§ 1033. Evidence under the Tenth Defence: The Patented Invention not Embraced in the Protected Classes.

The tenth defence denies that the invention claimed in the patent is embraced in any one of the six classes protected by the Acts of Congress. This defence is identical with the fourth, except that it attacks the patent instead of the actual invention. The evidence is also mainly the same with that available under the fourth defence.[1] The patent raises a presumption that the claimed invention is patentable subject-matter, which the defendant must rebut.[2] The questions here arising are principally, and sometimes entirely, questions of law relating to the construction of the patent and the definitions of the classes of privileged inventions, on which the court will either decide without a jury or direct a verdict for the party who is legally entitled to obtain it.[3]

§ 1034. Evidence under the Eleventh Defence: Fraudulent Specification.

The eleventh defence alleges that the specification of the patent was made to contain less than the whole truth relative to the invention, or more than is necessary to produce the desired effect, for the purpose of deceiving the public. Two points are put in issue: (1) The concealment or redundancy; (2) The intent to deceive. On both these points the patent is *prima facie* evidence in favor of the plaintiff and the burden of proof rests on the defendant.[1] The evidence as to the first point

worth *v.* Hall (1846), 1 W. & M. 248; 2 Robb, 495.

§ 1033. [1] See §§ 968, 1025, and notes, *ante*.

[2] That the decision of the Patent Office on a question of patentable invention will not be departed from by the courts except upon clear proof, see Fraim *v.* Keen (1885), 25 Fed. Rep. 820; 34 O. G. 1048.

[3] That where the patent discloses a want of patentable subject-matter the court may take judicial notice thereof, and order a verdict for the defendant, see Slawson *v.* Grand St., Prospect Park, and Flatbush R. R. Co. (1882), 107 U. S. 649; 24 O. G. 99; and § 1025, note 1.

§ 1034. [1] That the patent is *prima facie* evidence of the correctness of the specification, see Westlake *v.* Cartter 1873), 4 O. G. 636; 6 Fisher, 519; Poppenhusen *v.* N. Y. Gutta Percha Comb Co. (1858), 2 Fisher, 62.

That the intent to deceive must be proved to the satisfaction of the jury, see Celluloid Mfg. Co. *v.* Russell (1889), 37 Fed. Rep. 676; Grant *v.* Raymond (1832), 6 Peters, 218; 1 Robb, 604; Lowell *v.* Lewis (1817), 1 Mason, 182; 1 Robb, 131; Gray *v.* James (1817), Peters, C. C. 394; 1 Robb, 120; Whittemore *v.*

consists of the testimony of experts, or of practical mechanics acquainted with the actual invention. If it appears from this evidence that a person skilled in the art could not practise the invention from the disclosure contained in the specification, the alleged concealment is established.[2] If it is proved that those who follow the directions of the specification are compelled to incur greater expense, or employ more numerous or less effective appliances, or surmount more formidable difficulties, than are necessary in order to secure the best results from the invention, the redundancy is manifest. Upon the second point positive evidence, however desirable, is not essential and can rarely be obtained. The intention to deceive must be inferred from circumstances.[3] If the facts concealed are so important that the inventor must have known that no mechanic could construct and use the invention from the description given, or if the invention, as practised by himself at or before the filing of his specification, was relieved from the steps or appliances now shown to be unnecessary and burdensome, it is a fair presumption that he intended to mislead the public.[4] The same intention may be proved by his contemporaneous declarations, by secret instructions given to his licensees concerning better modes of using the invention, or by any other acts relating to the invention which manifest a fraudulent purpose to put the public at a disadvantage when the term of the patent shall have expired.[5] The plaintiff, in reply, may contradict or explain the circumstances, or deny the inference. The entire question is for the jury, who must find that both elements of the defence are clearly proved, or award the issue to the plaintiff.[6]

Cutter (1813), 1 Gallison, 429 ; 1 Robb, 28 ; Park *v.* Little (1813), 3 Wash. 196 ; 1 Robb, 17 ; Reutgen *v.* Kanowrs (1804), 1 Wash. 168 ; 1 Robb, 1.

[2] That if a mechanic, after the patent has expired, could not practise the invention from the specification alone the concealment is material, see Reutgen *v.* Kanowrs (1804), 1 Wash. 168 ; 1 Robb, 1.

[3] That an intent to deceive can rarely be proved directly but must be inferred from other facts, see Gray *v.* James (1817), Peters, C. C. 394 ; 1 Robb, 120.

[4] That if the patentee knew of better methods when he framed his description, it is evidence of fraud, see Bovill *v.* Moore (1816), 1 Abb. P. C. 231 ; Dav. P. C. 361 ; Turner *v.* Winter (1787), 1 Abb. P. C. 43 ; 1 Web. 77.

[5] That secret instructions to licensees show fraud, see Dyson *v.* Danforth (1865), 4 Fisher, 133.

[6] That the degree of evidence neces-

§ 1035. Evidence under the Twelfth Defence: Ambiguity of the Description.

The twelfth defence avers the ambiguity of the description. It raises the issue whether the disclosure of the invention is sufficient to enable persons skilled in the art to practise it without the exercise of their own inventive faculties. The patent makes a *prima facie* case for the plaintiff on this issue, and the defendant must contradict it by satisfactory evidence.[1] The testimony most pertinent and convincing is that of practical mechanics, who have endeavored to construct and use the invention by following the directions given in the patent.[2] The evidence of scientific experts on this point is also proper. A single instance of success or failure in the endeavor of a practical mechanic to employ the invention is, however, of more weight and value than numerous opinions to the contrary. No question as to the intention of the inventor arises under this defence, and evidence indicating the existence of a fraudulent purpose is, therefore, inadmissible.[3]

§ 1036. Evidence under the Thirteenth Defence: Excessive Claims.

The thirteenth defence asserts that the Claim of the patent is excessive and has not been cured within a reasonable time by a disclaimer. Whether the Claim is excessive is a mixed

sary to show fraudulent intent is for the jury to decide, see Gray *v.* James (1817), Peters, C. C. 394; 1 Robb, 120.

See also as to this subject §§ 494, 969, and notes, *ante*.

§ 1035. [1] That the patent is *prima facie* evidence that the specification is sufficient, see Poppenhusen *v.* New York Gutta Percha Comb Co. (1858), 2 Fisher, 62.

That the burden of proof as to the uncertainty of the patent rests on the defendant, see Westlake *v.* Cartter (1873), 4 O. G. 636; 6 Fisher, 519.

[2] That the jury are to say on the evidence of persons skilled in the art whether the description is clear enough to enable them to make the invention, see Wood *v.* Underhill (1847), 5 How. 1; 2 Robb, 588.

That the claim of ambiguity in the description is rebutted by the testimony of competent mechanics that they could construct the device from it, see Wayne *v.* Holmes (1856), 2 Fisher, 20; 1 Bond, 27.

[3] That the defendant need not prove that the plaintiff intended to deceive by his erroneous specification, see Grant *v.* Raymond (1832), 6 Peters, 218; 1 Robb, 604.

As to the sufficiency of the description, see §§ 490–493, and notes, *ante*.

As to this defence in general, see § 970 and notes, *ante*.

question of law and fact. The court is to construe the Claim as matter of law and instruct the jury as to the nature of the invention which it purports to embrace.[1] The jury are to decide from the evidence whether the Claim as thus interpreted includes more than the actual invention.[2] Upon this point of the defence the patent is *prima facie* evidence of the correctness of the Claim. The defendant must, therefore, prove the essential characteristics of the true invention and show that it does not comprise all the substantial features covered by the Claim. The evidence on both sides consists of specimens, drawings, or descriptions of the actual invention, illustrated and explained by expert witnesses. Upon the question whether an excessive Claim has been cured by a disclaimer within reasonable time, the patent furnishes no evidence. The burden of proof properly falls upon the plaintiff, and he should be prepared to show either that he has filed the disclaimer without unreasonable delay, or that a reasonable time for filing it has not elapsed since he became aware of the existence of his error. An inventor is not chargeable with notice that his Claim is excessive until it has received judicial interpretation in the court of last resort, except in cases where the excess is evident upon its face.[3] The reasonableness or unreasonableness of the delay is matter of law for the court upon the facts disclosed by the evidence.[4] If the amendment is made immediately upon the discovery of its necessity, there is no delay. When the delay is unavoidable it cannot be unreasonable.[5] Although avoidable, it will not be unreasonable unless protracted to an extreme degree, where no other interests are at stake and the public are not liable to be misled.[6]

§ 1036. [1] That the Claims of a patent are construed by the court as matter of law, see §§ 732, 733, and notes, *ante*.

[2] That the jury are to decide whether the Claims set forth the actual invention, see Teese *v.* Phelps (1855), 1 McAllister, 48; Orr *v.* Burwell (1849), 15 Ala. 378.

[3] That no duty to disclaim arises until the plaintiff becomes chargeable with knowledge of the excess, see Kittle *v.* Hall (1887), 30 Fed. Rep. 239; and cases cited in notes to § 646, *ante*.

[4] That the court must decide as to reasonable delay, see § 646 and notes, and § 690, notes 5 and 8, *ante*.

[5] That an unavoidable delay is not unreasonable, see Hartshorn *v.* Eagle Shade Roller Co. (1883), 18 Fed. Rep. 90; 25 O. G. 1191.

[6] That the effect of a delay upon other parties may show whether or not it is unreasonable, see Stutz *v.* Arm-

If the plaintiff maintains that a disclaimer has been filed, it may be proved by a certified copy from the Patent Office. The evidence in reference to delay must show when the inventor first discovered that his Claim embraced more than the actual invention, and the circumstances which compelled him to postpone the amendment of his patent. Upon this portion of the issue the defendant may produce any testimony tending to fix an earlier date for the discovery of the error, or to prove that the delay of the inventor was unjustifiable in view of his own condition or that of others interested in the invention. When this defence applies to more than one Claim in the patent, evidence appropriate to each must be introduced.[7]

§ 1037. Evidence under the Fourteenth Defence: Ambiguity of the Claim.

The fourteenth defence asserts the ambiguity of the Claim. This defence raises a question of law for the court, and except in certain rare cases presents no issue for the jury. A Claim is ambiguous when the court is unable to ascertain from it what the patentee intended to protect as his invention.[1] The allowance of the patent by the Patent Office is a decision that its Claims are not ambiguous, and this decision is *prima facie* correct. The courts, however, in the discharge of their duty in construing the patent must encounter this question and settle it, though every presumption is in favor of the plaintiff, and the patent will, if possible, be sustained. For this purpose not only the Claim itself, with the Description and drawings, will be considered, but extraneous evidence may be offered to show the meaning of technical terms, or any other facts generally known in the art by which its obscure phrase-

strong (1884), 28 O. G. 367; 20 Fed. Rep. 843; and cases cited in note 7, § 690, *ante*.

[7] That each Claim of the patent may be contested on the ground of excess, see 537, note 4, *ante*.

See on the matter of excessive Claims §§ 537, 643, 971, and notes, *ante*.

On the matter of disclaimer, see §§ 640–652, and notes, *ante*.

§ 1037. [1] For ambiguity of Claim, see §§ 512–515, 537, 972, and notes, *ante*.

That whether the Claims are ambiguous is a question of law for the court, see Wayne *v.* Holmes (1856), 2 Fisher, 20; 1 Bond, 27.

ology may be rendered intelligible.[2] The introduction of such evidence by the parties is not a matter of right, but of judicial discretion.[3] It consists principally of the testimony of experts, and of persons practically acquainted with the art, or of copies of papers in the Patent Office relating to the invention.[4] When the Claim itself refers to facts, the existence and character of which must be determined before the Claim can be construed, evidence concerning these facts may be submitted to the jury, whose finding thereon thus enters into and becomes an element in the interpretation of the Claim.[5]

§ 1038. Evidence under the Fifteenth Defence: Surrender of the Letters-Patent.

The fifteenth defence alleges that the patent described in the declaration has been surrendered to the government. The production of the patent by the plaintiff is *prima facie* evidence that it is still in force, and the defendant must therefore prove the contrary. His evidence consists of certified copies from the records of the Patent Office showing the fact of surrender, the ownership of the patent by the parties who surrendered it, and its cancellation or the re-issue of an amended patent in its stead.[1]

§ 1039. Evidence under the Sixteenth Defence: Repeal of the Letters-Patent.

The sixteenth defence avers that the patent described in the declaration has either been repealed *in toto* by a judgment

[2] That the court in construing a Claim may resort to extraneous evidence, see §§ 739–741, and notes, *ante*.

[3] That evidence is not admissible, as a matter of right, to aid the court in construing the Claim, see § 732, and notes, *ante*.

[4] That the court may avail itself of expert testimony, see Day *v.* Stellman (1859), 1 Fisher, 487.

That a drawing may be used in evidence to interpret an ambiguous specification, but cannot supply the entire want of any part of a specification or Claim, see Tinker *v.* Wilbers Eureka Mower & Reaper Mfg. Co. (1880), 1 Fed. Rep. 188; 5 Bann. & A. 92.

[5] That the jury apply the construction given by the court to the facts, and if the construction given is conditioned on the existence of extraneous facts, the jury are to find such facts and then apply the Claim as interpreted by the court, see Silsby *v.* Foote (1852), 14 How. 218; Emerson *v.* Hogg (1845), 2 Blatch. 1.

§ 1038. [1] For a statement of the requisites and mode of a surrender, see §§ 696–699, and notes, *ante*.

See as to this defence § 973 and notes, *ante*.

in favor of the United States against the owner of the patent, or has been annulled in whole or in part in a proceeding instituted or defended by some person interested in an interfering patent. On both these issues the patent is *prima facie* evidence for the plaintiff. The defendant may show its repeal by a properly authenticated copy of the judgment, or where the patent, in pursuance of this judgment, has been returned to the Patent Office and been cancelled he may produce a certified copy of the record of such cancellation.[1] In proving that the patent has been annulled, the fact and scope of the judgment of avoidance may be evidenced by a copy from the records of the court, while copies of the record title in the Patent Office disclose that the plaintiff or his assignor was the party against whose interest in the patent such judgment was rendered.[2]

§ 1040. Evidence under the Seventeenth Defence: Want of Title in the Plaintiff.

The seventeenth defence denies the legal title of the plaintiff to the patent. When the plaintiff is the patentee, the patent is *prima facie* evidence upon this point in his favor, and the defendant must sustain his denial by satisfactory proof.[1] But where the plaintiff is an assignee or grantee, the burden rests upon him to establish the conveyances by which he claims to have derived his title from the patentee. The original assignment or grant is admissible for this purpose, though not recorded before the action was commenced, and is sufficient if in writing and executed in conformity with the local law.[2] In the absence of the original instruments, certi-

§ 1039. [1] As to the repeal of patents see §§ 725–730, and notes, *ante*.

[2] As to the annulling of patents, see §§ 721–724, and notes, *ante*.

See as to this defence § 974 and notes, *ante*.

§ 1040. [1] That the patent is *prima facie* evidence that the patentee owns the patented invention unless the contrary is proved, see Fischer *v.* Neil (1881), 6 Fed. Rep. 89; 19 O. G. 603.

As to this defence see §§ 937, 975, and notes, *ante*.

[2] That an assignment may be offered in evidence, whether recorded before or after suit, see Pitts *v.* Whitman (1843), 2 Story, 609; 2 Robb, 189.

That the assignment of a patent duly acknowledged before a notary may be put in evidence in New York, and the signatures of the assignors need not be proved, such assignment being valid by the laws of that State, see New York Pharmical Association *v.* Tilden (1883), 21 Blatch. 190; 23 O. G. 272; 14 Fed. Rep. 740.

fied copies from the records of the Patent Office may be offered, and these not only prove the contents of the records, but are also *prima facie* evidence of the genuineness of their originals.[3] The defendant, in reply, may attack either the existence or the validity of the alleged conveyances, or set up a legal title in himself acquired for valuable consideration, without notice, after the three months for recording the plaintiff's conveyance had elapsed.

§ 1041. Evidence under the Eighteenth Defence: Diversity of the Alleged Infringing Art or Article from the Invention Covered by the Patent.

The eighteenth defence denies that the invention practised by the defendant is identical with or is included in the patented invention. Upon this question, as upon all others embraced in the issue of infringement, the patent raises no presumption in favor of the plaintiff.[1] The burden rests upon him to show by extraneous evidence that the defendant has made, used, or sold the patented invention in violation of the patent, and if the testimony is of equal weight on either of these points the defendant must prevail.[2] When the plaintiff has made out a

[3] That copies of records of assignments are evidence, see Brooks *v.* Jenkins (1844), 3 McLean, 432.

That a certified copy from the Patent Office of an assignment is *prima facie* evidence of the genuineness of the original and may be read in evidence to the jury, see Lee *v.* Blandy (1860), 2 Fisher, 89; 1 Bond, 361.

That a certified copy of a recorded but unacknowledged instrument purporting to be an assignment is sufficient evidence of its execution, unless met by opposing testimony, see Dederick *v.* Whitman Agricultural Co. (1886), 26 Fed. Rep. 763; 36 O. G. 570.

That in the absence of all other proof as to the date of an assignment, the date of the patent will be taken as the date of the application and also of the assignment if before patent, see Worley *v.* Loker Tobacco Co. (1882), 104 U. S. 340; 21 O. G. 559.

§ 1041. [1] That the patent is not *prima facie* evidence of the infringement, but the plaintiff must prove it by other evidence, see Hayden *v.* Suffolk Mfg. Co. (1862), 4 Fisher, 86.

[2] In Brooks *v.* Bicknell (1844), 3 McLean, 432, McLean, J.: (453) "The proof here devolves on the plaintiffs. They allege that the defendants have infringed their rights, and to obtain your verdict they must show it. Doubts under this head will incline you favorably to the defendants, as they are not to be deprived of a right which is common to every citizen, unless it shall clearly appear that their machine is substantially like the one claimed by Woodworth."

Further, that the burden of proof rests upon the plaintiff to show the infringement by the defendant, see Hayes *v.* Bickelhoupt (1885), 23 Fed. Rep. 183; 32 O. G. 135; Mallory Mfg. Co.

prima facie case, however, the defendant must answer it by evidence, not by mere assertion in his pleadings; but he is not compelled to go beyond the contradiction of the evidence already offered, since the plaintiff cannot, in his rebuttal, strengthen his case upon the issue of infringement to the surprise or injury of the defendant.[3] The identity of the patented invention with that employed by the defendant depends upon the same principles and is settled by reference to the same standards, as when the question of identity arises under the defence of prior use or prior patent.[4] Though novelty and

v. Hickok (1885), 34 O. G. 923; 25 Fed. Rep. 827; Royer *v.* Chicago Mfg. Co. (1884), 20 Fed. Rep. 853; Price *v.* Kelly (1881), 20 O. G. 1452; Miller *v.* Smith (1880), 5 Fed. Rep. 359; 18 O. G. 1047; Rogers *v.* Beecher (1880), 18 O. G. 793; 3 Fed. Rep. 639; 5 Bann. & A. 619; Bates *v.* Coe (1878), 98 U. S. 31; 15 O. G. 337; Kelleher *v.* Darling (1878), 14 O. G. 673; 4 Clifford, 424; 3 Bann. & A. 438; Roemer *v.* Simon (1877), 95 U. S. 214; 12 O. G. 796; Fuller *v.* Yentzer (1876), 94 U. S. 299; 11 O. G. 597; Storrs *v.* Howe (1876), 10 O. G. 421; 4 Clifford, 388; 2 Bann. & A. 420; Brady *v.* Atlantic Works (1876), 10 O. G. 702; 4 Clifford, 408; 2 Bann. & A. 436; Francis *v.* Mellor (1871), 8 Phila. 157; 5 Fisher, 153; 1 O. G. 48; Hudson *v.* Draper (1870), 4 Fisher, 256; 4 Clifford, 178; Howes *v.* Nute (1870), 4 Clifford, 173; 4 Fisher, 263; Sands *v.* Wardwell (1869), 3 Clifford, 277; Graham *v.* Mason (1869), 5 Fisher, 1; 4 Clifford, 88; Hodge *v.* Hudson River R. R. Co. (1868), 3 Fisher, 410; 6 Blatch. 85; Whitney *v.* Mowry (1867), 3 Fisher, 157; 2 Bond, 45; Union Sugar Refinery *v.* Matthiesson (1865), 2 Fisher, 600; 3 Clifford, 639; Hayden *v.* Suffolk Mfg. Co. (1862), 4 Fisher, 86; Parker *v.* Stiles (1849), 5 McLean, 44; Brown *v.* Jenkins (1844), 3 McLean, 432; Dixon *v.* Moyer (1821), 4 Wash. 68; 1 Robb, 324.

[3] That if the plaintiff offers any evidence of infringement the defendant must overcome it, see Bennett *v.* Fowler (1869), 8 Wall. 445.

[4] In Parker *v.* Stiles (1849), 5 McLean, 44, Leavitt, J.: (62) "On the question of infringement, the burden of proof is with the plaintiff. He must make it appear, to the satisfaction of the jury, that the defendant has violated the exclusive right granted by his patent. And in order to make out the fact of infringement, the plaintiff must prove that the defendant has used his invention, either in the precise form in which it is constructed under the patent, or in a form and on principles substantially the same. To constitute this identity, and to make out the fact of infringement, it is not necessary that the structure or machine used by the defendant should be the same in appearance, form, or proportions, as that invented and patented by the plaintiff. It has been well said by a distinguished judge in this country, that 'simply changing the form or proportion of a machine shall not be deemed a new discovery.' If the operative principle of the two machines be the same, the substantial identity contemplated by the Patent Law is established."

As to the indications of identity, see §§ 229–236, 892–896, 963, 1026, and notes, *ante*.

infringement present distinct issues, and the former must be proved before the latter can be considered, yet in each case the patented invention is compared with some other instrument or operation for the purpose of determining their substantial similarity or difference, and the mode of this comparison, as well as the evidence admissible in connection therewith, is in both cases the same.[5] Where the invention practised by the defendant is covered by a separate patent, under which the defendant acts, the identity of the two inventions is ascertained by the court by comparing the Claims of the patents, with such aid from expert or other witnesses as it may deem desirable.[6] If the defendant acts without the shelter of a patent, the identity between the invention which he uses and the patented invention is best shown by the actual inspection of the two inventions, or of models exhibiting their essential attributes, either with or without the explanations of expert witnesses.[7] This is especially true where the inventions are designs, which in many instances manifest their identity or diversity to any careful observer.[8] When such inspection is insufficient to determine the question, the inventions may be examined while in actual use, if this is practicable.[9] Or without recourse to either of these methods, the

[5] That novelty and infringement do not raise the same issues, see Union Sugar Refinery *v.* Matthiesson (1865), 2 Fisher, 600 ; 3 Clifford, 639.

As the identity of two inventions, for whatever purpose they may be compared, must rest on the same essential characteristics in each, the evidence by which identity is proved or denied must be in all cases the same.

[6] That the identity of two patented inventions is shown by comparing their Claims, see McMillan *v.* Rees (1880), 1 Fed. Rep. 722 ; 17 O. G. 1222 ; 5 Bann. & A. 269.

[7] That a comparison of the devices of the plaintiff and the defendant is the best evidence on the question of infringement, see Bates *v.* Coe (1878), 98 U. S. 31; 15 O. G. 337; Fuller *v.* Yentzer (1876), 94 U. S. 288 : 11 O. G. 551; Hudson *v.* Draper (1870), 4 Fisher, 256 ; 4 Clifford, 178 ; Seymour *v.* Osborne (1870), 11 Wall. 516 ; Cahoon *v.* Ring (1861), 1 Clifford, 592; 1 Fisher, 397.

That a court of equity may order an inspection of the defendant's device on a question of identity, see Wilson *v.* Keely (1888), 43 O. G. 511.

That the jury are to determine from the models and other evidence whether the defendant infringes, see Smith *v.* Pearce (1840), 2 McLean, 176 ; 2 Robb, 13.

[8] That designs may be compared by the court in some cases to show identity, no other evidence being needed, see Jennings *v.* Kibbe (1882), 10 Fed. Rep. 669 ; 20 Blatch. 353 ; 22 O. G. 331.

[9] That a machine effecting the same end by the same means is an infringement, and the jury are to examine both

testimony of experts familiar with the defendant's invention may be offered to disclose its characteristics and their agreement or disagreement with those found in the patented invention.[10] Where the defendant conceals the art or article he uses, and declines to produce it for inspection, there is a strong presumption that it is identical with the one covered by the plaintiff's patent, particularly when from other evidence it is apparent that he intends to imitate it as closely as he can without detection.[11] The amount of proof required from the plaintiff on this issue is measured by the quantity which the defendant can present. The uncontradicted evidence of a single witness that the defendant employed a device substantially like that of the plaintiff is sufficient, but in case of contradiction the jury must find for the defendant unless a clear preponderance of evidence supports the plaintiff's declaration.[12] When the invention used by the defendant is not

and see how they work and what they do, see Cahoon *v.* Ring (1861), 1 Clifford, 592; 1 Fisher, 397.

[10] That experts may be examined and their evidence taken as to the identity of the plaintiff's and defendant's devices, see Hudson *v.* Draper (1870), 4 Fisher, 256; 4 Clifford, 178; Page *v.* Ferry (1857), 1 Fisher, 298.

That expert evidence is not necessary, see Hayes *v.* Bickelhoupt (1885), 23 Fed. Rep. 183; 32 O. G. 135.

That the opinion of experts is not for the jury if it involves a question of law or the construction of the patent, see Ely *v.* Monson & Brimfield Mfg. Co. (1860), 4 Fisher, 64.

That if the court can say on inspection that the defendant's device does not infringe the plaintiff's, there is no room for expert evidence or jury action, see Ely *v.* Monson & Brimfield Mfg. Co. (1860), 4 Fisher, 64.

That a prior judgment finding that a given device infringes a patent is of weight to show that similar devices are also infringements, see Steam Gauge & Lantern Co. *v.* Myers Mfg. Co. (1886), 28 Fed. Rep. 624.

[11] That the refusal of a defendant to exhibit his device raises a presumption of infringement, see Piper *v.* Brown (1873), Holmes, 196; 6 Fisher, 240; 3 O. G. 97.

That if the defendant comes as near the plaintiff's method as he can, this tends to show infringement, see Turrill *v.* Illinois Central R. R. Co. (1873), 5 Bissell, 344.

That a defendant denying access to his machine, and failing to show its model, drawing, product, or patent, cannot expect much weight to be attached to his denials of identity, or much favor to be shown him in case of doubt, see Union Paper Bag Mach. Co. *v.* Binney (1871), 5 Fisher, 166.

That a party who tries to suppress truth has all the presumptions against him, while one who freely discloses it has no presumption either way, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 28 O. G. 1007; 19 Fed. Rep. 514.

[12] That the uncontradicted evidence of a single witness that the defendant used machines substantially like the plaintiff's is enough to prove infringe-

intended for the same purpose as that of the plaintiff, and the infringement is, therefore, collateral or accidental, the proof of identity must be so conclusive as to leave no room for any other reasonable construction.[13] The plaintiff, under all circumstances, must abide by the Claims and descriptions contained in his own patent, neither adding nor discarding anything in order to bring his invention into correspondence with that of the defendant.[14] The defendant may show that notwithstanding any resemblances between his processes, effects, or products, and those of the plaintiff, the means he uses are essentially different.[15] He may offer evidence of the substantial superiority of his art or device, as the basis of an inference that a distinct idea is therein expressed.[16] He may also prove that the invention which he practises is identical with one in use before the date of the inventive act of the plaintiff or his inventor, since if the plaintiff's invention be actually new, it cannot in this case be the same with that of the defendant. Whether a later patent, obtained by the defendant or his assignor, grantor, or licensor, could be produced in evidence on his behalf was formerly disputed.[17] It is now admitted for two purposes: (1) To show the good faith of the defendant, which may become material in view of the power of the court to increase the damages awarded by

ment, see Spring *v.* Domestic Sewing Mach. Co. (1881), 21 O. G. 633; 9 Fed. Rep. 505; Gear *v.* Fitch (1878), 16 O. G. 1231; 3 Bann. & A. 573; Goodyear *v.* Berry (1868), 3 Fisher, 439; 2 Bond, 189.

That the evidence of a witness that he saw the infringing device in the defendant's possession may be sufficient proof, see Gear *v.* Fitch (1878), 16 O. G. 1231; 3 Bann. & A. 573.

[13] That where the defendant's device was not intended to evade a patent but for a different purpose, and the infringement is thus purely accidental, the evidence of it must be so clear as to leave no other reasonable construction, see National Car Brake Shoe Co. *v.* D., L., & N. R. R. Co. (1880), 4 Fed. Rep. 224.

[14] That the plaintiff is limited to the Claims of his patent, see § 505 and notes, *ante*.

[15] That in a suit for infringement the defendant may show that his machine differs though the process is the same, see Corning *v.* Burden (1853), 15 How. 252.

[16] That the superior utility of the defendant's device or process may show its substantial diversity from the plaintiff's, see §§ 116–121, 344, and notes, *ante*.

[17] That it was formerly doubted whether the defendant's patent was admissible at all, and though it is now admitted it does not materially affect the question of infringement, see Goodyear Dental Vulcanite Co. *v.* Gardner (1870), 4 Fisher, 224; 3 Clifford, 408.

the jury; (2) To show that the expert examiners in the Patent Office regarded the invention which it covers as essentially distinct from that protected in the earlier patent of the plaintiff.[18] Such a decision in the Patent Office is strong evidence in favor of the defendant on this question of identity, and must be properly considered by the jury, though it cannot control their verdict.[19] Its weight is increased by a re-issue or extension of the defendant's patent.[20] But where the defendant originally secured his patent by disclaiming the plaintiff's invention, and after the plaintiff's patent had been granted re-issued his own to cover the invention, his defence must rest upon the priority of his inventive act, not on an absence of identity between the two inventions.[21]

§ 1042. Evidence under the Nineteenth Defence: Non-commission of the Infringing Acts by the Defendant.

The nineteenth defence denies that the defendant has made, used, or sold, the invention which the plaintiff claims to be

[18] That where the defendant acts in good faith under a later patent the court will refuse to inflict punitive damages, see Buerk *v.* Imhaeuser (1876), 14 Blatch. 19; 10 O. G. 907; 2 Bann. & A. 452.

That the defendant's patent is entitled to the same presumptions of novelty and utility as the plaintiff's, see Smith *v.* Woodruff (1873), 6 Fisher, 476; 4 O. G. 635; 1 MacArthur, 459; Blanchard *v.* Puttman (1867), 3 Fisher, 186; 2 Bond, 84; House *v.* Young (1867), 3 Fisher, 335.

[19] That the defendant may offer in evidence the later patent of his licensor to show that the inventions are not the same, see Blanchard *v.* Puttman (1867), 3 Fisher, 186; 2 Bond, 84.

That the grant of a patent is a decision by the Commissioner that the invention is not covered by prior patents, see Putnam *v.* Keystone Bottle Stopper Co. (1889), 38 Fed. Rep. 234; Serrell *v.* Collins (1857), 1 Fisher, 289.

That the validity of the defendant's patent is not in issue, see Larabee *v.* Courtlan (1851), Taney, 180.

That patents granted pending a prior application for the patent in issue are no protection to an infringer, see Johnson *v.* Fassman (1872), 2 O. G. 94; 1 Woods, 138; 5 Fisher, 471.

That at law no comparison can be made between the defendant's machine and prior machines, but only between them and the plaintiff's upon the question of novelty, see Judson *v.* Cope (1860), 1 Fisher, 615; 1 Bond, 327.

[20] That a re-issue or extension increases the weight of a patent on the question of novelty, see Whitney *v.* Mowry (1867), 2 Bond, 45; 3 Fisher, 157.

[21] See § 1024, note 10, *ante*.

That where the plaintiff obtained his patent on the defendant's refusal to submit to arbitration under Sec. 9, act of 1793, and afterward the defendant obtained a patent, this is not conclusive proof that the latter was issued on false suggestion, see Stearns *v.* Barrett (1816), 1 Mason, 153; 1 Robb, 97.

As to this defence in general, see § 976 and notes, *ante*.

identical with his own. The plaintiff must prove these acts of the defendant to the satisfaction of the jury, but inasmuch as direct testimony upon this point is often unobtainable, and the entire matter lies within the knowledge of the defendant who can explain his conduct if he chooses, the jury are allowed to base their verdict upon the indications afforded by circumstances not amounting to specific acts of making, use, or sale. Thus, although to make and to use the invention are distinct injuries, the proof of use or sale, coupled with evidence tending to show that the defendant did not elsewhere procure the articles sold or used, may establish an averment that he made them.[1] The testimony of a witness that he saw the invention in the defendant's factory or in his possession, if not denied or explained, is sufficient ground for the conclusion that he used it.[2] The evidence of a workman that he was employed by the defendant under a contract which, as read to him, required him to make use of the patented invention, will, if uncontradicted, also warrant a finding for the plaintiff.[3] The fact that the defendant advertised the patented articles for sale is likewise admissible as tending to prove actual making, use, or sale, according to the other circumstances shown.[4] The refusal of the defendant to allow his

§ 1042. [1] See as to this defence §§ 903–905, 977, and notes, *ante*.

That proof of use alone sustains the allegation of making and using, see Locomotive Engine Safety Truck Co. *v.* Erie R. R. Co. (1872), 3 O. G. 93 ; 10 Blatch. 292 ; 6 Fisher, 187.

That though a sale to the patentee is not an infringement it may be evidence of infringement by sale to others, see De Florez *v.* Raynolds (1878), 14 Blatch. 505 ; 3 Bann. & A. 292.

That the sale of the device to an agent of the patentee employed by him to buy it is not *per se* infringement, but may be evidence of it, see Byam *v.* Bullard (1852), 1 Curtis, 100.

That where a declaration limits the period of infringement the evidence must be confined to that time, see Creamer *v.* Bowers (1888), 35 Fed. Rep. 206.

[2] That where a witness saw the infringing device in the defendant's possession, and the defendant does not deny the infringement explicitly, it is regarded as proved, see Gear *v.* Fitch (1878), 16 O. G. 1231 ; 3 Bann. & A. 573.

[3] That where a workman testifies without contradiction that a certain written contract was read to him as a contract for putting down the plaintiff's device, and the contract not being produced parol evidence is given of its contents, the evidence is conclusive as to infringement, see Andrews *v.* Creegan (1881), 19 O. G. 1140 ; 19 Blatch. 113 ; 7 Fed. Rep. 477.

[4] That although an advertisement of

processes or products to be inspected, and even his failure to deny the alleged infringing acts when evidenced by any probable testimony, are matters which may weigh against him with the jury.[5] The sources of evidence upon this question, for both the plaintiff and defendant, are the same as those in any other controversy where acts of manufacture, use, or sale are involved, — the testimony consisting of the statements of witnesses who personally know the facts which they narrate. If the defendant, not denying the alleged acts of making, use, or sale, disclaims his own liability for them on the ground that he was acting under orders and not of his own volition, he must sustain this position by sufficient evidence. Such evidence must disclose the name of the principal or employer under whom he acts, and establish the existence of such authority in him over the defendant as not only renders him responsible for the acts of the defendant in reference to the invention, but excludes the defendant's voluntary choice from the operative causes of the infringement.[6]

§ 1043. Evidence under the Twentieth Defence: Non-commission of the Infringing Acts During the Life of the Patent.

The twentieth defence denies that the acts of infringement were committed while the patent was in force. The date of the patent, and the term which it purports to cover, appear upon the face of the instrument, and afford *prima facie* evidence that the patent was in force during the entire period described. The plaintiff must prove acts of infringement within that period by such evidence as is suggested in the foregoing paragraph, and this evidence may be contradicted or explained by the defendant without attacking the correctness

the infringing device may not be an infringement and violate an injunction, it is strong evidence thereof and to be overcome by positive proof to the contrary, see Allis *v.* Stowell (1881), 19 O. G. 727.

[5] That the refusal of the defendant to allow his articles or processes to be inspected is evidence of infringement, see Union Paper Bag Mach. Co. *v.* Binney (1871), 5 Fisher, 166.

[6] That a defence of agency must disclose the principal, see American Cotton Tie Supply Co. *v.* McCready (1879), 17 Blatch. 291 ; 4 Bann. & A. 588 ; 17 O. G. 565 ; Morse *v.* Davis (1862), 5 Blatch. 42.

of the patent in this particular. If, however, he asserts that the patent, though apparently in force when these acts were committed, had previously expired, he assumes the burden of proof, and must show either that the patent had been then surrendered or repealed or that its term is erroneously stated in the instrument itself. The method of proving a surrender or repeal has been already considered under those defences.[1] If the term stated in the patent is greater than the seventeen years permitted by the statutes, it is incorrect upon its face and the patent will be held valid only for the lawful period.[2] If the term named in the patent is the one limited by law, a defendant, who claims that it should be restricted on account of a prior foreign patent to the same inventor, must produce the foreign patent covering the invention, or a certified copy thereof from the Patent Office, and establish by sufficient evidence the connection of the plaintiff or his assignor with its prior issue.[3] When the names of the two patentees are identical, the evidence outside the patents must show the identity of the persons named. When the foreign patentee is a different person, the relations between himself and the American patentee, whom he represents, must also be disclosed by evidence of their contracts, correspondence, co-operation in business, participation in profits or expenses, or of any other facts tending to show that the foreign patent issued in the interest of the domestic patentee.[4] This evidence may be contradicted or explained by the plaintiff in the usual manner.

§ 1043. [1] See §§ 907, 908, 978, 1038, 1039, and notes, *ante*.

[2] That where the term as stated in the patent is greater than the law allows, the patent will be in force only during the lawful period, see Bate Refrigerating Co. *v.* Hammond (1889), 129 U. S. 151; De Florez *v.* Raynolds (1880), 17 O. G. 503; 8 Fed. Rep. 434; 17 Blatch. 436; 5 Bann. & A. 140; and § 622 and notes, *ante*.

[3] That the burden of proof is on him who seeks to limit the term of the patent by a foreign patent, and he must show the facts which limit it, see American Diamond Rock Boring Co. *v.* Sheldon (1879), 17 Blatch. 303; 4 Bann. & A. 603.

That where an objection to a patent is based on the taking out of a prior foreign patent the evidence must connect the plaintiff with its issue, see Goodyear Dental Vulcanite Co. *v.* Willis (1874), 1 Flippin, 388; 1 Bann. & A. 568; 7 O. G. 41.

That the plaintiff's patent expired with certain foreign patents is matter for original defence and cannot be introduced in rebuttal, see American Paper Barrel Co. *v.* Laraway (1886), 28 Fed. Rep. 141; 37 O. G. 674.

[4] That the foreign patent must have

§ 1044. Evidence under the Twenty-First Defence: Co-ownership or Licence.

The twenty-first defence asserts that the acts of the defendant, in making, using, and selling the patented invention, were performed under, and not in violation of, the plaintiff's patent. Upon this defence the plaintiff has the burden of proof and must make out a *prima facie* case. Slight evidence is, however, sufficient for this purpose, such, for example, as his own denial of authority, the defendant having the means at his disposal to clearly prove his right if it exists. When the defendant claims to be a part-owner, assignee, or grantee under the patent, his title must be shown by the written instruments of conveyance or a certified copy from the records in the Patent Office.[1] If he is a licensee under an express written license, the license must be produced, or its absence must be satisfactorily accounted for and parol evidence of its contents given.[2] An absolute license in the possession of the defendant will be presumed to have been

issued to the same inventor, or by his authority, see Edison Electric Light Co. *v.* United States Electric Lighting Co. (1888), 35 Fed. Rep. 134; Kendrick *v.* Emmons (1875), 2 Bann. & A. 208; 9 O. G. 201.

§ 1044. [1] See as to this defence §§ 797, 913–917, 979, and notes, *ante*.

That a title to the patent must be proved by the proper instruments or certified copies thereof, see § 1040 and notes, *ante*.

[2] That a plea of license must be sustained by proof that a license was actually granted, see Tilghman *v.* Hartell (1876), 11 Phila. 500; 9 O. G. 886; 2 Bann. & A. 260.

That negotiations for a license do not prove an actual license, see Tilghman *v.* Hartell (1876), 9 O. G. 886; 11 Phila. 500; 2 Bann. & A. 260.

That a plea of license must be proved as a completed contract, and if proved it ends the case, since the Federal courts cannot inquire into the contract relations of the parties if they are once proved to exist, see Tilghman *v.* Hartell (1876), 9 O. G. 886; 11 Phila. 500; 2 Bann. & A. 260.

That on a suit for infringement the Federal courts may determine whether or not there is a subsisting license, see Hammacher *v.* Wilson (1886), 26 Fed. Rep. 239; 36 O. G. 233.

That on a suit for infringement against a licensee, who has failed to pay royalties as agreed, an excuse for his failure does not raise the question whether his license should be rescinded but whether it still exists, see Hammacher *v.* Wilson (1886), 26 Fed. Rep. 239; 36 O. G. 233.

That if a license is conditional the defendant must perform the conditions, and if he justifies under the license he must show that its conditions were performed, see Brooks *v.* Stolley (1845), 3 McLean, 523; 2 Robb, 281.

regularly executed and delivered, until the contrary appears.[3] An oral license may be proved by any proper testimony. The defendant must also show that his acts were performed by him as such licensee, and not in antagonism to the patent nor under a license derived from a different patent.[4] If the defendant justifies under an implied license he must prove the facts from which the license arises. A license to make may be implied from an express license to use or sell, when the latter rights could not be reasonably enjoyed without the former.[5] A license to use or sell may be implied in like manner from an express license to make, when the power to manufacture would otherwise be without benefit to the licensee.[6] A license to use or sell a specific article may be implied from its sale without restrictions by any person having authority under the patent thus to sell it.[7] A license to employ a specific process arises from the sale, by the owner of the patent for the process, of a device whose sole utility is in connection with that process.[8] In any of these cases the nature and sources of the defendant's evidence are suggested by the facts from which his license is implied. The defendant, having thus offered evidence tending to prove his right to

[3] That an absolute license from the plaintiff, when produced by the defendant, throws on the plaintiff the burden of proving that it was delivered as an escrow, see Mellon *v.* D. L. & W. R. R. Co. (1882), 21 O. G. 1616; 12 Fed. Rep. 640.

