Abbott, 398; 7 Phila. 533; 4 Fisher, 232.

That where an extension is granted by a special act of Congress, the certificate need not recite all the provisions of the act, see *Agawam Co. v. Jordan* (1868), 7 Wall. 583.

² That an extension granted by the Patent Office and one allowed by Congress are entirely distinct, and one will take effect after the other, see *Woodworth v. Edwards* (1847), 3 W. & M. 120.

³ That Congress, in the special act

of extension, may regulate the rights of assignees, see *Blanchard Gun Stock Turning Co. v. Warner* (1845), 1 Blatch. 258.

That special acts authorizing extensions do not vary the rights of parties *inter sese*, see *Prime v. Brandon Mfg. Co.* (1879), 16 Blatch. 453; 4 Bann. & A. 379.

That special acts of extension cannot affect rights under prior contracts, see *Bloomer v. McQuewan* (1852), 14 How. 539.

⁴ That assignees have no rights under an extension by special act of Congress, unless it is so expressly provided in the act, see *Gibson v. Gifford* (1850), 1 Blatch. 529.

⁵ See as to this point, and the text of this paragraph in general, §§ 46, 47, and notes, *ante*.

END OF VOL. II.