[4] That no evidence that the defendant is licensee or owner under a different patent is an excuse for an infringement which appears by comparing his device with the plaintiff's patent, see Blanchard *v.* Putnam (1869), 8 Wall. 420.

That a license given as part of the settlement of a suit is not evidence against a stranger, see Gottfried *v.* Crescent Brewing Co. (1884), 22 Fed. Rep. 433; 30 O. G. 892.

[5] That an express license to use or sell may carry the right to make, see §§ 812, 813, and notes, *ante*.

[6] That an express license to make may carry the right to use or sell, see § 811 and notes, *ante*.

[7] That a lawful sale without restrictions carries the right to use, and sometimes also to sell, see §§ 824–827, and notes, *ante*.

[8] That the purchaser of a machine from the patentee of a process which consists in the operation of the machine may defend against the patent on the ground of license to use the machine and process both, see Downton *v.* Yaeger Milling Co. (1880), 17 O. G. 906; 1 Fed. Rep. 199; 1 McCrary, 26; 5 Bann. & A. 112.

That where the licensed device can be used only in connection with other patented inventions belonging to the same licensor, it may be used in that way, see Roosevelt *v.* Western Electric Co. (1884), 20 Fed. Rep. 724; 28 O. G. 812.

practise the invention, the plaintiff must rebut it, either by denying the existence of the alleged authority on counter evidence, or by showing that the acts of the defendant are not within the scope of the authority conferred. A licensee is an infringer if he assumes a right which his license does not bestow, and even an owner of the patent may violate the monopoly by making, using, or selling an invention which, though not identical with the patented invention, embraces and employs it.[9] It is for the plaintiff to prove that these departures from the lawful use of the invention have been made by the defendant, and to separate his acts of infringement from those which he has properly performed; and this proof may be met and answered by the defendant by showing a wider scope for his authority or a correspondence of his acts with the authority bestowed.[10]

§ 1045. Evidence under the Twenty-Second Defence: Statute of Limitations.

The twenty-second defence is based upon the Statute of Limitations.[1] This defence must be specially pleaded, and the burden of proof on the issues created by such plea rests on the defendant. The nature of the evidence to be adduced depends upon the provisions of the statute. If the period within which actions may be brought commences at the date of the infringement, the testimony concerning the acts of infringement, taken in connection with the record date of

[9] That the part owner of a patent can sue his co-owner for infringement committed by using an infringing device, but not for using the patented one, see Herring *v.* Gas Consumers Association (1878), 9 Fed. Rep. 556; 21 O. G. 203; 13 O. G. 637; 3 McCrary, 206; 3 Bann. & A. 253.

[10] That it is for the plaintiff to show that the defendant's use is numerically in excess of his license and amounts to an infringement, see Hodge *v.* Hudson River R. R. Co. (1868), 3 Fisher, 410; 6 Blatch. 85.

That a defendant claiming license has the burden of proof to show that the articles were made and sold under the license, see Searls *v.* Bouton (1882), 12 Fed. Rep. 140; 21 O. G. 1784; 20 Blatch. 426.

That where a defendant sets up a license which is shown to have been violated and revoked before the infringement, the defence will be overruled, and the defendant permitted to defend like other infringers, see Wooster *v.* Singer Mfg. Co. (1883), 23 O. G. 2513.

§ 1045. [1] See as to this defence § 980 and notes, *ante*.

the institution of the suit, will disclose whether the actions were commenced within the time prescribed. If the statute begins to run at the expiration of the patent, the date of such expiration is determined by the statements of the instrument, or by the records of its surrender or repeal, or by the evidence of a prior patent limiting its term, while the files in the action show the date of the commencement of the suit. When the statute contains exceptions preventing its operation in certain cases, the evidence concerning these must correspond on both sides with the issues thus presented.

§ 1046. Evidence under the Twenty-Third Defence: Estoppel.

The twenty-third defence alleges that the plaintiff is estopped, either by matter of record or *in pais*, from maintaining his suit against the defendant. The burden of proof is on the defendant. If the estoppel claimed arises from any written instrument the document itself must clearly exhibit the statements out of which the estoppel flows; and when the plaintiff and defendant are not parties to the instrument, their respective privity to its parties must be shown.[1] An estoppel *in pais* is implied from the actions or omissions of the plaintiff, and when asserted by the defendant he must prove the circumstances on which it is based, and his reliance on the facts thereby suggested as a guide for his own conduct in the use of the invention. The evidence in each case must be suited to the facts alleged. When the defendant claims an estoppel against the plaintiff on the ground that his patented articles were put upon the market without a proper stamp, he may produce the unstamped articles or packages and prove that they were in the market in that condition, or he may show the same state of affairs by evidence from those who know the fact. The plaintiff may reply to this testimony by proving actual notice to the defendant before the date of the infringement.[2]

§ 1046. [1] See as to this defence § 981 and notes, *ante*.

That a document offered to prove admissions by the plaintiff against his right speaks for itself whether in his favor or against him, see Campbell *v.* James (1879), 18 O. G. 979; 17 Blatch. 42; 4 Bann. & A. 456.

[2] That under Sec. 13, act of March 2, 1861, the burden of proof is on the

§ 1047. Evidence under the Twenty-Fourth Defence: Release.

The twenty-fourth defence asserts that the cause of action described in the declaration has been released by the plaintiff. The burden of proof on this issue rests upon the defendant. When the release is in writing it must be produced or its absence duly accounted for and its contents proved. When the release is embraced in a broader transaction between the parties, so much of the transaction must be proved as to make it appear that the release was intended by the plaintiff and was made upon a lawful consideration. If there is any reasonable doubt as to its existence, or its applicability to the infringement on which the suit is based, the plaintiff must prevail.[1]

§ 1048. Evidence under the Twenty-Fifth Defence: Res Adjudicata.

The twenty-fifth defence asserts that the cause of action arising out of the infringement has been extinguished by or merged in a judgment. The defendant assumes the burden of proof, and his evidence must show that the same acts of which the plaintiff now complains have been the subject of a prior suit, in which judgment was rendered for the defendant on some point fatal to the cause of action, or for the plaintiff to recover damages, either actual or nominal, for the infringement.[1] The record of the judgment, or a certified copy thereof, must be offered, together with such other evidence

defendant to show the failure of the patentee to stamp as required, then the burden shifts to the patentee to show that the defendant was notified that he was infringing and persisted in so doing, see Goodyear *v.* Allyn (1868), 3 Fisher, 374; 6 Blatch. 33.

§ 1047. [1] See as to this defence § 982 and notes, *ante*.

§ 1048. [1] That a judgment works an estoppel only when the record shows that the particular point in controversy was heard and decided, see Steam Gauge & Lantern Co. *v.* Meyrose (1886), 27 Fed. Rep. 213; 36 O. G. 1477.

See also §§ 983, 1175–1188, and notes, *post*.

That a defendant, parting with his interest in the infringing business during suit, but without change of parties on the record, is bound by the decree, see Gloucester Isinglass & Glue Co. *v.* Le Page (1887), 30 Fed. Rep. 370.

That an absolute decree on the merits binds the parties, see Lyon *v.* Perin & Gaff Mfg. Co. (1888), 43 O. G. 983.

That a new defence set up by a party to several prior suits should be proved beyond reasonable doubt, see Seibert Cylinder Oil-Cup Co. *v.* Michigan Lubricator Co. (1888), 34 Fed. Rep. 33.

as may be necessary to connect the plaintiff and defendant with the contestants in the former suit, either by showing that they are the same parties or that they are in privity with them.

§ 1049. Evidence Concerning Damages.

The special rules of evidence discussed in the preceding paragraphs are applicable to the first four of the five averments in the declaration, — the invention of the patentable subject-matter by the patentee or his assignor, the lawful issue and existence of the patent, the title of the plaintiff, and the infringement of the patent by the defendant. The fifth averment declares that the infringement has resulted in damage to the plaintiff; and of the evidence admissible upon the issue raised by this averment it is impossible to treat intelligibly until the principles which govern the award of damages have been considered. These principles are few and simple, and though the topic has been long regarded as one of the most confused and difficult in the whole body of our Patent Law, the careful distinguishing of one subject from another will relieve it of much of its obscurity, and indicate the proper rules to be observed in fixing the amount to which the plaintiff is entitled in every case that may arise.

§ 1050. Distinction between the Rule of Damages at Law and the Measure of Recovery in Equity.

The first distinction to be made is that between the measure of recovery in equity and the measure of recovery at law. The theory of a suit in equity for an infringement is entirely different from that at law. The accountability of the defendant rests upon grounds totally dissimilar, and imposes upon him obligations utterly unlike those which he sustains in an action at law. This is especially apparent in the rules by which the amount of his pecuniary liability to the plaintiff is determined. In law he is regarded as a mere wrong-doer, compelled to make compensation for the injury he has inflicted. In equity he has a double character, being first treated as a species of agent or trustee practising the invention for the benefit of its true owner and obliged to pay to

him the profits of the enterprise, and then, if in the judgment of the court the interests of the plaintiff so require, mulcted as a tort-feasor in a sum sufficient to redress the injury which the plaintiff has sustained.[1] This wide and fundamental dis-

§ 1050. [1] In Birdsall *v.* Coolidge (1876), 93 U. S. 64, Clifford, J.: (68) "Controversies and cases arising under the Patent Laws are originally cognizable, as well in equity as at law, by the circuit courts, or by any district court having circuit powers. Prior to the passage of the act of the 8th of July, 1870, two remedies were open to the owner of a patent whose rights had been infringed, and he had his election between the two. He might proceed in equity and recover the gains and profits which the infringer had made by the unlawful use of his invention, the infringer in such a suit being regarded as the trustee of the owner of the patent as respects such gains and profits; or the owner of the patent might sue at law, in which case he would be entitled to recover, as damages, compensation for the pecuniary injury he suffered by the infringement, without regard to the question whether the defendant had gained or lost by his unlawful acts; the measure of damages in such case being not what the defendants had gained, but what the plaintiff had lost. (Curtis on Pat., 4th ed. 461; 5 Stats. at Large, 123.) When the suit is at law, the measure of damages remains unchanged to the present time, the rule still being that the verdict of the jury must be for the actual damages sustained by the plaintiff, subject to the right of the court to enter judgment thereon for any sum above the verdict, not exceeding three times that amount, together with costs. (16 Stat. 207.) Damages of a compensatory character may also be allowed to the complainant suing in equity in certain cases, where the gains and profits made by the respondent are clearly not sufficient to compensate the complainant for the injury sustained by the unlawful violation of the exclusive right secured to him by the patent. Gains and profits are still the proper measure of damages in equity suits, except in cases where the injury sustained by the infringement is plainly greater than the aggregate of what was made by the respondent, in which event the provision is that the complainant shall be entitled to recover, in addition to the profits to be accounted for by the respondent, the damages he has sustained thereby." 10 O. G. 748 (750).

In Goodyear Dental Vulcanite Co. *v.* Van Antwerp (1876), 2 Bann. & A. 252, Nixon, J.: (254) "The terms *profits* and *damages* as used in the act are hardly convertible. They seem to mean different things. The latter are to be awarded '*in addition*' to the former. Profits, doubtless, refer to what the defendant has gained by the unlawful use of the patented invention, and damages to what the complainant has lost. Before the act of 1870 it was incumbent on the patentee to make his election of remedies, and to proceed at law for the damages which he could show had been sustained from the infringement, or in equity for the gains and profits that the defendant had realized for the unauthorized use of his property. Now no such election is necessary, because he is entitled to pray in one action for the relief both in regard to profits and damages." 9 O. G. 497 (498).

In Cowing *v.* Rumsey (1870), 4 Fisher, 275, Woodruff, J.: (277) "A patentee whose rights are infringed has

tinction leads to radical differences in the standards by which the court or jury are to estimate the amounts to be awarded, and in the rules by which the relevancy and weight of evidence concerning these amounts must be determined. The principles adopted in the courts of equity cannot be imported into the courts of law, or those of law into equity, without serious confusion and inevitable mistake. Nor can the definitions and modes of calculation recognized in one tribunal be followed by the other without equally disastrous consequences. Decisions in which this essential distinction has been disregarded have been rendered, and to these may be attributed much of the difficulty which besets the legal aspect of this subject. It is, therefore, of primary importance that in discussing damages at law, or profits and damages in equity, each topic should be kept free from the special doctrines appertaining to the other, and that the former be investigated in the light of its own principles as these have been interpreted and applied in courts of law.

his election of remedies. He may treat the infringer who illegally appropriates the invention to his own use, making profit thereby, as his trustee in respect of such profits, and compel him to account therefor in equity. In such case the plaintiff may recover those profits, be they more or less; and he can recover no more, however great the damages may be which the illegal interference has occasioned. If, on an accounting, it should appear that the defendant used the invention so unskilfully that he realized no profit, there could be no recovery. On the other hand the patentee may sue at law for the damages which he has sustained; and those damages he is entitled to recover whether the defendant has made any profits or not. In such an action it is precisely what is lost to the plaintiff, and not what the defendant has gained, which is the legal measure of the damages to be awarded. Under this rule it may often be entirely proper to prove the profits of the ordinary use of the invention, and the demand existing in the market, evidenced by sales made, and so, as an element of consideration, show the profits realized by the defendant, in order to furnish to the jury all proper materials for determining how much the plaintiff has lost. But I apprehend that they are to answer the precise question — how much loss has the plaintiff sustained by reason of the defendants' infringement?" 8 Blatch. 36 (38).

The statement in the foregoing extracts, that the plaintiff has an election of remedies, is qualified by more recent cases. See §§ 1084–1094, and notes, *post*.

§ 1051. Distinction between the Rule of Damages and the Rules of Evidence concerning Damages.

Another essential distinction, which is too often overlooked, is that between the rule of damages in actions at law and the rules governing the evidence by which the amount of damages is to be ascertained. The rule of damages is fixed and uniform, as much so as in any ordinary action on the case. It recognizes two species of damages, — nominal and actual. It determines definitely when nominal damages shall be awarded, and when actual damages shall be allowed. It establishes the same measure for the latter as that which courts of law adopt in all breaches of contract as well as in all other torts. But inasmuch as the infringement of a patent may inflict injuries of various degrees and characters, according to the method of infringement or the mode in which it reaches and affects the plaintiff, the evidence by which his loss is proved, and the amount of his recovery is determined, must also be of great variety. No more unalterable rule can, therefore, be prescribed concerning the admissibility or weight of certain evidence, or the bearing of certain facts upon the question of damages, in actions of infringement than in actions of trespass *quare clausum*, or of general assumpsit.[1] Each case must stand on its own facts, and be illustrated by its own evidence, admitted and weighed in accordance with the general rules of relevancy and credibility.[2] With this distinction

§ 1051. [1] In Graham *v.* Mason (1872), 5 Fisher, 290, Shepley, J. : (293) "It must be apparent to the most superficial observer of the immense variety of patents issued every day, that there cannot, in the nature of things, be any rule of damages or any rule for estimating profits which will equally apply to all cases. The mode of estimating profits or damages must necessarily depend on the peculiar nature of the monopoly granted. (Seymour *v.* McCormick, before cited.) Where the patentee is entitled to damages, the rule must be so modified as to afford him indemnity and give him the actual damage he has suffered by the infringement. Where he is entitled to profits, he is entitled to any profit the infringer has made by the unlicensed use of the contrivance included in the monopoly, and of that alone, without regard to profit or loss on the whole structure or machine of which such mechanism forms a part, and without recoupment for losses on other infringing mechanisms made or sold." 1 O. G. 609 (610) ; Holmes, 88 (90).

See also Bell *v.* Daniels (1858), 1 Fisher, 372 ; 1 Bond, 212 ; Ransom *v.* Mayor of New York (1856), 1 Fisher, 252 ; Earle *v.* Sawyer (1825), 4 Mason, 1 ; 1 Robb, 490.

[2] That in estimating damages all the

in mind, the rule of damages in actions at law for infringement loses most of its obscurity, while even the rules of evidence seem capable of clearer and more permanent definition than those applied in many other actions. To this rule of damages our attention will now be directed, after which the rules of evidence will be considered.

§ 1052. Rule of Nominal Damages.

The rule of damages requires that in all cases where the jury find the issues for the plaintiff on the first four averments of the declaration, they shall award him at least nominal damages.[1] The law implies damage from the violation of the patent, and though the infringement may be ignorant or unintentional, or result in no particular injury to the plaintiff, the commission of the wrong entitles him to some recovery in vindication of his invaded rights.[2] The amount of such recovery the jury are at liberty to determine within the ordinary limits of nominal damages.[3]

§ 1053. Rule of Actual Damages.

The rule of damages further provides that, upon proper evidence, the jury shall allow the plaintiff actual damages.[1]

circumstances must be considered, see Whitney *v.* Emmett (1831), Baldwin, 303; 1 Robb, 567.

§ 1052. [1] In Poppenhusen *v.* New York Gutta Percha Comb Co. (1858), 2 Fisher, 62, Ingersoll, J.: (73) "When a patent has been violated, it necessarily follows that the plaintiff is entitled to some damages. The act of violation is proof that he is entitled to some damages; and when the amount of damages is not proved, the rule is, that the jury give nominal damages; and if the plaintiff intends to claim more than nominal damages, he, being entitled to recover his actual damages, must satisfy the jury what his actual damages are."

[2] That damages are implied from the infringement, see Wooster *v.* Muser (1884), 28 O. G. 286; 20 Fed. Rep. 162; Campbell *v.* Barclay (1870), 5 Bissell, 179; Whittemore *v.* Cutter (1813), 1 Gallison, 429; 1 Robb, 28.

That the character and financial condition of the parties are not to be considered in estimating damages, see Hayden *v.* Suffolk Mfg. Co. (1862), 4 Fisher, 86.

That the good faith of the defendant does not excuse him, see Hogg *v.* Emerson (1850), 11 How. 587.

[3] That six cents are nominal damages, see Hall *v.* Bird (1869), 6 Blatch. 438; 3 Fisher, 595.

§ 1053. [1] That a patentee proving his case is entitled to the same relief as any other plaintiff, see McComb *v.* Ernest (1871), 1 Woods, 195.

That actual damages alone will be awarded, see Philp *v.* Nock (1873), 17

Actual damages are an indemnity for injury inflicted, a compensation for a loss sustained.[2] Their amount is to be measured by the direct and immediate evil consequences to the plaintiff of the wrongful act of the defendant, from the date of the infringement to the institution of the suit.[3] The proof

Wall. 460; Page *v.* Ferry (1857), 1 Fisher, 298; Whitney *v.* Emmett (1831), Baldwin, 303; 1 Robb, 567.

[2] In Birdsall *v.* Coolidge (1876), 93 U. S. 64, Clifford, J.: (64) "Damages are given as a compensation, recompense, or satisfaction to the plaintiff for an injury actually received by him from the defendant. Compensatory damages and actual damages mean the same thing, — that is, that the damages shall be the result of the injury alleged and proved, and that the amount awarded shall be precisely commensurate with the injury suffered, neither more nor less, whether the injury be to the person or estate of the complaining party. 2 Greenl., Ev., 10th ed., sec. 253." 10 O. G. 748 (749).

In Parker *v.* Hulme (1849), 1 Fisher, 44, Kane, J.: (56) "The damages to be assessed should be compensatory. The criterion is indemnity. You may take into consideration the loss sustained by the plaintiff, as you may likewise the profit made by the defendant. In estimating the loss to the plaintiff from the defendant's unauthorized use of the machine, the price of a license is sometimes a fair guide; but not always. Sometimes a trifle from every one may well content the patentee, as in the case of a medicine, where a license to use is thrown in to all who will pay for the dose. So in the case of machines; in some of which, as for example, an improved pocket-knife or comb, where a half-cent, singly, might amply compensate a patentee in the sale of a license, but would be no criterion of damage in case of infringement. It is so with every other invention which depends, for its value, on a general use by the community, and is, from policy, sold cheap. You are therefore to give compensatory damages, such as may indemnify the plaintiff for the injuries he has directly sustained; but, according to the directions heretofore given in this court, you will not include his expenses of litigation in the amount of your verdict. Yet, upon the whole, the question of damages being one of compensation, of which it is always, in such cases, difficult to fix a standard, much must depend upon the discretion of the jury, who may sometimes properly take the conduct and motives of a defendant into consideration. I may add that, with the limitations and qualifications which I have stated, your verdict may be founded upon a full and liberal measure of the plaintiff's actual damages."

[3] That only direct and immediate damages can be recovered, see Buerk *v.* Imhaeuser (1876), 10 O. G. 907; 14 Blatch. 19; 2 Bann. & A. 452.

That remote consequential damages cannot be recovered, see Carter *v.* Baker (1871), 4 Fisher, 404; 1 Sawyer, 512.

That the jury in estimating damages from general evidence can only allow them for the period of infringement not for the whole term of the patent, see Suffolk Co. *v.* Hayden (1865), 3 Wall. 315.

That damages are recoverable for the period between loss of the patent by fire and its restoration, if there be no unreasonable delay, see Hogg *v.* Emerson (1848), 6 How. 437; 2 Robb, 655.

That damages for infringement before re-issue are not recoverable in a

of the existence and extent of these consequences must be clear and definite, and present sufficient data to the jury to enable them to estimate with certainty the compensation to which the plaintiff is entitled.[4] In the absence of such proof, either through the fault or the misfortune of the plaintiff, nominal damages alone can be awarded.[5] Vindictive damages are not permitted, power being conferred upon the court to increase the amount fixed by the jury in cases of malicious or persistent injury.[6]

suit on the re-issue, see Agawam Co. *v.* Jordan (1868), 7 Wall. 583.

That a verdict can only cover the damages up to the date of the writ, see Hayden *v.* Suffolk Mfg. Co. (1862), 4 Fisher, 86.

[4] That the plaintiff must affirmatively show the amount of actual damages, see § 1071 and notes, *post.*

[5] That nominal damages of six cents only are recoverable unless actual damages are proved, see Hall *v.* Bird (1869), 6 Blatch. 438 ; 3 Fisher, 595.

That although it is a mere lack of evidence which prevents the plaintiff from proving such infringements as would call for heavy damages, this is his misfortune, and the jury can only give nominal damages unless he proves actual ones, see Schwarzel *v.* Holenshade (1866), 3 Fisher, 116 ; 2 Bond, 29.

[6] In Whittemore *v.* Cutter (1813), 1 Gallison, 478, Story, J. : (482) "As to the rule by which the plaintiff's damages are to be estimated, it is clear by the statute, that only the actual damages sustained can be given. By the terms 'actual damages,' in the statute, are meant such damages as the plaintiffs can actually prove and have in fact sustained, as contradistinguished to mere imaginary or exemplary damages, which in personal torts are sometimes given. The statute is highly penal, and the legislature meant to limit the single damages to the real injury done, as in other cases of violation of personal property, or of incorporeal rights. In mere personal torts, as assaults and batteries, defamation of character, etc., the law has, in proper cases, allowed the party to recover not merely for any actual injury, but for the mental anxiety, the public degradation and wounded sensibility, which honorable men feel at violations of the sacredness of their persons or characters. But the reason of the law does not apply to the mere infringement of an incorporeal right, such as a patent, and the legislature meant to confine the damages to such a sum as would compensate the party for his actual loss." 1 Robb, 40 (44).

See also Goodyear *v.* Bishop (1861), 2 Fisher, 154 ; Smith *v.* Higgins (1859), 1 Fisher, 537 ; Ransom *v.* Mayor of N. Y. (1856), 1 Fisher, 252 ; Wintermute *v.* Redington (1856), 1 Fisher, 239 ; Hall *v.* Wiles (1851), 2 Blatch. 194 ; Buck *v.* Hermance (1849), 1 Blatch. 398 ; Guyon *v.* Serrell (1847), 1 Blatch. 244.

In several decisions statements may be found giving authority for the claim that vindictive damages may be awarded in cases of wilful infringement. Thus in Parker *v.* Corbin (1848), 4 McLean, 462, McLean, J. : (463) "That where the act complained of had been done without a knowledge of the plaintiff's right, and under such circumstances as to authorize the jury to infer that the defendant was not aware that he was

§ 1054. Rules of Evidence Concerning Damages Vary with the Mode in which the Plaintiff takes the Benefit of his Monopoly.

The rules of evidence concerning damages are all intended to secure the presentation of such testimony to the jury as will enable them to ascertain the loss inflicted on the plaintiff, and the amount of actual damages which will compensate him for the injury. The evil consequences resulting to the plaintiff from the violation of his patent depend upon the method in which he receives the benefits of his monopoly, and the extent to which these benefits are affected by the infringement.[1] The owner of a patent who neither derives, nor purposes to derive, any advantage from his rights under

violating the rights of any one, the damages should be so graduated as to give nothing more than to compensate the injury done to the plaintiff. But where the circumstances were of a somewhat aggravated character, what was sometimes called in the law vindictive damages might be given, which would include counsel fees, and something more by way of example to deter others from doing the same thing." 2 Robb, 736 (736).

See also Buerk *v.* Imhaeuser (1876), 10 O. G. 907 ; 14 Blatch. 19 ; 2 Bann. & A. 452 ; American Nicholson Pavement Co. *v.* City of Elizabeth (1874), 6 O. G. 764 ; 1 Bann. & A. 439 ; Bryce *v.* Dorr (1845), 3 McLean, 582 ; 2 Robb, 302.

That no exemplary damages are allowed where the defendant purchased the invention in good faith in open market not knowing of the patent, and abandoned it upon notice, see Emerson *v.* Simm (1873), 3 O. G. 293 ; 6 Fisher, 281.

That one who works under another patent is not liable to punitive damages, see Buerk *v.* Imhaeuser (1876), 10 O. G. 907 ; 14 Blatch. 19 ; 2 Bann. & A. 452.

The power of the court to increase the damages is, however, sufficient for all the purposes of a penalty, and so far as these cases suggest that the jury have a similar power, the doctrine must be regarded as erroneous. See, further, § 1069, and notes, *post.*

§ 1054. [1] In Spaulding *v.* Page (1871), 4 Fisher, 641, Sawyer, J. : (645) "One patentee may choose to use his invention himself, and find his profits in the sale of its products ; another may establish a royalty for the use of his patent ; another sell his right out for designated portions of territory ; and another exclusively manufacture and sell his machines and seek his remuneration in the profits of such manufacture and sale. The measure of damages, and the consequences of a recovery, should have some relation to the mode of remuneration adopted by the patentee, and to the nature of the injury inflicted by the infringement. Even the consequences of a recovery with respect to the subsequent rights of the parties, may be modified by the measure of damages adopted." 1 Sawyer, 702 (705).

That the monopoly protects only the *use* of the invention, not the ultimate property therein, see § 61 and notes, *ante.*

the patent, cannot sustain substantial injury from any appropriation of the invention on the part of others.[2] If he confines his own enjoyment of his privilege to a single mode of use, he does not suffer loss from the employment of the invention in a totally different method. Hence the first point, on which proof should be offered in reference to actual damages is the use made of his patent privilege by the plaintiff; the second is the effect produced upon the value of such use by the wrongful acts of the defendant. If the evidence on these two points is so presented as to afford the jury a complete view of the facts which they involve, the amount of actual damages to be awarded can be easily determined.

§ 1055. Evidence Concerning Damages: Two Modes in which the Plaintiff may Take the Benefit of his Monopoly.

The methods by which the owner of a patent can avail himself of his monopoly may be grouped in two distinct classes. In methods of the first class the practice of the patented invention is thrown open to the public upon condition that the user pay to the owner a definite pecuniary consideration. In methods of the second class the exclusive use of the invention is confined to the owner of the patent or to specific licensees, and the remainder of the public are prohibited from its employment upon any conditions.[1] When any method of

[2] That a patentee, who neither derives nor intends to derive benefit from his invention, cannot suffer loss by its infringement, see Everest *v.* Buffalo Lubricating Oil Co. (1887), 31 Fed. Rep. 742; Hoe *v.* Knap (1886), 27 Fed. Rep. 204; 36 O. G. 1244; Whitney *v.* Emmett (1831), Baldwin, 303; 1 Robb, 567.

§ 1055. [1] The distinction between these two modes of enjoyment will be lost sight of unless it be remembered that the former embraces only those cases where the license is universal. The patentee has a right to limit the number of his licensees, and where he does this, no other persons can become licensees against his will. The number of his specific licensees is immaterial. However great their multitude, the patent protects them in their exclusive enjoyment against all the world, and one who uses without authority granted to him violates the monopoly, and cannot be regarded as in any sense a licensee. In such cases a license fee is never the measure of damages; if it were, the patentee could be compelled to grant licenses against his will to all on the mere ground that he had chosen to license certain individuals. It is only where he offers licenses to all who desire to take them, without discrimination of persons, that an infringer can be treated as a licensee, and the recovery be restricted to the customary fee.

the first class is adopted, it is evident that the sole injury sustained by the owner of the patent from the act of a defendant, who has practised the invention without fulfilling the condition, is the withholding of the definite pecuniary recompense, and that this, when ascertained, is therefore the measure of his actual damages. When methods of the second class are pursued, the loss suffered by the owner of the patent or his specific licensees, is the depreciation of the pecuniary value of their own enjoyment of the exclusive use of the invention through its wrongful use by the defendant. The amount of such depreciation can rarely be measured by any absolute standard. It is a matter of inference from all the circumstances of the case; but when the facts are clearly proved, and the inference is probable, the jury are warranted in assuming it as a sufficient guide. The owner of the patent may resort to methods of either class at his pleasure, and may employ the different classes within different areas. He may also adopt the methods of one class in relation to one of his exclusive rights, and the methods of the other class in relation to his other rights, as where he freely licenses all who desire to make and use the invention, but preserves a close monopoly in reference to its manufacture and sale. But he cannot employ methods of the distinct classes in relation to the same right at the same time and within the same territory, since it is impossible for him at once to offer to the whole public an unrestricted privilege upon definite terms, and prohibit portions of the public from enjoying it on any terms. Hence in any case of infringement it can be shown which class of methods was in operation, at the date

Hence evidence of numerous existing licenses, though, as appears in § 1057, *post*, it is sufficient to prove the amount of the established fee, cannot show that an infringer, even when performing acts for which the licenses are granted, has a right to pay the fee and thus escape further liability. It must be also manifest from the testimony that the plaintiff, at the date of the infringement, contemplated the enjoyment of the invention by the public, and by the defendant as a member of the public, and that the sole wrong committed by the latter has, therefore, virtually consisted in delaying the payment of the proper recompense for such a privilege. In the absence of this testimony the case comes under the second class, and the license fee, whatever light it may throw upon the amount of the plaintiff's loss by the infringement, cannot be accepted as an absolute measure of damages.

and place of the infringement, in reference to the right wrongfully exercised by the defendant. If the method belonged to the first class the defendant must make compensation by paying the established fee. If it belonged to the second class the defendant must make good that depreciation in the value of the plaintiff's enjoyment which his own wrongful act has caused.[2]

§ 1056. Evidence Concerning Damages: Monopoly Enjoyed by Granting Licenses.

Of the methods of the first class there are various forms, though all are reducible to the same contract relation between the owner of the patent and those who practise the invention. Whether he bestows on all who wish to comply with his conditions the right to make and use or the right to make and sell, and whether he receives his payments in a gross sum, or in periodical instalments, or in royalties based on the number of the patented articles that may be used or sold, and whether the privilege already conferred be personal and universal, or confined to a single shop or locality, the principle underlying the transaction is the same. The owner of the patent has put his own price upon the exercise of the right, and offered it to all who are disposed to pay the price for its enjoyment.[1] He has thus fixed the measure of his compensation for every case in which the right so estimated may be exercised, and the defendant's employment of the privilege may, therefore, be properly and fairly treated as an acceptance of the offer and as constituting the basis of an implied contract upon his part to pay the customary fee.[2] He has, in fact, become by his own act,

[2] That the value of the plaintiff's invention is determined by the way he uses it, whether by licensing or manufacturing, see Creamer *v.* Bowers (1888), 35 Fed. Rep. 206; Spaulding *v.* Page (1871), 4 Fisher, 671; 1 Sawyer, 702; Burr *v.* Duryee (1862), 2 Fisher, 275.

That the grantor of an exclusive license at a specific royalty can sustain no damage except the loss of his royalty, whatever his licensees may suffer, see Bell *v.* United States Stamping Co. (1887), 32 Fed. Rep. 549.

§ 1056. [1] That by establishing a license fee the plaintiff fixes the compensation which he is willing to receive, see Livingston *v.* Jones (1861), 2 Fisher, 207; 3 Wall. Jr. 330; Seymour *v.* McCormick (1853), 16 How. 480.

[2] That by using the invention, as licensees in general use it, the defendant

though not perhaps intentionally, the licensee of the owner of the patent under the terms contained in the proposition of the latter to the public, and is bound, like any other licensee, to comply with the obligations which he has thereby assumed.[3] In order to establish this, or any other contract relation, two matters must be proved: the offer by the plaintiff; and its acceptance by the defendant. In the absence of either of these elements no such relation can be implied, and the defendant is neither obliged to pay, nor the plaintiff to receive, any predetermined sum as compensation for the infringement.

§ 1057. Evidence Concerning Damages: Monopoly Enjoyed by Granting Licenses: Evidence that the Plaintiff has Adopted that Mode of Enjoyment.

The proposal of the owner of a patent to permit the public to enjoy a right in his invention, upon payment of a definite pecuniary consideration, may be proved either by his formal declarations to that effect, or by his conduct in customarily receiving this specific compensation. To show his formal declarations, his circulars, advertisements, or oral propositions, if such exist, are admissible. To prove his customary reception of a definite recompense, the testimony must demonstrate that this amount has generally been paid by those who have exercised the right, in pursuance of an agreement previously made with the owner of the patent, until it has become an established fee.[1] What constitutes a general use

accepts the offer of the plaintiff and becomes liable for the customary fee, see Livingston *v.* Jones (1861), 3 Wall. Jr. 330; 2 Fisher, 207; Seymour *v.* McCormick (1853), 16 How. 480.

[3] That a license fee fixes the amount of damages where there have been licenses enough issued to establish a market value, and where the use by the defendant has been with the express or implied consent of the plaintiff, and no compensation has been agreed on, see Packet Co. *v.* Sickles (1873), 19 Wall. 611.

§ 1057. [1] In Rude *v.* Westcott (1889), 130 U. S. 152, Field, J. (165): "It is undoubtedly true that where there has been such a number of sales by a patentee of licenses to make, use, and sell his patents, as to establish a regular price for a license, that price may be taken as a measure of damages against infringers. . . . Sales of licenses, made at periods years apart, will not establish any rule on the subject and determine the value of the patent. Like sales of ordinary goods they must be common, that is, of frequent occurrence, to establish such a market price for the article

and payment, and after what period the fee customarily paid shall be regarded as established, are questions for the jury to determine. A single license cannot show a custom, nor can a license fee, varying with the obstinacy of the licensee, ever become definite, nor can promises to pay be taken as equivalent to actual payments.[2] The essential legal requisite, however, is that the amount be fixed by previous agreement with a view to future use, and under circumstances where the owner of the patent is at liberty to demand what he deems a

that it may be assumed to express, with reference to all similar articles, their salable value at the place designated. In order that a royalty may be accepted as a measure of damages against an infringer, who is a stranger to the license establishing it, it must be paid or secured before the infringement complained of, it must be paid by such a number of persons as to indicate a general acquiescence in its reasonableness by those who have occasion to use the invention, and it must be uniform at the places where the licenses are issued."

That an established royalty is a proper measure of damages, but not where the invention has been used but little or for a short time, general evidence being necessary in such cases, see Judson *v.* Bradford (1878), 16 O. G. 171; 3 Bann. & A. 539.

That a license fee does not become "established" until sufficient cases arise to fix the market value of the patent at a uniform rate, see Adams *v.* Bellaire Stamping Co. (1886), 28 Fed. Rep. 360; 36 O. G. 567; Packet Co. *v.* Sickles (1873), 19 Wall. 611.

That a license fee to be a measure of damages must be a fee for the identical invention, and it alone, see Adams *v.* Bellaire Stamping Co. (1886), 28 Fed. Rep. 360; 36 O. G. 567.

That license fees paid for two patents jointly will not establish a fee for either separately, see Vulcanite Paving Co. *v.* American Artificial Stone Pavement Co. (1888), 36 Fed. Rep. 378; Adams *v.* Bellaire Stamping Co. (1886), 28 Fed. Rep. 360; 36 O. G. 567; Westcott *v.* Rude (1884), 19 Fed. Rep. 830; 27 O. G. 719.

[2] That a single license cannot establish a license fee, see Graham *v.* Piano Mfg. Co. (1888), 35 Fed. Rep. 597; Westcott *v.* Rude (1884), 19 Fed. Rep. 830; 27 O. G. 719.

That two licenses may evidence an established fee, see Cary *v.* Lowell Mfg. Co. (1889), 37 Fed. Rep. 654.

That no license fee can be said to be fixed when it varies with the persistence of the infringer, see Black *v.* Munson (1877), 14 Blatch. 265; 2 Bann. & A. 623.

That where an assignee is compelled by the acts of the defendant to allow him to use the invention for a certain royalty, the royalty is no criterion of the damages, see American Nicholson Pavement Co. *v.* City of Elizabeth (1874), 6 O. G. 764; 1 Bann. & A. 439.

That the allowance of a *pro rata* sum as damages in a suit does not establish a license fee, see Graham *v.* Piano Mfg. Co. (1888), 37 Fed. Rep. 597.

That a license fee must be shown by actual payments, not by mere promises to pay, see Adams *v.* Bellaire Stamping Co. (1886), 28 Fed. Rep. 360; 36 O. G. 567.

fair compensation, and the alleged licensees are free to accept or reject his terms.[3] A fee of small amount temporarily adopted in order to introduce the invention, or to raise money under the pressure of necessity, does not comply with this requirement; nor, on the other hand, does a large amount paid under compulsion by infringers in settlement for injuries inflicted by their wrongful acts; and evidence of either of these payments under emergency is inadmissible.[4] The amount of

[3] In National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514, Woods, J.: (517) "I instruct you that it is competent for a patentee, in order to enable the jury to measure his damages, to prove contract prices at which licenses had been granted under the patent while it was in force, but that it is not competent for him to prove the prices paid for infringements; that is to say, payments made in settlement of infringements already perpetrated. In order to be competent evidence of value, the prices agreed upon must have been fixed with regard to future use, when, there being no liability between the parties, they are presumed, on both sides, to have acted voluntarily, and therefore to have made up their minds deliberately as to what was a fair price. Such arrangements, licenses thus granted, fees thus fixed, are competent evidence to consider in determining what the actual value of an invention is, and what the recovery ought to be for its use. But settlements for past transactions, where the parties are liable to suit if they do not pay, I instruct you, are not admissible as evidence for the plaintiff upon the subject of value." 28 O. G. 1007 (1008).

[4] In Campbell *v.* Barclay (1870), 5 Bissell, 179, Blodgett, J.: (179) "The price for which the plaintiff has sold his rights to certain territory is no criterion by which to determine the value of his patent or the damage sustained by its infringement in the territory retained. Inventors are frequently compelled by stress of poverty, or force of circumstances, to dispose of some part of their rights in the thing invented at much lower rates than they and others know them to be worth. The fact that the inventor has sold or given away some portion of a patented right is no justification to another who has wrongfully infringed upon the rights retained."

That early contracts at varying rates do not establish a license fee, see Gottfried *v.* Crescent Brewing Co. (1884), 30 O. G. 892; 22 Fed. Rep. 433.

That agreements to secure the introduction of an invention do not furnish a guide to true license fees, see Graham *v.* Geneva Lake Crawford Mfg. Co. (1885), 32 O. G. 1603; 24 Fed. Rep. 642; Sickels *v.* Borden (1856), 3 Blatch. 535.

That special permits under special circumstances do not alter the usual license fee, see Asmus *v.* Freeman (1888), 34 Fed. Rep. 902.

That a grantee of territory, making a contract with an agent to sell machines without limit, repudiates a close monopoly and his damages must be measured by the usual fee, see Burdell *v.* Denig (1865), 2 Fisher, 588.

That payments made in settlement of suits for infringement do not establish a license fee, see Cornely *v.* Marckwald (1889), 131 U. S. 159; Rude *v.* Westcott (1889), 130 U. S. 152; United Nickel Co. *v.* Central Pacific R. R. Co. (1888), 36 Fed. Rep. 186; Cornely *v.*

an established license fee may be shown by parol, though the licenses by which it is fixed are in writing, and the defendant was not a party to the instruments, the important fact being the payment of the fee.[5]

§ 1058. Evidence Concerning Damages: Monopoly Enjoyed by Granting Licenses: Evidence that the Defendant's Acts are Identical with those Covered by such Licenses.

The acceptance of the plaintiff's proposal by the defendant must be proved by evidence showing his performance of the precise act for which the license fee has been established. Not every invasion of the monopoly by the defendant subjects him to the payment of this fee or entitles him to claim that the plaintiff's damages are to be limited to that amount. It is only when he has put himself in the same position which he would have occupied had he been a licensee under a previous agreement, that he can be held liable to the obligations, and can avail himself of the immunities, of such a licensee. Thus where the license fee has been established in regard to one right under the patent and he has exercised a different right, or where it contemplates a continuous and permanent employment of the invention and his employment of

Marckwald (1885), 23 Blatch. 163; 32 Fed. Rep. 292; Gottfried *v.* Crescent Brewing Co. (1884), 22 Fed. Rep. 433; 30 O. G. 892.

That where the plaintiff had settled with certain infringers for less than the usual license fee, the amount so paid may in some cases be taken as the measure of damages, see Yates *v.* St. Johnsbury & L. C. R. Co. (1887), 32 Fed. Rep. 628.

That a license fee cannot be fixed by settlements between the plaintiff and other infringers, where various amounts are received or where other circumstances show that there is no regular fee, see Matthews *v.* Spangenberg (1882), 14 Fed. Rep. 350.

[5] That the amount of the license fee may be shown by parol though the license is in writing, if the defendant is not one of the parties to the license, see Wooster *v.* Simonson (1884), 20 Fed. Rep. 316; 28 O. G. 918.

That a rescinded contract for royalties is not competent evidence as to the measure of damages, see Bussey *v.* Excelsior Mfg. Co. (1880), 17 O. G. 744; 1 Fed. Rep. 640; 1 McCrary, 161; 5 Bann. & A. 135.

That a revoked or abandoned license may show what value an inventor puts upon the right to use his invention, see Graham *v.* Geneva Lake Crawford Mfg. Co. (1885), 32 O. G. 1603; 24 Fed. Rep. 642.

That evidence of license fees charged or sales made to others is admissible to show the value of the invention to the plaintiff, but is not conclusive, see Gottfried *v.* Crescent Brewing Co. (1884), 30 O. G. 892; 22 Fed. Rep. 433.

it has been short or infrequent, his acts do not fall within the scope of the proposed license and do not create a contract relation between him and the plaintiff.[1] If the owner of the patent, for example, grants licenses to make and use the patented invention, but retains the exclusive right to make and sell, a wrongful sale by the defendant cannot be contemplated as within the license, nor the loss which it inflicts upon the plaintiff be measured by the amount of the established fee.[2] If a different fee is fixed as the compensation for the enjoyment of each different right, and the defendant exercises either alone, the fee established for the other is irrelevant. When the license fee is a gross sum, whose payment authorizes the enjoyment of the invention during the term of the patent or for any considerable period, and the defendant's use has been brief and limited, or when the use of several connected inventions is covered by an indivisible fee and but one of these inventions is employed by the defendant, or where he uses only a part of an invention to which, as a whole, a single compensation is attached, the customary price ceases to afford an exact criterion of the amount of loss incurred, or of the damages to be paid.[3] In all such cases the actual dam-

§ 1058. [1] That a license fee for the whole invention is no measure of damages when only a part is infringed, but further evidence must be given to show the value of the part employed, see Wooster *v.* Simonson (1883), 16 Fed. Rep. 680.

[2] That a license fee for the use of an invention is no measure of the damage caused by an infringing sale, see Colgate *v.* Western Electric Mfg. Co. (1886), 28 Fed. Rep. 146; 37 O. G. 893.

That a royalty for a license to sell the right to use does not show the value of a right to sell, see Colgate *v.* Western Electric Mfg. Co. (1886), 37 O. G. 893; 28 Fed. Rep. 146.

That a use under two Claims must be of more value than a use under one, and a license fee covering both does not show the value of either, see Westcott *v.* Rude (1884), 27 O. G. 719; 19 Fed. Rep. 830.

[3] In Judson *v.* Bradford (1878), 16 O. G. 171, Clifford, J.: (174) "Frequent cases arise where proof of an established royalty furnishes a pretty safe guide for the instructions of the court and the finding of the jury; but cases also arise where it cannot be applied without qualification, as where the patented improvement has been used only to a limited extent, and for a very short period. Proof of a single license was given in this case, but it cannot, in view of the circumstances, be regarded as affording the only measure of compensation to which the plaintiff is entitled. Where there is proof of an established license fee, it may, in case of protracted infringement, be regarded as a pretty safe guide; but the proof in this case is not of that character, and in such a case

ages must be ascertained by a different method. The defendant, not having performed the acts, and all the acts for which the license fee is the established compensation, cannot be justly required to pay it to the plaintiff. The plaintiff, not having empowered him to enjoy the invention as he has enjoyed it upon condition that he will make the customary recompense, cannot be justly compelled to accept such recompense as his entire satisfaction for the injury. No other course is possible than to treat the defendant as an invader of the exclusive privileges of the plaintiff, and estimate the compensation of the latter by the actual damage which he can prove himself to have sustained.[4]

general evidence may be resorted to as the basis of decision." 8 Bann. & A. 539 (549).

In Birdsall *v.* Coolidge (1876), 93 U. S. 64, Clifford, J.: (70) "Evidence of an established royalty will undoubtedly furnish the true measure of damages in an action at law where the unlawful acts consist in making and selling the patented improvement, or in the extensive and protracted use of the same, without palliation or excuse; but where the use is a limited one, and for a brief period, as in the case before the court, it is error to apply that rule arbitrarily and without any qualification." 10 O. G. 748 (751).

That a license fee for an exclusive right to sell is not a measure of damages for occasional sales in particular territory, see Colgate *v.* Western Electric Mfg. Co. (1886), 26 Fed. Rep. 146; 37 O. G. 393.

That the full established license fee is a proper measure of recovery, though the infringement has been limited and brief, if it were malicious, see Stutz *v.* Armstrong (1885), 25 Fed. Rep. 147.

That where a rescinded contract for the use of several patents fixed the same royalty however many of the patents were used, and only two of the patents were infringed, the royalty furnishes no measure of damages, and if none are proved, only nominal damages will be allowed, see Bussey *v.* Excelsior Mfg. Co. (1880), 17 O. G. 744; 1 McCrary, 161; 1 Fed. Rep. 640; 5 Bann. & A. 135.

That where the whole patent is covered by a gross license fee, and the defendant infringes a single Claim, if the license fee can be fairly apportioned among the Claims it may be taken as the measure of damages, see Willimantic Thread Co. *v.* Clark Thread Co. (1886), 27 Fed. Rep. 865.

That though when the license has expired the license fee is still the usual measure of damages, yet if the device embodies other patented inventions, it must be shown how much of the license fee is paid for the one in question, see Porter Needle Co. *v.* National Needle Co. (1885), 22 Fed. Rep. 829.

[4] Although a license fee furnishes the precise measure of recovery only in the specific cases named, yet it is a fact often relevant to the question of damages in other cases, and in connection with additional facts may afford an inference as to the amount of loss the plaintiff has sustained. Thus, for example, a general license fee covering two inventions is relevant as to the damage resulting from the wrongful use of one of them, if other testimony shows the proportionate value of the use of each, etc. So, also, on the question of profits made by the defendant from the use of an improvement with its

§ 1059. Evidence Concerning Damages: Monopoly Enjoyed by Granting Licenses: License Fee the Measure of Damages for Wrongful Acts which are Identical with those Covered by such Licenses.

When the evidence discloses that a license fee has been established and that the defendant's acts of infringement have been such as in quality and extent were contemplated by the license to which the fee has been attached, the amount of this fee as it existed at the date of the infringement, with interest from that date, must be taken by the jury as conclusive proof of the actual damages to which the plaintiff is entitled.[1] It is the sum which he has offered to accept; it is

original, the license fee voluntarily paid by others, who make the same use of the improvement, may tend to show the proportion of profits due to the improvement alone. In all these cases the relevancy of the evidence must be decided by the court according to the usual rules.

§ 1059. [1] In McCormick *v.* Seymour (1854), 3 Blatch. 209, Nelson, J.: (224) "As we understand the opinion of the Court, it lays down these principles: In cases where a patentee avails himself of his invention, and of his exclusive right to the enjoyment of its profits, by putting it into market, and selling rights under it, as is most usually the case with inventors,—that is, rights for States, or counties, or smaller districts, or portions of the invention itself,—in such cases the customary charge for the right to use the patented invention is the measure of the damages which the patentee is entitled to recover in case of an infringement, with interest upon the same from the time of infringement. In other words, if he is accustomed to sell a single right for the manufacture of a machine for twenty, thirty, forty, fifty, or one hundred dollars, and if that is his usual price for the right throughout the country, that fee, with interest from the time of the particular infringement, is the measure of damages for each infringement."

In Seymour *v.* McCormick (1853), 16 How. 480, Grier, J.: (490) "Where an inventor finds it profitable to exercise his monopoly by selling licenses to make or use his improvement, he has himself fixed the average of his actual damages, when his invention has been used without his license. If he claims anything above that amount, he is bound to substantiate his claim by clear and distinct evidence. When he has himself established the market value of his improvement, as separate and distinct from the other machinery with which it is connected, he can have no claim in justice or equity to make the profits of the whole machine the measure of his demand."

That an established license fee is the proper measure of damages for an infringement which consists of acts covered by the license, see Jennings *v.* Dolan (1887), 38 O. G. 1018; 29 Fed. Rep. 861; Keller *v.* Stolzenbach (1886), 28 Fed. Rep. 81; 37 O. G. 564; May *v.* County of Fond du Lac (1886), 27 Fed. Rep. 691; Clark *v.* Wooster (1886), 119 U. S. 322; 37 O. G. 1477; Canan *v.* Pound Mfg. Co. (1885), 31 O. G. 119; 23 Blatch. 173; Graham *v.* Geneva Lake Crawford Mfg. Co. (1885), 32 O. G. 1603; 24 Fed. Rep. 642; Wooster *v.* Simonson (1884), 20 Fed. Rep. 316; 28 O. G. 918; Cottier *v.*

the sum which the defendant has impliedly agreed to pay; and the jury can do no otherwise than ratify this agreement by their verdict. It is immaterial whether the practice of the invention has been profitable to the defendant, or whether other devices which he was free to use might not have better served his purpose.[2] It is equally immaterial whether the plaintiff has been prejudiced by the defendant's enjoyment of the right under the patent. Evidence upon these points is, therefore, inadmissible, in order to increase or diminish any damages which are to be computed on the basis of a license fee, though often accepted provisionally as a guide to the

Stimson (1884), 20 Fed. Rep. 906; Geneva Lake Crawford Mfg. Co. (1885), 10 Sawyer, 212; Westcott *v.* Rude (1884), 19 Fed. Rep. 830; 27 O. G. 719; Emigh *v.* Balt. & Ohio R. R. Co. (1881), 19 O. G. 935; 6 Fed. Rep. 283; 4 Hughes, 271; Locomotive Engine Safety Truck Co. *v.* Pennsylvania R. R. Co. (1880), 2 Fed. Rep. 677; 5 Bann. & A. 514; 14 Phila. 432; Croninger *v.* Paige (1880), 48 Wis. 229; Wooster *v.* Taylor (1878), 14 Blatch. 403; 3 Bann. & A. 241; Birdsall *v.* Coolidge (1876), 93 U. S. 64; 10 O. G. 748; Goodyear Dental Vulcanite Co. *v.* Van Antwerp (1876), 9 O. G. 497; 2 Bann. & A. 252; Burdell *v.* Denig (1875), 92 U. S. 716; American Nicholson Pavement Co. *v.* City of Elizabeth (1874), 6 O. G. 764; 1 Bann. & A. 439; Emerson *v.* Simm (1873), 3 O. G. 293; 6 Fisher, 281; Packet Co. *v.* Sickles (1873), 19 Wall. 611; Philp *v.* Nock (1873), 17 Wall. 460; Spaulding *v.* Page (1871), 4 Fisher, 641; 1 Sawyer, 702; Goodyear *v.* Bishop (1861), 2 Fisher, 154; Sanders *v.* Logan (1861), 2 Fisher, 167; Livingston *v.* Jones (1861), 2 Fisher, 207; 3 Wall. Jr. 330; Sickels *v.* Borden (1856), 3 Blatch. 535.

That a license fee at a given rate, with a discount for prompt payment, will be taken as fixing the lower rate as the true measure of damages, see Graham *v.* Stimson (1884), 20 Fed. Rep. 906; Geneva Lake Crawford Mfg. Co. (1885), 10 Sawyer, 212; Westcott *v.* Rude (1884), 19 Fed. Rep. 830; 27 O. G. 719; Emigh *v.* Balt. & Ohio R. R. Co. (1881), 19 O. G. 935; 6 Fed. Rep. 283; 4 Hughes, 271; Locomotive Engine Safety Truck Co. *v.* Pennsylvania R. R. Co. (1880), 2 Fed. Rep. 677; 5 Bann. & A. 514; 14 Phila. 432; Croninger *v.* Paige (1880), 48 Wis. 229; Wooster *v.* Taylor (1878), 14 Blatch. 403; 3 Bann. & A. 241; Birdsall *v.* Coolidge (1876), 93 U. S. 64; 10 O. G. 748; Goodyear Dental Vulcanite Co. *v.* Van Antwerp (1876), 9 O. G. 497; 2 Bann. & A. 252; Burdell *v.* Denig (1875), 92 U. S. 716; American Nicholson Pavement Co. *v.* City of Elizabeth (1874), 6 O. G. 764; 1 Bann. & A. 439; Emerson *v.* Simm (1873), 3 O. G. 293; 6 Fisher, 281; Packet Co. *v.* Sickles (1873), 19 Wall. 611; Philp *v.* Nock (1873), 17 Wall. 460; Spaulding *v.* Page (1871), 4 Fisher, 641; 1 Sawyer, 702; Goodyear *v.* Bishop (1861), 2 Fisher, 154; Sanders *v.* Logan (1861), 2 Fisher, 167; Livingston *v.* Jones (1861), 2 Fisher, 207; 3 Wall. Jr. 330; Sickels *v.* Borden (1856), 3 Blatch. 535; Geneva Lake Crawford Mfg. Co. (1885), 32 O. G. 1603; 24 Fed. Rep. 642. That damages are not unliquidated when a royalty was established before the defendant began to infringe, see Locomotive Engine Safety Truck Co. *v.* Penna. R. R. Co. (1880), 14 Phila. 432; 5 Bann. & A. 514; 2 Fed. Rep. 677.

That the license fee existing at the date of the infringement is the measure, see Wooster *v.* Thornton (1886), 34 O. G. 560; 26 Fed. Rep. 274.

That a license fee established after the infringement is not a conclusive measure of damages though it may be considered, see Wooster *v.* Thornton (1886), 34 O. G. 560; 26 Fed. Rep. 274.

That whether the value at the date of the infringement was equal to the subsequent license fee is a question of fact, see Wooster *v.* Thornton (1886), 34 O. G. 560; 26 Fed. Rep. 274.

That interest must be allowed on license fees when taken as a measure of damages, see Creamer *v.* Bowers (1888), 35 Fed. Rep. 206; Sickels *v.* Borden (1856), 3 Blatch. 535.

[2] That a cessation of use or the fact that other equally useful devices existed is of no weight as to the amount of damages when there is a regular license fee to measure by, see Emerson *v.* Simm (1873), 3 O. G. 293; 6 Fisher, 281.

amount of actual damages in case the license fee and the defendant's implied obligation to pay it should not be fully proved.

§ 1060. Evidence Concerning Damages: Monopoly Enjoyed by the Exclusive Practice of the Invention: Two Forms of Such Exclusive Practice and of Corresponding Injury.

When no established license fee is proved, or when the acts of the defendant do not correspond with those for which the license fee is payable, the loss sustained by the plaintiff, if any loss there be, must arise from the effect produced by the infringement upon the value of the exclusive enjoyment of the invention by the owner of the patent or his specific licensees.[1] Two forms of this exclusive enjoyment are possible. The first consists in the use of the invention and the sale of its products; and this form is the common one when the invention is a process or a design, and is frequent when the invention is a machine. The second consists in the making and sale of the patented articles, and is usually adopted when the invention is a manufacture or a composition of matter.[2] When it is an improvement, its enjoyment follows the form which is pursued in reference to its original. The pecuniary value of the first form is measured by the advantage which the use of the invention confers on its employer, by improving the quality of his products and giving him a greater command of the market, or by diminishing their cost of manufacture in comparison with the price for which they sell and thereby increasing the percentage of his profits.[3] The pecuniary value of the second form is represented by the difference between the expense of production and the price obtained.[4] In both forms the amount of compensation to the

§ 1060. [1] That where there is no established license fee general evidence concerning damages may be given, see Suffolk Co. *v.* Hayden (1865), 3 Wall. 315.

[2] That infringements by sale and by use are essentially distinct, see Colgate *v.* Western Electric Mfg. Co. (1886), 28 Fed. Rep. 146; 37 O. G. 893.

[3] That the difference in the cost or the value of the product when made by the plaintiff's process may be considered in estimating damages, see Waterbury Brass Co. *v.* New York & Brooklyn Brass Co. (1858), 3 Fisher, 43.

[4] That the measure of damages for an unlawful sale may be the difference between the cost price to the patentee and the market price when the sales are

enjoyer of the monopoly depends upon the quantity sold and the price received, and hence the amount of injury inflicted upon him by the infringement is determined by its effect upon his prices or his sales. The evidence concerning this effect may be either direct or indirect. Direct evidence shows the extent to which the actual enjoyment of the invention by the plaintiff has been diminished by the wrongful acts of the defendant. Indirect evidence discloses the benefits derived by the defendant from the infringement, and thence infers the extent of the plaintiff's loss. Evidence of both species is admissible whenever it can tend to prove the amount of injury which the plaintiff has sustained.

§ 1061. Evidence Concerning Damages: Monopoly Enjoyed by the Exclusive Practice of the Invention: Direct Evidence of the Extent of Injury.[1]

Direct evidence of the extent to which the plaintiff has been injured consists of testimony showing the amount of the plain-

made, see American Saw Co. *v.* Emerson (1880), 8 Fed. Rep. 806.

§ 1061. [1] In examining and citing cases in reference to damages and profits great discrimination is necessary. Profits were until recently the only measure of recovery in equity. They have always been admissible in evidence upon the question of the amount of damages at law. Damages are and must be the measure of recovery at law. By the act of 1870 they may also be awarded in equity where the account of profits fails to give the plaintiff a sufficient compensation. Thus any cases since 1870, whether at law or in equity, may have required an investigation into both damages and profits, and have demanded the discussion of their modes of ascertainment and the principles by which they are governed. But profits at law are not estimated in all respects as they are in equity, nor do they occupy the same relation toward the measure of recovery, and yet so great is their similarity and so nice and subtle are their distinctions that it would be in vain expected that the judges should have confined their definitions and illustrations to that species of damages and profits which was appropriate to the tribunal wherein for the time being they presided.

A protracted study of the reported cases has satisfied the present writer that any attempt to classify them would be futile. Profits at law have often been present, perhaps unconsciously, in the mind of the court when giving an opinion concerning profits in equity. Damages in equity and their relation to profits have found consideration in judgments awarding damages at law. In this condition of the cases two courses were open: one, to select those only which were decided in the tribunal whose acts and jurisdiction were the subject of discussion in the text, and which limited their statements and explanations to the doctrines and methods

tiff's sales or prices before the invasion of his rights by the defendant and the decrease in either which has resulted from the infringement. The effect of the infringement on the quantity sold may be proved by evidence that customers have been diverted from the plaintiff to the defendant, or that the defendant has supplied the market formerly controlled by the plaintiff, or that the inferiority of the defendant's infringing articles has lowered the reputation of and reduced the demand for the plaintiff's goods.[2] The effect of the in-

there appropriate; the other, to employ all cases which were useful for their definitions and illustrations, without reference to the tribunal, trusting to the caution of the reader, under the guidance of the text, to preserve him from serious errors. The first course would have reduced the cited cases to a number pitifully small, and would have cast aside a multitude of valuable decisions which, if they could be safely utilized, could not well be spared. The latter course has, therefore, been adopted; and in referring to the cases, those at law and equity have been distinguished from each other by the letters L. and E. whenever in the judgment of the author the reader needed to be put upon his guard.

[2] In McComb *v.* Brodie (L. 1872), 5 Fisher, 384, Woods, J.: (394) "This rule is not what defendant made by the infringement, or what he might have made, but it is the loss sustained by plaintiffs by reason of the infringement. The amount of this loss you must gather from the evidence. It is proper to inquire how many customers were diverted from plaintiffs by the wrongful conduct of defendant, and what loss plaintiffs have sustained in profits by reason of such diversions. If plaintiffs were ready to supply the market with their patented goods, and their business was hindered or interfered with by the competition of defendant, plaintiffs' damages will be the amount of profit which they have lost by reason of such interference." 1 Woods, 153 (161); 2 O. G. 117 (120).

That where the infringement consists in the sale of infringing articles, the damages are measured by the loss of trade diverted from the plaintiff and the profits he could have made therefrom, see Hall *v.* Stern (E. 1884), 20 Fed. Rep. 788.

That where no licenses are sold the damages to the plaintiff may be determined by inquiring how many customers were diverted from the plaintiff to the defendant, whether the plaintiff was prepared to supply the market and was prevented by the defendant, and whether the competition has interfered with the plaintiff's business or damaged him in a sum equal to the profits he would have made if he had sold the quantity sold by the defendant over and above what he himself had sold, see Goodyear *v.* Bishop (L. 1861), 2 Fisher, 154.

See also § 1063, note 3, *post*.

That the damages for infringing a patented hotel register include the profit on the book when sold and of the advertisements in it, see Hawes *v.* Washburne (L. 1872), 5 O. G. 491; Hawes *v.* Gage (L. 1872), 5 O. G. 494.

That damages are to cover loss through disparagement of plaintiff's invention by defendant's publications during the infringement, see McCormick *v.* Seymour (L. 1851), 2 Blatch. 240.

fringement on the prices may be shown by evidence that the defendant has compelled the plaintiff to lessen his rates of recompense by diminishing his own, or by flooding the market with his products, or by asserting the superiority of the infringing articles to those offered by the plaintiff.[3] To the

[3] That reduction of prices, and consequent loss of profits, through infringing competition, is proper ground for damages, see Yale Lock Co. *v.* Sargent (E. 1886), 117 U. S. 536 ; 35 O. G. 497 ; Sargent *v.* Yale Lock Mfg. Co. (E. 1879), 17 O. G. 105 ; 17 Blatch. 244 ; 4 Bann. & A. 574 ; Smith *v.* O'Connor (E. 1873), 6 Fisher, 469 ; 4 O. G. 633 ; 2 Sawyer, 461.

That the plaintiff has a right to keep up the price of the invention and if the infringement prevents this, the reduction in price is part of the damages, see Carter *v.* Baker (L. 1871), 4 Fisher, 404 ; 1 Sawyer, 512.

That where the plaintiff grants no licenses but makes and sells articles containing the invention which are unsalable without it, and the defendant by selling infringing articles compels the plaintiff to lower his prices, the entire loss is imputable to the defendant, and may be recovered by the plaintiff less a proper allowance for other patented devices contained in the defendant's article and for advantages enjoyed by him in selling, see Yale Lock Co. *v.* Sargent (E. 1886), 117 U. S. 536 ; 35 O. G. 497 ; Fitch *v.* Bragg (E. 1883), 16 Fed. Rep. 243 ; 21 Blatch. 302 ; Sargent *v.* Yale Lock Mfg. Co. (E. 1879), 17 O. G. 105 ; 17 Blatch. 244 ; 4 Bann. & A. 574.

That where the only damage consists in the reduction of the plaintiff's sales, and the essential features of the plaintiff's and defendant's devices are the same, and this being part of a structure is always embraced with other things, and yet by it the profit on the entire structure is made, and the defendant sells at low prices and so takes away the entire profit which the plaintiff would otherwise have made, the entire loss of the plaintiff is to be compensated for in damages, after deducting a proper sum for any other patented device contained in the defendant's device and for any other cause giving the defendant an advantage in selling the device, see Fitch *v.* Bragg (E. 1883), 16 Fed. Rep. 243 ; 21 Blatch. 302.

That the value of the invention to the plaintiff may be shown by license fees, prices on sales, etc., see Gottfried *v.* Crescent Brewing Co. (E. 1884), 30 O. G. 892 ; 22 Fed. Rep. 433.

That damages are measured by the profit the patentee ordinarily received from the sale of machines of that size, see Blake *v.* Greenwood Cemetery (E. 1883), 16 Fed. Rep. 676 ; 21 Blatch. 222.

That where the plaintiff manufactures the invention his damages may be measured by the manufacturer's profits, see Westlake *v.* Cartter (L. 1873), 4 O. G. 636 ; 6 Fisher, 519.

That when the plaintiff is deprived of his profits by the use of an element covered by his patent, they are the measure of damages, that being the amount the defendant would have paid him for it, see Putnam *v.* Lomax (E. 1881), 9 Fed. Rep. 448 ; 10 Bissell, 546.

That a loss by reduction of prices must be proved to be due solely or to a definite extent to the defendant's infringement, see Cornely *v.* Marckwald (E. 1889), 131 U. S. 159.

That loss by reduction of prices through defendant's competition must be proved, not conjectured, and is counter-indicated if the plaintiff had gradually dropped his prices before the in-

loss inflicted by this decrease of sales or lowering of prices may be added that on goods made and left unsold through the defendant's competition.[4] Evidence of remote or contingent losses, which cannot be measured by the difference between the amount that the plaintiff would have cleared by his invention had it not been for the infringement and the amount of profits which he has actually received, is not admissible.[5]

§ 1062. Evidence Concerning Damages: Monopoly Enjoyed by the Exclusive Practice of the Invention: Indirect Evidence of the Extent of Injury in Cases where the Owner of the Patented Invention Uses the Invention and Sells its Products.

Indirect evidence of the extent to which the plaintiff has been injured, in cases where his exclusive enjoyment of the invention consists in its use in his own business and the sale of its products, is afforded by the profits resulting to the defendant from the use of the invention during the infringement.[1] There is no presumption, either of law or fact, that

fringement, see Cornely *v.* Marckwald (E. 1885), 23 Blatch. 163; 32 Fed. Rep. 292.

That if the defendant causes the plaintiff to lower his prices by publishing the superiority of the infringing articles, this is to be also considered, see McCormick *v.* Seymour (L. 1851), 2 Blatch. 240.

[4] That the loss on goods made and not sold on account of the defendant's competition are part of the damages, see Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512.

[5] That remote and uncertain losses not distinctly traceable to the infringement cannot be shown, see Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512.

§ 1062. [1] Under the theory of equity that an infringer is accountable to the patentee for all the gains or savings which he may have effected by the unlawful use of the invention, the plaintiff is of course entitled to recover all the defendant's profits irrespective of his own loss, not, however, as damages but as benefits accruing from the use of his invention. In several cases the courts have been misled by this equitable doctrine into the statement that the plaintiff may recover at law, as damages, whatever the defendant may have made by the infringement, employing thus his profits as the measure of the plaintiff's loss. See Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512; Case *v.* Brown (L. 1862), 2 Fisher, 268; 1 Bissell, 382; Conover *v.* Rapp (L. 1859), 4 Fisher, 57; Serrell *v.* Collins (L. 1857), 1 Fisher, 289; Sickels *v.* Borden (L. 1856), 3 Blatch. 535; Wintermute *v.* Redington (L. 1856), 1 Fisher, 239; McCormick *v.* Seymour (L. 1851), 2 Blatch. 240; Wilbur *v.* Beecher (L. 1850), 2 Blatch. 132; Buck *v.* Hermance (L. 1849), 1 Blatch, 398; Parker *v.* Bamker (L. 1855), 6 McLean, 631.

That the profits realized by the de-

the plaintiff has lost all that the defendant has gained, or that the defendant's advantage is equal to the plaintiff's loss. But

fendant from the use of the invention represent the value of that use to him, and constitute a fact to be considered by the jury in arriving at an estimate of the plaintiff's loss, there can be no doubt. Such a rule is sound in theory and has been demonstrated by experience to be advantageous in practice. Thus that the profits made by the defendant from the infringement may be shown by evidence and regarded by the jury, see Byerly *v.* Cleveland Linseed Oil Works (L. 1887), 31 Fed. Rep. 73; Royer *v.* Coupe (L. 1886), 39 O. G. 239; 29 Fed. Rep. 358; Burdell *v.* Denig (L. 1875), 92 U. S. 716; Littlefield *v.* Perry (L. 1874), 21 Wall. 205; 7 O. G. 964; Cowing & Ramsey (L. 1870), 4 Fisher, 275; 8 Blatch. 36; Waterbury Brass Co. *v.* N. Y. & Brooklyn Brass Co. (L. 1858), 3 Fisher, 43; Ransom *v.* Mayor of New York (L. 1856), 1 Fisher, 252.

It is also sometimes stated that in ascertaining the defendant's profits the methods proper in equity may be employed. (See Burdell *v.* Denig (L. 1875), 92 U. S. 716.) So far as this relates to the actual profits received by the defendant in money or in money's worth it is perhaps true. But in equity the profit of the defendant is measured by the advantage which he derived from the use of the infringing invention in excess of what he might have gained by the employment of some art or instrument already open to the public,—a method whose justice and correctness is doubtful at least in equity and which is evidently erroneous at law. (See the matter discussed, note 5, *post.*) In equity the defendant's profit also includes not merely the positive gains which he obtained by the infringement, but the saving from greater losses than he has actually incurred, though the infringing business has been conducted at a loss. (See Conover *v.* Mers (E. 1873), 11 Blatch. 197; 6 Fisher, 506.) That such savings can in all cases be embraced in the defendant's profits as a guide to the loss sustained by the plaintiff may well be disputed. When the infringement can be separated from the other parts of the defendant's enterprise, and has in its separate state been profitable, such profits are to be considered. But when the infringement takes place under circumstances which entail a loss on the defendant, and at the same time show that had the plaintiff engaged in the undertaking in which he has been thus forestalled by the defendant he would have met with similar losses, the fact that the defendant's loss would have been greater if he had not employed the patented invention, so far from tending to show that his infringement has prevented the plaintiff from realizing profits, proves that it has benefited him by protecting him from loss.

The true doctrine of profits at law seems to be stated in the following cases: In Campbell *v.* Barclay (L. 1870), 5 Bissell, 179, Blodgett, J.: (180) "Nor is the amount of damages to be measured solely by the profits which the defendant realized by the use of the patent, because he may have conducted his business in so unsuccessful a manner as to have made no profits, notwithstanding the use of the patent. In other words, he might have lost money in the business whether he used the patented tool or used the old-fashioned implement."

In Many *v.* Sizer (L. 1849), 1 Fisher, 17, Sprague, J.: (30) "The number of wheels which the defendant has made, and the amount of profit he has realized from them have been presented to you by the plaintiff, as grounds of damages.

the pecuniary benefit which the defendant has derived from the unlawful use of the invention, whether by an increase in the quality of his products and the quantity of his sales, or by a decrease in the expense of manufacture, is a fact from which, in connection with other facts, the jury may infer the amount by which the plaintiff's sales and prices have been reduced through the infringement.[2] If it be shown that the

They are proper to be taken into consideration, but are not conclusive as to the extent of the injury, which may be either greater or less than the profits realized by the defendants. A plaintiff may be manufacturing his patented article himself, and making it to a profit, while another man may make it to a disadvantage, and yet the spurious article carried into the market may displace the original. In such case, the injury to the patentee would be greater than any profit upon the spurious production. On the other hand, a defendant's article may not displace the original, and in that case the injury would be less. And again, it may be that a plaintiff may derive a profit from licensing other parties to construct his invention; and any piracy upon it, by depriving him of a portion of the profits of such licenses, would be an injury to be taken into account by a jury."

That the profits of the defendant are not always the measure of the plaintiff's damages, the damages being the loss actually sustained by the plaintiff as shown by the evidence, see Magic Ruffle Co. *v.* Elm City Co. (E. 1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506; Birdsall *v.* Coolidge (L. 1876), 93 U. S. 64; 10 O. G. 748; Goodyear Dental Vulcanite Co. *v.* Van Antwerp (E. 1876), 9 O. G. 497; 2 Bann. & A. 252; McComb *v.* Brodie (L. 1872), 2 O. G. 117; 1 Woods, 153; 5 Fisher, 384; Cowing *v.* Rumsey (L. 1870), 4 Fisher, 275; 8 Blatch. 36.

That the defendant's profits measure the damages only when the invention is a new thing, or a new form of a known thing, which as a distinct species can be put into market cheaper, or is more valuable, so as to supersede or exclude other articles of the same class, and where the profit of the patentee consists in a complete monopoly of the invention as a unit, all competition being excluded, see Livingston *v.* Jones (E. 1861), 2 Fisher, 207; 3 Wall. Jr. 330.

That profits due to the use of an improvement cannot be regarded as part of the damages in a suit upon a patent for the original invention, see Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512.

[2] In Philp *v.* Nock (L. 1873), 17 Wall. 460, Swayne, J.: (462) "In arriving at their conclusion the profit made by the defendant and that lost by the plaintiff are among the elements which the jury may consider."

In Suffolk Co. *v.* Hayden (L. 1865), 3 Wall. 315, Nelson, J.: (320) "This question of damages, under the rule given in the statute, is always attended with difficulty and embarrassment both to the court and jury. There being no established patent or license fee in the case, in order to get at a fair measure of damages, or even an approximation to it, general evidence must necessarily be resorted to. And what evidence could be more appropriate and pertinent than that of the utility and advantage of the invention over the old modes or devices that had been used for working out similar results? With a knowledge of these benefits to the persons who have used the invention, and the extent of the use

plaintiff was ready and able to supply the market with his products, the inference is a fair one that he would have sold all that the defendant sold.[3] If his facilities for manufacturing were equal to those of the defendant it may well be concluded that the percentage of his profits would not have been less than those of the defendant. When these two connecting facts are established, the value of the use of the invention to the defendant, as shown by the increase of his sales or profits, affords a just and reasonable measure of the plaintiff's loss.[4] It has been often stated by the courts that in estimating the

by an infringer, a jury will be in possession of material and controlling facts, that may enable them, in the exercise of a sound judgment, to ascertain the damages, or, in other words, the loss to the patentee or owner, by the piracy instead of the purchase of the use of the invention."

See also Cowing v. Ramsey (L. 1870), 4 Fisher, 275; 8 Blatch. 80.

That profits may be recovered for the use of the invention without reference to the usual royalty, see Knox v. Great Western Quicksilver Mining Co. (E. 1878), 14 O. G. 807; 6 Sawyer, 430; 4 Bann. & A. 25.

That profits cannot be measured by royalties, see Tilghman v. Proctor (E. 1888) 125 U. S. 136; 43 O. G. 628; Wooster v. Taylor (E. 1878) 14 Blatch. 403; 3 Bann. & A. 341.

[3] That there is no presumption of law that the plaintiff would have sold all that the defendant did, see Roemer v. Simon (E. 1887), 31 Fed. Rep. 41; 40 O. G. 1456; Cornely v. Marckwald (E. 1885) 32 Fed. Rep. 392; 23 Blatch. 163; Zane v. Peck Brothers (E. 1882), 13 Fed. Rep. 475; 23 O. G. 101; Ingersoll v. Musgrove (E. 1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304; Hawes v. Washburne (L. 1872), 5 O. G. 401; Carter v. Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512; Goodyear v. Bishop (L. 1861), 2 Fisher, 154; Seymour v. McCormick (L. 1850), 16 How. 480. See also § 1008, note 2, *post*. Contra, McCormick v. Seymour (L. 1851), 2 Blatch. 240; Wilbur v. Beecher (L. 1850), 2 Blatch. 132.

That the measure of damages is the profits the plaintiffs would have made if they had supplied the defendant's customers provided it is shown that they would have supplied them, see Zane v. Peck Brothers (E. 1882), 13 Fed. Rep. 475; 23 O. G. 101.

That where the plaintiff is able and ready to supply all customers and has had a previous control of the market, it may be inferred that all who bought of the defendant would have bought of him, see Gould's Mfg. Co. v. Cowing (E. 1882), 105 U. S. 253; 21 O. G. 1277; Bigelow Carpet Co. v. Dobson (E. 1882), 21 O. G. 1200; 10 Fed. Rep. 385.

That where before his infringement the defendant bought the articles from the plaintiff it is a fair presumption that had he not infringed he would have bought the same number which he wrongfully made, see Creamer v. Bowers (E. 1888) 35 Fed. Rep. 200.

[4] That the profits of the defendant are equally the measure of the plaintiff's damages, whether the infringement is wilful or not, see Winternute v. Redington (L. 1856), 1 Fisher, 239.

advantage derived by the defendant from the use of the plaintiff's invention, the comparison must be instituted between the patented invention and such instruments or operations as are open to public employment, and that if the benefit which he receives from the practice of the plaintiff's invention does not exceed that which he would obtain by using other means already in possession of the public, he does not gain nor does the plaintiff lose by the infringement.[5] The theory on which this doctrine rests is this, — that as the quality of the defendant's products and the quantity of his sales are not increased, by the invasion of the monopoly, beyond the standard which they might have rightfully reached without it, nor the cost of production reduced below the amount attending the proper use of different appliances, it cannot be considered that his profits or his sales have been enlarged by his unlawful use of the invention; while the existence of other inventions, to which the public had no free access, or of better means which were devised and patented after the issue of the plaintiff's

[5] In Black v. Thorne (E. 1884), 111 U. S. 122, Field, J.: (124) "It does not always follow that because a party may have made an improvement in a machine and obtained a patent for it, another using the improvement and infringing upon the patentee's rights will be mulcted in more than nominal damages for the infringement. If other methods in common use produce the same results, with equal facility and cost, the use of the patented invention cannot add to the gains of the infringer or impair the just rewards of the inventor. The inventor may indeed prohibit the use, or exact a license fee for it, and if such license fee has been generally paid, its amount may be taken as the criterion of damage to him when his rights are infringed. In the absence of such criterion, the damages must necessarily be nominal." 27 O. G. 415 (416).

See also Tilghman v. Proctor (E. 1888) 125 U. S. 136; 43 O. G. 628; Shannon v. Bruner (E. 1888) 33 Fed. Rep. 871; McMurray v. Emerson (E. 1888) 36 Fed. Rep. 901; Royer v. Coupe (E. 1886), 29 Fed. Rep. 368; 30 O. G. 289; Turrill v. Illinois Central R. R. Co. (E. 1878), 5 Biatch. 344; Serrell v. Collins (L. 1857), 1 Fisher, 289.

That the damages may be measured by the difference in value between the old and new devices, see Brodie v. Ophir Silver Mining Co. (L. 1867), 4 Fisher, 137; 5 Sawyer, 608.

That the measure of damages for the infringement of a design is its excess of value over any open to the public, see Tomkinson v. Willetts Mfg. Co. (E. 1888) 34 O. G. 536.

That some one else has got as good a device as the plaintiff's does not destroy its value though it may affect it, see National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co. (L. 1884), 19 Fed. Rep. 514; 28 O. G. 1007.

patent, are facts which cannot be considered, since the defendant, having chosen to avail himself of the plaintiff's invention, should not be permitted to escape responsibility on the ground that he could have derived a similar benefit from the infringement of a different patent.[6] Whether or not this doctrine and its underlying theory will bear investigation when applied to profits in equity, they certainly seem to be erroneous in reference to those profits which can be taken as the measure of damages at law.[7] But they have been so

[6] That the defendant could have obtained the same advantage by employing a different patented invention is immaterial, see Turrill *v.* Illinois Central R. R. Co. (E. 1880), 20 Fed. Rep. 912.

[7] The doctrine whose correctness is here questioned may be stated in the following proposition: viz., that the profits of a defendant from the use or sale of an infringing invention, when taken as the subject-matter of an account in equity or as the measure of damages at law, includes only such gains or savings as he could not have derived from the use or sale of any invention then open to the public. This proposition contains a truth which must be carefully distinguished before the errors of the remainder can be fairly judged.

(1) Every invention is either an original invention or an improvement on an original. If an original, it belongs entirely to the inventor and its infringement involves an injury commensurate with the scope of the complete invention used. If an improvement, the improvement merely, not the original, belongs to the inventor, and an infringement consisting in the use or sale of the original *plus* the improvement involves an injury commensurate only with the scope of the improvement as distinguished from the original; the employment of the latter, if it be not open to the public, being an injury to the rights of its inventor alone. Hence where the plaintiff's invention is an improvement used with its original, and he is not the owner of the patent for the original, or the original is free to the public, the sole loss that he can sustain, and the sole benefit which the defendant can derive, from the infringement must relate to the improvement; and in ascertaining this benefit, whether in equity or at law, no advantage should be included which could have been obtained by the use of the original without the plaintiff's improvement. This rule is indisputable, but it is simply another way of stating that the profits arising from the use of the plaintiff's invention must be separated from those arising from any other cause, and required no additional expression in the proposition now considered. It applies, however, in either mode of statement only to cases in which the improvement is used *with its original*, since if the improvement is independently employed it loses its character as an improvement and follows the rule now to be discussed concerning original inventions.

(2) When an infringing act of making, use, or sale, is confined to and embraces the plaintiff's entire invention, such invention is, at least in reference to that infringement, an original invention, not dependent on any other for whose use in connection with it an allowance must be made, and not including any whose value must be separated from its own in order that the plaintiff's loss or

long accepted, and are now supported by so many eminent authorities, that they must here be treated as correct. If,

the defendant's gain from its employment may be measured. Here it would seem most in harmony with the foregoing rule, whose proper antithesis it is, as well as with the ordinary methods of practical jurisprudence, to estimate the profits of the defendant at the entire advantage derived by him from the use of the invention, irrespective of any other arts or instruments whatever. And such would probably have been the current of authority but for the utterances of several of our courts (of which the extract in note 5, *ante*, is a sample) where the doctrine applicable to improvements only is stated without limitation and thus extended to cover all infringements of whatever character or scope. To detect and weigh the error in these utterances it is necessary to consider them first as they affect the rule of profits in equity, and second as they affect the rule of damages at law.

(3) First, profits in equity are the gain or saving, or both, which the defendant has made by employing the infringing invention. This gain or saving is a fact. It is an actual pecuniary benefit which has resulted directly from the defendant's wrongful use of the plaintiff's property, which he has had and enjoyed, and to which, on equitable theories, the plaintiff is entitled. Now what relevancy to this condition of affairs has the fact, if it be a fact, that the defendant, by using an invention which he had a right to use, might have received the same pecuniary benefit? It does not alter the fact that he has wrongfully used the plaintiff's invention. It does not lessen the amount of dollars and cents that he has received or saved as the direct result of his infringement. It does not qualify the plaintiff's claim to his own property and to the proceeds of its unauthorized use. On the contrary, to allow the defendant to keep his unrighteous gains, because he might have honestly acquired an equal amount, ignores the facts, deprives the plaintiff of his lawful rights, and recompenses the wrong-doer for the injury he has inflicted. Such a proceeding finds no parallel in any other department of remedial justice, whether civil or criminal. If the defendant were a true trustee of the plaintiff, and by a misappropriation of the trust estate had fortunately realized large profits, could he retain them on the ground that he had property of his own with which he might have entered on the same enterprises with the same results? If he were a trustee *de son tort*, and having intruded himself into the management of the *cestui que trust's* estate had profited by converting its resources to his own use, could he refuse to render up both capital and profits because other and lawful methods might have yielded him a corresponding gain? If he were a simple tort-feasor and were required to disgorge the fruits of his appropriation of the plaintiff's property, could he defend by showing that he might have bought or borrowed to the same advantage property of the same amount or kind? The rule becomes an absurdity upon analysis or varied application, and its presence in our law can only be accounted for by regarding it as a careless extension of the true rule which separates between the improvement and the original invention.

(4) Second, at law the profits of the defendant serve merely as an indication of the amount which the plaintiff has lost through the infringement, and are of no significance until it has been proved that the advantage derived by the defendant from the invention would, but for the infringement, have been enjoyed

therefore, the evidence discloses that the defendant enjoyed advantages in the use of the plaintiff's invention which could

by the plaintiff. Obviously to make this rule of any practical value the same mode of estimating the defendant's profits must be employed that would have been pursued in ascertaining them if they had been made by the plaintiff. The same items must be debited to him as representing the "yield" of the enterprise, and the same deductions allowed as constituting the "cost," as if he were the plaintiff balancing his account of gains and loss. But into a calculation of profits by the rightful owner of an invention, the amount he might have made by using something else never enters either as an expense or a receipt. The enterprise, like all other commercial undertakings, stands by itself, its results being rendered neither greater nor less by the possible results of different ventures to which the time or capital or labor of the manufacturer or merchant might have been directed. The profit which the plaintiff would have made thus embraces the entire difference between "cost" and "yield"; the loss which he has suffered is commensurate with the profit he would have made; and this profit having been received by the defendant must be estimated as the plaintiff's profits would have been and as his loss must be, irrespective of all exterior comparisons, or the whole rule becomes uncertain, speculative, and impracticable. The analogies as well as the reason of the law are all in harmony with this position. A disseisor cannot reduce the amount of *mesne profits* for which he is accountable by showing that he might have occupied land of his own with equal benefit to himself. A converter of personal property does not decrease the plaintiff's damages for the unlawful detention by proving that similar and as available chattels were lawfully at his command. On what ground can a distinction be made in the case of a wrongful appropriation of another's patented invention, whereby the owner is to be deprived wholly or in part of adequate redress because the defendant could, by obedience to law, have reaped a similar advantage?

(5) To the foregoing argument it may be objected that the benefit conferred by any inventor on the public is measured by the difference in value between his new art or instrument and those which were already in possession of the public. Theoretically this is true; but it has nothing to do with the present question for two reasons: first, that such a difference is always incapable of pecuniary calculation or of any approximate conjecture; and second, that though it were ascertainable, the general benefit to the public from the invention, if it were free, cannot tend to show the actual loss to the inventor or the unlawful gain to the infringer by his invasion of the monopoly. It would be an outrage upon common-sense as well as justice to decide that a defendant who had lost by the infringement must account in equity for profits which, on the basis of the general public benefit derived from the invention, he ought to have secured; or, it being found that but for the infringement the plaintiff would have commanded the entire market, to mulct the infringer in damages at law measured by the profits which manufacturers in general would have realized from the business, without regard to his own expense for production or the prices realized upon his sales. And on the other hand an equal wrong would be inflicted on the plaintiff if compensation for the infringement were denied him on the ground that his invention, however valuable in itself and productive to its

not have been attained by the employment of means already given to the public, the pecuniary value of that advantage, measured by whatever increase in his sales or profits may be due to the invention, indicates the extent to which the plaintiff has suffered by his wrongful acts. This value should be calculated for the entire period of the infringement, but must not include the advantage which the defendant may have gained by any use of the invention before the issue of the patent.[8] It must also be confined to the benefits which flow from the use of the plaintiff's invention, as distinguished from every other instrument or operation which the defendant has employed in the manufacture of his products. Thus

employers, was of no greater comparative utility than other inventions which were not protected by a patent. Of the limitation placed by the court to the operation of this controverted doctrine, in confining the comparison to inventions already free to the public, and making no allowance to the defendant because other patented inventions might have been equally profitable to him, it is necessary to say only that if the main doctrine is unsound this becomes of no consequence, while if the former is sustained as an arbitrary rule of calculation the latter, which evidently rests rather upon some notion of a penalty to the wrong-doer than on that of compensation to the injured party, is no more arbitrary and unreasonable than the former.

(6) Shorn of the errors thus pointed out and explained, the true rule in reference to the subject seems to be this:

1. That the inventor of an improvement is entitled to profits or damages only for the infringement of his improvement, and that in estimating these a deduction must be made from the entire profits of the enterprise of all such profits as are due to the original.

2. That where the invention is an original invention, or an improvement used independently and as an original, the plaintiff is entitled to profits or damages for its use by the defendant as he has used it, without regard to anything else he might have used, lawfully or unlawfully, in the promotion of his business.

Recognitions more or less explicit of this distinction and of the rule as here maintained are discoverable in many of the cases heretofore referred to, of which Shannon *v.* Bruner (1888), 26 Fed. Rep. 901, and American Nicholson Pavement Co. *v.* City of Elizabeth (1874), 6 O. G. 764, 1 Bann. & A. 439, are fair examples. In the text, however, the rule as generally stated by the courts is followed, their utterances being regarded as the law, to whatever criticism it may be subjected in this collateral discussion.

[8] That the value of an infringement is its value at the date of the infringement, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (L. 1884), 28 O. G. 1007; 19 Fed. Rep. 514.

That where the infringing articles were in use when the patent was granted the value of their use since the issue of the patent and as long as they will last, is the measure of damages, see Brodie *v.* Ophir Silver Mining Co. (L. 1867), 4 Fisher, 137; 5 Sawyer, 608.

where the plaintiff's invention is a mere improvement upon an existing process or machine, the advantage derived from the improvement must be separated from that accruing from the original, and only the value of the former advantage be considered.[9] But if the process or machine was valueless without the improvement, or if the two were always used together in the practice of the art, or if the defendant has so confused his own invention with that of the plaintiff that their respective benefits cannot be separated, the value of the whole advantage gained is imputed to the plaintiff's improvement and may be taken as the measure of his loss.[10] The amount of the pecuniary profit received by the defendant from his use of the invention may be shown by evidence disclosing the quantity of his sales, the prices obtained, the cost of manufacture, and the expense of marketing.[11] If his products

[9] In Philp *v.* Nock (L. 1873), 17 Wall. 460, Swayne, J.: (462) "Where the infringement is confined to a part of the thing sold, the recovery must be limited accordingly. It cannot be as if the entire thing were covered by the patent; or, where that is the case, as if the infringement were as large as the monopoly."

That the damages are to be ascertained by the increased profit to the defendant from making and selling the invention, not considering the increased facilities in manufacture due to inventions since the issue of the patent or its assignment to the plaintiff, see Wayne *v.* Holmes (L. 1856), 2 Fisher, 20; 1 Bond, 27.

That the profits of the patented invention alone are to be considered, apart from other devices with which it may be associated, see Tuttle *v.* Gaylord (E. 1886), 36 O. G. 694; 28 Fed. Rep. 97; Hayden *v.* Suffolk Mfg. Co. (L. 1862), 4 Fisher, 86; Seymour *v.* McCormick (L. 1853), 16 How. 480.

See § 1063, note 6, *post*.

[10] That where the plaintiff's invention is an improvement and the old device is now never used without it, the entire profit is the measure of damages, see McCormick *v.* Seymour (L. 1851), 2 Blatch. 240.

That if the defendant's process derives all its value from the plaintiff's invention, the profits are measured by that value, though other processes equally useful to the defendant, but resulting in a different but as valuable a product, were open to him, see Whitney *v.* Mowry, (E. 1870), 4 Fisher, 207.

That the profits due to the defendant's improvements do not form a measure of the plaintiff's damages, but if inseparable from those resulting from the use of the plaintiff's device, they belong to the plaintiff, not to the defendant who wrongfully confused them, see Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512.

See also § 1063, note 7, *post*.

[11] That when damages are measured by profits, these are the selling price less the cost of making and selling, the risk of bad debts and interest on capital, see McCormick *v.* Seymour (L. 1851), 2 Blatch. 240; Wilbur *v.* Beecher (L. 1850), 2 Blatch. 132.

That the added price charged by the

derive their entire market value from the use of the plaintiff's invention, this evidence will be sufficient, since the difference between cost and receipts will be the profit resulting from the invention. If his products are marketable when not made with the plaintiff's process or machine, but in less quantities or at a lower price or greater cost, other evidence becomes necessary to separate that increase in the sales or profits which is due to the invention. Definite and direct testimony upon this point is not always procurable, and in its absence any facts which indicate the degree of such increase may be shown. The amount afterwards paid by the defendant for an equivalent invention, or for a license to use it, or as royalties upon his products, may thus be proved as an admission by him of its value in his business.[12] Even the opinions of witnesses having experience in the trade are proper testimony upon this subject.[13] But the expense of making the invention, or the price for which it is sold to others by the plaintiff, or the amount of an injunction-bond demanded from the defendant in the case at bar, are of themselves no guide to its value to the defendant, since this value must depend, not on the cost of the invention, nor the estimation formed by others of its worth, but on the profits he himself has made by its employment.[14] When the value of the advantage received by

defendant when he used the plaintiff's invention is a fair indication of its value to him, see Vulcanite Paving Co. *v.* American Artificial Stone Pavement Co. (E. 1888), 36 Fed. Rep. 378.

That upon the question of the defendant's profits, the whole expense of opening and closing up the business cannot be charged to the patent, see Goodyear *v.* Bishop (L. 1861), 2 Fisher, 154.

Upon the whole question of profits and the items which enter into the account, see §§ 1063, 1138–1149, and notes, *post.*

[12] That the value of the invention to the defendant may be shown by license fees paid by him for an equivalent benefit, see Sargent *v.* Yale Lock Mfg. Co. (E. 1879) 17 Blatch. 249; 4 Bann. & A. 579; 17 O. G. 106.

That an established royalty is evidence of value but not an absolute test, see Wooster *v.* Thornton (E. 1886), 26 Fed. Rep. 274; 34 O. G. 560.

[13] That when there is no established license fee, the court in estimating damages may consider (1) the manufacturer's price; (2) the percentage which usually makes a fair royalty; (3) the judgment of competent experts familiar with the sale and profit; (4) the price paid by others for licenses, etc., see McKeever *v.* United States (1878), 14 Court of Claims, 396; 23 O. G. 1525.

[14] That neither the price for which the device might sell nor the expense of making it is the proper measure of

the defendant from the use of the plaintiff's invention has been thus determined, and other evidence has demonstrated that but for the infringement the plaintiff would have supplied the market at an equal profit, the question still remains whether the plaintiff has not suffered other losses beyond the mere supersedure of his own products by those of the defendant. The goods placed on the market by the defendant may have been of an inferior quality and by diminishing the reputation may have decreased the salability of all products of the patented machine or process by whomsoever manufactured, or the defendant may have lowered his prices to obtain a market, content with a less profit than justice would award the plaintiff at whose expense of skill or time or money the invention was created, and in this manner may not only have received a smaller benefit himself than the plaintiff would have gained from the manufacture and sale of the same products, but have directly injured the business of all those who use the invention under the protection of the patent.[15] These damages

damages where only making is proved, see Whittemore *v.* Cutter (L. 1813), 1 Gallison, 478 ; 1 Robb, 40.

That the damages are not shown by the prices at which the plaintiff sold certain territory, see Campbell *v.* Barclay (L. 1870), 5 Bissell, 179.

That it cannot be assumed that the defendant's profit was as much as the plaintiff's would have been, see Roemer *v.* Simon (E. 1887), 31 Fed. Rep. 41 ; 40 O. G. 1456.

That the amount of the bond ordered on an injunction is no evidence of the value in dispute, see Brown *v.* Shannon (E. 1857), 20 How. 55.

[15] That where the goods sold by the defendant would otherwise have been sold at a higher price by the plaintiff, the measure of damages is the profit the plaintiff would have received on such sales at such advanced price, see Hobbie *v.* Smith (L. 1886), 27 Fed. Rep. 656 ; American Saw Co. *v.* Emerson (E. 1880), 8 Fed. Rep. 806 ; McComb *v.* Brodie (L. 1872), 5 Fisher, 384 ; 2 O. G. 117 ; 1 Woods, 153; Carter *v.* Baker (L. 1871), 4 Fisher, 404 ; 1 Sawyer, 512.

See also § 1063, note 10, *post.*

That the defendant's profits are usually the measure of the plaintiff's damages, though additional damages are occasionally required, see Littlefield *v.* Perry (E. 1874), 21 Wall. 205 ; 7 O. G. 964.

That the plaintiff's profit is the measure of damages if it be shown that the sales would have been made by him, see Blake *v.* Greenwood Cemetery (E. 1883), 16 Fed. Rep. 676 ; 25 O. G. 89 ; 21 Blatch. 222 ; American Saw Co. *v.* Emerson (E. 1880), 8 Fed. Rep. 806 ; McComb *v.* Brodie (L. 1872), 5 Fisher, 384 ; 2 O. G. 117 ; 1 Woods, 153.

That a receipt in full for the use of certain machines is admissible to lessen the damages *pro tanto*, see Burdell *v.* Denig (L. 1875), 92 U. S. 716.

That no damages are allowed unless the invention is proved to be useful, see

are not shown by the value of the use of the invention to the defendant, but are additional losses falling upon the plaintiff or his specific licensees in consequence of the infringement, and are to be proved by direct evidence in the mode before described.

§ 1063. Evidence Concerning Damages: Monopoly Enjoyed by the Exclusive Practice of the Invention: Indirect Evidence of the Extent of Injury when the Owner of the Patented Invention Makes and Sells it to the Public.

When the exclusive use of the invention by the plaintiff or his specific licensees assumes the second form, and consists in the manufacture and sale of the patented invention, indirect evidence of the loss sustained by the infringement is afforded by the profits made by the defendant upon his unlawful sales.[1] Here, as in the case of an infringing use of the invention, it cannot be assumed that the plaintiff would have sold all that the defendant sold, or that his percentage of profit would have been the same.[2] Nor, on the

Knight *v.* Baltimore & Ohio R. R. Co. (L. 1840), Taney, 106; 3 Fisher, 1.

That the defendant cannot show that the plaintiff's device was useless to him, if he used it, see Turrill *v.* Illinois Central R. R. Co. (E. 1873), 5 Bissell, 344.

§ 1063. [1] That the profits made by the defendant on infringing articles sold by him tends to show the amount of the plaintiff's loss, see Covert *v.* Sargent (E. 1889), 38 Fed. Rep. 237; Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512; Buck *v.* Hermance (L. 1849), 1 Blatch. 398.

[2] In Seymour *v.* McCormick (L. 1853), 16 How. 480, Grier, J.: (490) "It is only where, from the peculiar circumstances of the case, no other rule can be found, that the defendant's profits become the criterion of the plaintiff's loss. Actual damages must be actually proved, and cannot be assumed as a legal inference from any facts which amount not to actual proof of the fact. What a patentee 'would have made, if the infringer had not interfered with his rights,' is a question of fact and not 'a judgment of law.' The question is not what speculatively he may have lost, but what actually he did lose. It is not a 'judgment of law' or necessary legal inference that if all the manufacturers of steam-engines and locomotives who have built and sold engines with a patented cut-off, or steam-whistle, had not made such engines, that therefore all the purchasers of engines would have employed the patentee of the cut-off, or whistle; and that, consequently, such patentee is entitled to all the profits made in the manufacture of such steam-engines by those who may have used his improvement without his license. Such a rule of damages would be better entitled to the epithet of 'speculative,' 'imaginary,' or 'fanciful,' than that of 'actual.'"

A contrary doctrine has sometimes

contrary, can it be inferred that the plaintiff's loss is limited to what the defendant may have gained. When it is proved that the plaintiff was ready and able to supply the market, that those who would have been his customers have bought of the defendant, and that his expense in manufacturing and marketing the patented articles would not have exceeded that incurred by the defendant, it may safely be presumed that but for the infringement he would have made the profits which have been received by the defendant.[3] These essential connecting facts being established, the amount of the defend-

been held. Thus in Wilbur *v.* Beecher (L. 1850), 2 Blatch. 132, Nelson, J.: (143) "If the defendant has been guilty of violating the plaintiff's rights, the rule on the question of damages is, that the plaintiff is entitled to all the actual profits which the defendant has made by the use of the principle of the plaintiff's combination. In other words, the plaintiff is entitled to all the damages which he has sustained by reason of the use which the defendant has made of the plaintiff's property. This is, in effect, the same thing, because the law presumes that if the defendant had not put his machines into the market, the demand would have been for the plaintiff's, and that he would have received the profits on the machines which have been made and sold by the defendant. Vindictive or exemplary damages are not allowed. The jury are confined to the actual damages, and the law has provided that the court may increase those damages in proper cases."

Further, that it cannot be presumed that the plaintiff would have sold all that the defendant sold, see Roemer *v.* Simon (E. 1887), 31 Fed. Rep. 41; 40 O. G. 1456; Hall *v.* Stern (E. 1884), 20 Fed. Rep. 788; Ingersoll *v.* Musgrove (E. 1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304; Hawes *v.* Washburne (L. 1872), 5 O. G. 491; Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512; Goodyear *v.* Bishop (L. 1861), 2 Fisher, 154.

That it cannot be assumed that the plaintiff would have sold all the defendant sold, especially where defendant's articles are cheaper and of poorer quality, see Dobson *v.* Dornan (E. 1886), 118 U. S. 10; 35 O. G. 750.

[3] That where the plaintiff has had control of the market it will be presumed that he would have sold all that has been sold, and that all profits made by the defendant would have been made by him, see Gould's Mfg. Co. *v.* Cowing (E. 1882), 105 U. S. 253; 21 O. G. 1277.

That on proof of the quantity sold by the plaintiff during his first season with the profit on it, and of the quantity sold by the defendant during the second season and that plaintiff's sales declined, the measure of damages is the profit which would have accrued to the plaintiff if he had sold the quantity sold by the defendant, it being presumed that the plaintiff would have sold what the defendant did sell, see Bigelow Carpet Co. *v.* Dobson (E. 1882), 21 O. G. 1200; 10 Fed. Rep. 385.

That the jury may infer from circumstances such as diversion of custom, &c., that the plaintiff would have made the sales but for the infringement, see Covert *v.* Sargent (E. 1889), 38 Fed. Rep. 237.

ant's profits on his sales becomes an important indication of one element in the plaintiff's loss. The other elements are comprised in the injury which his own business may have suffered by the depreciation of demand or prices on account of the defendant's wrongful acts, and which is to be shown by direct evidence, in the manner already stated.[4] The profits arising from the sale of a patented article are represented by the difference between cost and yield. In its cost are included the expense for materials and interest thereon, the price paid for labor in making and selling, the manufacturer's profit on materials and labor, the rental value of the factory or store, and any other items which a manufacturer ordinarily reckons among the expenses of his business. Its yield is the price obtained by the infringer.[5] When the plaintiff's patent covers the entire article, the defendant's profit is thus ascertained by a simple process of computation upon the data afforded by the gross amount of his prices and expenses. But where the patent covers only a portion of the article, such as an improvement in a composition or machine, the profit due to the incorporation of the improvement into the article must be separated from the profit which would have been received by the defendant had this portion been omitted, and the latter profit be excluded from the computation.[6] If the article

[4] That injuries to the plaintiff's rights by reducing prices, etc., are additional grounds of recovery, see § 1061, notes 1 and 2, and § 1062, note 14, *ante*.

[5] In Rubber Co. *v.* Goodyear (E. 1869), 9 Wall. 788, Swayne, J. : (804) "The profits made in violation of the rights of the complainants in this class of cases, within the meaning of the law, are to be computed and ascertained by finding the difference between cost and yield. In estimating the cost, the elements of price of materials, interest, expenses of manufacture and sale, and other necessary expenditures, if there be any, and bad debts, are to be taken into the account, and usually nothing else. The calculation is to be made as a manufacturer calculates the profits of his business. 'Profit' is the gain made on any business or investment, when both the receipts and payments are taken into the account."

See also Piper *v.* Brown (E. 1873), 6 Fisher, 240 ; 3 O. G. 97 ; Holmes, 196; McCormick *v.* Seymour (L. 1851), 2 Blatch. 240 ; Wilbur *v.* Beecher (L. 1850), 2 Blatch. 132.

As to the items to be reckoned in estimating profits on sales of infringing articles, see further §§ 1138–1143, and notes, *post*.

[6] That the damages must be limited to the value of the use of the improvement infringed, see Burdell *v.* Denig (L. 1865), 2 Fisher, 588.

That where the entire invention be-

would, however, have been unsalable without this portion, or if through the defendant's fault in confusing this with the other portions of the article no separate estimate of profits can be made, the entire profit may be regarded as derived from the invention of the plaintiff.[7] In this inquiry into the

longs to the plaintiff the whole profit is regarded as due to it, see Welling *v.* La Bau (E. 1888), 43 O. G. 117.

That if the entire value of the defendant's device flows from the plaintiff's invention the entire profits belong to that invention, but otherwise they must be apportioned, see Hurlburt *v.* Schillinger (E. 1889), 130 U. S. 456; Fifield *v.* Whittemore (E. 1888), 38 Fed. Rep. 835; Reed *v.* Lawrence (E. 1886), 29 Fed. Rep. 915; Whitney *v.* Mowry (E. 1868), 4 Fisher, 141.

That the plaintiff must prove what portion of the profits are due to his invention, or else that the defendant's device is unsalable without it, see Fay *v.* Allen (E. 1887), 30 Fed. Rep. 446.

That evidence as to the special value of the part used by the infringer is not required where the rest is without value, see Asmus *v.* Freeman (E. 1888), 34 Fed. Rep. 902.

[7] In McCormick *v.* Seymour (L. 1854), 3 Blatch. 209, Nelson, J.: (224) "But if the patentee comes to the conclusion not to vend to others his rights under the patent, and not to avail himself of the proceeds of sales of his mere patent-right, but to use the patented invention exclusively himself, and to furnish the products to the community himself out of his own manufactory or establishment, — in such cases a different measure of damages is to be adopted by the jury. And that is this: If the patent is for a machine, — an entire machine, — the patentee is entitled, as damages in case of infringement, to the profits he could have made in constructing and vending his machine, over and above the mere profits arising out of its manufacture. By that we mean the mere profits of its mechanical construction, and not the profits that grow out of the exclusive right to manufacture the invention under the patent. The latter belong to the patentee, while the former — the mere mechanical profits — are excluded from the damages. And if the case is one of an improvement on a machine, then he is entitled, as a measure of damages, to all the advantages of the use of his patented improvement, excluding the profits of the manufacture, and excluding also the value, if any, of the use of the old machine. Now, so far as respects the benefits and advantages that a patentee would derive from an improvement on a machine, you see at once that they would depend very much, if not altogether, upon the usefulness of the machine with that improvement, compared with its usefulness without that improvement. Hence you have found in the course of the trial that witnesses have been introduced for the purpose of ascertaining the relative value of the plaintiff's machine with the improvements in controversy, and of the same machine without those improvements. If the machine stripped of those improvements would be a useless article in the market, and if no person would buy it unless those improvements were annexed to it, then its value, so far as its utility is concerned, depends on those improvements; because they give it vitality and usefulness in the eye of the business community. Hence, it is proper

amount of the defendant's profits, moreover, the actual profit made is alone to be considered.[8] It is immaterial how much

to make this discrimination in canvassing the facts bearing upon the proper measure of damages."

In McCormick *v.* Seymour (L. 1851), 2 Blatch. 240, Nelson, J. : (257) "It has been suggested by the counsel for the defendants that, inasmuch as the claims of the plaintiff in question here are simply for improvements upon his old reaping machine, the patent for which expired on the 21st of June, 1848, and not for an entire machine and every part of it, the damages should be limited in proportion to the value of the improvements thus made ; and that, therefore, a distinction exists, in regard to the rule of damages, between an infringement of an entire machine and an infringement of a mere improvement on a machine. I do not assent to this distinction. On the contrary, according to my view of the law regulating the measure of damages in cases of this kind, the rule which is to govern is the same whether the patent covers an entire machine or an improvement on a machine. Those who choose to use the old machine in this case, have a right to use it without incurring any responsibility. But if they engraft on it an improvement secured by a patent, and use the machine with that improvement, they have deprived the patentee of the fruits of his invention, the same as if he had invented the entire machine ; because it is his improvement that gives value to the machine, on account of the public demand for it. The old instrument is abandoned, and the public call for the improved instrument, and the whole instrument, with the improvement upon it, belongs to the patentee. Any person has a right to use the old machine, but if an inventor engrafts upon the old machine, which he has a right to use, an improvement that makes it superior to anything of the kind for the accomplishment of its purposes, he is entitled, under a patent for the improvement, to the benefit of the operation of the machine under all circumstances, with the improvement engrafted upon it, to the same degree in which the original patentee was entitled to the old machine." See a criticism on this language in Seymour *v.* McCormick (L. 1853), 16 How. 480.

That it cannot be assumed that the profit made by the plaintiff on each article sold by him is made by the defendant on each article sold by him, unless it is shown that the value of the article depends on the plaintiff's invention, see Roemer *v.* Simon (E. 1887), 31 Fed. Rep. 41 ; 40 O. G. 1456 ; Dobson *v.* Hartford Carpet Co. (E. 1884), 114 U. S. 439 ; 31 O. G. 787.

That where the defendant's device is useless without the plaintiff's, the entire profits are part of the damages, see Zane *v.* Peck Bros. (E. 1882), 23 O. G. 191 ; 13 Fed. Rep. 475 ; Carter *v.* Baker (L. 1871), 4 Fisher, 404 ; 1 Sawyer, 512.

That a defendant who wrongfully confuses his invention with the plaintiff's is liable for the entire profit, see Carter *v.* Baker (L. 1871), 4 Fisher, 404 ; 1 Sawyer, 512.

[8] That the plaintiff cannot recover profits unless the defendant made profits, see Elizabeth *v.* Pavement Co. (E. 1877), 97 U. S. 126 ; Vaughn *v.* Central Pacific R. R. Co. (E. 1877), 4 Sawyer, 280 ; 3 Bann. & A. 27.

That where the profits of the defendant are the proper measure of damages, the amount is governed by the profits the defendant actually made,

he might have realized with higher skill or diligence, since the only theory on which the evidence of his profits becomes admissible is that the plaintiff would have sold what he has actually sold, and has, therefore, lost what he has actually made.[9] In addition to such profits as the defendant has received, the plaintiff is also entitled to recover any excess which would have been included in his own profits had he supplied the market with a similar amount and quality of goods.[10] It being proved that he would have sold all that

not by what the plaintiff can show he might have made, see Burdell *v.* Denig (L. 1875), 92 U. S. 716.

[9] That the gain which the defendant might have made by diligence, etc., is no measure of the plaintiff's loss, though the actual gain might be, see New York *v.* Ransom (L. 1859), 23 How. 487; Dean *v.* Mason (E. 1857), 20 How. 198.

That articles sold before the issue of the patent cannot be reckoned in the account of profits or damages, see Lyon *v.* Donaldson (L. 1888), 34 Fed. Rep. 789.

[10] In Pitts *v.* Hall (L. 1851), 2 Blatch. 229, Nelson, J.: (238) "One mode of arriving at the actual damages is to ascertain the profits which the plaintiff derives from the machines which he manufactures and sells, and which have been made and sold by the defendant. This mode is founded on the presumption of law that if the defendant had not been wrongfully concerned in the manufacture of the machines, those persons who procured them from him would have applied to the patentee or assignee for them. Another mode, and the one resorted to partially in this case, is to ascertain the profits which the party infringing has derived from the use of the invention or the construction of the machines; because whatever profits he has derived have arisen from the wrongful use of the invention, and belong to the real owner of the machine. This measure of damages, however, is not controlling, and ought not to be; because a party concerned in infringing a patent stands in a different position from the patentee, not having been previously subjected to the expense and labor to which the latter is frequently exposed in the process of invention and experiment. Hence the person who enters upon the business without previous expense may very well afford to sell machines at less profit than the patentee. The latter must have his profit, not only for the expense of putting in operation the improvement, but by way of indemnity for the previous time, labor, and money which he has been obliged to bestow on the invention. He must, therefore, charge a higher price, to cover these greater expenses. Thus profits which the party infringing might be satisfied with, and which would afford him compensation, would not afford indemnity to the patentee. If, therefore, on looking into the profits made by the defendant, the jury shall be of opinion that they do not correspond with the fair profits which the plaintiff, if left alone, would have realized, they are not bound by the measure of the profits of the defendant, but have a right to look to the profits which the plaintiff or the patentee would have made under the circumstances, if not interfered with."

Further, that the excess of the plaintiff's profits over the defendant's may be

the defendant sold, and that his expense of manufacture would not have been greater than that of the defendant, it is evident that he would have derived an equal profit if his sales had been effected at the same prices. But if he could have made the articles at less expense, or sold them at a higher price, than the defendant did, his loss exceeds the profit of the defendant by whatever sum may cover this difference between the profit which he would have realized and that which the defendant has obtained. The testimony concerning the amount of the defendant's sales and profits is generally elicited by subjecting him to examination as a witness, in connection with his books of account, though any other relevant evidence may be offered.

§ 1064. Evidence Concerning Damages: Monopoly Enjoyed by the Exclusive Practice of the Invention: Evidence of the Extent of Injury where the Infringing Acts Differ from those by which the Monopoly is Enjoyed.

The acts of infringement performed by the defendant do not always correspond with those by which the plaintiff or his specific licensees enjoy the patented invention. Where their advantage is derived from the use of the invention and a sale of its products, the defendant may infringe by making and selling the patented article itself. Or while they seek their profit in its manufacture and sale, he may make and use it only in his individual business. In such cases the loss sustained by the plaintiff must be determined in a different manner. When the defendant makes and sells an instrument, the use of which is confined by the plaintiff to himself and certain licensees, the sale no otherwise affects the plaintiff than as it puts the invention into the hands of others to be used by them

added to the latter in computing damages, where the jury are satisfied that the plaintiff would have sold all the defendant has sold, see Hobbie *v.* Smith (L. 1886), 27 Fed. Rep. 656; Zane *v.* Peck Bros. (E. 1882), 13 Fed. Rep. 475; 23 O. G. 191; Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512.

The evidence necessary to show this excess and the circumstances from which the jury would be justified in believing that the plaintiff's sales would have covered those made by the defendant, must in most if not all cases be equivalent to direct evidence of the loss occasioned to the plaintiff by the defendant's infringement, and thus require no investigation of the profits of the latter.

in methods hostile to his own. The purchasers and users thus become the principal infringers, and liable for the actual damages resulting from their infringing use. The maker and seller may be held responsible for all these damages, in addition to that arising from the act of sale, on the ground of his concurrence in their acts of user, or on the ground that in the price which he received the value of such use must be presumed to have been included.[1] If neither of these grounds is tenable, the sale must be regarded as an independent infringement, and its evil effect, if any, on the sales and prices of the plaintiff's products must be the measure of his actual injury. If no such evil effect follows from the sale, the damages are only nominal. When the plaintiff enjoys his monopoly by the manufacture and sale of the patented articles, and the defendant infringes by making and using the articles in his individual business, the amount of profit which the plaintiff would have gained if the defendant had bought the articles of him is the measure of his loss, and consequently of his actual damages. Ordinarily, the mere making of the invention, without using or selling it, does not interfere with the plaintiff's enjoyment, and though an infringement of the patent is compensated for by nominal damages.[2]

§ 1064. [1] That one who makes and sells a patented invention, or the parts of a patented invention, with intent that the articles sold shall be used in violation of the patent, becomes thereby a joint tort-feasor with the actual users, and may be sued singly or together with them for the damages inflicted on the plaintiff, see §§ 903, 924, and notes, *ante*.

[2] In Whittemore *v.* Cutter (L. 1813), 1 Gallison, 478; Story, J.: (483) "If the jury are of opinion that an user of the machine is actually proved in this case, the rule of damages should be the value of the use of such a machine during the time of the illegal user. If the jury are of opinion that a making of the machine only is proved, as there is no evidence in the case to shew any actual damages by the making, they ought to give nominal damages to the plaintiffs. For where the law has given a right, and a remedy for the violation of it, such violation of itself imports damage; and in the absence of all other evidence the law presumes a nominal damage to the party. The counsel for the plaintiffs have argued that although there is no evidence of actual damage, the jury ought to give damages either to the full value of the expense of making the machine, or of the price at which such a machine might be sold. But neither of these estimates can form a rule for damages for the illegal making of the machine. As to the expense of making the machine, it is obvious that it is an expense altogether incurred by the defendant, and is not a loss sustained by the plaintiffs. The latter neither found the materials nor the labor. How then

§ 1065. Effect of Recovery of Damages upon the Future Rights of the Defendant.

The effect of a recovery of damages upon the future rights of the defendant, and of those who claim under him, depends upon the measure adopted for the estimation of such damages. When the measure is an established license fee, payable in a gross sum and covering the entire term of the patent, the defendant, having satisfied the judgment, becomes entitled to enjoy the licensed privilege during the remainder of the term. If the measure is a license fee paid in royalties based upon quantities or sales, or in periodical instalments, and the license privilege is unrestricted in duration, he may continue to employ the invention upon the same conditions after judgment as are allowed to other licensees.[1] But if the plaintiff's

can it be an actual damage sustained by them? As to the price for which such a machine would sell, it is open to the same and to this farther objection; that the price is compounded of the value of the materials and the workmanship, and also of the right of user of the machine. Now admitting the plaintiffs recover in this action, there can be no pretence that thereby a legal right will pass to the defendant to use the machine made by him. Every future use will be an infringement of the plaintiffs' patent; and, therefore, if the plaintiffs could in this suit recover such price, they not only would recover for materials and labor which they never furnished, and for a right of user which never passed from them, but also for that which might lawfully be the subject of another action, viz., the future user of the defendant's machine, so that there might be a double recovery for the same supposed injury." 1 Robb, 40 (45). See also Carter *v.* Baker (L. 1871), 4 Fisher, 404; 1 Sawyer, 512.

§ 1065. [1] In Spaulding *v.* Page (1871), 4 Fisher, 641, Sawyer, J.: (645) "This was so held by Mr. Justice Nelson in his charge to the jury in Sickels *v.* Borden, 3 Blatch. 536. If the principles stated in that case be correct, I think it decisive of this case. The learned justice stated to the jury that if the patentee has an established price in the market for his patent right, or what is called a patent fee, that sum with the interest constitutes the measure of damages. He also stated that the adoption of the patent fee, as the measure of damages for infringement by the use of a machine, operates to vest in the defendant the right to use the machine during the term of the patent. Ib. 543, 545. This must be upon the principle that the patentee has adopted a patent fee, or royalty, as one mode of remuneration, and in the fee has fixed his own measure of the value of the use of the machine for the entire term, or till that particular machine is worn out; and in case of an infringement the court gives him his price, and the defendant, having paid the full price, is entitled henceforth to the use of the machine." 1 Sawyer, 702 (705). See also Stutz *v.* Armstrong (1885), 25 Fed. Rep. 147; Emerson *v.* Simm (1873), 6 Fisher, 281; 3 O. G. 293; Sickels *v.* Borden (1856), 3 Blatch. 535.

That where a plaintiff exercises his rights by selling licenses the defendant

use of the invention is exclusive, or if he preserves a monopoly in its sale, the satisfaction of the judgment confers on the defendant no right to any future use or sale.[2] His vendees, under sales for which he has already made compensation to the plaintiff, have an implied license to use the purchased articles until they are destroyed, but neither the judgment nor its payment authorizes any repetition of the acts for which the damages have been recovered.[3] These damages are esti-

will be allowed to take a license on reasonable terms, see Colgate *v.* Gold & Stock Telegraph Co. (1879), 16 O. G. 583 ; 4 Bann. & A. 415 ; 16 Blatch. 503.

That where there is an established license fee the plaintiff may, in some cases not falling within the license, recover damages only for the past infringement, and restrain the defendant for the future, see Stutz *v.* Armstrong (1885), 25 Fed. Rep. 147.

[2] In Spaulding *v.* Page (1871), 4 Fisher, 641, Sawyer, J.: (645) "If no patent fee has been adopted, then generally the patentee is entitled to recover the profits made in the use of the machine. A recovery of the profits for the use of the machine does not vest the title in the defendant, for the recovery, based upon this rule of damages, can only be for the use of the machine prior to the recovery, and ordinarily does not cover the value of the use for the entire period over which the patent right extends, or the period during which the particular machine is capable of being used. While the recovery of the established patent fee covers the entire value as fixed by the patentee himself, of the use for the entire term, and affords a complete compensation, the recovery of the profits for the use is but for a limited portion of the time, and but a partial compensation." 1 Sawyer, 702, (706). See also Sickels *v.* Borden (1856), 3 Blatch. 535.

That a decree for damages gives no right to use the invention during the life of the patent, see Birdsell *v.* Shaliol (1884), 112 U. S. 485 ; 30 O. G. 261.

That the satisfaction of a judgment for damages gives no right to a future use of the invention, see Bragg *v.* City of Stockton (1886), 11 Sawyer, 597 ; 27 Fed. Rep, 509 ; Matthews *v.* Spangenberg (1883), 23 O. G. 1624 ; 15 Fed. Rep. 813.

That a judgment for nominal damages does not operate as a license for the future, see Blake *v.* Greenwood Cemetery (1883), 25 O. G. 89 ; 21 Blatch. 222 ; 16 Fed. Rep. 676.

That a judgment for nominal damages with satisfaction in favor of a licensor is not a bar to a suit by the licensee against a subsequent user of the article sold by the former defendant, see Birdsell *v.* Shaliol (1884), 112 U. S. 485 ; 30 O. G. 261.

[3] In Steam Stone Cutter Co. *v.* Sheldons (1884), 21 Fed. Rep. 875, Wheeler, J.: (878) "There is another view of this question which has been touched upon formerly in this case, and that is that the recovery of the profits of the sale for use vested the title to the use in the purchaser of the machines. (Stone Cutter Co. *v.* Sheldons, 15 Fed. Rep. 608.) It was upon this ground that the recovery of the profits against the Windsor Manufacturing Co. was based. (Stone Cutter Co. *v.* Windsor Manufacturing Co., 17 Blatch. 24.) This view is supported by several decided

mated only in view of acts performed before the suit was instituted for the infringement, and any subsequent acts of the same character are new injuries demanding similar redress.

§ 1066. Interest on Damages: when Recoverable.

The interest allowable upon the items which enter into the foregoing estimate of actual damages also depends upon the measure which has been adopted for determining the plaintiff's loss. In all cases where this measure is a license fee, however payable, interest is to be computed from the date on which, in the usual course of business, it should have been paid to the plaintiff.[1] When the amount is fixed by the value of the use of the invention to the defendant or by the profits on his sales, the date of his reception of the benefit or profits is that from which the interest should be reckoned.[2] When

cases (Perrigo *v.* Spaulding, 13 Blatch. 389; Spaulding *v.* Page, 1 Sawyer, 702; Allis *v.* Stowell, 15 Fed. Rep. 242); and it is not inconsistent with Blake *v.* Greenwood Cemetery, 16 Fed. Rep. 676. There merely nominal damages had been recovered against a manufacturer of the infringing machine with an injunction. The defendant purchased the machine and set up the former recovery as a bar to a recovery for the infringement by its use by him. This was held to be no bar, because there had been no recovery for this use, or for the profits or damages on a sale for use. Where an owner of a patent has compensation for the sale of a specific machine embodying the invention, that machine is forever freed from the monopoly. (Bloomer *v.* Millinger, 1 Wall. 340.) A compensation by recovery in an action for the same thing should have the same effect." 22 Blatch. 484 (487). See also § 830, and notes, *ante*.

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 a plea alleging a former recovery against the defendant's vendor must show that the judgment has been satisfied or it does not disclose a defence, see Fisher *v.* Consolidated Amador Mine Co. (1885), 11 Sawyer, 190; 25 Fed. Rep. 201.

§ 1066. [1] That interest is allowed on license fees, see Sickels *v.* Borden (1856), 3 Blatch. 535.

[2] That the value of the damages is the value at the time of the infringement, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514; 28 O. G. 1007.

That interest is allowed by way of damages, see Bates *v.* St. Johnsbury & L. C. R. R. Co. (1887), 32 Fed. Rep. 628; Tatham *v.* Le Roy (1852), 2 Blatch. 474.

It is indeed sometimes held that interest on the profits made by the defendant cannot be awarded, the rule appropriate to unliquidated damages being also here applied (see Tilghman *v.* Proctor (E. 1888), 125 U. S. 136; 43 O. G. 628; Illinois Central R. R. *v.*

the amount of damages is based upon the injury directly inflicted on the plaintiff's own enjoyment of the invention, as shown by his diminished sales or prices, the date of the suit is the period at which the damages are complete and the interest begins.[3] Whenever commencing, interest continues to the date of judgment, and should be included in the amount awarded to the plaintiff.[4]

§ 1067. Counsel Fees, etc., not Recoverable as Damages.

Counsel fees and other expenses of the litigation do not enter into the estimate of actual damages.[1] They are in-

Turrill (E. 1884), 110 U. S. 301; 26 O. G. 917; Parks *v.* Booth (E. 1880), 102 U. S. 96; 17 O. G. 1089). Upon the theory, however, that the profits actually received by the defendant would, but for the infringement, have been paid to the plaintiff (which is the only view in which such profits can be regarded at all in an action at law), it would certainly appear that the plaintiff's loss became complete when the profit was realized by the defendant, that its amount in each case was at the same time definitely settled, and that this amount with interest was, as in actions for conversion or for money had and received, the only and true measure of recovery. Thus in Creamer *v.* Bowers (E. 1888), 35 Fed. Rep. 206, Wales, J., (210): "The general rule is that interest should be allowed on royalties from the time those royalties ought to have been paid, in all cases where a royalty is the measure of the complainant's damages, — the theory in such cases being that damages are liquidated at such time as the royalty would have been due, if the defendant had elected to purchase instead of to infringe the right to the use of the invention in suit, but that no interest is due on damages measured otherwise than by royalty, because such damages are unliquidated until they are ascertained by an action. But the latter part of this rule is subject to exceptions, and in equity the allowance of interest appears to have been left largely to the discretion of the court. On reason, it is difficult to conceive why, where a patentee's loss is ascertained to have been incurred at a certain time, interest should not begin to run from that time, whether the loss was measured by a royalty or by other equally conclusive evidence of the fact." See also Bates *v.* St. Johnsbury & L. C. R. R. Co. (1887), 32 Fed. Rep. 628. As the account of profits in equity is based on an entirely different theory, the rule there may well be different. See § 1152 and notes, *post*.

[3] In this case the damages are truly unliquidated, and cannot be ascertained until the verdict, and then by an arbitrary decision based on such evidence as may be offered. The period of damage terminates only at the commencement of the suit and the amount of loss to the plaintiff now becomes a definite and interest-bearing sum. In this respect the infringement resembles trespasses to person or property, in actions for which no interest is awarded.

[4] That interest on damages from the date of suit may be recovered, see May *v.* County of Fond du Lac (1886), 27 Fed. Rep. 691; McCormick *v.* Seymour (1851), 2 Blatch. 240.

§ 1067. [1] In Teese *v.* Huntingdon

curred, not in consequence of the infringement, but of the defendant's neglect or refusal to make compensation for the injury without a suit, and such of the items of expense as are legally chargeable to the defendant are taxable against him among the costs. The power, given to the court, of increasing the damages in certain cases, enables it to protect the plaintiff against serious loss in this respect, and to punish the defendant for any wanton and unreasonable defiance of the plaintiff's claims.[2]

§ 1068. Nominal Damages: when Recoverable.

When the plaintiff fails to prove an established license fee, or a depreciation of the value of his exclusive use by the infringement, he can recover only nominal damages.[1] Even

(1859), 23 How. 2, Clifford, J.: (8) "Counsel fees are not a proper element for the consideration of the jury in the estimation of damages in actions for the infringement of a patent right. That point has been directly ruled by this court, and is no longer an open question. Jurors are required to find the actual damages incurred by the plaintiff at the time his suit was brought; and if, in the opinion of the court, the defendant has not acted in good faith, or has caused unnecessary expense and injury to the plaintiff, the cou may render judgment for a larger sum, not exceeding three times the amount of the verdict." See also Parks *v.* Booth (1880), 102 U. S. 96; 17 O. G. 1089; Philp *v.* Nock (1873), 17 Wall. 460; Bancroft *v.* Acton (1870), 7 Blatch. 505; Blanchard's Gun Stock Turning Factory *v.* Warner (1848), 1 Blatch. 258; Stimpson *v.* Railroads (1847), 1 Wall. Jr. 164; 2 Robb, 595; Whittemore *v.* Cutter (1813), 1 Gallison, 429; 1 Robb, 40.

That expenses of suit are never allowed in assessing damages or profits, see Parks *v.* Booth (1880), 102 U. S. 96; 17 O. G. 1089; Holbrook *v.* Small (1878), 17 O. G. 55; 3 Bann. & A. 625; Philp *v.* Nock (1873), 17 Wall. 460; Parker *v.* Hulme (1849), 1 Fisher, 44; Blanchard's Gun Stock Turning Factory *v.* Warner (1848), 1 Blatch. 258; Stimpson *v.* Railroads (1847), 1 Wall. Jr. 164; 2 Robb, 595.

[2] That when a verdict included counsel fees and expenses, and no exception was taken, the verdict was allowed to stand, as the court would reach the same result by increasing the damages, see Stimpson *v.* Railroads (1847), 1 Wall. Jr. 164; 2 Robb, 595.

§ 1068. [1] That unless some measure of actual damages is clearly proved, only nominal damages can be awarded, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 28 O. G. 1007; 19 Fed. Rep. 514; Faulks *v.* Kamp (1882), 10 Fed. Rep. 675; 22 O. G. 2244; Fisk *v.* West, Bradley, & Cary Mfg. Co. (1880), 19 O. G. 545; Ingersoll *v.* Musgrove (1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304; Robertson *v.* Blake (1876), 94 U. S. 728; 11 O. G. 877; Philp *v.* Nock (1873), 17 Wall. 460; Campbell *v.* Barclay (1870), 5 Bissell, 179; Poppenhusen *v.* New York Gutta Percha

when actual damages are clearly shown, nominal damages alone may be awarded if the defendant has been misled by the plaintiff under circumstances out of which a complete estoppel to the action does not arise.[2] A jury have no power to go beyond the evidence in this particular, and give substantial damages where nominal damages only are appropriate. Such an error in their verdict is a fatal one, and cannot be cured by a *remittitur*, but the verdict must be set aside by the court and a new trial ordered.[3] A verdict for excessive actual damages, when actual damages are proper, can, however, be accepted, and upon a suitable *remittitur* be made the basis of a judgment, though no objection to a verdict on this ground will be regarded unless the excess is evident.[4]

Comb Co. (1858), 2 Fisher, 62. See also § 1071, and notes, *post*.

That if the plaintiff has claimed a close monopoly and the defendants show that he did not preserve it, he must prove a license fee or he can recover only nominal damages, see Burdell *v.* Denig (1865), 2 Fisher, 588.

That if open methods are equally cheap and useful, and no license fee is proved, only nominal damages are allowed, see Black *v.* Thorne (E. 1883), 111 U. S. 122; 27 O. G. 415. But see § 1062, note 7, *ante*.

That only nominal damages are allowed where the license offered to show the measure of damages covers two patents, one of which is void, and the value of the infringement of the other is not proved, see Moffitt *v.* Cavanagh (1886), 27 Fed. Rep. 511.

That when only one Claim of the patent is found valid, and no license fee is proved therefor, only nominal damages can be awarded, see Proctor *v.* Brill (1880), 4 Fed. Rep. 415.

That nominal damages alone are recoverable where only certain Claims of the patent, and those of little importance, were infringed, see Moffitt *v.* Cavanagh (1886), 27 Fed. Rep. 511.

That mere nominal damages should not be allowed if the invention is valuable, though the question of actual damages is difficult to settle, see Graham *v.* Geneva Lake Crawford Mfg. Co. (1885), 32 O. G. 1603; 24 Fed. Rep. 642.

That for the mere making without sale or use only nominal damages are allowed, see Carter *v.* Baker (1871), 4 Fisher, 404; 1 Sawyer, 512; Whittemore *v.* Cutter (1813), 1 Gallison, 429; 1 Robb, 28; Whittemore *v.* Cutter (1813), 1 Gallison, 478; 1 Robb, 40.

[2] That where the defendant has been misled by the plaintiff, only nominal damages will be allowed, see Adams *v.* Edwards (1848), 1 Fisher, 1.

That only nominal damages are allowed unless the plaintiff's device was stamped or due notice was given, see McComb *v.* Brodie (1872), 5 Fisher, 384; 2 O. G. 117; 1 Woods, 153.

That no damages can be awarded for infringements to which the plaintiff consented, see Westlake *v.* Cartter (1873), 6 Fisher, 519; 4 O. G. 636.

[3] That where the court instructs the jury to give only nominal damages and they obstinately give more, a new trial must be had, and the error is not cured by *remittitur*, see Johnson *v.* Root (1862), 2 Fisher, 291; 2 Clifford, 108.

[4] That where the verdict was exces-

§ 1069. **Increase of Damages by the Court.**

In order to provide for cases in which a verdict for the actual damages sustained would not afford complete redress to the plaintiff, the law empowers the court to increase the award of the jury to an amount not exceeding three times that fixed by the verdict.[1] This is distinctively the province of the court, and confers no authority upon the jury, on any ground, to transcend the limits of the actual damages which have been established by the evidence.[2] The court exercises this power principally in cases of wanton infringement, or where the defendant has compelled the plaintiff to resort to needless and expensive litigation.[3] Where the plaintiff is a mere assignee for speculative purposes and not a *bona fide* user of the invention,[4] or where the defendant has acted in

sive and it appeared that the defendant infringed wantonly, no new trial was allowed, but the damages were reduced by a *remittitur*, and then increased by the court, see Russell *v.* Place (1871), 5 Fisher, 134; 9 Blatch. 173.

That damages are not considered excessive unless clearly too great, see Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb, 530; Whitney *v.* Emmett (1831), Baldwin, 303; 1 Robb, 567. See also §§ 1052, 1053, and notes, *ante*.

§ 1069. [1] Sec. 4919, Rev. Stat. 1874.

That where a license fee is the measure of damages, the court may increase the amount, see Clark *v.* Wooster (1886), 119 U. S. 322; 37 O. G. 1477.

[2] That the verdict of the jury must be confined to the actual damages, and the court may then treble them, see Judson *v.* Bradford (1878), 16 O. G. 171; 3 Bann. & A. 539; Birdsall *v.* Coolidge (1876), 93 U. S. 64; 10 O. G. 748; Smith *v.* Higgins (1859), 1 Fisher, 537; Ransom *v.* Mayor of New York (1856), 1 Fisher, 252; Gray *v.* James (1817), Peters, C. C. 394; 1 Robb, 120; Whittemore *v.* Cutter (1813), 1 Gallison, 478; 1 Robb, 40.

[3] That the discretion to treble damages was given to the court to meet cases of wilful wrong where the jury did not give enough, see Russell *v.* Place (1871), 5 Fisher, 134; 9 Blatch. 173; Merchant *v.* Lewis (1857), 1 Bond, 172; Motte *v.* Bennett (1849), 2 Fisher, 642.

That the damages are to be trebled where the invention is valuable, the piracy wanton, the litigation expensive, and the verdict small, see Schwarzel *v.* Holenshade (1866), 3 Fisher, 116; 2 Bond, 29.

That the court can increase the damages found by the verdict, but should exercise this power only when the plaintiff is compelled to vindicate himself against wanton and persistent infringement, see Brodie *v.* Ophir Silver Mining Co. (1867), 4 Fisher, 137; 5 Sawyer, 608. See also Lyon *v.* Donaldson (1888), 34 Fed. Rep. 789.

That damages will be increased if the defendant perseveres in the infringement after notice, or combines with others to resist the plaintiff's suit, see Peek *v.* Frame (1871), 5 Fisher, 113; 9 Blatch. 194.

[4] In Schwarzel *v.* Holenshade (1866), 3 Fisher, 116; Leavitt, J.: (119)

good faith, or under the protection of a rival patent, the plaintiff will be left to the compensation given him by the jury.[5]

"Cases may be readily conceived in which it would be the imperative duty of a court to exercise the discretion given by the statute, by increasing the damages. It has happened, and may occur again, that a meritorious inventor of a valuable improvement, after spending years of patient thought and toil in making it practically useful, and obtaining a patent for it, has been wantonly and unjustly pirated upon, and compelled for the establishment of his rights to engage in long, vexatious, and expensive litigation, in which, at last, the sum that may be awarded by the verdict of a jury may be wholly inadequate as a compensation for the wrongs and injuries he has sustained. In such a case the instincts of justice would demand of a judge that he should exercise the discretion vested in him by law, by trebling the damages and thus as far as practicable doing justice to one who, from the great utility of his invention, may be entitled to the name of a public benefactor. But clearly there is no such feature in the present case. The plaintiff has no claim or merit as an inventor, but is the mere assignee of a patented machine, the right to which he has purchased on speculation. The law under such circumstances will give him the actual damages which his evidence shows he has sustained, but will give him nothing more." 2 Bond, 29 (33).

That power is given to the court to treble the damages in order to remunerate patentees who are compelled to sustain their patents against malicious infringers, not to benefit mere collectors on expired patents, see Bell *v.* McCullough (1858), 1 Fisher, 880; 1 Bond, 194.

[5] In American Nicholson Pavement Co. *v.* City of Elizabeth (1874), 6 O. G. 764, Nixon, J.: (770) "It is proper to premise that there is nothing in the case which authorizes the court, if it had the power and were so disposed, to visit upon the defendants any consequences in the nature of a penalty. They were not wanton infringers. They were proceeding under an authority equal on its face to that of complainant, to wit, a patent from the Government of the United States, and they had a right to assume that it was valid until a competent tribunal declared to the contrary. They are not to be treated like another class of infringers — unhappily too large — who, without a pretext of right, seize upon the inventions or property of others, and trust to the ignorance, or the poverty, or the kind-heartedness of the owners, for immunity in retaining their piratical gains. All that the defendants should be required to do in the present case is simply to restore to the complainant the money which the use of its property had enabled them to make." 1 Bann. & A. 439 (457). See also Adams *v.* Edwards (1849), 1 Fisher, 1.

That where the defendant believed himself to be in the right, the damages will not be increased on the ground that he stoutly contested the case, see Welling *v.* La Bau (1888), 35 Fed. Rep. 302.

That the good faith of the infringer is a reason for not increasing the damages, see Hogg *v.* Emerson (1850), 11 How. 587.

That the ignorance of the infringer may be considered, see Parker *v.* Hulme (1849), 1 Fisher, 44.

Among the above are cases in which it was held that the facts named might lessen the damages. If this implies that actual damages may be reduced in view of the defendant's good faith, &c., the position is not sustainable, the plaintiff

An increase may be made in proper cases though no costs could be allowed on account of a disclaimer pending suit.[6]

§ 1070. Distribution of Damages Recovered among Different Plaintiffs.

Where there are several plaintiffs, each entitled to his individual proportion of the damages recovered, no mention of the share of each is necessary in the verdict.[1] The entire sum may be awarded in gross and paid by the defendant upon the execution or into court, and from this sum the different plaintiffs will receive their respective amounts.[2] In a suit by one part owner against another the plaintiff is entitled only to such a portion of the actual damages as is commensurate with his interest in the patent.[3] The damages recovered in a suit by an executor belong to the estate if the infringement occurred during the life of his testator, but if after his death to those equitable owners of the patent of whom the executor is the representative.[4]

§ 1071. Burden of Proof on the Question of Damages.

The burden of proof in reference to the existence and amount of damages resting upon the plaintiff, he must produce sufficient evidence to satisfy the jury that he has sustained actual damages, and must furnish the necessary data for their computation, before the defendant can be required to

being entitled to compensation without regard to the motive of the defendant. But the discretion of the court to increase the damages may properly be governed by these and similar considerations.

[6] That courts may increase the damages even where no costs can be allowed because no disclaimer was filed, see Guyon *v.* Serrell (1847), 1 Blatch. 244.

§ 1070. [1] That a recovery by joint plaintiffs is in proportion to their respective interests, see Campbell *v.* James (E. 1880), 18 O. G. 1111; 18 Blatch. 92; 5 Bann. & A. 354; 2 Fed. Rep. 338.

[2] That where several plaintiffs in interest recover in equity, the court will allow the defendant to pay the gross sum into the registry instead of his share to each, see Campbell *v.* James (E. 1880), 18 O. G. 1111; 2 Fed. Rep. 338; 18 Blatch. 92; 5 Bann. & A. 354.

[3] That part owners suing each other for infringement recover in proportion to their respective interests, see Herring *v.* Gas Consumers Association (E. 1878), 9 Fed. Rep. 556; 21 O. G. 203; 13 O. G. 637; 3 McCrary, 206; 3 Bann. & A. 253.

[4] That the damages recovered in a a suit by an executor belong to the estate, see Goodyear *v.* Providence Rubber Co. (1864), 2 Fisher, 499; 2 Clifford, 351.

offer anything whatever on the subject.[1] While the plaintiff's case on this point remains unproved, irregularities in the

§ 1071. [1] In New York *v.* Ransom (1859), 23 How. 487, Grier, J.: (488) "Where a plaintiff is allowed to recover only actual damages, he is bound to furnish evidence by which the jury may assess them. If he rest his case after merely proving an infringement of his patent, he may be entitled to nominal damages, but no more. He cannot call on a jury to guess out his case without evidence. Actual damages must be calculated, not imagined, and an arithmetical calculation cannot be made without certain data on which to make it."

Further, that the plaintiff must affirmatively show the amount of his loss or give the jury sufficient data from which to compute it, see Rude *v.* Westcott (1889), 130 U. S. 152; Bell *v.* U. S. Stamping Co. (1887), 32 Fed. Rep. 549; Tuttle *v.* Gaylord (1886), 36 O. G. 694; 28 Fed. Rep. 97; Cornely *v.* Marckwald (1885), 32 Fed. Rep. 292; 23 Blatch. 163; National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514; 28 O. G. 1007; Maier *v.* Brown (1883), 17 Fed. Rep. 736; Fitch *v.* Bragg (1883), 16 Fed. Rep. 243; 21 Blatch. 302; Calkins *v.* Bertrand (1881), 8 Fed. Rep. 755; 10 Bissell, 445; Garretson *v.* Clark (1879), 16 O. G. 806; 4 Bann. & A. 536; Ingersoll *v.* Musgrove (1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304; Gould's Mfg. Co. *v.* Cowing (1877), 3 Bann. & A. 75; 12 O. G. 942; 14 Blatch. 315; Robertson *v.* Blake (1876), 94 U. S. 728; 11 O. G. 877; Buerk *v.* Imhaeuser (1876), 10 O. G. 907; 14 Blatch. 19; 2 Bann. & A. 452; Gould's Mfg. Co. *v.* Cowing (1874), 8 O. G. 277; 12 Blatch. 243; 1 Bann. & A. 375; Philp *v.* Nock (1873), 17 Wall. 460; Carter *v.* Baker (1871), 4 Fisher, 404; 1 Sawyer, 512; Campbell *v.* Barclay (1870), 5 Bissell, 179; Schwarzel *v.* Holenshade (1866), 3 Fisher, 116; 2 Bond, 29; Goodyear *v.* Bishop (1861), 2 Fisher, 154; Poppenhusen *v.* New York Gutta Percha Comb Co. (1858), 2 Fisher, 62.

That the burden of proof rests on the plaintiff to show the amount of profits made by the defendant from the infringement, see Tilghman *v.* Proctor (1888), 125 U. S. 136; 43 O. G. 628; Faulks *v.* Kamp (1882), 10 Fed. Rep. 675; 22 O. G. 2244; Kirby *v.* Armstrong (1881), 5 Fed. Rep. 801; 19 O. G. 661; 10 Bissell, 135; Garretson *v.* Clark (1879), 16 O. G. 806; 4 Bann. & A. 536; Black *v.* Munson (1877), 14 Blatch. 265; 2 Bann. & A. 623; Robertson *v.* Blake (1876), 94 U. S. 728; 11 O. G. 877; Buerk *v.* Imhaeuser (1876), 2 Bann. & A. 452; 10 O. G. 907; 14 Blatch. 19.

That unless the plaintiff shows what profits are due to his exact invention, only nominal damages can be recovered, see Byerly *v.* Cleveland Linseed Oil Works (1887), 31 Fed. Rep. 73; Roemer *v.* Simon (1887), 40 O. G. 1456; 31 Fed. Rep. 41; Bostock *v.* Goodrich (1885), 34 O. G. 1047; 25 Fed. Rep. 819; Garretson *v.* Clark (1884), 111 U. S. 120; 27 O. G. 524; National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 28 O. G. 1007; 19 Fed. Rep. 514; Kirby *v.* Armstrong (1881), 19 O. G. 661; 10 Bissell, 135; 5 Fed. Rep. 801; Gould's Mfg. Co. *v.* Cowing (1877), 12 O. G. 942; 14 Blatch. 315; 3 Bann. & A. 75; Gould's Mfg. Co. *v.* Cowing (1874), 8 O. G. 277; 12 Blatch. 243; 1 Bann. & A. 375; Burdell *v.* Denig (1865), 2 Fisher, 588.

That a plaintiff must show what profits or damages are attributable to the infringing design, see Dobson *v.* Dornan (1886), 118 U. S. 10; 35 O.

rejection or reception of the defendant's evidence are, therefore, of no consequence and cannot be made the occasion for review on writ of error.[2] But the plaintiff is not obliged to produce such testimony as removes all reasonable doubt. The inquiry is to be conducted on the same principles as any other investigation into an amount of damages, and especially when the infringement has been wilful must the evidence be liberally interpreted in favor of the plaintiff.[3] After he has shown that his entire loss has resulted from the infringement, and has refuted all the defendant's suggestions as to contributory causes, he is not obliged to controvert all other possible causes and exclude every hypothesis except that which he maintains.[4]

§ 1072. Order in which Evidence is Produced in Court.

When the pleadings are closed upon the general issue, whether with or without notice, the plaintiff goes forward at the trial, and must introduce the evidence required to make out a *prima facie* case upon all the averments in his declaration. The letters-patent, or a certified copy thereof, being

G. 750; Dobson *v.* Dornan (1885), 114 U. S. 439; 31 O. G. 786.

That there is no presumption that all the defendant's goods infringed because some did, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514; 28 O. G. 1007.

[2] That the defendant's evidence is of no consequence until the plaintiff establishes his claim to profits or damages, and objections to its admissibility will not be considered, see Garretson *v.* Clark (1878), 14 O. G. 485; 15 Blatch. 70; 3 Bann. & A. 352; Black *v.* Munson (1877), 14 Blatch. 265; 2 Bann. & A. 623.

[3] That the plaintiff is entitled to substantial damages if he furnishes reasonably satisfactory evidence, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514; 28 O. G. 1007.

That where wanton infringers conceal their profits, and the plaintiff gives some available evidence as to the amount, he may recover them, see Creamer *v.* Bowers (E. 1888), 35 Fed. Rep. 206.

That in cases of wilful infringement the defendant is held to rigid accountability, and there is no presumption in his favor as to the inconclusiveness of the plaintiff's proof, but such proof is interpreted liberally for the plaintiff, see Bigelow Carpet Co. *v.* Dobson (1882), 21 O. G. 1200; 10 Fed. Rep. 385; 15 Phila. 476.

[4] That after the plaintiff has shown that the defendant's infringement had caused his entire damage, and has refuted all the defendant's suggestions as to contributory causes, he need not disprove all possible causes not claimed as existing, see Fitch *v.* Bragg (1883), 16 Fed. Rep. 243; 21 Blatch. 302.

produced and offered, sufficiently prove their own validity as well as the patentability of the invention.[1] Some writers, indeed, assert that in addition to the patent extraneous testimony of the novelty and utility of the invention, and of the completeness and precision of the specification, should be presented; but the courts having held that the patent is *prima facie* evidence on these points, it would seem to be unnecessary though frequently practised. The plaintiff must then prove his title, either by the patent if he is the patentee, or by the proper documentary evidence if he is an assignee or grantee.[2] Evidence of the performance of the infringing acts by the defendant, and of the identity of the invention which he sells or uses with that covered by the plaintiff's patent, must be also laid before the jury, and the data given for an estimate of the damages sustained.[3] To this evidence the defendant must reply by counter-proof, either in whole or in part, according to the number and nature of his defences. The plaintiff follows with testimony rebutting the new matter disclosed by the defendant, or supporting the *prima facie* presumptions of his patent against the denials or evasions of his adversary. When the defendant files a special plea on which issue is joined, the order of procedure is reversed. Such special plea admits all allegations in the declaration which it does not specifically or impliedly dispute. The defendant, therefore, first offers evidence in pursuance of his plea, to which the plaintiff replies by testimony appropriate to the issue, and the defendant in rebuttal controverts the plaintiff's proof. The rule regarding the burden of proof upon the different questions involved in the action is the same, whatever form the pleadings may assume or in whatever order the evidence may be introduced.

§ 1073. Nonsuit not Ordered in Federal Courts: Equivalent Procedure.

The Federal courts have no authority to order a nonsuit of the plaintiff, though his evidence may be plainly insufficient

§ 1072. [1] See §§ 1016, 1018, and notes, *ante*.

[2] See § 1040 and notes, *ante*.

[3] See §§ 1041–1048, 1071, and notes, *ante*.

to warrant a verdict in his favor, but must submit the issue to the jury on such proof as has been offered.[1] The defendant may, however, request the court to instruct the jury that the testimony will not support a verdict for the plaintiff, and a refusal of the request in cases where it should be granted is a ground of error.[2] If the jury disregard this instruction and render a verdict for the plaintiff, the court cannot accept it, but must set it aside and order a new trial.[3] But when any evidence is introduced by the plaintiff which could, in the reasonable and legal judgment of a jury, tend to support the plaintiff's cause, whether the judge would consider it sufficient as a guide to his own conclusions or not, it must be submitted to them, and their verdict on it, if otherwise correct, must be received.[4]

§ 1073. [1] That the Federal courts cannot order a nonsuit, see Castle *v.* Bullard (1859), 23 How. 172; Silsby *v.* Foote (1852), 14 How. 218; Foote *v.* Silsby (1849), 1 Blatch. 445; Crane *v.* Morris (1832), 6 Peters, 598; De Wolf *v.* Rabaud (1828), 1 Peters, 476; Elmore *v.* Grymes (1828), 1 Peters, 469.

That if the plaintiff is guilty of fraud against the defendant it is no ground for a nonsuit, but the jury may give nominal damages, see Reutgen *v.* Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

[2] That upon a demurrer to evidence in an action at law the judge must decide whether the plaintiff has made out a *prima facie* case, and if not must charge the jury to find for the defendant, see Royer *v.* Schultz Belting Co. (1886), 28 Fed. Rep. 850; 38 O. G. 898; Millner *v.* Schofield (1881), 4 Hughes, 258; Bevans *v.* United States (1871), 13 Wall. 56.

That to refuse to instruct the jury to find for the defendant when the plaintiff has not made out a *prima facie* case is error, see Torrent & Arms Lumber Co. *v.* Rodgers (1884), 112 U. S. 659; 30 O. G. 449; Curtis, Jur. Courts U. S. 222.

That where a patent is manifestly void it is the duty of the court to charge the jury to return a verdict for the defendant, and failure so to charge is error, see Torrent & Arms Lumber Co. *v.* Rodgers (1884), 112 U. S. 659; 30 O. G. 449.

[3] That where the jury without sufficient evidence against the defendant, render a verdict for the plaintiff, the verdict should be set aside and a new trial granted, see Wilson *v.* Janes (1854), 3 Blatch. 227.

[4] In Roberts *v.* Schuyler (1875), 12 Blatch. 444, Shipman, J.: (447) "It is true that the same weight is not given by courts to the verdict of a jury upon the validity of a patent which is justly given to the opinion of a jury upon other questions of fact. The subject-matter involved often requires a patient and quiet examination of different structures, and an investigation of the modes of operation of machinery, for which the hurried and imperfect scrutiny which the jury can give during the trial of a case is sometimes inadequate. The result often depends more upon the examination of machines or structures than upon the testimony of witnesses. And yet, notwithstanding the fact that less weight and

§ 1074. Charge to the Jury: Requests: Exceptions.

The charge of the judge to the jury must arise out of and be limited to the questions in controversy and the evidence produced, and must be sufficiently full and clear to serve them as an intelligible guide in arriving at their verdict.[1] General abstract discussions are improper.[2] Either party may request the judge to give certain instructions, and if this request is not complied with the instructions are regarded as refused.[3] Unless such requests are made, the court is bound to notice only the points made by either party on the trial.[4] When the request is granted it is not essential that the exact form of the desired instruction should be followed, if the instruction actually given comports with the justice of the case and

authority is given to the decision of a jury in this class of cases than in other civil causes, it is equally true that the verdict of a jury is not to be set aside merely because the court might have arrived at a different conclusion. Unless the court can see that the jury was palpably mistaken, and that the weight of evidence is decidedly against their verdict, it should not be set aside. Otherwise the court enters upon the province of the jury, and passes beyond the limit of its own duty. At the same time, when it is manifest that juries have been warped from the direct line of their duty by mistake, prejudice, or even by an honest desire to reach the supposed equity, contrary to the law of the case, it will be the duty of the court to set the verdict aside." 2 Bann. & A. 5 (8). See also Aiken *v.* Bemis (1847), 3 W. & M. 348; 2 Robb, 644; Brooks *v.* Bicknell (1845), 4 McLean, 70.

That if there is evidence on both sides of the issue, the matter must be submitted to the jury unless the court would set aside the verdict as against evidence if they decided contrary to its judgment, see Keyes *v.* Grant (1886,) 118 U. S. 25; 35 O. G. 747.

§ 1074. [1] That the instructions of the court must be sufficient to enable the jury to arrive at a proper verdict, see Morris *v.* Platt (1864), 32 Conn. 75; Waters *v.* Bristol (1857), 26 Conn. 398; 3 Chitty, Gen. Prac. pp. 911–916.

That the court should instruct the jury that the burden of proof as to novelty, after the patent is in evidence, is on the defendant, see Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb,.530.

That where the court would set aside a verdict, if given for the plaintiff, it should instruct the jury to find for the defendant, see Royer *v.* Schultz Belting Co. (1886), 29 Fed. Rep. 281.

[2] That abstract discussions in the charge should be avoided, see Gayler *v.* Wilder (1850), 10 How. 477; Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb, 530; Pitts *v.* Whitman (1843), 2 Story, 609; 2 Robb, 189.

[3] That failure to comply with requests to charge is equivalent to a refusal, see Emerson *v.* Hogg (1845), 2 Blatch. 1.

[4] That the failure of the court to charge on special points not essential to the understanding of the case is not error unless requests to that effect were made, see Pennock *v.* Dialogue (1829), 2 Peters, 1; 1 Robb, 542.

affords the jury an opportunity to render a proper verdict.[5] A refusal to give desired instructions may be taken advantage of on writ of error, but the exception must be noted at the time, so that the error can be corrected while the jury are at bar, or the objection will be waived.[6]

§ 1075. Questions of Law: Questions of Fact.

Under each of the twenty-five enumerated defences certain questions arise whose decision is within the province of the court, while others are to be determined by the jury. The general distinction between these is that which always separates matters of law from matters of fact, but their particular characteristics are best comprehended when they are stated in connection with the defences in which they arise. On the first defence, which denies that the invention originated in an inventive act, the court defines the nature of an inventive act and of its result; the jury decide whether the patented invention is due to such an act and corresponds with such result.[1] On the second defence, which admits that the

[5] That the court is not bound to instruct the jury as counsel request if the instruction given is correct, see Pitts *v.* Whitman (1843), 2 Story, 609; 2 Robb, 189.

That a court having given the jury all needed instructions may decline to give special instructions as requested, see Winans *v.* New York & Harlem R. R. Co. (1855), 4 Fisher, 1.

That in a suit at law on a question of priority the counsel cannot require that the court, on inspecting rival patents, shall instruct the jury, as matter of law, that they are or are not identical, see Bischoff *v.* Wethered (1869), 9 Wall. 812.

[6] That errors or refusals not excepted to at the time are waived, see Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb, 530; Emerson *v.* Hogg (1845), 2 Blatch. 1.

§ 1075. [1] The performance of an inventive act is determined largely by comparing the alleged invention with inventions previously known, and ascertaining its substantial identity with or diversity from them. This is a matter for the jury under the direction of the court. Thus in Tucker *v.* Spalding (1872), 13 Wall. 453, Miller, J.: (455) "Whatever may be our personal opinions of the fitness of the jury as a tribunal to determine the diversity or identity in principle of two mechanical instruments, it cannot be questioned that when the plaintiff, in the exercise of the option which the law gives him, brings his suit in the law in preference to the equity side of the court, that question must be submitted to the jury if there is so much resemblance as raises the question at all. And though the principles by which the question must be decided may be very largely propositions of law, it still remains the essential nature of the jury trial that while the court may, on this mixed question

invention originated in an inventive act, but denies the performance of that act by the alleged inventor and asserts that he has surreptitiously appropriated to himself the fruit of another's inventive skill, the court describes the attributes of an inventive act; the jury determine whether the alleged inventor has performed this act, or has derived his idea of the invention from the true inventor.[2] On the third defence, which admits that an inventive act resulting in the patented invention has been performed by the alleged inventor, but avers that the same act had previously been performed by a different inventor, who had already reduced it to practice, or who was using reasonable diligence in its reduction, the court declares at what stage of its development the conception of an idea of means becomes complete, and what diligence the law requires of the inventor in perfecting it; the jury find whether the complete conception of the invention by the supposed prior inventor anticipated that of the plaintiff's inventor, and whether the former, if the first conceiver, had reduced it to practice before its production by the latter, or was then reducing it with such diligence as the law demands.[3] On the fourth defence, which denies that the invention patented is embraced in either of the six classes made patentable by the Acts of Congress, the court determines from the patent what the character of the invention is, and from the law whether it is included in the protected classes; the duty of the jury is to render a verdict in pursuance of this finding of the court, unless the patent employs terms of art upon whose meaning

of law and fact, lay down to the jury the law which should govern them, so as to guide them to truth and guard them against error, and may if they disregard instructions set aside their verdict, the ultimate response to the question must come from the jury." 5 Fisher, 297 (300); 1 O. G. 144 (145).

See also Tyler *v.* Boston (1868), 7 Wall. 327; Turrill *v.* Railroad Co. (1863), 1 Wall. 491; Battin *v.* Taggert (1854), 17 How. 74; Tatham *v.* Le Roy (1852), 2 Blatch. 474; Reutgen *v.* Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

[2] That the jury are to determine by whom an inventive act was performed, see Gray *v.* Halkyard (1886), 28 Fed. Rep. 854; 38 O. G. 784; Reutgen *v.* Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

[3] That priority of invention is a question of fact, see Gray *v.* Halkyard (1886), 28 Fed. Rep. 854; 38 O. G. 784; Reutgen *v.* Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

they must also pass.[4] On the fifth defence, which denies the novelty of the invention, the court defines the attributes of novelty and the essential qualities of a prior use or prior publication, and decides whether the Claims of a prior patent cover the same invention as the one in suit; the jury find whether the patent, or the publication, or the use, existed in such a manner as to render the invention accessible to the public before it was conceived by the alleged inventor.[5] On the sixth defence, which denies the utility of the invention, the court declares in what utility consists, and where the patented invention is manifestly frivolous or injurious to the public directs the jury to find accordingly; otherwise the jury determine whether the invention is practically available for any useful purpose.[6] On the seventh defence, which asserts

[4] So far as this question involves the character of the patented invention as a simple art, machine, manufacture, composition, design, or improvement, it may nearly always be considered as mainly a question of law; the answer consisting in a definition of the patentable class and an interpretation of the Claims of the patent, with a submission of the question to the jury under such instructions as this definition and interpretation require. See Bischoff *v.* Wethered (1869), 9 Wall. 812; Teese *v.* Phelps (1855), 1 McAllister, 17. When the invention purports to be a combination, however, additional questions are raised which are essentially questions of fact and must be passed on by the jury. Thus, that where the effect and operation of mechanical contrivances enter into a question of a combination, the question is one of law and fact for the jury to determine under the instructions of the court, see Foote *v.* Silsby (1849), 1 Blatch. 445.

That whether an invention is patentable is a mixed question of law and fact and usually is not to be settled without a jury trial unless the title is fixed by law, see Teese *v.* Phelps (1855), 1 McAllister, 17.

[5] That novelty is a question for the jury, see Westlake *v.* Cartter (1873), 6 Fisher, 519; 4 O. G. 636; Battin *v.* Taggert (1854), 17 How. 74; Carver *v.* Braintree Mfg. Co. (1843), 2 Story, 432; 2 Robb, 141.

That the identity of prior and present inventions is a question for the jury, see Tyler *v.* Boston (1868), 7 Wall. 327; Turrill *v.* Railroad Co. (1863), 1 Wall. 491.

That whether two patents, whose specifications are not in the same terms, describe the same invention, is a question for the jury, see Hawkes *v.* Remington (1872), 111 Mass. 171; Bischoff *v.* Wethered (1869), 9 Wall. 812.

That whether the patented invention is identical with one described in a printed publication is a question for the jury, where the inventions differ on their face and in the judgment of experts, see Keyes *v.* Grant (1886), 118 U. S. 25; 35 O. G. 747; Adams *v.* Bellaire Stamping Co. (1886), 28 Fed. Rep. 360; 36 O. G. 567.

[6] That utility is a question for the jury, see Westlake *v.* Cartter (1873), 6 Fisher, 519; 4 O. G. 636. *Doubted:* Langdon *v.* De Groot (1822), 1 Paine, 203; 1 Robb, 433.

That where an invention is useless

that the inventor has abandoned the invention to the public, the court defines the doctrine of abandonment, and the presumptions that arise from public use or sale; the jury pass upon all questions of intention on the part of the inventor, on the existence and significance of the facts urged as evidence of his purpose to abandon, and on the occurrence of such instances of public sale or use as are in law conclusive evidence of an abandonment.[7] On the eighth defence, which denies the issue of any patent corresponding with the description in the declaration, the court determines the necessary characteristics of the described patent; the jury judge whether the patent of the plaintiff is the one described.[8] On the ninth defence, which asserts that the issue of the plaintiff's patent was in violation of the rules of law, the court declares the requisites of a legal patent so far as they are applicable to the one in suit, decides whether the patent covers a sole or joint invention, and whether the Claims of a re-issue depart from the invention attempted to be described and claimed in the original; the jury find whether the legal requisites existed, whether the invention was in fact joint or sole, and whether the invention claimed in the re-issue is identical with that which the inventor attempted to secure by his original patent.[9] On the tenth defence the questions for the court

on its face the court may so direct the jury, see Langdon *v.* De Groot (1822), 1 Paine, 203; 1 Robb, 433.

[7] That abandonment is a question for the jury, see Kendall *v.* Winsor (1858), 21 How. 322; Battin *v.* Taggert (1854), 17 How. 74.

That the motive for the delay in applying for a patent while the invention is in use is a question for the jury, see Morris *v.* Huntington (1824), 1 Paine, 348; 1 Robb, 448.

That the question of the continuity of an application is for the jury, see Godfrey *v.* Eames (1863), 1 Wall. 317.

That the question whether the continuity of an application is destroyed by the filing of a new application is, in an action at law, for the jury, see Howe *v.* Newton (1865), 2 Fisher, 531.

[8] This issue may be determined in several ways. If the patent is offered in evidence and excluded, the plaintiff's case necessarily fails, and no nonsuit being permitted, the court directs a verdict for the defendant. But where the evidence, not being objected to, is submitted to the jury, the question of identity between the patent declared on and the one in evidence is in form passed upon by the jury, under the instruction of the court.

[9] That whether the re-issue is broader than the invention attempted to be protected by the original is a question for the jury, see Battin *v.* Taggert (1854), 17 How. 74; Carver *v.* Braintree Mfg. Co. (1843), 2 Story, 432; 2 Robb, 141.

That whether a re-issue was obtained with fraudulent intent is for the jury,

and jury are the same as on the fourth, already stated. On the eleventh defence, which asserts that the description of the invention given in the patent is fraudulent, the court construes the language of the specification and points out what invention it purports to describe; the jury decide whether the actual invention is disclosed by this description, and if not, whether the concealment or redundancy resulted from an intention to deceive.[10] On the twelfth defence, which asserts that the description is ambiguous, the court defines the attributes of a sufficient description and determines what interpretations can be given to the language of the one contained in the patent; the jury find whether this description so discloses the invention that persons skilled in the art can practise it from such disclosure.[11] On the thirteenth defence, which avers that the Claims of the patent are excessive and have not been lawfully cured by a disclaimer, the court construes the alleged excessive Claim, and fixes the standard by which the diligence of the plaintiff in filing any necessary disclaimer must be measured; the jury decide whether the Claim exceeds the limits of the actual invention, and whether the delay in filing a disclaimer is unreasonable.[12] On the fourteenth defence, which alleges the ambiguity of the Claim, the court interprets the Claim so far as it is capable of an interpretation, and declares whether an exact intelligible conception of the real character of any invention can be thence derived; the jury follow this interpretation, and if it does not,

see Carver *v.* Braintree Mfg. Co. (1843), 2 Story, 432; 2 Robb, 141.

[10] That whether a specification is fraudulent is a question for the jury, see Reutgen *v.* Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

[11] That whether a specification would enable one skilled in the art to practise the invention is a question of fact for the jury, see Westlake *v.* Cartter (1873), 6 Fisher, 519; 4 O. G. 636; Page *v.* Ferry (1857), 1 Fisher, 298; Battin *v.* Taggert (1854), 17 How. 74; Carver *v.* Braintree Mfg. Co. (1843), 2 Story, 432; 2 Robb, 141; Reutgen *v.* Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

[12] That what is an unreasonable delay in filing a disclaimer is a mixed question of law and fact to be decided by the jury under the instructions of the court, see McCormick *v.* Seymour (1854), 3 Blatch. 209; Hall *v.* Wiles (1851), 2 Blatch. 194; Brooks *v.* Bicknell (1844), 3 McLean, 432.

That under certain circumstances the question of unreasonable delay may be a question of law only, for the court, see Singer *v.* Walmsley (1860), 1 Fisher, 558; Seymour *v.* McCormick (1856), 19 How. 96.

in the judgment of the court, clearly set forth any patentable matter, finds the patent void.[13] On the fifteenth defence, which rests upon a surrender of the patent, the court declares the law which governs the surrender of a patent and its effect upon existing rights of action: the jury determine whether the patent of the plaintiff has thus been cancelled and destroyed. On the sixteenth defence, which asserts that the patent has been annulled or repealed, the court informs the jury of the nature and consequences of these different proceedings and the weight to be attached to the records of these judgments: the jury acting under such instructions find whether the patent is extinct or still remains in force.[14] On the seventeenth defence, which denies the title of the plaintiff, the court determines the meaning and effect of the written instruments in pursuance of which he claims to be the owner of the patent; the jury pass upon the fact of the execution of such instruments by their alleged makers, and on the identity of the plaintiff with the party to whom the conveyances were made. On the eighteenth defence, which denies that the invention used by the defendant is identical with that included in the plaintiff's patent, the court defines the patented invention as indicated by the language of the Claims; the jury judge whether the invention so defined covers the art or article employed by the defendant.[15] On the nineteenth defence, which asserts that the acts of the defendant in reference to the patented invention were not acts of infringement, the court declares the legal attributes of an infringing act, the circumstances under which an em-

[13] That the court must determine whether the Claim is ambiguous, and its instructions on this point control the jury, see Ames *v.* Howard (1833), 1 Sumner, 482; 1 Robb, 689; Barrett *v.* Hall (1818), 1 Mason, 447; 1 Robb, 207.

[14] As to both the fifteenth and sixteenth defences the finding of the jury must in most cases be simply *pro forma*, since the evidence is matter of record, and, being accepted and interpreted by the court in reference to the questions at issue, constitutes such proof that no verdict departing from it could be accepted.

[15] That the identity of the plaintiff's and defendant's inventions is a question for the jury, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514; 28 O. G. 1007; Tyler *v.* Boston (1868), 7 Wall. 327; Battin *v.* Taggert (1854), 17 How. 74; Orr *v.* Burwell (1849), 15 Ala. 378; Reutgen *v.* Kanowrs (1804), 1 Wash. 168; 1 Robb, 1.

ployee is or is not responsible for obedience to the commands of his employer, and what degree of complicity renders one whose act is not a complete act of infringement liable for the infringement when completed by the acts of others; the jury decide whether the defendant's acts were true infringements according to the doctr nes thus declared.[16] On the twentieth defence, which allege 'hat the term of the patent had expired before the acts the defendant were committed, the court informs the jury 'hen the patent would expire of its own limitation, what eff 't would be produced upon it by a prior foreign patent to t ie same inventor having a shorter term, and whether the fore'gn patent covers the same invention as the one in suit; the jury find whether a prior foreign patent had been granted to the same inventor, or to another party in his interest, and whether the infringing act anticipated the expiration of the domestic patent as fixed by its own limitations or by the term of the foreign patent. On the twenty-first defence, which asserts that the use of the patented invention by the defendant was authorized by the owner of the patent, the court declares the legal rights of part owners or licensees, as the nature of the defence requires, interprets the effect of the instruments or contracts under which the defendant claims, and defines the acts which they empower him to perform; the jury pass upon the existence and authenticity of the conveyances, the identity of parties, and the correspondence of the defendant's acts with those permitted by his grant. On the twenty-second defence, which rests upon the Statute of Limitations, the court construes the statute; the jury decide whether the suit was instituted within the time prescribed. On the twenty-third defence, which avers that the plaintiff is estopped from pursuing his remedy against the defendant, the court explains the doctrine of estoppel, interprets any written instruments out of which an estoppel is said to have arisen, and defines any legal duty of the plaintiff by the neglect of which the defendant claims that he has been misled into the acts for which he has been sued; the jury

[16] That whether the defendant infringes is a question for the jury, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514; 28 O. G. 1007; Jackson *v.* Allen (1876), 120 Mass. 64.

determine whether the facts alleged as the basis of the estoppel actually occurred, whether the defendant acted on them in good faith, and whether he would now be prejudiced were the plaintiff permitted to avoid them. On the twenty-fourth defence, which sets up a release of the defendant by the plaintiff, the court declares the nature and effect of a release, construes it if in writing, and if by parol gives the jury legal tests of its sufficiency; the jury find whether the release was given and whether the infringing acts of the defendant are within its operation. On the twenty-fifth defence, which claims that the cause of action has been extinguished by or merged in a former judgment, the court declares the doctrine of *res adjudicata*, and interprets the record of the previous adjudication; the jury decide whether the plaintiff and defendant were parties or privies to such judgment, and whether the present and the former suits were based upon the same infringing acts. On the question of damages the court instructs the jury in the rule of damages, and points out the inferences which they are permitted to deduce from indirect evidence; the jury, in pursuance of this rule, draw their conclusions from the data furnished by the testimony, and compute the amount of the compensation to be awarded for the plaintiff's loss.[17] In reference to many of the foregoing points the spheres of the court and jury approach so closely to each other that the latter appear rather to affirm by their verdict the decision of the former than to exercise an independent judgment of their own; but with one or two exceptions which are above stated, this appearance is illusive, the jury having in all the other questions a necessary judicial function to perform. For either tribunal to assume the powers of the other in any matter of importance is a ground of error, unless the parties have precluded themselves from making the objection by treating the question during the trial as if it were presented to the authority by whom it has been decided.[18]

[17] That the amount of damages is matter for the jury, see National Car Brake Shoe Co. *v.* Terre Haute Car & Mfg. Co. (1884), 19 Fed. Rep. 514; 28 O. G. 1007.

[18] That when the defendant treats a question as to the nature of the invention as a question of fact for the jury, he cannot claim that the court erred by not defining it as a matter of law, see Foote *v.* Silsby (1849), 1 Blatch. 445.

§ 1076. Verdict.

The verdict of the jury must follow the evidence, not their private opinion apart from the evidence, and must be based on all the testimony offered.[1] If manifestly the result of prejudice or error, or contrary to the instructions given by the court, or void for repugnancy or uncertainty, it will be set aside and a new trial ordered.[2] But it is not to be interfered with simply because the court would have arrived at a different conclusion from the same premises, nor because the jury have awarded larger damages than might have been expected, unless the amount is palpably extravagant, and therefore indicates corruption or mistake.[3]

§ 1077. Trial of Issues of Fact by the Court without a Jury.

An act of Congress passed in 1865 empowered the circuit courts to try issues of fact in civil causes without the inter-

§ 1076. [1] In Page *v.* Ferry (1857), 1 Fisher, 298, Wilkins, J.: (316) "Your verdict, to be true, must be based on the evidence, and not according to your private belief independent of the evidence, and be based on all the evidence. A juror, as a judge of facts, should be without bias — have no friendships — be free from all favor or affections, in order to be 'no respecter of persons,' to render righteous judgment. Sometimes a juror will enter the judgment seat with his mind bent upon a particular course, irrespective of the law or the evidence. Such a course is highly dishonorable. It stains the soul with perjury, and pollutes the fountains of justice with the poison of prejudice. The jury-box, as the bench, is holy ground, and we must put off our shoes ere we tread the sacred threshold. A juror holds a highly honorable and important position in the administration of the law, and as he would value his own just self-esteem, let him cleave with pertinacity to the simple issue, and to the evidence admitted as bearing upon it. This is the only safe ground for both court and jury."

[2] That a verdict evidently resulting from mistake, prejudice, or a higher regard for the equities than the law of the case, will be set aside, see Roberts *v.* Schuyler (1875), 12 Blatch. 444; 2 Bann. & A. 5.

That a repugnant or uncertain verdict will be set aside, see Stearns *v.* Barrett (1816), 1 Mason, 153; 1 Robb, 97.

[3] That a verdict is not set aside as against evidence merely because the court might have come to a different conclusion, see Roberts *v.* Schuyler (1875), 12 Blatch. 444; 2 Bann. & A. 5.

That a new trial for a verdict against evidence will not be granted if there was evidence on both sides, unless there has been a clear mistake or manifest abuse, see Aiken *v.* Bemis (1847), 3 W. & M. 348; 2 Robb, 644; Brooks *v.* Bicknell (1845), 4 McLean, 70.

That a verdict will not be set aside on the ground that the damages are excessive unless the excess is evident, see Aiken *v.* Bemis (1847), 3 W. & M. 348; 2 Robb, 644, and cases cited in § 1068, notes 3 and 4, *ante*, and § 1078, note 7, *post*.

vention of a jury, whenever the parties or their attorneys of record should file with the clerk a stipulation in writing to that effect.[1] In such cases the trial proceeds before the court alone, who determines all questions of law and fact, and whose finding occupies the same position as the verdict of a jury. This finding may be either general or special, at the discretion of the court. A special finding resembles a special verdict, and the decision of the court upon any question of law or fact thereby presented is reviewable in the Supreme Court of the United States.[2]

§ 1078. New Trials.

The Federal courts have authority to grant new trials in civil cases, in which a verdict has been rendered by a jury, for the reasons recognized by other courts of law as sufficient to warrant such proceedings.[1] These reasons consist principally of some error committed by the court or jury during the former trial, or of the discovery of new evidence by the defeated party since the former verdict. The court may err by admitting improper evidence, or rejecting admissible evidence, or by departing from the law in its instructions to the jury.[2] The admission of improper evidence is generally a sufficient ground for a new trial; but if the same facts have been shown by proper testimony, or if the evidence was rendered immaterial by subsequent disclosures, or if the objection though sustained is purely technical and the result of the trial was justified by the remaining correct evidence, the motion for another trial will be refused.[3] A similar rule is

§ 1077. [1] Sec. 649, Rev. Stat. 1874. Desty, Fed. Prac. 256; Judson *v.* Bradford (1878), 16 O. G. 171; 3 Bann. & A. 539.

[2] Sec. 700, Rev. Stat. 1874. Desty, Fed. Prac. 318.

That a question certified to the Supreme Court under Sec. 652, Rev. Stat. must be a question of law involving a single point, not a general question as to the whole case, see California Artificial Stone Paving Co. *v.* Molitor (1885), 113 U. S. 609; 31 O. G. 1044.

§ 1078. [1] Sec. 726, Rev. Stat. 1874.

[2] As to the grounds of new trial in general, see 1 Graham & Waterman, N. T. Introd. 1-502; 2 Graham & Waterman, N. T. 1-50; 3 Bl. Com. pp. 378, 386-393.

[3] That a new trial will not be granted on the ground of the admission of inadmissible evidence where the same facts were afterwards proved by admissible evidence, or where the erroneous evidence was rendered immaterial, or the objection was purely formal, and the

followed when the error has arisen through the rejection of admissible evidence; if its reception would have made no difference in the result, or if its place has been supplied by other testimony, its exclusion will not be sufficient ground for a new trial.[4] An error in the charge of the court to the jury, either by submitting a question of law to their decision, or by misdirecting them on a material point, is fatal to the verdict, but a neglect to give the instructions prayed for by the defeated party does not warrant a new trial if the same ground is covered by the charge and the law governing the whole case has been correctly stated.[5] The jury may err either by the misconduct of any or all of their number during the trial, or by departing from the law or the evidence in rendering their verdict. The former errors cannot be enumerated. They consist in acts or omissions which involve a breach of the oath taken by the jury when impanelled, and vitiate the entire subsequent proceedings.[6] Errors in their verdict may be committed by finding for the plaintiff or defendant contrary to the evidence, or by returning a verdict for excessive damages. In the first case the verdict will be set aside; in the second the plaintiff may cure the error by entering a *remittitur*.[7] Mistakes of the defeated party or his counsel, in not

proper evidence justified the verdict, see Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb, 530. See this case for a full statement of the doctrine of new trials.

[4] That the improper rejection of a witness is ground for a new trial, see Buck *v.* Hermance (1848), 1 Blatch. 322.

[5] That the submission to the jury of a question of law, such as the construction of the patent, is ground for new trial, see Emerson *v.* Hogg (1845), 2 Blatch. 1.

That a misdirection in a material point is ground for new trial, see Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb, 530.

That a refusal to charge as requested is no ground for a new trial if the charge as given was sufficient and correct, see Winans *v.* New York & Harlem R. R. Co. (1855), 4 Fisher, 1; Pitts *v.* Whitman (1843), 2 Story, 609; 2 Robb, 189.

[6] That an irregularity in the conduct of the parties or the jury, in order to obtain a new trial, must be satisfactorily proved, though it need not appear that the conduct of the party certainly influenced the jury, if it might have affected the impartiality of the proceedings, see Johnson *v.* Root (1862), 2 Fisher, 291; 2 Clifford, 108.

[7] That a verdict against evidence may be set aside, see Wilson *v.* Janes (1854), 3 Blatch. 227.

That a verdict will not be set aside as against evidence unless the preponderance of evidence is clear, see Brooks *v.* Bicknell (1845), 4 McLean, 70.

That where there is a fair balance of evidence the verdict will not be set

properly preparing the case for trial, or in not attending to the case when called, are irremediable;[8] and any of the foregoing errors, which came to the knowledge of the defeated party or his counsel during the former trial, and were not then excepted to, are thereby waived.[9] A new trial may be granted for the introduction of newly discovered evidence provided the evidence is material and not cumulative, will probably change the result, and could not have been known before or during the former trial by the exercise of due diligence.[10] But where the evidence was known and was not

aside unless it appears that the jury acted wrongfully in other respects, see Milligan *v.* Lalance & Grosjean Mfg. Co. (1884), 29 O. G. 367; 21 Fed. Rep. 570.

That on a motion for a new trial on a feigned issue the proponent may have the evidence, or the substance of it, as submitted to the jury, made part of the record, and the court will determine whether the conclusions of the jury are satisfactory, see Watt *v.* Starke (1879), 101 U. S. 247; 17 O. G. 1092.

That a verdict will not be set aside for excessive damages unless they were plainly and largely beyond the injury sustained, see Aiken *v.* Bemis (1847), 3 W. & M. 348; 2 Robb, 644; Stimpson *v.* Railroads (1847), 1 Wall. Jr. 164; 2 Robb, 595; Stephens *v.* Felt (1846), 2 Blatch. 37; Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb, 530; and cases cited in § 1068, notes 3 and 4, *ante.*

That where the damages are merely excessive the error can be cured by *remittitur*, see Russell *v.* Place (1871), 5 Fisher, 134; 9 Blatch. 173. See also § 1068, notes 3 and 4, *ante.*

[8] That mistakes and negligence of parties and counsel are not ground for new trial, see De Florez *v.* Raynolds (1879), 16 Blatch. 397; 4 Bann. & A. 331.

[9] That errors known to the party during the trial are waived unless excepted to, see Allen *v.* Blunt (1846), 2 W. & M. 121; 2 Robb, 530; Emerson *v.* Hogg (1845), 2 Blatch. 1.

[10] That a new trial will not be granted in order to introduce immaterial evidence, see Spill *v.* Celluloid Mfg. Co. (1884), 29 O. G. 773; 22 Blatch, 441; 22 Fed. Rep. 94; Munson *v.* Mayor of New York. (1882), 22 O. G. 586; 20 Blatch. 358; 11 Fed. Rep. 72.

That the discovery of new cumulative evidence is no ground for new trial, see Pfanschmidt *v.* P. H. Kelly Mercantile Co. (1887), 41 O. G. 1501; 32 Fed. Rep. 667; Aiken *v.* Bemis (1847), 3 W. & M. 348; 2 Robb, 644; Ames *v.* Howard (1833), 1 Sumner, 482; 1 Robb, 689.

That where prior use was originally in issue, new evidence of other instances of prior use is merely cumulative, see Blandy *v.* Griffith (1873), 6 Fisher, 434.

That a new trial will be refused unless the new evidence would probably change the result, see Starling *v.* St. Paul Plow Works (1887), 41 O. G. 818; 32 Fed. Rep. 290; Munson *v.* City of New York (1882), 22 O. G. 586; 20 Blatch. 358; 11 Fed. Rep. 72; McCloskey *v.* DuBois (1881), 20 O. G. 1086; 9 Fed. Rep. 38; 20 Blatch. 7; De Florez *v.* Raynolds (1879), 16 Blatch. 397; 4 Bann. & A. 331.

That where the new evidence could by due diligence have been discovered before or during the former trial a new

produced because its materiality could not be perceived until the testimony of the adversary had been offered, the surprise affords no ground for a new trial. A continuance in order to obtain the evidence should have been requested, and if the party has seen fit to risk the issue on the proof presented, he is without a remedy.[11] Any party in interest who bears the expenses of the suit may move for a new trial, but such a motion once denied cannot be repeated except upon the basis of additional facts.[12]

§ 1079. Writ of Error.

A writ of error lies to the Supreme Court of the United States from the judgment of a circuit court in any action at law for an infringement, whether the trial has been conducted with or without a jury.[1] This writ is a matter of right, and the amount involved is of no consequence if the error to be corrected relates to any principle or rule of Patent Law.[2] The judgment must have been final, and not upon a matter

trial will be refused, see Spill *v.* Celluloid Mfg. Co. (1884), 29 O. G. 773; 22 Blatch. 441; 22 Fed. Rep. 94; De Florez *v.* Raynolds (1879), 16 Blatch. 397; 4 Bann. & A. 331; Aiken *v.* Bemis (1847), 3 W. & M. 348; 2 Robb, 644.

That the motion for a new trial on the ground of new evidence must state in detail what efforts were made to obtain the evidence for the former trial, see Burdsell *v.* Curran (1887), 31 Fed. Rep. 918; 42 O. G. 1167; Spill *v.* Celluloid Mfg. Co. (1884), 29 O. G. 773; 22 Blatch. 441; 22 Fed. Rep. 94; Page *v.* Holmes Burglar Alarm Tel. Co. (1880), 18 Blatch. 118; 5 Bann. & A. 439; 2 Fed. Rep. 330; Barker *v.* Stowe (1879), 16 O. G. 807.

That where the new evidence is of late discovery, and the excuse for delay is vague and unsatisfactory, no new trial will be allowed, see Albany Steam Trap Co. *v.* Felthousen (1886), 26 Fed. Rep. 318.

That if a new trial is granted on this ground the mover must pay the costs of the former trial, see Aiken *v.* Bemis (1847), 3 W. & M. 348; 2 Robb, 644.

[11] That if a party is taken by surprise a continuance may be granted, but if he goes on he waives the matter of surprise, see Ames *v.* Howard (1833), 1 Sumner, 482; 1 Robb, 689.

[12] That a motion once rejected cannot be repeated unless on a new basis of facts, see Gage *v.* Kellogg (1886), 36 O. G. 234; 26 Fed. Rep. 242; Matthews *v.* Puffer (1882), 22 O. G. 332; 20 Blatch. 233.

That if a verdict is satisfactory to the court and evidence was given on both sides, a decision on a motion for a new trial will not be elaborately set out, see Bray *v.* Hartshorn (1860), 1 Clifford, 538.

§ 1079. [1] Secs. 691, 699, 700, Rev. Stat. 1874.

[2] That the writ of error is matter of right, not of discretion, without regard to the amount in controversy, see Philp *v.* Nock (1871), 13 Wall. 185.

within the discretion of the court, such as a question of continuance, new trial, amendment, or costs.[3] Errors in law alone can be the subject of a writ of error, and these must appear upon the record with the exceptions duly taken.[4] Any party aggrieved by the judgment can obtain this writ, even though other parties on the same side of the cause decline to join, by stating that fact on the record.[5] The writ must issue within two years after the entry of the final judgment, except in certain cases when the disability of the defeated party necessitates a longer period.[6] The entire record in the circuit court must be sent to the Supreme Court, and the matters claimed as error must be properly assigned, or they will not be noticed in the court above.[7] The Supreme Court has power to reverse or modify or affirm the judgment, and when affirming it to award the prevailing party suitable damages for the delay.[8]

[3] That error lies only from a final judgment, see Potter *v.* Mack (1868), 3 Fisher, 428; Rutherford *v.* Fisher (1800), 4 Dallas, 22.

That error does not lie from a decision on any matter within the discretion of the court, see Pomeroy *v.* Bank of Indiana (1863), 1 Wall. 592; Dean *v.* Mason (1857), 20 How. 198; Silsby *v.* Foote (1852), 14 How. 218.

That no error lies on the grant or refusal of a continuance, see Livingston *v.* Dorgenois (1813), 7 Cranch, 577.

That no error lies on the grant or refusal of a new trial, see Insurance Co. *v.* Benton (1871), 13 Wall. 603; Pomeroy *v.* Bank of Indiana (1863), 1 Wall. 592.

That no error lies on a decision allowing or rejecting an amendment, see Pickett *v.* Legerwood (1833), 7 Peters, 144; Walden *v.* Craig (1824), 9 Wheaton, 576.

That no error lies on a decision regarding costs unless they exceed $2000, see Sizer *v.* Many (1853), 16 How. 98.

[4] That errors in law alone can be noticed on writ of error, see Miles *v.* United States (1880), 103 U. S. 304; United States *v.* Goodwin (1812), 7 Cranch, 108.

That no error can be noticed unless it appears of record, see Chaffee *v.* Boston Belt Co. (1859), 22 How. 217; Phelps *v.* Mayer (1853), 15 How. 160.

That a bill of exceptions must follow the established forms, see Pomeroy *v.* Bank of Indiana (1863), 1 Wall. 592.

[5] That any party aggrieved may have a writ of error though other parties refuse to join, see O'Dowd *v.* Russell (1871), 14 Wall. 402.

[6] Sec. 1008, Rev. Stat. 1874.

[7] Sec. 997, Rev. Stat. 1874. Rule 8, Supreme Court Rules.

That where the invention is clearly not patentable the Court will dismiss the suit, though that defence was not set up, see Slawson *v.* Grand Street R. R. Co. (1882), 107 U. S. 649; 24 O. G. 99.

[8] Secs. 691, 699, 700, Rev. Stat. 1874.

That where the cause is tried without a jury and a special finding is made, the Supreme Court may decide whether the

§ 1080. Costs.

As a general rule, the party who recovers judgment in an action at law for infringement also recovers costs.[1] To this rule there are, however, certain exceptions. When an excessive Claim is cured by a disclaimer pending suit, or where upon a contest over several Claims one is adjudged to be excessive and no disclaimer has been filed, or where certain Claims are abandoned at the trial as unlawful, though without a formal disclaimer, costs to the plaintiff are denied.[2] But a disclaimer filed without necessity, or after verdict, or in a different divi-

facts found support the judgment, see Sec. 700, Rev. Stat. 1874.

That damages for the delay may be allowed when the judgment is affirmed, see Sec. 1010, Rev. Stat.; Pennywit *v.* Eaton (1872), 15 Wall. 380; McKee *v.* Rains (1869), 10 Wall. 22.

§ 1080. [1] That in actions at law for infringement costs usually follow the judgment, see Sec. 4919, Rev. Stat. 1874. See also Kittredge *v.* Race (1875), 92 U. S. 116.

That under Sec. 14, act of 1836 (repeated in Sec. 4919, Rev. Stat.), costs follow a verdict for any amount, and whether the court increases the damages or not, see Merchant *v.* Lewis (1857), 1 Bond, 172.

[2] In Peek *v.* Frame (1871), 5 Fisher, 211, Woodruff, J.: (212) "On the one hand, the mere fact that the plaintiffs obtained a verdict is not conclusive that they are also entitled to costs; for they may have obtained the verdict under and in pursuance of section 9 of the act of 1837, which warrants a recovery for an infringement of what is, in fact, new, and claimed as the plaintiff's invention, notwithstanding the patentee has also, through mistake, without fraud or intent to deceive, claimed something which is not new. If this verdict was rendered for an infringement of valid Claims, and it appeared that other Claims were rejected in pursuance of that section, then although the plaintiffs obtained a verdict, they are not entitled to costs. But if the verdict was in fact upon all the Claims, in affirmance of the validity of each, and of the novelty of the inventions claimed in each, then the plaintiffs are entitled to costs. On the other hand, the mere fact that the plaintiffs have, since the trial and verdict, disclaimed one or more of the Claims made in the patent, is not alone conclusive that the plaintiffs are not entitled to costs. If the verdict was rendered, as secondly above suggested, upon all the Claims, affirming their validity, and the novelty of the invention claimed in each, then what the plaintiffs may have said or done, by disclaimer or otherwise, does not deprive them of the effect of the verdict; and so long as it remains in force, not set aside, it is conclusive between the parties. The fact of disclaimer is high evidence, in such case, that the verdict was wrong, and that the plaintiff should only have recovered on the parts of the invention or patent therefor which are not disclaimed, and such evidence might warrant a new trial. But while such a verdict stands it is conclusive."

See also, as to disclaimer Hayes *v.* Bickelhoupt (1885), 23 Fed. Rep. 183; 32 O. G. 135; Matthews *v.* Spangenberg (1882), 23 O. G. 92; 20 Blatch. 482; 19 Fed. Rep. 823; Tuck *v.* Bramhill (1868), 3 Fisher, 400; 6 Blatch. 95;

sion of a re-issued patent, has no effect upon the right to costs.[3] A verdict for nominal damages usually carries costs.[4] Various reasons operate in equity to deprive a victorious party of his costs, as where the suit is based on several patents some of which are held invalid, or where the defendant

Singer *v.* Walmsley (1860), 1 Fisher, 558.

That suits can be maintained on the valid Claims in a re-issue, but no costs can be recovered unless the invalid Claims were disclaimed, see Worden *v.* Searls (1884), 21 Fed. Rep. 406.

That a disclaimer to save costs, under Sec. 4922, is needed only when the Claim is originally excessive, not when the right to claim by re-issue has been lost by delay and a disclaimer is thus necessary, for then costs are allowed, see Mundy *v.* Lidgerwood Mfg. Co. (1884), 20 Fed. Rep. 191.

That when the patent contains several Claims, some of which are abandoned at the trial, costs will not be allowed unless a disclaimer were filed before suit, see Proctor *v.* Brill (1883), 16 Fed. Rep. 791.

That valid Claims may be recovered on without costs if invalid Claims are not disclaimed, but unreasonable delay in disclaiming defeats also the valid Claims, see McCormick *v.* Seymour (1854), 3 Blatch. 209; Hall *v.* Wiles (1851), 2 Blatch. 194.

That where the plaintiff recovers on a valid Claim and invalid Claims have not been disclaimed and the patent having expired no disclaimer can now be filed, if there has been no unreasonable delay in disclaiming, the plaintiff may have a decree without costs on the valid Claim, and on an appeal to the Supreme Court each party pays his own costs and one half the expense of printing the records, see Yale Lock Co. *v.* Sargent (1886), 117 U. S. 536; 35 O. G. 497.

[3] That if a disclaimer is unnecessarily filed costs will be allowed the plaintiff as if it were not filed, see Sharp *v.* Tifft (1880), 17 O. G. 1282; 18 Blatch. 132; 2 Fed. Rep. 697.

That the disclaimer of immaterial features does not affect costs, see Peek *v.* Frame (1871), 5 Fisher, 211.

That a disclaimer after verdict may give rise to a new trial, but cannot affect the verdict or costs in any other way, see Peek *v.* Frame (1871), 5 Fisher, 211.

That a disclaimer upon one division of a re-issue has no effect upon the costs in a suit on the other, see Elastic Fabrics Co. *v.* Smith (1879), 100 U. S. 110.

[4] In Merchant *v.* Lewis (1857), 1 Bond, 172, Leavitt, J.: (173) "A verdict for damages, whatever may be the amount, implies that the defendant has been a wrong-doer in the unauthorized use of the plaintiff's exclusive right under his patent; and such a verdict will carry costs. It is not a just inference, in a patent-right case, that because nominal damages are found by the jury, the action is necessarily frivolous or vexatious. It happens, not unfrequently, that the owner of a patent is compelled, for the protection of his rights, to sue for an infringement under circumstances in which he neither seeks to recover nor asserts a right to anything beyond mere nominal damages. This may be necessary for the establishment of his patent, and to prevent infringements. And, as by the legislation of Congress, the Circuit Courts of the United States have exclusive jurisdiction in patent cases, it would be a great hardship if he were subjected to the costs in thus asserting his legal rights."

has been misled by the plaintiff into the belief that his acts were not an invasion of the patent, or where upon the trial of two distinct issues each party prevails in one, or where the suit is brought entirely for the vindication of the plaintiff's patent, or to secure a judicial interpretation of its Claims, and the defendant has been guilty of no wilful wrong.[5]

[5] That when the patent contains two Claims and only one is sustained, plaintiff recovers no costs, under Sec. 4922, see Stewart *v.* Mahoney (1879), 5 Fed. Rep. 302 ; 4 Bann. & A. 84.

That where the plaintiff recovers on one patent and the defendant on the other, costs will be apportioned, see Pennsylvania Diamond Drill Co. *v.* Simpson (1886), 29 Fed. Rep. 288 ; 37 O. G. 218.

That where the suit is based on several patents and the plaintiff recovers only on one, he can have no costs, see Schmid *v.* Scoville Mfg. Co. (1889), 37 Fed. Rep. 345 ; Albany Steam Trap Co. *v.* Felthousen (1884), 20 Fed. Rep. 633 ; 22 Blatch. 169 ; American Wood Paper Co. *v.* Heft (1867), 3 Fisher, 316.

That no costs will be taxed against a defendant who has been misled by the plaintiff into believing that he did not infringe, see Sarven *v.* Hall (1873), 6 Fisher, 495 ; 4 O. G. 666 ; 11 Blatch. 295.

That a defendant who misled the plaintiff into buying the patent cannot recover costs if the patent is defeated, see Bunker *v.* Stevens (1885), 36 O. G. 345 ; 26 Fed. Rep. 245.

That the successful party recovers costs unless his conduct has been such as to render their allowance unlawful or unjust, see Bunker *v.* Stevens (1885), 36 O. G. 345 ; 26 Fed. Rep. 245.

That where there are two distinct causes of action and the plaintiff prevails in one and the defendant in another, no costs will be allowed, see Adams *v.* Howard (1884), 19 Fed. Rep. 317; 22 Blatch. 47; 20 O. G. 825; Yale & Greenleaf Mfg. Co. *v.* North (1867), 3 Fisher, 279 ; 5 Blatch. 455.

That if the proceeding is solely for the plaintiff's benefit, no costs are allowed against the defendant unless he is guilty of wrong, but if the defendant succeeds on other grounds his own costs may be disallowed, see Hovey *v.* Stevens (1846), 3 W. & M. 17 ; 2 Robb, 567.

That one who unnecessarily joins in a defence on the merits cannot recover costs, see Tyler *v.* Galloway (1882), 13 Fed. Rep. 477 ; 22 O. G. 1294 ; 21 Blatch. 66.

The following decisions concerning the items to be allowed or rejected from a bill of costs in patent cases are here inserted, a discussion of them in the text being regarded as unnecessary.

Patents, Copies, etc. :

That copies of the plaintiff's patent procured by defendant are not taxable in his favor, because the plaintiff is bound to produce it, see Hathaway *v.* Roach (1846), 2 W. & M. 63.

That copies of patents procured by the defendant cannot be taxed as costs against the plaintiff, see Woodruff *v.* Barney (1862), 2 Fisher, 244; 1 Bond, 528.

Assignments, Copies :

That copies of assignments of the patent, procured by the defendant, are taxable, see Hathaway *v.* Roach (1846), 2 W. & M. 63.

Models, Copies, etc. :

That models like the plaintiff's device may be included in the taxation of costs,

SECTION IV.

OF INFRINGEMENT: REMEDY IN EQUITY.

§ 1081. Origin of Equity Jurisdiction over Infringement Cases in England.

The right of the owner of a patent to invoke the assistance of a court of equity in cases of infringement, where no ade-

see Woodruff *v.* Barney (1862), 2 Fisher, 244; 1 Bond, 528; Hathaway *v.* Roach (1846), 2 W. & M. 63.

That copies of models in the Patent Office are taxable, but other models, machines, or photographs are not taxable, see Wooster *v.* Handy (1885), 23 Fed. Rep. 49; 23 Blatch. 113; Hussey *v.* Bradley (1864), 5 Blatch. 210; Parker *v.* Bigler (1857), 1 Fisher, 285.

That the expense of obtaining a model of defendant's infringing machine is not taxable among the plaintiff's costs, see Cornely *v.* Marckwald (1885), 23 Blatch. 248; 24 Fed. Rep. 187.

Attendance, Parties, Counsel, etc.:

That the expense of attending court, and of counsel for attending, is not taxable, see Hussey *v.* Bradley (1864), 5 Blatch. 210.

Copies of Arguments, etc.:

That the expense of copying papers or of reporting arguments for the use of the court will not be taxed, see Hussey *v.* Bradley (1864), 5 Blatch. 210.

Printing:

That the expense of printing pleadings, evidence, briefs, etc., and of lithographing drawings, unless incurred by order of the court, or by agreement of the parties, is not taxed, see Hussey *v.* Bradley (1864), 5 Blatch. 210.

Expense of Getting Evidence:

That the expenses required to obtain needed evidence may be taxed under the act of 1853, see Spaulding *v.* Tucker (1871), 4 Fisher, 633.

Telegraphing:

That necessary telegraphic expenses may be taxed, see Hussey *v.* Bradley (1864), 5 Blatch. 210.

Marshal:

That a marshal cannot tax mileage by zig-zag travel to reach a witness, see Parker *v.* Bigler (1857), 1 Fisher, 285.

That a marshal is not entitled to fees for serving a rule to plead, see Parker *v.* Bigler (1857), 1 Fisher, 285.

Witnesses:

That the travelling fees of voluntary witnesses, attending at the request of the prevailing party, will not be taxed against the loser, see Spaulding *v.* Tucker (1871), 4 Fisher, 633.

That witnesses who attend without summons are voluntary witnesses and cannot be taxed against the loser, see Woodruff *v.* Barney (1862), 2 Fisher, 244; 1 Bond, 528.

That witnesses from out of the district, or living over one hundred miles distant, are always voluntary witnesses, see Spaulding *v.* Tucker (1871), 4 Fisher, 633.

That the reasonable expenses of a voluntary witness may be taxed when the evidence is taken under an agreement of the parties, see Spaulding *v.* Tucker (1871), 4 Fisher, 633.

That a witness summoned in several suits against several defendants, is entitled to attendance and mileage in each case, see Parker *v.* Bigler (1857), 1 Fisher, 285.

That a witness has mileage for going

quate relief is possible at law, rests upon fundamental principles of jurisprudence, and is independent of any legislative enactment.[1] It is true that in the statute of James I. exclusive jurisdiction over all letters-patent, and over all questions concerning their force and validity, was reserved to the tribunals which administered the "common laws;" and that for a long period this reservation was interpreted as prohibiting the interference of the court of chancery, at least until the claims of the patentee had been fully vindicated in a court of law. But in the latter part of the last century the rigor of this doctrine was abated, and the chancellors began to grant injunctions without a prior suit at law, and if the plaintiff's right was undisputed to order an account of profits and thus dispose of the entire cause without a jury. Theoretically, however, those proceedings were always in aid of an action at law; and, therefore, when the defendant denied either the validity of the patent, or the title of the plaintiff, or the fact of infringement, these issues were submitted to a jury in a court of common-law jurisdiction, and the verdict there rendered was made the basis of the final decree in equity.[2]

§ 1082. Origin of Equity Jurisdiction over Infringement Cases in the United States.

It was during this condition of the English chancery practice, in cases of infringement, that our own patent system was

home, not for coming to court, see Woodruff . Barney (1862), 2 Fisher, 244; 1 Bond, 528.

Depositions:

That a deposition cannot be taxed if instead of using it the party called and examined the witness in court, see Hathaway *v.* Roach (1846), 2 W. & M. 63.

Practice:

That the Circuit Court may tax costs *nunc pro tunc* after the mandate of the Supreme Court has been issued and received by the Circuit Court, see Sizer *v.* Many (1853), 16 How. 98.

That where, on a judgment for the defendant, the costs cannot be collected on execution, the court will not on motion appoint a receiver to dispose of the patent as an asset, but a new bill for that purpose must be filed, see Thayer *v.* Hart (1885), 23 Blatch. 303; 24 Fed. Rep. 558.

For further rules in equity cases, see §§ 1162, 1163, and notes, *post.*

§ 1081. [1] As to the necessity and advantage of equitable interference by injunction in cases of infringement, see § 1168 and notes, *post.*

[2] As to the origin and development of equitable jurisdiction over patent cases in England, see § 932 and notes, *ante.*

established. The acts of Congress, prior to 1819, made no provision for any suit in equity by the owner of a patent, nor for his enjoyment of any form of equitable relief in connection with his action for damages at common law. Nevertheless, the Federal courts, following the decisions of the lords chancellors, held that equity had jurisdiction over patents for inventions, and could exercise its ordinary powers in behalf of the patentee, whenever these were needed to give complete effect to the statute under which the patent had been granted.[1] But this jurisdiction was not regarded as original, or even as concurrent with that of the courts of common law. While proceedings might commence by the filing of a bill in equity, and by the issue of a preliminary injunction against the defendant, yet if the case were contested on its merits an immediate trial at law was ordered to determine the real points in controversy; after which, if the plaintiff obtained a verdict, the court of equity could decree an accounting and a perpetual injunction in his favor.[2]

§ 1083. Difficulties in the Administration of Equitable Remedies before the Act of 1819: Object of the Act.

In the administration of these equitable remedies the Federal courts encountered one difficulty which only a legislative enactment could remove. The authority conferred upon these courts by the Judiciary Act of 1789 did not extend to actions between parties both of whom were citizens of the same individual State, and thus required suits for infringement to be

§ 1082. [1] The acts of 1790, 1793, and 1800 gave to the plaintiff the right to recover certain specific penalties by an action on the case founded on the statute. That such actions at law could be aided by a Federal court of equity seems never to have been doubted, except where the litigants were citizens of the same State (see Livingston *v.* Van Ingen (1811), 1 Paine, 45), and is recognized as a long subsisting practice by Thompson, J., in Sullivan *v.* Redfield (1825), 1 Paine, 441; 1 Robb, 477. See also § 932 and notes, *ante*.

[2] That equity interferes only in aid of an action at law, see Sullivan *v.* Redfield (1825), 1 Paine, 441; 1 Robb, 477.

That where a material issue was raised, relating to the fact of infringement or the validity of the patent, a trial at law was ordered, or a feigned issue sent to a jury for decision, see Orr *v.* Merrill (1846), 1 W. & M. 376; 2 Robb, 323; Brooks *v.* Bicknell (1845), 4 McLean, 70; Parker *v.* Hatfield (1845), 4 McLean, 61; Brooks *v.* Bicknell (1843), 3 McLean, 250; 2 Robb, 118.

brought before the local courts except in cases where the parties were resident in different States. The act of 1800 cured this defect, so far as actions at law were concerned, but left the jurisdiction in equity unchanged. Hence while a suit for damages would lie against an infringer in any Circuit court, irrespective of his citizenship, no equitable relief could be obtained against him unless he resided in a different State from that of the plaintiff.[1] To remove this difficulty the act of 1819 was passed, bestowing on the Circuit courts original cognizance, in equity as well as at law, over all patent cases, with full authority to grant injunctions according to the course and principles of courts of equity.[2]

§ 1084. Legal and Equitable Jurisdiction over Infringement Cases not Concurrent.

The sweeping language employed in the act of 1819, and adopted from it into the acts of 1836 and 1870, gave rise to an erroneous doctrine concerning the nature and extent of equity jurisdiction over patent causes, which has found its expression in numerous decisions of the courts. These acts provide that all actions, suits, controversies, and cases, arising under any law of the United States, granting or confirming to inventors the exclusive right to their inventions or discoveries, shall be originally cognizable, as well in equity as at law, by the Circuit courts of the United States. Under this provision it has been claimed and held that the jurisdiction in equity is concurrent with that at law in all cases, and that no suit for infringement can be maintained at law which could not also be prosecuted in equity; thus giving to the injured patentee a choice of remedies without reference to the situation of the parties or the facts in controversy.[1] This doctrine ignores the

§ 1083. [1] That prior to the act of 1819 the Federal courts had no equity jurisdiction in patent cases unless the parties were citizens of different States, see Livingston *v.* Van Ingen (1811), 1 Paine, 45.

[2] That the purpose of the act of 1819 was to extend equity jurisdiction to patent cases in which the parties are citizens of the same State, see Sullivan *v.* Redfield (1825), 1 Paine, 441; 1 Robb, 477.

§ 1084. [1] In Nevins *v.* Johnson (1853), 3 Blatch. 80, Betts, J.: (82) "We see no reason for regarding the power to issue injunctions as the primary and substantive authority of courts of equity under this statute. They have plenary

fundamental distinction between law and equity, as systems of practical jurisprudence, and contemplates the Circuit court not as an ordinary judicial body clothed with common-law and chancery powers, but as a special tribunal constituted to hear and determine patent causes and authorized to entertain actions on the case or bills for injunctions or accounts, at the option of the plaintiff. In opposition to this doctrine, however, it has with equal pertinacity been held by other judges that the equitable jurisdiction of the Federal courts was not enlarged as to its subject-matter or its forms of procedure by these acts of Congress, but that the spheres of law and equity are still distinct in patent cases as in all others, and that the latter powers are exercisible only where the plaintiff has no adequate remedy at law.[2] This view has been accepted and confirmed by the Supreme Court in a recent and exhaustive

jurisdiction over all actions, suits, controversies, and cases in equity and at law, arising under the Patent Laws. A suit demanding a discovery of the extent of an infringement of a patent right, and an account of the profits realized from such infringement, is manifestly a case arising under the Patent Law; and the natural interpretation of the language of the act would seem to be, that Congress has bestowed upon this Court a common jurisdiction, both on its law and equity sides, over all cases of that class, and that no suit of that character can be maintained at law which may not also be prosecuted in equity." See further Birdsall *v.* Coolidge (1876), 93 U. S. 64; 10 O. G. 748; Perry *v.* Corning (1870), 7 Blatch. 195; Hoffheins *v.* Brandt (1867), 3 Fisher, 218; Goodyear *v.* Hullihen (1867), 3 Fisher, 251; 2 Hughes, 492.

That the Circuit courts have original jurisdiction over patent cases in equity as well as in law, and the power to issue an injunction is a mere incident, see Atwood *v.* Portland Co. (1880), 10 Fed. Rep. 283; 5 Bann. & A. 533.

That the Federal court has jurisdiction in equity when the parties to a patent case belong in different States, but whether it has such jurisdiction when they belong in the same State, except for the purposes of an injunction, is doubtful, see Sayles *v.* Richmond, Fredericksburg, & Potomac R. R. Co. (1879), 16 O. G. 43; 3 Hughes, 172; 4 Bann. & A. 239.

[2] That although jurisdiction in equity is complete it is not exclusive, nor are its differences from law abolished, see Livingston *v.* Jones (1861), 2 Fisher, 207; 3 Wall. Jr. 330.

That equity has no jurisdiction where there is adequate remedy at law, see Spring *v.* Domestic Sewing Mach. Co. (1882), 13 Fed. Rep. 446; 22 O. G. 1445; Hayward *v.* Andrews (1882), 12 Fed. Rep. 786; Merriam *v.* Smith (1882), 11 Fed. Rep. 588.

That the act of 1819 did not enlarge or alter the equity jurisdiction of the Federal courts over the subject-matter of the controversy, but simply empowered those courts to exercise that jurisdiction when both the litigants were citizens of the same State, see Sullivan *v.* Redfield (1825), 1 Paine, 441; 1 Robb, 477.

decision, and it may now, therefore, be considered as a settled principle that the legal and equitable remedies afforded to the owner of a patent are not concurrent, or interchangeable, nor can they be made so without a violation of the Federal Constitution, but that where adequate legal remedy exists he must seek his redress in an action at law, the issues in which may be submitted to a jury.[3]

§ 1085. Jurisdiction of Equity Complete whenever any Form of Equitable Relief is Necessary.

Pending the settlement of the foregoing question, another equitable doctrine has gradually introduced a change into the practice of the courts, and rendered still more clear the distinction between the jurisdictions of chancery and law. It is an established principle of equity that whenever it obtains cognizance of a cause for any purpose it will retain it until complete relief has been afforded to the injured party.[1] Thus in the earlier period of patent litigation, although after the grant of a preliminary injunction a trial at law was ordered upon certain issues, the case was finally adjudicated by the court of chancery, which awarded not only a compensation for the plaintiff's loss, but whatever other remedies might be required for his protection.[2] Under the influence of the theory that the acts of Congress enlarged the powers of equity, and the increasing conviction that the intricate questions of fact involved in patent causes were more appropriate for the determination of a skilful judge than of an inexperienced

[3] In Root *v.* Lake Shore & Michigan Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; the following fundamental propositions are stated by the Supreme Court:—

1. That Secs. 55, 59, and 61 of the act of 1870 (being in substance Secs. 4919, 4920, and 4921 of the Revised Statutes, and embracing the provisions of the act of 1819, &c.) do not abolish the distinction between law and equity, nor change their ancient boundaries.

2. That the preservation of the distinction between law and equity is guaranteed by the Constitution.

3. That legal rights must be enforced in courts of law.

4. That equity cannot interfere where there is an adequate remedy at law.

§ 1085. [1] That if equity obtains jurisdiction for one purpose it will exercise it as to all, see Burdell *v.* Comstock (1883), 15 Fed. Rep. 395; Magic Ruffle Co. *v.* Elm City Co. (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

[2] For instances of this practice at an early date, see cases cited in notes to § 932, *ante*.

jury, this doctrine gained additional importance, and was applied to such advantage that trials at law upon the merits of the controversy slowly disappeared, and the entire disposal of the cause, in all its stages, vested in the court of equity alone.[3] Hence, though the judge in chancery has still the power to send the issues to a jury in a court of common law, this measure is rarely if ever adopted, and the whole proceedings are conducted as if no other tribunal than his own were in existence.[4]

§ 1086. No Equity Jurisdiction where Adequate Remedy Exists at Law.

As the result of these two principles, the respective jurisdictions of law and equity over suits for infringement are now clearly defined, and capable of accurate statement. Where the remedy at law is adequate, equity has no jurisdiction.[1]

[3] For examples of this complete assumption of equity jurisdiction without reference to proceedings at law, see cases cited in notes to § 932, *ante*.

[4] That chancery may still send an issue to be tried at law, see Watt *v.* Starke (1879), 101 U. S. 247; 17 O. G. 1092.

That equity has complete jurisdiction in patent causes and without the aid of courts of law may determine rights and give a complete remedy, see Wise *v.* Grand Avenue R. R. Co. (1888), 33 Fed. Rep. 277; Avery *v.* Wilson (1884), 20 Fed. Rep. 856; Sickles *v.* Gloucester Mfg. Co. (1856), 1 Fisher, 222; 3 Wall. Jr. 196.

That Sec. 61, act of 1870, provides a mode of trying all issues of fact and law without framing special issues and sending them to a jury, see Root *v.* Lake Shore and Michigan Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112.

That the equity jurisdiction of the Federal courts is not merely ancillary to law, and does not require that the patent be first established by the verdict of a jury, see Wise *v.* Grand Avenue R. R. Co. (1888), 33 Fed. Rep. 277; McMillin *v.* Barclay (1872), 4 Brews. (Pa.) 275; 5 Fisher, 189; Doughty *v.* West (1865), 2 Fisher, 553; Goodyear *v.* Providence Rubber Co. (1864), 2 Fisher, 499; 2 Clifford, 351; Potter *v.* Fuller (1862), 2 Fisher, 251; Sanders *v.* Logan (1861), 2 Fisher, 167; Sickles *v.* Gloucester Mfg. Co. (1856), 1 Fisher, 222; 3 Wall. Jr. 196; Motte *v.* Bennett (1849), 2 Fisher, 642.

§ 1086. [1] That the distinction between law and equity is the same in patent cases as in others, and if the remedy at law is adequate equity has no jurisdiction, see Brooks *v.* Miller (1886), 28 Fed. Rep. 615; Crandall *v.* Plano Mfg. Co. (1885), 32 O. G. 1122; 24 Fed. Rep. 738; Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; Spring *v.* Domestic Sewing Mach. Co. (1882), 13 Fed. Rep. 446; 22 O. G. 1445; Hayward *v.* Andrews (1882), 12 Fed. Rep. 786; Merriam *v.* Smith (1882), 11 Fed. Rep. 588; Sayles *v.* Richmond,

Where equitable interference is necessary for the complete protection of the plaintiff, equity has jurisdiction not only for that purpose but for all purposes, and can fully hear and finally determine all the issues in the cause.[2] No precise and universal test can be established for ascertaining the necessity of equitable interference. It depends upon the circumstances of the individual case, and relief will never be withheld where justice to the parties apparently requires its application. There are, however, certain classes of cases, which evidently fall upon one side or the other of the line dividing equity from law, and concerning which, therefore, the rule of jurisdiction may be more fully and explicitly declared.

§ 1087. Adequate Remedy Exists at Law in what Cases.

An adequate remedy at law exists in favor of the owner of a patent against an infringer wherever the sole relief required

Fredericksburg, & Potomac R. R. Co. (1879), 16 O. G. 43; 3 Hughes, 172; 4 Bann. & A. 239; Jenkins *v.* Greenwald (1857), 2 Fisher, 37; 1 Bond, 126; Motte *v.* Bennett (1849), 2 Fisher, 642.

That the test of equity jurisdiction is adequate remedy at law under the Judiciary Act of 1789 and subsequent Federal legislation, see McConihay *v.* Wright (1887), 121 U. S. 201.

That jurisdiction in equity attaches unless the legal remedy, both in respect to the final relief and the mode of obtaining it, is as efficient as the remedy which equity would confer under the same circumstances, see Kilbourn *v.* Sunderland (1889), 130 U. S. 505.

That the remedy in account is generally more complete and adequate in equity than at law, see Kilbourn *v.* Sunderland (1889), 130 U. S. 505.

That where the plaintiff's remedy at law is adequate the bill will be dismissed on demurrer, see Crandall *v.* Plano Mfg. Co. (1885), 32 O. G. 1122; 24 Fed. Rep. 738.

[2] That equity will take jurisdiction whenever the rights of the parties require it, see Brick *v.* Staten Island R. R. Co. (1885), 25 Fed. Rep. 553; Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112.

That if equity obtains jurisdiction for any purpose it will afford complete relief as to all matters involved in the suit, see Burdell *v.* Comstock (1883), 15 Fed. Rep. 395; Magic Ruffle Co. *v.* Elm City Co. (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann & A. 506.

That if the evidence shows that no equitable relief is or was required the bill will be dismissed *in toto*, and no relief given, see Clark *v.* Wooster (1886), 119 U. S. 322; 37 O. G. 1477.

That equity will retain jurisdiction after the death of an infringer, though no injunction will issue, but only an accounting can be ordered, see Kirk *v.* Du Bois (1886), 37 O. G. 102; 28 Fed. Rep. 460. *Contra*, Judson *v.* Draper (1873), 3 O. G. 354; 6 Fisher, 327; Holmes, 208.

is compensation for a past injury, provided this relief can be afforded without equitable aid. Thus where the plaintiff has chosen to seek his recompense for the enjoyment of the patented invention through an established license fee, and the infringing acts of the defendant raise an implied acceptance of the offer of the plaintiff, the sum which the plaintiff is entitled to recover is fixed and certain, the remedy at law is adequate, and equity can have no jurisdiction.[1] Where the infringement has already ceased, and the defendant, having made no gains or savings by his wrongful acts, can be held liable only for the damages sustained by the plaintiff, the legal remedy is also sufficient, and equity cannot interfere.[2] Where profits

§ 1087. [1] In Livingston *v.* Jones (1861), 2 Fisher, 207, Grier, J.: (210) "But it is plain that a patentee, whose invention is only valuable because used by all who pay a license fee, and who suffers no other wrong than the detention of such fee, has fixed his own measure of compensation, and needs none of the remedies which it is the duty of the chancellor to give for his protection. An injunction would do him no good; an account is not wanted; and the only remedy to which he is entitled being a judgment for a given sum of money, with interest, a court of law is his proper resort, where also he may recover a penalty to the extent of treble damages, if the judge sees fit to inflict it." 3 Wall. Jr. 330 (343). See also Brewster *v.* Tuthill Spring Co. (1888), 34 Fed. Rep. 769; Smith *v.* Sands (1885), 24 Fed. Rep. 470; 32 O. G. 1467; Vaughn *v.* Central Pacific R. R. Co. (1877), 4 Sawyer, 280; 3 Bann. & A. 27; Sanders *v.* Logan (1861), 2 Fisher, 167.

That the licensor cannot sue in equity to recover royalties, see Crandall *v.* Plano Mfg. Co. (1885), 24 Fed. Rep. 738; 32 O. G. 1123.

That a court of equity will not annul a license on the ground that the licensee does not pay the royalties, or make report, the remedy at law being adequate, see Densmore *v.* Tanite Co. (1887), 32 Fed. Rep. 544.

That an action for damages or profits on a license cannot be maintained in equity unless there is some other ground for equitable relief, see Consolidated Middlings Purifier Co. *v.* Wolf (1886), 28 Fed. Rep. 814; 37 O. G. 567.

That equity has jurisdiction to compel a discovery of the number of articles made under a license, where the licensee refuses to make his periodical reports as agreed, see Pope Mfg. Co. *v.* Owsley (1886), 27 Fed. Rep. 100; 37 O. G. 781.

That where the patentee grants licenses to certain persons only, he may sue an infringer at law for the license fee or damages, or in equity for an injunction with profits and damages, see Bragg *v.* City of Stockton (1886), 27 Fed. Rep. 509; 11 Sawyer, 597.

[2] That where the plaintiff has a mere right to damages for past infringements equity has no jurisdiction, see Ulman *v.* Chickering (1887), 33 Fed. Rep. 582; Burdell *v.* Comstock (1883), 15 Fed. Rep. 395; Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; Spring *v.* Domestic Sewing Mach. Co. (1882), 22 O. G. 1445; 13 Fed. Rep. 446; Jenkins *v.*

have been made by the defendant by an infringement now incapable of repetition, and the amount of these profits can be ascertained and collected through the ordinary action at law, this legal remedy is ample, and no recourse to equity is necessary.[3] When the patent has expired, and the entire claim of the plaintiff against the defendant rests upon infringing acts performed during the term, an action on the case for the recovery of damages often affords complete redress without the aid of equity.[4] Where the infringement is a breach of contract, by whose provisions the compensation of the plaintiff for the injury is determined, the sum due to the injured party is recoverable at law, and equitable interference cannot be invoked.[5] Of course, in many of these cases circumstances may arise, collateral to the main facts in the controversy, which require the interposition of a court of equity, but where these are absent, and the plaintiff's right to compensation and its amount can both be made manifest by the proceedings incident to a jury trial in a court of law, the remedy at law is adequate, and no occasion for the assistance of a court of equity exists.[6]

Greenwald (1857), 2 Fisher, 87; 1 Bond, 126.

[3] That equity has no jurisdiction over an action to recover profits where the account can be as readily settled at law, see Vaughn *v.* East Tennessee, Va., & Ga. R. R. Co. (1877), 11 O. G. 789; 1 Flippin, 621; 2 Bann. & A. 537; and cases cited in note 2, *ante*.

That equity has jurisdiction where an account can be more readily settled in equity than at law, see Vaughn *v.* East Tennessee, Va. & Ga. R. R. Co. (1877), 11 O. G. 789; 1 Flippin, 621; 2 Bann. & A. 537.

That in actions for an account of profits or receipts the remedy at law is less adequate than that in equity, see Kilbourn *v.* Sunderland (1889), 130 U. S. 505.

That the mere intricacy of an account does not give equity jurisdiction, see Creamer *v.* Bowers (1887), 30 Fed. Rep. 185; Adams *v.* Bridgewater Iron Co. (1886), 26 Fed. Rep. 324; 34 O. G. 1045; Lord *v.* Whitehead & Atherton Mach. Co. (1885), 24 Fed. Rep. 801; 33 O. G. 499.

As to whether an account of profits can be had at law in infringement cases, see § 1091, note 6, *post*.

[4] See § 1092 and notes, *post*.

[5] That equity has no jurisdiction over actions for breach of contract, see Magic Ruffle Co. *v.* Elm City Co. (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

[6] That where any necessity for equitable interference exists on any substantial ground equity will take jurisdiction, see Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; Vaughn *v.* East Tennessee, Va., & Ga. R. R. Co. (1877), 11 O. G. 789; 1 Flippin, 621; 2 Bann. & A. 537.

§ 1087. No Adequate Remedy at Law against Future Infringements.

An adequate remedy at law does not exist in any case where future infringements are to be prevented, or where full compensation for past infringements is unobtainable in courts of law. Future infringements can be prevented only by an injunction issuing out of chancery, and to this relief the plaintiff is entitled whenever he has reason to apprehend a violation of his rights by the defendant.[1] In two cases an injunction is unnecessary; one where the plaintiff has an established license fee, which can be collected from the defendant in a suit at law if he should make the threatened use of the invention; the other where the infringement has been finally abandoned by the defendant, or has become impossible through the expiration of the patent.[2] But in every case where the patent is

§ 1088. [1] In Motte *v.* Bennett (1849), 2 Fisher, 642, Wayne, J.: (645) "The principle upon which courts of equity have jurisdiction in patent cases, and upon which injunctions are granted in them, is not that there is no legal remedy, but that the law does not give a complete remedy to those whose property is invaded; for if each infringement of the patent were to be made a distinct cause of action, the remedy would be worse than the evil. The inventor or author might be ruined by the necessity of perpetual litigation, without ever being able to have a final establishment of his rights. Hogg *v.* Kirby, 8 Ves. 223; Harmer *v.* Playne, 14 Ves. 132; Lawrence *v.* Smith, Jacob's R. 472. In addition to this consideration, the plaintiff could have no preventive at law to restrain the future use of his invention or the publication of his work, injuriously to his title and interest."

That where an infringement is expected, but has not yet occurred, equity will enjoin, though both parties live in the same State, see Sherman *v.* Nutt (1888), 35 Fed. Rep. 149.

That an existing infringement calls for equitable interference by injunction, and upon suit therefor damages will also be awarded, see Brooks *v.* Miller (1886), 28 Fed. Rep. 615.

That equity has jurisdiction whenever during the life of a patent damages and an injunction are asked for, see McMillin *v.* St. Louis & Miss. Valley Transportation Co. (1883), 18 Fed. Rep. 260; 5 McCrary, 561.

That no injunction will issue, under the Patent Law, against one who infringes pending the application for a patent, see Rein *v.* Clayton (1889), 37 Fed. Rep. 354.

That a court of equity will take jurisdiction and enjoin the defendant whenever the plaintiff's right requires it, see Brick *v.* Staten Island R. R. Co. (1885), 25 Fed. Rep. 553.

[2] That where plaintiff has an established license fee for all who choose to practise the invention no injunction is usually needed, see §§ 1171, 1198, and notes, *post*.

That where the defendant is no longer able to infringe no injunction is required, see §§ 1173, 1191, 1193, and

still in force, and the defendant is able and is apparently disposed to commit acts of infringement, if no established license fee exists, or if on account of the insolvency of the defendant or from any other cause this customary fee could not be collected, equity will restrain him from the use of the invention, and having thus acquired jurisdiction over the parties, and the subject-matter of the controversy, will afford such further relief as the plaintiff may require.[3]

§ 1089. No Adequate Remedy at Law where the Injured Party is not the Legal Owner of the Patent.

A court of law can give complete redress for past infringements only where the injured party is the legal owner of the patent, and where the compensation to which he is entitled can be measured by the actual damage that he has sustained.[1] A plaintiff, who is equitably interested in the patent but is not its legal owner, however he may suffer from an infringement, cannot maintain a suit for damages, but must resort to equity for the protection and enforcement of his rights.[2] Thus where he has contracted for the patent but has not yet received the instrument of conveyance, or where he has acquired rights in the patent by estoppel which he can vindicate against the legal owner, or where he is an heir or devisee for whom the personal representative of his deceased ancestor or testator holds the patent in trust, or where he is a licensee whose exclusive privileges the licensor himself invades, or in any other case where it is evidently impossible for him to secure complete relief without the assertion of his equitable interest

notes, *post;* and Potter *v.* Crowell (1866), 1 Abbott, 89; 3 Fisher, 112.

[3] That wherever the defendant may still infringe, equity will interfere, see Potter *v.* Crowell (1866), 1 Abbott, 89; 3 Fisher, 112.

§ 1089. [1] That only the holder of the legal title to the patent can sue at law, see § 937 and notes, *ante.*

[2] That the owner of an equitable title only must resort to equity for relief, see Rogers *v.* Reissner (1887), 30 Fed. Rep. 525; 41 O. G. 351; Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112.

That whenever the equitable owner can sue at law, and obtain an adequate remedy, in the name of the legal owner, equity has no jurisdiction, see Hayward *v.* Andrews (1883), 106 U. S. 272; 23 O. G. 533.

That the possession of two consistent titles does not warrant a resort to equity, see Hayward *v.* Andrews (1883), 106 U. S. 272; 23 O. G. 533.

against the infringer, equity may interfere in his behalf and administer complete relief according to the nature of his rights and the mode in which they are affected by the infringement.[3]

§ 1090. No Adequate Remedy at Law where a Discovery is Necessary or the Defence Rests on Equitable Grounds.

In many cases where the sole right of the plaintiff is to recover compensation for past infringements, it may be impossible to ascertain its measure or enforce its payment without recourse to those methods of investigation and compulsion which are peculiar to a court of equity. When data essential to the computation of the sum to which the plaintiff is entitled, or other facts material to his case, are within the personal knowledge of the defendant and cannot be ascertained except through his disclosure, equity may assume jurisdiction of the controversy in order to compel such a discovery as the plaintiff may require, and then retain it for all other purposes until entire relief has been afforded.[1] In the same manner, when the defence of the alleged infringer rests on equitable grounds, and when a suit at law would be enjoined upon his application if the plaintiff there pursued his remedy, equity will, in the first instance, entertain the plaintiff's claim in order to prevent the circuity of action which must otherwise ensue.[2]

[3] That one who has contracted to purchase the patent but has not perfected his legal title can sue only in equity, see § 938 and notes, *ante*.

That a licensee can sue only in equity in his own name, see § 938 and notes, *ante*.

§ 1090. [1] That where a discovery is needed equity may take jurisdiction, see Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; Vaughn *v.* East Tennessee, Va., & Ga. R. R. Co. (1877), 11 O. G. 789; 1 Flippin, 621; 2 Bann. & A. 537; Perry *v.* Corning (1870), 7 Blatch. 195; Sickles *v.* Gloucester Mfg. Co. (1856), 1 Fisher, 222; 3 Wall. Jr. 196; Nevins *v.* Johnson (1853), 3 Blatch. 80.

That where an injunction or discovery is sought against a licensee, equity has jurisdiction, see Hat Sweat Mfg. Co. *v.* Porter (1888), 44 O. G. 1070.

[2] That where equitable rights are involved equity has jurisdiction, see Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112.

That equity will protect the equitable interest of the defendant although the plaintiff has the legal title, see Day *v.* Candee (1853), 3 Fisher, 9.

§ 1091. Whether Adequate Remedy Exists at Law when the Defendant's Gain from the Infringement Exceeds the Plaintiff's Loss.

Whether the mere fact that the defendant has derived pecuniary benefits from his wrongful use of the invention is sufficient to confer jurisdiction on a court of equity, in order to enforce an accounting and delivery of the profits to the owner of the patent, has been a most important and much disputed question. In favor of this ground of jurisdiction it has been often claimed, and sometimes held, that the defendant becomes by his infringement a constructive trustee, or trustee *de son tort*, for the plaintiff, and as such is accountable to him in equity for all the gains and savings which have resulted from his use of the invention.[1] This proposition has

§ 1091. [1] In Atwood *v.* Portland Co. (1880), 10 Fed. Rep. 283, Lowell, J.: (283) "The defendants contend that a suit in equity cannot be maintained because no injunction can now be issued, and they consider the account to be a mere incident to the injunction. In my opinion the account is no more incident to the injunction than the reverse. In Eureka Co. *v.* Bailey Co., 11 Wall. 488, which was an appeal from my decision, a bill was sustained for an account of royalties due by a contract concerning a patent; but the suit was not a patent suit, and an injunction against the use of the plaintiff's invention was asked and issued as incident to the accounting, — that is to say, until the defendants should pay the royalties. A similar case is Magic Ruffle Co. *v.* Elm City Co., 11 O. G. 501; 13 Blatch. 151, where the bill was sustained for an account under a contract relating to a patent, but without injunction, the patent having expired. Bills have been upheld and decrees rendered for an account, when the patent had expired during the progress of the cause, in Jordan *v.* Dobson, 2 Abb. (U. S.) 398; Sickles *v.* Gloucester Manfg. Co., 1 Fish. 222; 3 Wall. Jr. 196; 4 Blatch. 229, note; Imlay *v.* Nor. & Wor. R. Co., 4 Blatch. 227; Neilson *v.* Betts, L. R. 5 H. of L. 1; Seymour *v.* Marsh, 6 Fish. 115; affirmed, 97 U. S. 348. In this last case the point was not taken, but the fact was an obvious one, and the point was undoubtedly considered untenable. So where the patent had expired before suit was brought, or the defendant had died before or during suit, and there were no circumstances which authorized an injunction against his executor. (Howes *v.* Nute, 4 Fish. 263; American Wood Paper Co. *v.* Glens Falls Paper Co., 8 Blatch. 513; McComb *v.* Beard, 10 Blatch. 350; Smith *v.* Baker, 5 O. G. 496; Atterbury *v.* Gill, 13 O. G. 276.) In Draper *v.* Hudson, 1 Holmes, 208, Judge Shepley refused an account because an injunction could not be granted, but he cited none of the foregoing cases, and evidently overlooked the decision of Mr. Justice Clifford and myself in Howes *v.* Nute, 4 Fish. 263. As an authority in this court, therefore, his decision is not binding. It was made upon the supposed authority of Stevens *v.* Gladding, 17 How. 447, which, when carefully examined, is found not to decide this point. An injunction having been ordered in that

been declared erroneous by the Supreme Court of the United States, in a decision which asserts that a trustee *de son tort*

case, an account was given as incident thereto; but it was not, and, under the facts, could not be, decided that an account could never be ordered excepting as incident to an injunction. The question has lately been revived, and two judges have refused to sustain a bill after the expiration of the patent. (Vaughan *v.* Cent. P. R. Co., 4 Sawyer, 280; Sayles *v.* Richmond, &c., R. Co., 11 Chi. Leg. N. 281.) Two other judges, one of whom has had very great experience in patent causes, have uphold the equitable jurisdiction. (Vaughan *v.* East Tenn., &c. R. Co., 9 Chi. Leg. N. 255; 11 O. G. 789; Gordon *v.* Anthony, before Blatchford, J., April, 1879, an extract from whose judgment has been handed me. 16 Blatch. 234.) In the absence of a decision by the Supreme Court, I follow what I consider the preponderance of authority in the circuit courts. The statute of February 15, 1819 (3 St. 481), gave to the circuit courts of the United States 'original cognizance, as well in equity as at law, of all actions, suits, and controversies' arising under the Patent Laws. To this broad grant is added an express power to grant injunctions according to the course of courts of equity. This law was re-enacted in the two general acts revising and remodelling the Patent Law. (Statute July 4, 1836, § 17 (5 St. 124), and July 8, 1870, § 55 (16 St. 206).) This case arises under the law of 1870, and I have therefore no occasion to consider the effect of the provisions of the Revised Statutes upon this subject, though I should be surprised to find that they had changed the law. I do not see how it is possible to contend that this comprehensive grant of power can be construed to depend upon the added power to grant injunctions. In the following cases, very able and learned judges have said that the jurisdiction is statutory, and not dependent upon the general rules which govern what we may call customary equity, or have simply said that the plaintiff might elect his remedy. (Nevins *v.* Johnson, 3 Blatch. 80; Sickles *v.* Gloucester Manfg. Co., 3 Wall. Jr. 106; Imlay *v.* Nor. & Wor. R. Co., 4 Blatch. 227; Howes *v.* Nute, 4 Fish. 263; Hoffheins *v.* Brandt, 3 Fish. 218; Marsh *v.* Seymour, 97 U. S. 348, 349; Perry *v.* Corning, 7 Blatch. 195; Cowing *v.* Rumsey, 8 Blatch. 36, 38.) Add to these the several decisions before cited, and the point seems to be established; for those decisions can hardly rest upon a narrower foundation. Mr. Justice Grier, one of the first judges to lay down this broad rule, afterwards qualified its generality in certain dicta, but he was careful not to decide against the jurisdiction in equity. (See Livingston *v.* Jones, 3 Wall. Jr. 330, 344; Sanders *v.* Logan, 2 Fish. 170; and see Judge McKennan's explanation of these cases in McMillen *v.* Barclay, 5 Fish. 189, 194.) A constitutional objection might, perhaps, be raised to the denial of a jury trial in the case of a bill for the mere recovery of a definite sum of money if the plaintiff clearly required no equitable remedy or assistance whatsoever. That point has not been argued in this or any other case that I know of, and may be left for decision when it shall arise. Such cases must be rare, because the accounting in equity is a peculiar remedy, to which an action at law for damages can very rarely be adequate, unless the plaintiff chooses to consider it so. He may call for an account in equity, and if that proves unsatisfactory, may add damages in the same suit. This case might rest upon that basis." 5 Bann. & A. 533 (533).

can exist only where the property wrongfully appropriated was already subject to a trust, and that although when an account from an infringer is required the rules which govern it resemble those applied to a trustee, the duty of accounting rests on other grounds than those of a trusteeship between the infringer and the owner of the patent.[2] Another claim

[2] In Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; Matthews, J., at great length argues and clearly demonstrates that equity has no jurisdiction where the remedy at law is adequate, and that though an infringer is treated in equity in some respects like a trustee, he is not really a trustee *de son tort* since the latter becomes such only by meddling with property already held in trust. No extract from this opinion could do justice to the subject or supply the place of the discussions and explanations therein contained.

In Sayles *v.* Richmond, Fredericksburg, & Potomac R. R. Co. (1879), 3 Hughes, 172, Hughes, J.: (178) "The question of jurisdiction did not arise in any one of these cases. Much less did the court in a single instance intimate, in the remotest manner, that notwithstanding the existence of an adequate common-law remedy equity could take jurisdiction of a bill for profits arising from the use of a patent, solely on the ground of constructive trusteeship. I have looked through the reports in vain for any direct authority for such a jurisdiction. There is such a thing known in equity jurisprudence as a trustee *de son tort*, but in every mention of such a trustee in the books, the property in respect to which a person has been regarded as a trustee *de son tort* has possessed, before the interference with it, the character of fiduciary property. I think it clear law that it is only in respect to property already subject to a trust and stamped with the fiduciary character that a person can become a trustee *de son tort*. In the present case, if the assignment of the patent from Tanner to Sayles had been in trust for the benefit of beneficiaries recognized in law as such, and Sayles were here suing for the trust funds for the benefit of such beneficiaries, the defendant might, I suppose, upon the teaching of the authorities on the subject, be treated as a trustee *de son tort*, and be sued in equity. But I think that it may safely be held that in any case of constructive trusteeship the character of trustee *de son tort* does not attach in such manner as to give equitable jurisdiction over him, unless the property with which he interfered was already trust property when the interference occurred." 16 O. G. 43 (44); 4 Bann. & A. 239 (245).

In Draper *v.* Hudson (1873), 3 O. G. 354, Shepley, J.: (355) "The record in this case shows the death of the defendant. No injunction can issue against the defendant, and, as there is no proof of infringement by the executor, none can issue against him. No discovery is prayed for against the executor and there is no presumption of any knowledge by him of his testator's acts. When the title to the principal relief which is the proper subject of a suit in equity — the injunction and discovery — fails, the incident right to an account fails, also. (Price's Pat. Candle Co. *v.* Beawans C. Co., 4 K. & J. 727; Bailey *v.* Taylor, 1 R. & M. 73; Smith *v.* London & S. W. R. R. Co., Kay, 415; Kerr on Injunctions, 435.) Although the jurisdiction of the Circuit court in equity, in patent causes, rests upon statute provisions, it is to be exercised

in support of such jurisdiction grows out of the alleged right of the plaintiff to recover in all cases the gains and savings of the defendant whenever these exceed the actual damages which he has sustained. Before the act of 1870, the plaintiff could at law recover only damages measured by his own loss, however great the profits of the defendant may have been, while in equity he could secure the entire profits of the defendant without reference to the extent of his own loss. Hence it was argued that as the law could not have intended to discriminate between owners of patents in reference to the amount of compensation for infringement, on the mere basis of their right to other equitable relief and irrespective of the injury they had actually received, it must be held that whenever the defendant's profits exceed the plaintiff's loss no adequate remedy exists at law and an accounting may be had in equity.[3] Whatever force resides in this argument was much increased by the act of 1870, which gave additional advantage to the plaintiff in equity by enabling him to recover not only the gains and savings made by the defendant, but damages also where his loss exceeded the defendant's profit. The principle from which this argument is deduced rests on sound reason and true public policy. The amount of compensation justly due to the owner of a patent for a past infringement cannot depend in any degree upon his present right to an injunction, a discovery, or other equitable remedies; and to limit his recovery to simple damages in one case and allow him damages and profits in another, where the circumstances and extent of the injury have been the same, is an unreasonable and unfounded distinction against plaintiffs who have not discovered, or have been unable to begin an action for, the infringement

according to the course and principles of courts of equity; and the Supreme Court of the United States having decided in Stevens *v.* Gladding, 17 Howard, 455, that 'the right to an account of profits is incident to the right to an injunction in copy and patent right cases,' it would seem to follow that in a case like the present, where the title to equitable relief fails, the general rule of equity applies that the incidental relief fails also." Holmes, 208 (209); 6 Fisher, 327 (328).

See also Brooks *v.* Miller (1886), 28 Fed. Rep. 615; Jenkins *v.* Greenwald (1857), 2 Fisher, 37; 1 Bond, 126.

[3] That where the defendant's profits exceed the plaintiff's damages there is no adequate remedy at law, see Perry *v.* Corning (1868), 6 Blatch. 134.

until an injunction or other equitable relief is no longer necessary. But whether in all cases, where the plaintiff seeks for compensation on the ground of gains and savings made by the defendant, he should be permitted to proceed in equity for an accounting, presents a different question. It has, indeed, been held that whenever the defendant's gains exceed the plaintiff's loss equity has jurisdiction to order an account and enforce payment of the excess, and some courts have decided that the existence of gains and savings is alone sufficient to authorize a court of equity to entertain an action for account without regard to any other element of controversy.[4] To this question, however, the Supreme Court has likewise given a negative answer, declaring that an account, in cases of infringement, is never *ipso facto* an equitable remedy, but is always incidental to an injunction or some other form of equitable relief, and hence that chancery acquires no jurisdiction from the fact that profits have been made by the defendant, whether these were less or greater than the damages sustained.[5] At the same time it suggested that where the nature of the account renders equitable interposition necessary chancery jurisdiction might exist, as if an account for gains and savings might in some cases be obtained at law. The true solution of the difficulty may perhaps be found by holding the defendant responsible for his

[4] See note 1, *ante*.

[5] In Root *v.* Lake Shore & Michigan Southern R. R. Co. (1882), 105 U. S. 189, Matthews, J.: (215) "Our conclusion is that a bill in equity for a naked account of profits and damages against an infringer of a patent cannot be sustained; that such relief ordinarily is incidental to some other equity, the right to enforce which secures to the patentee his standing in court; that the most general ground for equitable interposition is to insure to the patentee the enjoyment of his specific right by injunction against a continuance of the infringement; but that grounds of equitable relief may arise other than by way of injunction, as where the title of the complainant is equitable merely, or equitable interposition is necessary on account of the impediments which prevent a resort to remedies purely legal; and such an equity may arise out of and inhere in the nature of the account itself, springing from special and peculiar circumstances which disable the patentee from a recovery at law altogether, or render his remedy in a legal tribunal difficult, inadequate, and incomplete; and as such cases cannot be defined more exactly each must rest upon its own particular circumstances as furnishing a clear and satisfactory ground of exception from the general rule." 21 O. G. 1112 (1120).

profits in all cases where they exceed the damages sustained by the plaintiff, and by requiring the plaintiff to bring his action of account in a court of law whenever the number of the parties and the nature of the transactions will permit, and by allowing him to resort to equity, when the law cannot adjust the conflicting claims, under the general jurisdiction which chancery possesses over partners, bailiffs, and all others who are similarly related to each other.[6]

[6] In reference to this proposition the question first arises whether in pursuing a legal remedy for an infringement the plaintiff is by law confined to an action on the case for damages. That such has been the general opinion must be conceded. The acts of 1790, 1793, and 1800 imposed specific penalties on an infringer, and treated the right of action for these penalties as resting on the statute, and indicated trespass on the case as the form in which the right thereto might be enforced. The acts of 1836 and 1870 and the Revised Statutes prescribe that the plaintiff *may* recover actual damages in an action on the case, and are silent as to any other method of redress. That in several cases wrongs, which in their nature are true infringements, are remedied in different modes even in courts of law is evident, as, for example, when an infringer may be treated as a licensee and sued for royalties, or a licensee who has violated his contract and lost his right to its protection may still be held for damages for breach of his agreement. If the wrong done to the plaintiff by the unauthorized use of his invention be regarded as a wrong simply, and not a mere occasion for inflicting a statutory penalty, there would seem no reason why a patentee should not seek any redress known to the law in any form which might be appropriate therefor.

A second question relates to the nature of the wrong suffered by a patentee from an infringement. Actual damages are indeed measured by actual loss; but, as a fact, it is certainly true that the wrong committed against a patentee is often greater than the loss he has sustained by the unlawful use of his improvement. This fact is recognized by the constant practice of equity, confirmed and extended by statute, of giving to the plaintiff the entire benefit which the defendant has derived from the infringement. No servile adherence to equitable methods of procedure could preserve this rule, were it not founded in justice and in the universal conviction that the plaintiff is entitled not only to the profits of which the defendant has deprived him, but to all the advantage which has flowed from his invention. Now if the right to the defendant's profits is a right inhering in the plaintiff by reason of the infringement, as distinguished from a mere incident of equity procedure, why should not the plaintiff be allowed to treat the defendant as his agent or trustee, in law as well as equity, and where the nature of the transaction permits find his remedy by waiving the tort and suing in assumpsit or by the special action of account? See Steam Stone Cutter Co. *v.* Sheldons (1883), 24 O. G. 703; 21 Blatch. 260; 15 Fed. Rep. 608.

A third question has reference to the power of the court to remove this discrepancy, at least in part, under its authority to treble damages. In an action at law has the judge the right to take notice of the excess of the defendant's profits over the plaintiff's loss as a ground for increasing the amount awarded

§ 1092. Whether Adequate Remedy Exists at Law when the Patent has Expired before Suit is Commenced.

Upon the solution of this question depends in part that of another: Whether a court of equity can entertain an action for infringement which has been instituted since the expiration of the patent? An infringing act can be committed after the patent has expired only by the use or sale of patented articles which were made for that purpose during the life of the patent, and therefore an injunction can be necessary in these instances alone. In such cases equity has jurisdiction at whatever period the action may be brought, and may restrain the defendant in the same manner as in suits begun while the patent was still in force.[1] When the plaintiff has an equitable

by the jury? If so, relief exists in cases where actual damages are rendered, and the defendant's profits are not more than twice the plaintiff's loss. But in other cases of actual damages, and in all cases of nominal damages, this resort would fail, and the plaintiff thus suffer in the amount of his recovery, solely because no ground for equitable interference could be discovered. —

In the absence of any authority directly bearing on these questions, allusions and suggestions of the courts become important. In Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; and in Vaughn *v.* East Tennessee, Va., & Ga., R. R. Co. (1877), 1 Flippin, 621; 11 O. G. 789; 2 Bann. & A. 537, — the judges use language implying that in some form of accounting the plaintiff may have relief at law, and on that ground deny the jurisdiction of chancery unless the nature of the account is such that it cannot be as readily settled at law. But the subject is not yet sufficiently developed for the formation of a permanent opinion, nor can it be intelligently considered until the second question stated in this note has been decided.

That mere intricacy in the account does not give jurisdiction in equity, see Adams *v.* Bridgewater Iron Co. (1886), 26 Fed. Rep. 324; 34 O. G. 1045; Lord *v.* Whitehead & Atherton Mach. Co. (1885), 24 Fed. Rep. 801; 33 O. G. 499.

§ 1092. [1] That the use, after the patent has expired, of articles made for that purpose without authority during the life of the patent, is an infringement, see § 908 and notes, *ante*.

That the use of such articles may be enjoined after the patent expires, see New York Belting & Packing Co. *v.* Magowan (1886), 27 Fed. Rep. 111; 34 O. G. 1278; Toledo Mower & Reaper Co. *v.* Johnson Harvester Co. (1885), 23 Blatch. 332; 24 Fed. Rep. 739; 32 O. G. 1010; and cases cited in §§ 1171, 1191, 1193, and notes, *post*.

That an injunction will not be granted after a patent has expired to prevent the use or sale of articles which were made and sold during the life of the patent, the remedy being at law for the past infringement, see Westinghouse *v.* Carpenter (1888), 46 O. G. 244.

That an assignee of the damages after patent expires has adequate remedy at law and cannot sue in equity, see Hayward *v.* Andrews (1882), 12 Fed. Rep. 786.

That a bill cannot be maintained

interest without the legal title and cannot obtain adequate redress by a suit at law in the name of the legal owner, or when the defence rests upon equitable grounds, or for any reason a discovery is required, equity will also take cognizance of the action without reference to the expiration of the patent.[2] But when the only remedy to which the plaintiff is entitled consists in compensation for past infringements, and for these he could maintain a suit for damages at law, his right to proceed in equity for an account of profits must be determined by the answer given to the question discussed in the preceding paragraph. That such an accounting may be had in equity as incidental to other equitable relief, whether after or before the patent expires, is certain.[3] It is equally certain that where no other equitable relief can be afforded, and an account of profits can be obtained at law, no suit in equity can be commenced.[4] But

after the patent expires merely because it prays for an injunction against the use and sale of such infringing tools, &c., made during the patent, "as may be found in the defendant's possession," see Consolidated Safety Valve Co. *v.* Ashton Valve Co. (1886), 26 Fed. Rep. 319.

[2] That a bill for discovery will lie after the patent expires, see Sickles *v.* Gloucester Mfg. Co. (1856), 1 Fisher, 222; 3 Wall. Jr. 196; Nevins *v.* Johnson (1853), 3 Blatch. 80.

That where equitable relief of any form is necessary equity will have jurisdiction though the patent has expired, see Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112.

[3] That whenever any equitable relief is required an account or damages may be also awarded, see Burdell *v.* Comstock (1883), 15 Fed. Rep. 395; Magic Ruffle Co. *v.* Elm City Co. (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

[4] If it be conceded (as is here suggested only, but not claimed) that a plaintiff can recover the profits of the defendant by an action at law (otherwise than as they have already been shown to be a measure of his damages), his proper remedy must be not case but assumpsit or account. Still in these actions, according to their ordinary rules, the profits must be limited to gains received, and could not embrace those remote pecuniary benefits which are represented only by the difference between a lesser and a greater loss. The real difficulty appears to lie in the fact that under our decisions as to the items entering into "profits in equity," a patentee who can sue in equity can recover a more extended money compensation for the same infringement than he could at law, and the measure of his recompense is thus made to depend in part upon his right to other relief with which the amount of his recovery is neither in theory nor in fact connected. See § 1051 and notes, *ante*.

That equity has no jurisdiction where the bill shows on its face that the patent had expired before the suit began and merely prays for an injunction, account,

when the number and relation of the parties, or the nature of the account, renders it impossible that an adequate accounting can be had at law, it seems that equity may entertain proceedings of this character, in order to secure to the plaintiff that complete redress of which he must otherwise be deprived.[5]

§ 1093. Whether Adequate Remedy Exists at Law where the Patent Expires Pending Suit.

A suit commenced in equity in good faith, while the patent is in force, is not affected by its expiration.[1] Whatever relief

and damages, and not for any special relief, see Brooks *v.* Miller (1886), 28 Fed. Rep. 615; Campbell *v.* Ward (1882), 12 Fed. Rep. 150.

[6] That where the titles in controversy are equitable, or the nature of the account requires it, or any equitable relief is demanded, equity will take jurisdiction after the patent expires, see Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; Campbell *v.* Ward (1882), 12 Fed. Rep. 150.

That mere intricacy in the account does not give jurisdiction in equity, see Adams *v.* Bridgewater Iron Co. (1886), 26 Fed. Rep. 324; 34 O. G. 1045; Lord *v.* Whitehead & Atherton Mach. Co. (1885), 24 Fed. Rep. 801; 33 O. G. 499.

That a bill in equity cannot be sustained after the patent expires for the mere purpose of discovering the extent of the infringement and the recovery of profits, the procedure and remedy at law being adequate, see Lord *v.* Whitehead & Atherton Mach. Co. (1885), 24 Fed. Rep. 801; 33 O. G. 499.

That after a patent has expired equity will not enjoin an action at law unless there is a purely equitable defence not available at law, see Concord *v.* Norton (1883), 16 Fed. Rep. 477.

Under the views of equity jurisdiction formerly prevailing it was frequently held that a bill for an account of profits, without other equitable relief, could be entertained after the patent had expired. See Atwood *v.* Portland Co. (1880), 10 Fed. Rep. 283; 5 Bann. & A. 533; Gordon *v.* Anthony (1879), 16 O. G. 1135; 16 Blatch. 234; 4 Bann. & A. 248; Stevens *v.* Kansas Pacific R. R. Co. (1879), 5 Dillon, 486; Sayles *v.* Dubuque & Sioux City R. R. Co. (1878), 5 Dillon, 561; Howes *v.* Nute (1870), 4 Fisher, 263; 4 Clifford, 173; Blank *v.* Mfg. Co. (1856), 3 Wall. Jr. 196; 1 Fisher, 222.

§ 1093. [1] That jurisdiction in equity over an action once properly instituted is not destroyed by the expiration of the patent, see Beedle *v.* Bennett (1887), 122 U. S. 71; 39 O. G. 1326; Clark *v.* Wooster (1886), 119 U. S. 322; 37 O. G. 1477; Adams *v.* Bridgewater Iron Co. (1886), 34 O. G. 1045; 26 Fed. Rep. 324; Brooks *v.* Miller (1886), 28 Fed. Rep. 615; Dick *v.* Struthers (1885), 25 Fed. Rep. 103; 34 O. G. 131; Burdell *v.* Comstock (1883), 15 Fed. Rep. 395.

That the expiration of the patent, pending suit, will not affect the jurisdiction if an injunction were granted or prayed for during the life of the patent, see Burdell *v.* Comstock (1883), 15 Fed. Rep. 395.

That equity will retain jurisdiction, once acquired, after the patent expires, if equitable relief were prayed for in the bill, though no injunction were asked or

was prayed for in the bill may nevertheless be granted, unless the cessation of the exclusive privilege has rendered it no longer necessary. Thus although no injunction can be issued, and though adequate redress at law might be obtained if an action for damages were now begun, the court of equity having once properly acquired jurisdiction will retain it for the purpose of an account and until the remedy of the plaintiff has been finally secured.[2] The interval which elapses between the institution of proceedings and the expiration of the patent is immaterial, except as bearing on the question of good faith.[3]

granted, see Dick *v.* Struthers (1885), 25 Fed. Rep. 103; 34 O. G. 131.

[2] In Adams *v.* Howard (1884), 19 Fed. Rep. 317, Wallace, J.: (319) "No doubt is entertained of the propriety of decreeing an accounting, although the patent has expired since the commencement of the suit, and although for that reason there should not be an injunction. The jurisdiction of a court of equity having been legitimately invoked by the complainant, he will not be sent away without redress merely because all the redress to which he was originally entitled cannot now be awarded to him. Under such circumstances, the court will retain the cause in order to completely determine the controversy." 22 Blatch. 47 (48); 26 O. G. 825 (826).

In Imlay *v.* Norwich & Worcester R. R. Co. (1858), 1 Fisher, 340, Ingersoll, J.: (342) "Exception has been taken by the defendants that, as an injunction cannot now be ordered, that the account and the other relief sought by the bill cannot be granted; that the ordering the account, and the granting the other relief, are ancillary to the granting of the injunction, and that an account cannot be ordered unless an injunction is also ordered. The Patent Act of 1836, in the 17th section thereof, provides that all actions, suits, controversies, and cases arising under any law of the United States granting or confirming to inventors the exclusive right to their inventions or discoveries, shall be originally cognizable, as well in equity as at law, by the Circuit courts of the United States. And it has already been expressly decided by Judge Grier, in a case tried before him, on the Sickles patent [Sickles *v.* Gloucester Manufacturing Co., *ante*, p. 222], where, between the time of filing the bill and the hearing, the patent had expired, that an account could be ordered, and other relief granted, though on account of the expiration of the patent an injunction to restrain the further use could *not issue*." 4 Blatch. 227 (228).

Further, that equity jurisdiction is not defeated by the expiration of the patent pending suit, but the court will give any relief that may be needed, see Gottfried *v.* Moerlein (1882), 14 Fed. Rep. 170; Jones *v.* Barker (1882), 11 Fed. Rep. 597; 22 O. G. 771; Bloomer *v.* Gilpin (1859), 4 Fisher, 50.

Contra: Draper *v.* Hudson (1873), Holmes, 208; 6 Fisher, 327; 3 O. G. 354.

That if one of two patents counted on in the bill expires pending suit an injunction may be granted in reference to the other, and an account for damages and profits on both, see Consolidated Safety Valve Co. *v.* Crosby Steam Gauge & Valve Co. (1884), 113 U. S. 157; 30 O. G. 991.

[3] That equity may take jurisdiction

A suit commenced without intent to ask for an injunction or other equitable interference, but merely to procure an accounting after the patent has expired in a case over which, if then brought, equity would have no jurisdiction, is an evasion of the law, and when the patent does expire will be dismissed.[4] But though a bill is filed and an injunction issues

where under the rules of the court an injunction can issue before the patent expires, however short the period when it can be effective, and may also grant such other relief as is required, see Singer Mfg. Co. *v.* Wilson Sewing Mach. Co. (1889), 38 Fed. Rep. 586; Westinghouse Air Brake Co. *v.* Carpenter (1887), 32 Fed. Rep. 484; Kittle *v.* Rogers (1887), 33 Fed. Rep. 49; Kittle *v.* De Graaf (1887), 30 Fed. Rep. 689; Beedle *v.* Bennett (1887), 122 U. S. 71; 39 O. G. 1326; Clark *v.* Wooster (1886), 119 U. S. 322; 37 O. G. 1477; Toledo Mower & Reaper Co. *v.* Johnson Harvester Co. (1885), 23 Blatch. 332; 24 Fed. Rep. 739; 32 O. G. 1010.

That where a bill is filed on several patents soon enough to issue an injunction as to all, the expiration of either will not oust equity of jurisdiction over it as far as needed in order to give proper relief, see New York Grape Sugar Co. *v.* Peoria Grape Sugar Co. (1884), 32 O. G. 138; 21 Fed. Rep. 878.

That the Supreme Court will not reverse a decree for want of jurisdiction in the court below if when the bill was filed the court had jurisdiction, though on narrow grounds, and the defendant did not then except, see Clark *v.* Wooster (1886), 119 U. S. 322; 37 O. G. 1477.

That a court does not acquire jurisdiction until the entire title is before it, and if some of the owners are not brought in until after the patent expires, equity has no further authority and the bill must be dismissed, see Hewitt *v.* Pennsylvania Steel Co. (1885), 31 O. G. 1686; 24 Fed. Rep. 367.

That if a bill in equity is amended after the patent expires and as amended shows ground for equitable relief, equity will retain jurisdiction, see Reay *v.* Raynor (1884), 26 O. G. 1111; 19 Fed. Rep. 308; 22 Blatch. 13.

That where a bill is filed too late for an injunction to issue before the patent expires, and adequate relief exists at law, jurisdiction in equity does not exist, see Clark *v.* Wooster (1886), 119 U. S. 322; 39 O. G. 1477; Mershon *v.* Pease Furnace Co. (1885), 23 Blatch. 329; 24 Fed. Rep. 741; 32 O. G. 1010.

That a bill filed too late for an injunction before the patent expires is to be dismissed with costs to the defendant, see Mershon *v.* Pease Furnace Co. (1885), 23 Blatch. 329; 24 Fed. Rep. 741; 32 O. G. 1010; Davis *v.* Smith (1884), 19 Fed. Rep. 823.

That a bill filed before the patent expires, but not praying for a preliminary injunction, may be amended by inserting such a prayer at any time, and if in good faith confers equity jurisdiction, see Adams *v.* Bridgewater Iron Co. (1886), 26 Fed. Rep. 324; 34 O. G. 1045.

[4] That where a bill was filed five days before the patent expired and no effort was made to obtain an injunction, the prayer for injunction will be held a mere pretext and the case not within equity jurisdiction, see Burdell *v.* Comstock (1883), 15 Fed. Rep. 395.

That where a patent is to expire in two months it is doubtful whether equity can take jurisdiction, see Racine Seeder Co. *v.* Joliet Wire-check Rower Co. (1886), 27 Fed. Rep. 367; 37 O. G. 452.

just before the expiration of the patent, the tardiness of the application, if the plaintiff has been guilty of no laches and in good faith brings his suit, cannot defeat his right to whatever equitable relief the court may at that time or thereafter be able to afford.

§ 1094. General Rules of Equity Jurisdiction.

From this review of the nature and extent of equity jurisdiction, over cases founded on the violation of a patent privilege, the following conclusions may be drawn:[1] (1) That primary jurisdiction over all suits for infringement resides in courts of law, and that whenever adequate redress can be obtained by an action on the case for damages, or other common-law proceeding, equity has no jurisdiction; (2) That where an adequate remedy at law does not exist, whatever may be the cause or the degree of such inadequacy, equity will take cognizance of the action, and will retain it until complete redress has been afforded; (3) That no adequate remedy exists at law in cases where future infringements are to be prevented, or a discovery is required, or equitable interests are to be protected, or equitable defences are to be urged, or perhaps where an account of profits cannot be obtained by methods known to courts of law, and therefore that in all these cases equity has jurisdiction to entertain original proceedings and to administer entire relief; (4) That in any case, in which the peculiar circumstances of the parties or the controversy render a just determination of the issues impos-

§ 1094. [1] For a history and discussion of the equity jurisdiction over actions for infringement, see Root *v.* Lake Shore & Mich. Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; Motte *v.* Bennett (1849), 2 Fisher, 642.

That equity will not entertain a case unless the prospect of affording ultimate equitable relief is reasonable, see Brooks *v.* Miller (1886), 28 Fed. Rep. 615.

That equity will not entertain a matter which a party has had a chance to litigate in another court, in a case there decided against him, unless something prevented him from urging it, see Brooks *v.* Moorhouse (1878), 13 O. G. 499; 3 Bann. & A. 229.

That in some cases legal and equitable jurisdiction are concurrent notwithstanding Sec. 723, Rev. Stat., see Spring *v.* Domestic Sewing Mach. Co. (1882), 22 O. G. 1445; 13 Fed. Rep. 446.

That the equity powers of the Federal Courts under the Patent Acts include all the incidents of equity jurisdiction, see Potter *v.* Dixon (1863), 2 Fisher, 381; 5 Blatch. 160.

sible at law, equity may interfere and apply such remedies as the cause demands.

§ 1095. Equity Jurisdiction not Conferrable by Waiver or Agreement of Parties.

A want of jurisdiction in equity, on account of the existence of an adequate remedy at law, cannot be waived by any acquiescence or agreement of the parties to the suit.[1] It is an incurable defect of which advantage may be taken at any stage of the proceedings; and whenever noticed by the court, whether or not insisted on by the defendant, the suit will be dismissed and the plaintiff will be left to the pursuit of his legal remedy.

§ 1096. Local Jurisdiction in Equity in General Identical with that at Law.

Actions in equity may be brought in any district within which the defendant can be personally and lawfully served with process. The rule on this point is the same as that in actions at law.[1] A service by the attachment of property con-

§ 1095. [1] In Spring *v.* Domestic Sewing Mach. Co. (1882), 13 Fed. Rep. 446, Nixon, J.: (448) "But it is never too late at any time, during the pendency of the proceedings, for the court to examine into its right and power to make a decree or enter a judgment in a case. In the Federal courts, especially, where there is no presumption in favor of jurisdiction, but where it rests solely upon the facts which appear in the record of the suit (*Ex parte* Smith, 24 U. S. 456), it has long been the practice of the judges, at any state of the proceedings, *sua sponte*, to decline jurisdiction and dismiss the case, when the want of authority to act becomes apparent. They do not wait for the question to be raised by demurrer or answer or plea, or to be suggested by the counsel. And they pursue this course for obvious reasons. It is not merely a matter of the form of procedure. To entertain a suit in equity, when the party has a plain and complete remedy at law, is to deprive the defendant of his constitutional right of trial by jury. The late Justice Baldwin, of this circuit, discusses the subject with much ability and research, in the case of Baker *v.* Biddle, 1 Bald. 394. See, also, the more recent cases of Hipp *v.* Babin, 19 How. 278; Lewis *v.* Cocks, 23 Wall. 466; Dumont *v.* Fry, 12 Fed. Rep. 21." 22 O. G. 1445 (1446).

That an evident defect in jurisdiction may be taken advantage of at the hearing, see Burdell *v.* Comstock (1883), 15 Fed. Rep. 395.

That want of jurisdiction over the subject-matter cannot be waived, see Gould on Pleading, ch. v. §§ 14–25; Cooley Const. Lim., pp. 398–407.

§ 1096. [1] That a suit in equity for infringement may be brought in any district where the defendant may be

fers no jurisdiction over the person, nor does a service on the defendant, while attending other legal proceedings under the protection of the court, compel him to answer and defend the suit in which such service has been made.[2] A corporation can be sued in any district in the State from which its charter was received, or in any foreign district in which it can be served with process according to the local law.[3] Service upon its officers within the district, in the absence of local provisions to the contrary, is not service on the corporation, nor is the objection waived though the officers served appear by attorney and plead to the jurisdiction.[4] When any defendant is sued out of his own district it must appear, by the marshal's return on the *subpœna*, that he was personally served in the district of suit.[5] A defendant, appearing by attorney, submits to the jurisdiction, and in all cases waives the objection unless he duly and seasonably urges it as a ground for the dismissal of the action.[6]

§ 1097. Local Jurisdiction in Equity, wherein Different from that at Law.

In one respect, however, this subject of local jurisdiction raises a different question in equity from that which it presents at law. A judgment in a court of law for damages ren-

found, though he resides in another district and infringes there, see Thompson *v.* Mendelsohn (1871), 5 Fisher, 187; but see § 934, note 3, *ante*.

That the local jurisdiction of a Federal court of equity over the person in patent cases is governed by the same rules as that of a court of law, see Sec. 739, Rev. Stat.; also Winter *v.* Ludlow (1859), 3 Phila. 464; Chaffee *v.* Hayward (1857), 20 How. 208; Day *v.* Newark Mfg. Co. (1850), 1 Blatch. 628; Allen *v.* Blunt (1849), 1 Blatch. 480.

[2] That service by attachment of property cannot confer jurisdiction, see Saddler *v.* Hudson (1854), 2 Curtis, 6; Day *v.* Newark Mfg. Co. (1850), 1 Blatch. 628.

That service on the defendant within the district while attending court or an examination of witnesses is not valid, see § 934 and notes, *ante*.

[3] For the rules governing service on corporations, see § 935 and notes, *ante*.

[4] As to service on the officers of a corporation, see § 935 and notes, *ante*.

[5] That the marshal's return must show that the service was legally made within the district, see Allen *v.* Blunt (1849), 1 Blatch. 480.

[6] That defect of service is waived by appearance unless immediate objection is taken, see Teese *v.* Phelps (1855), 1 McAllister, 17.

That a defect in signing the citation is cured by appearance, see Chaffee *v.* Hayward (1857), 20 How. 208.

ders the defendant liable to the plaintiff for the payment of a definite sum of money that can be collected out of his property wherever situated, without regard to the limits of the district in which the judgment was obtained. A decree in equity, on the other hand, can be enforced only against the person of the defendant, and within the territorial jurisdiction of the court by which it was passed. Hence where the relief prayed for in the bill cannot be wholly or in part afforded, without the exercise of authority over the person of the defendant beyond the limits of the district within which the suit is brought, the court can make no order that will benefit the plaintiff and must, therefore, decline to entertain the case.[1] Thus for the prevention of future infringements, or other similar redress which can be enforced only within a given district, the action in equity must be instituted in that district although a legal remedy might be obtained wherever the defendant could be found.[2] To this rule there is one exception, in favor of the district in which the defendant resides, the court of such

§ 1097. [1] That equity will not take jurisdiction where it has no power to enforce its decrees, see Goodyear *v.* Chaffee (1855), 3 Blatch. 268.

[2] In Locomotive-Engine Safety-Truck Co. *v.* Erie R. R. Co. (1872), 3 O. G. 93, Blatchford, J.: (97) "Under this bill, therefore, the plaintiffs, having proved an infringement by the use in this district of the engine referred to, are entitled to a decree for an accounting by the defendants in respect of all infringements committed in this district by making or using or vending therein, and to an injunction against making in this district, and against using therein, and against vending therein. If the plaintiffs desire to proceed for an account and an injunction in respect of infringements in the Northern District, they must proceed by bill filed there. The defendants are suable in the Circuit Court for that district, their legal existence, under their incorporation by the State of New York, being co-extensive with the territorial limits of that State." 10 Blatch. 292 (306); 6 Fisher, 187 (202). This case seems to have turned, however, on a special statute, as also the following: Hodge *v.* Hudson River R. R. Co. (1868), 3 Fisher, 410; 6 Blatch. 85.

That an infringement by sale takes place in the territory of delivery, see Hobbie *v.* Smith (1886), 27 Fed. Rep. 656.

That the defendant may waive the objection that the cause of action arose in another district, and does waive it unless he sets it up in his answer, see Black *v.* Thorne (1872), 5 Fisher, 550; 2 O. G. 388; 10 Blatch. 66.

That pendency of a suit in equity in one district is no bar to another suit in a different district, see Rumford Chemical Works *v.* Hecker (1874), 5 O. G. 644; 11 Blatch. 552; 1 Bann. & A. 120; Wheeler *v.* McCormick (1873), 4 O. G. 692; 6 Fisher, 551; 11 Blatch. 334; Wheeler *v.* McCormick (1871), 4 Fisher, 433; 8 Blatch. 267.

district being presumed to have a continuing authority over the defendant, by virtue of his residence within its jurisdiction, and consequently able to enforce its decrees against him, to whatever wrongful acts they may relate. A suit may consequently be maintained against him in that district, though the infringing acts to be enjoined or compensated for would be or were committed beyond its territorial limits.[3]

§ 1098. Parties Plaintiff in Equity.

The parties to a suit in equity comprise all those persons, natural or artificial, who can be affected by the decree, without regard to their number or the diversity of their relations to the subject-matter of the controversy.[1] Any person having, at the time of the infringement, either a legal or an equitable interest in the patented invention, which has been or is capable of being prejudiced by the infringing act, may be a party plaintiff.[2] Legal and equitable owners may be joined as plaintiffs, and if no party plaintiff has a legal or an equitable interest the suit must be dismissed.[3] In whom an interest vests may be determined by the local law in pursuance of which the contract creating or transferring it was made.[4] The patentee possesses such an interest until he has finally and irrevocably parted with the entire monopoly, although his sole right may

[3] That equity has jurisdiction to enforce its decrees against a resident in the district wherever the infringement was committed, see Hatch *v.* Hall (1884), 22 Fed. Rep. 438; 30 O. G. 1096.

§ 1098. [1] That all persons to be affected by the decree must be made parties in equity, see Williams *v.* Bankhead (1873), 19 Wall. 563; West *v.* Randall (1820), 2 Mason, 181.

[2] That the legal owner may recover damages in equity, though he may have a partner in the business of making and selling the invention, see Yale Lock Co. *v.* Sargent (1886), 117 U. S. 536; 35 O. G. 497.

That an equitable title is as good in equity as a legal one, see Ruggles *v.* Eddy (1872), 5 Fisher, 581; 10 Blatch. 52; Continental Windmill Co. *v.* Empire Windmill Co. (1871), 4 Fisher, 428; 8 Blatch. 295.

That where the title is doubtful through many assignments, equity will take jurisdiction over all parties, see Bicknell *v.* Todd (1851), 5 McLean, 236.

[3] That the bill will be dismissed if the evidence shows that the complainant had no legal or equitable interest in the controversy, see Pelham *v.* Edelmeyer (1883), 15 Fed. Rep. 262; 25 O. G. 292; 21 Blatch. 188.

[4] That the local law may determine who are the parties in interest, see Lorillard *v.* Standard Oil Co. (1880), 17 O. G. 1507; 18 Blatch. 199; 2 Fed. Rep. 902; 5 Bann. & A. 432.

consist of a reversion expectant on the termination of some subordinate ownership or on the nonfulfilment of certain future conditions, or though he may have agreed to sell to others undivided interests in the patent.[5] An assignee is entitled to equal recognition with the patentee, even before the agreement to assign has been executed by the delivery of the written instrument of conveyance, provided he has fulfilled the conditions upon which the conveyance was to take effect, though where these conditions remain unfulfilled his right to be a party to the suit may be doubted.[6] Where an assignment has been made before the issue of the patent, and the patent has been granted to the assignee, the applicant or inventor has no interest which equity can protect in any action for infringement, whatever contract rights might be enforced between him and the owner of the patent. A grantee has within his territory the same ownership as a patentee or assignee possesses throughout the whole United States, and may appear as plaintiff whenever the infringement would affect his territorial

[5] That when the patentee retains any interest in the patent, present or expectant, he must be a party in equity, see § 939 and note 2, *ante*.

That a reservation of a share in the profits, or of royalties, does not entitle the grantor to sue, see Rude *v.* Westcott (1889), 130 U. S. 152; Tilghman *v.* Proctor (1888), 125 U. S. 136; 43 O. G. 628.

That a patentee may sue at law in his own name though he is under contract to hold the patent for the benefit of others, but in equity the others may be made parties against the infringers, see Wheeler *v.* McCormick (1873), 4 O. G. 692.

That a licensor may sue though he has given an exclusive license to make and sell throughout the United States, see Freese *v.* Swartchild (1888), 38 Fed. Rep. 141.

That the assignee of an extension may have an injunction against licensees whose rights expired with the original term, see Mitchell *v.* Hawley (1873), 16 Wall. 544; 3 O. G. 241; 6 Fisher, 331.

That whether a person who has a right, upon performing certain conditions, to become the equitable owner of an extended term, but who has not yet fulfilled the conditions, ought to be made a party to a bill filed by the other equitable owners to restrain a third party from infringing, is doubtful, see Aiken *v.* Dolan (1867), 3 Fisher, 197.

That under an assignment of a patent, as security for a debt not due, the assignee should be made a party in equity, and a complete assignment to him pending suit does not change the legal status of the plaintiff, see Waterman *v.* McKenzie (1886), 39 O. G. 122; 29 Fed. Rep. 316.

[6] That assignees as well as inventors may invoke the equity powers of the courts, see Jenkins *v.* Greenwald (1857), 2 Fisher, 37; 1 Bond, 126.

rights.[7] A licensee, although unable to sue in his own name at law, may be a plaintiff in a court of equity, if the infringing acts of the defendant impair the value of his license, and may be joined as plaintiff with his licensor, the owner of the patent, or may sue alone when the licensor himself is the infringer.[8] The government, pending proceedings for repeal, has no such interest in the invention or the patent as warrants it in suing for infringement either at law or equity.[9]

§ 1099. Joinder of Plaintiffs in Equity.

All legal owners of the patent, and all equitable owners who have been or would be injured by the infringement, should be joined as plaintiffs, and if they refuse to sue as plaintiffs should be made defendants.[1] If the patentee

[7] That a part-owner may sue alone for the protection of his own interest, but must make his co-owners respondents, see Spring *v.* Domestic Sewing Mach. Co. (1882), 22 O. G. 1445; 13 Fed. Rep. 44[illegible], Sheehan *v.* Great Eastern R. Co. (1880), L. R. 16 Ch. D. 59.

[8] That a bill by a licensee, not joining the owner of the patent, is demurrable, see Bogart *v.* Hinds (1885), 33 O. G. 1268; 25 Fed. Rep. 484; Birdsell *v.* Shaliol (1884), 112 U. S. 485; 30 O. G. 261.

That a licensee to use for one purpose only cannot sue without joining the owner of the patent, see Cottle *v.* Krementz (1885), 25 Fed. Rep. 494.

Contra:

That a licensee may enjoin in a bill, in his own name, any one who infringes his rights under his license, see Bramer *v.* Jones (1867), 3 Fisher, 340; 2 Bond, 100.

That a licensee may sue in equity against the patentee for the infringement by the patentee himself of rights secured by the license, see Littlefield *v.* Perry (1874), 21 Wall. 205; 7 O. G. 964.

That a suit by the patentee alone with the consent of the licensee is a bar to a new suit against the same defendant though the licensee be then joined as plaintiff, see Birdsell *v.* Shaliol (1884), 112 U. S. 485; 30 O. G. 261.

[9] That no injunction can be granted at the prayer of the United States to restrain suits for infringement, pending proceedings for repeal, the United States having no interest in such suits, see United States *v.* Colgate (1884), 21 Fed. Rep. 318; 22 Blatch. 412.

§ 1099. [1] That all owners of the patent must be parties to a suit in equity for its infringement, see Jordan *v.* Dobson (1870), 4 Fisher, 232; 2 Abbott, 398; 7 Phila. 533.

That in equity the party injured by the infringement may be joined with the patentee as plaintiff, see Goodyear *v.* Allyn (1868), 3 Fisher, 374; 6 Blatch. 33.

That the proper parties to a bill for an injunction are the owner of the legal title to the patent and the person equitably entitled to the damages, these being the parties immediately injured by the infringement, see Goodyear *v.* Railroad (1853), 1 Fisher, 626.

That it is not essential in equity that the adverse parties be on opposite sides, see Campbell *v.* James (1880), 2 Fed.

retains any interest in the patent, whether it be present or reversionary, certain or contingent, he should join with his grantee or assignee.[2] All assignees, whether their rights are conditional or absolute, and whether or not they are evidenced by the required written conveyance, are also necessary parties.[3] Grantees, within whose territory and against whose exclusive privileges the infringement was committed;[4] licensees, to whose prejudice the defendant has wrongfully practised the invention;[5] the heirs or devisees of a deceased owner, in whose interest the executor institutes a suit;[6] *cestuis que trust* of any class, whose equitable rights could be affected by

Rep. 338; 18 O. G. 1111; 18 Blatch. 92; 5 Bann. & A. 354.

[2] That if the patentee retains any interest in the patent he must be a party, see Wheeler *v.* McCormick (1873), 4 O. G. 692; Dibble *v.* Augur (1869), 7 Blatch. 86.

[3] That one claiming under a contract to assign must be joined, see Wheeler *v.* McCormick (1873), 4 O. G. 692.

[4] That a grantee must be a party when his rights are invaded, see § 941 and notes, *ante*.

[5] That a licensee cannot sue at law in his own name but in the name of the patentee only, while in equity he may be joined as plaintiff with his licensor, and if not joined at the outset the court may order him to be made a party, see Birdsell *v.* Shaliol (1884), 112 U. S. 485; 30 O. G. 261.

That the owner of a patent and the owner of an exclusive right to make and sell for use abroad may join as plaintiffs in a bill in equity against parties who make and sell for use abroad, see Dorsey Revolving Harvester Rake Co. *v.* Bradley Mfg. Co. (1874), 12 Blatch. 202; 1 Bann. & A. 330.

That in an action brought by a licensee the owner of the patent must be a party, see Gamewell Fire Alarm Telegraph Co. *v.* City of Brooklyn (1882), 14 Fed. Rep. 255; 22 O. G. 1978.

That one of two or more licensees may recover of the infringer his proportion of the profits and damages without joining the others, unless objection for nonjoinder is made, see Adams *v.* Howard (1884), 23 Blatch. 27; 22 Fed. Rep. 656.

That the licensee of an exclusive right to make a particular machine containing the patented device need not be joined, see Nellis *v.* Pennock Mfg. Co. (1882), 13 Fed. Rep. 451; 22 O. G. 1131; 15 Phila. 493.

That under Sec. 17, act of 1836, the licensor is a "party aggrieved," and may sue in equity without joining his licensees, see Hussey *v.* Whitely (1860), 2 Fisher, 120; 1 Bond, 407.

[6] That heirs for whom an administrator holds in trust must be made parties to a suit in equity on a patent, see Northwestern Fire Extinguisher Co. *v.* Philadelphia Fire Extinguisher Co. (1874), 6 O. G. 34; 1 Bann. & A. 177; 10 Phila. 227; Stimpson *v.* Rogers (1859), 4 Blatch. 333.

That when an inventor during his lifetime assigns his interest his assignees, not his heirs, must be made parties, see Northwestern Fire Extinguisher Co. *v.* Philadelphia Fire Extinguisher Co. (1874), 6 O. G. 34; 1 Bann. & A. 177; 10 Phila. 227.

an action brought by their trustee, — must in like manner be made plaintiffs or defendants.[7] A licensee can sue alone in equity when his licensor is the infringer and is made defendant, but not otherwise.[8]

§ 1100. Addition of New Plaintiffs Pending Suit.

Whenever necessary parties are omitted at the commencement of the action the court may order them to appear and be made parties, and until they do appear it may suspend proceedings and refuse to hear those who are already on the record.[1] When the licensor has sued alone the defendant may obtain an order that the injured licensee be joined.[2] A suit brought by the licensee alone may be corrected by a subsequent joinder of the actual owner of the patent.[3] An equitable owner, who has commenced his action in the name of the person holding the legal title, may be entered on the record as a co-plaintiff, on his own motion at any time before the final hearing.[4] These various additions may be made at the request

[7] That if one person has the legal and another the equitable title to the patent a suit in equity for infringement must make both parties, see Gamewell Fire Alarm Telegraph Co. *v.* City of Brooklyn (1882), 22 O. G. 1978; 14 Fed. Rep. 255.

That when all a patentee's right vests in a trustee by agreement with third parties, a suit must be brought by a bill joining the trustee and *cestuis que trust*, see Dibble *v.* Augur (1869), 7 Blatch. 86.

[8] That where the licensor is the infringer the licensee may sue alone in his own name, see Littlefield *v.* Perry (1874), 21 Wall. 205; 7 O. G. 964.

§ 1100. [1] That a defect of parties may be cured by amendment, see Harrison *v.* Rowan (1819), 4 Wash. 202.

That if a decree cannot be made until absent persons become parties, the court may order an amendment and suspend proceedings till they appear, see Wallace *v.* Holmes, Booth, & Haydens (1871), 5 Fisher, 37; 1 O. G. 117; 9 Blatch. 65.

[2] That a licensee, if equitably entitled to the damages, should be a party, see Goodyear *v.* Railroads (1853), 1 Fisher, 626.

That a mere licensee, as such, is not a necessary party, see Forbes *v.* Barstow Stove Co. (1864), 2 Clifford, 379; Hussey *v.* Whitely (1860), 2 Fisher, 120; 1 Bond, 407.

That the court may order the licensee to be joined if the defendant demands it, or his presence is necessary to a decree, see Birdsell *v.* Shaliol (1884), 112 U. S. 485; 30 O. G. 261.

That a patentee being plaintiff cannot afterwards join with him a licensee having the exclusive right to make and sell, though the defendant knew of the licensee's claim, see Goodyear *v.* Bourn (1855), 3 Blatch. 266.

[3] That a suit brought by a licensee may be amended by bringing in the real owner, see Gamewell Fire Alarm Telegraph Co. *v.* City of Brooklyn (1882), 22 O. G. 1978; 14 Fed. Rep. 255.

[4] That the owner of an equitable

of any party to the suit, or of the person who desires to be made a party, or when the court itself perceives that complete justice cannot otherwise be done. An order of the court directing such additions cannot be enforced unless the required party can be served with a *subpœna* within the jurisdiction, or voluntarily appears and enters as a plaintiff or defendant.[5] New parties cannot be added where the effect of the addition would be the institution of a new suit, both as to the parties and the rights of action.[6]

§ 1101. Plaintiffs in Equity Must Sue in their own Names.

The real parties in interest must bring their action in equity in their own names and not in that of any attorney or other delegate, since those who are to be affected by the decree must be in court and subject to its orders.[1] A corporation must sue in its corporate name, but an unincorporated association in the names of all its members.[2] An assignee should sue in his own name though his assignment is not yet recorded; and if the assignment covers the assignor's claims against past infringers, he can maintain an action in his own name for these as well as for future violations of the patent.[3] A grantee whose territorial rights have been

right, having begun a suit for his own benefit and at his own expense in the name of the legal owner, may be joined as plaintiff upon motion made after the answer has been filed, the evidence heard, and the case set down for final hearing, see Patterson *v.* Stapler (1881), 7 Fed. Rep. 210.

[5] That persons not within the jurisdiction cannot be made parties unless they voluntarily appear, see Sec. 737, Rev. Stat.

[6] That a new party cannot be added to the bill when the effect would be to institute a new suit both as to the parties and the rights of action, see Goodyear *v.* Bourn (1855), 3 Blatch. 266.

§ 1101. [1] That an action cannot be brought in the name of any attorney or delegate, see § 944, note 4, *ante*.

That a suit at law by order of chancery may be brought in the name of any one in the district who has an interest which the defendant has violated, see Woodworth *v.* Edwards (1847), 3 W. & M. 120; 2 Robb, 610.

[2] That an association must sue in the names of its members, see Metal Stamping Co. *v.* Crandall (1880), 18 O. G. 1531.

[3] That under Sec. 4919, Rev. Stat., an assignee of the patent and of all claims for damages can recover in his own name on claims for past infringements as well as for infringements since the assignment, see Adams *v.* Bellaire Stamping Co. (1885), 25 Fed. Rep. 270; 33 O. G. 623.

That an assignee may sue in his own name though his assignment was not recorded before his bill was filed, see

invaded must also sue in his own name.[4] Licensees cannot sustain an action in their own names alone, except when the licensor is the infringer, but must sue in the name of the owner of the patent from whom they derive their licenses and with whom they may join themselves as plaintiffs.[5]

§ 1102. Misjoinder of Plaintiffs.

The misjoinder of plaintiffs, not being real parties in interest, can be taken advantage of by the defendant on a demurrer to the bill for want of equity, and the bill as to such parties may then be dismissed.[1] But such misjoinder will not prevent the court from affording equitable relief to any party to the record who may be entitled to demand it.[2] After a final decree in the Supreme Court no objection for misjoinder will avail.[3] The nonjoinder of parties may be cured by adding the omitted parties to the record after the proper order and appearance, or by a disclaimer of their title, in favor of the actual plaintiff, on the part of those whom the defendant asserts should have been joined.[4] An objection on the ground of a nonjoinder is not favored when the defendant is an in-

Gay *v.* Cornell (1849), 1 Blatch. 506; Pitts *v.* Whitman (1843), 2 Story, 609; 2 Robb, 189. *Contra:* Wyeth *v.* Stone (1840), 1 Story, 273; 2 Robb, 23.

[4] That a grantee may sue in his own name, see § 941 and notes, *ante*.

[5] That a licensee cannot sue in his own name alone even in equity, see Birdsell *v.* Shaliol (1884), 112 U. S. 484; 30 O. G. 261; Union Paper Bag Mach. Co. *v.* Nixon (1882), 105 U. S. 766; 21 O. G. 1275; Littlefield *v.* Perry (1874), 21 Wall. 205; 7 O. G. 964. *Contra:* Brammer *v.* Jones (1867), 3 Fisher, 340; 2 Bond, 100.

That where the owner of the patent is the infringer, the licensee may sue in his own name only, see Littlefield *v.* Perry (1874), 21 Wall. 205; 7 O. G. 964.

That a suit in equity for the benefit of the licensee may be in the joint names of the licensee and the owner of the patent, see Birdsell *v.* Shaliol (1884), 112 U. S. 485; 30 O. G. 261.

§ 1102. [1] That a misjoinder of plaintiffs, not interested parties, can be reached by a demurrer for want of equity, see Hodge *v.* North Missouri R. R. Co. (1869), 4 Fisher, 161; 1 Dillon, 104.

[2] That a misjoinder of plaintiffs will not prevent an injunction, if any of them are entitled to it, see Woodworth *v.* Hall (1846), 1 W. & M. 248; 2 Robb, 495.

[3] That an objection on the ground of misjoinder is too late after final decree in the Supreme Court, see Livingston *v.* Woodworth (1853), 15 How. 546.

[4] That nonjoinder may be cured by a disclaimer of title by the absent parties in favor of the record plaintiff, see Graham *v.* Geneva Lake Crawford Mfg. Co. (1880), 11 Fed. Rep. 138; 21 O. G. 1536.

fringer and has denied the title of the absent parties, or when the record plaintiff is the legal owner of the patent and the interest of the omitted parties rests upon an ancient and long dormant contract.[5] No objection for nonjoinder can be urged on the accounting unless it has been set up in the answer, or unless the court must have the absent parties before it in order to render a decree.[6] When the defendant sets up a nonjoinder in his answer or otherwise, he must name the parties of whose omission he complains.[7]

§ 1103. Effect of Conveyance pendente lite on the Rights of Parties: Collusive Suits.

Conveyances *pendente lite* do not affect the litigation as between the original plaintiff and defendant, but courts of equity will protect the rights of the real parties and secure to each his due proportion of the damages or profits resulting from the suit.[1] An assignment of the entire interest in the

[5] That objections for nonjoinder of plaintiffs are not favored when the plaintiff has the legal title and the other interests are derived from an old and dormant contract, see Graham *v.* McCormick (1880), 11 Fed. Rep. 859; 21 O. G. 1533; 10 Bissell, 39; 5 Bann. & A. 244.

That the objection that other parties are not joined as plaintiffs has not much weight when the defendant denies their title, and it is really doubtful whether they are parties and the objector is an alleged infringer, see Graham *v.* Geneva Lake Crawford Mfg. Co. (1880), 11 Fed. Rep. 138; 21 O. G. 1536.

[6] That a defendant who has litigated a case on its merits cannot at the hearing raise for the first time the question of defect of parties, unless indispensable parties are absent, and in that event the court will refuse to decree though the objection is not suggested, see Adams *v.* Howard (1884), 22 Fed. Rep. 656; 23 Blatch. 27; Wallace *v.* Holmes, Booth, & Haydens (1871), 5 Fisher, 37; 1 O. G. 117; 9 Blatch. 65.

That nonjoinder cannot be taken advantage of by objection to the decree, but by demurrer or answer, see Adams *v.* Howard (1884), 26 O. G. 825; 22 Blatch. 47; 19 Fed. Rep. 317.

[7] That when a defendant objects to a bill for want of parties he must set forth what parties are wanting, see Campbell *v.* James (1880), 18 O. G. 1111; 2 Fed. Rep. 338; 18 Blatch. 92; 5 Bann. & A. 354.

§ 1103. [1] That conveyances *pendente lite* do not affect the suit as between the original parties, but the court will protect the rights of the real owners to the fruits of the litigation, see Campbell *v.* James (1880), 2 Fed. Rep. 338; 18 O. G. 1111; 18 Blatch. 92; 5 Bann. & A. 354.

That if a plaintiff goes into bankruptcy the suit is not abated, though a supplemental bill may be required, see Gear *v.* Fitch (1878), 16 O. G. 1231; 3 Bann. & A. 573.

That a plaintiff becoming bankrupt and purchasing the right of action from his assignee, cannot be met with a plea

patent, pending suit, may reserve the avails of the action to the assignor, and equity will award these to him, while protecting the assignee against future infringements by injunction; but such an assignment, reserving the right to an injunction, calls for no equitable interference, since an injunction cannot issue in favor of one who is no longer an owner of the patent.[2] After a decree and an accounting, the right to the computed profits may be transferred by the plaintiff, and the transferee will be permitted to receive them, and, if necessary, to invoke the assistance of the court for their collection.[3] Any person who pays the expenses of the litigation for his own benefit, under a contract with the plaintiff, in order to test the validity of the patent or the fact of infringement, or for any other legitimate purpose, has a sufficient standing in the court to enable him to control the suit;[4] but a collusive action, in which one person bears the cost of both parties, in order to obtain a judgment to be employed in enforcing settlements or procuring injunctions against others, will not be entertained.[5]

in abatement, see Gear *v.* Fitch (1878), 16 O. G. 1231; 3 Bann. & A. 573.

[2] That an assignment during a suit "reserving the right to profits and damages in said suit and to have the patent declared valid, and an injunction," gives the plaintiff the right to the profits and damages up to the time of conveyance, but not to an injunction, see Boomer *v.* United Power Press Co. (1875), 13 Blatch. 107; 2 Bann. & A. 106.

[3] That a bill will not be dismissed on account of the plaintiff's assignment of his interests, if it were made after the time when the computation of profits ended, see Dean *v.* Mason (1857), 20 How. 198.

That the court will enforce the rights of an assignee *pendente lite* to the avails of the suit, see Campbell *v.* James (1880), 2 Fed. Rep. 338; 18 O. G. 1111; 18 Blatch. 92; 5 Bann. & A. 354.

[4] That a party bearing the expenses of a suit and prosecuting it for his own benefit, though in the name of another, has a right to control the proceedings, see § 938, note 5, *ante*.

[5] That collusive suits will not be permitted, see Barker *v.* Todd (1882), 23 O. G. 438; 15 Fed. Rep. 265; and § 1182 and notes, *post*.

That a collusive decree may be annulled on the application of a stranger, see Barker *v.* Todd (1882), 23 O. G. 438; 15 Fed. Rep. 265.

That an action in which one party bears the expense of both sides, in order to obtain a judgment influencing other suits, is collusive under whatever disguise, see Gardner *v.* Goodyear Dental Vulcanite Co. (1873), 6 Fisher, 329; 3 O. G. 295.

That an agreement to sue and pay all expenses for one half the results is champerty and cannot be upheld in equity where the party suing had entire

§ 1104. Parties Defendant in Equity.

All persons who participate in the infringement, whether by performing the infringing act, or by ordering it to be committed by their servants, or by directly sharing in its benefits, may be joined as defendants.[1] A corporation may be made defendant when it profits by the unlawful use of the invention, and with it may be joined the officers by whose direction the infringing device or process is employed; or either may be sued alone without reference to the other.[2] When several distinct individuals are made defendants, the plaintiff's bill must show how they are related to each other, and that all are connected with the same infringing act; and where a defendant is one of a group of persons, whose operations are carried on beyond the limits of the district of the suit by their collective authority, the bill must allege that this defendant has the entire control of the infringement and can promote it or prevent it at his pleasure.[3] The misjoinder of defendants does not impair the power of the court to afford relief against such of them as are found guilty of the infringement, though the bill as to the others will be dismissed.[4]

control of the claims, see Gregerson *v.* Imlay (1861), 4 Blatch. 503.

§ 1104. [1] For rules determining who may be defendants, see §§ 946, 947, and notes, *ante*.

That complicity between defendants renders them liable to be sued in equity for a joint infringement, see Wells *v.* Jacques (1874), 5 O. G. 364; 1 Bann. & A. 60.

[2] For the liability of corporations and their officers, etc., see § 912 and notes, *ante*.

[3] That a bill joining defendants should show how they are related to each other, whether as partners, etc., see Shickle *v.* South St. Louis Foundry Co. (1884), 22 Fed. Rep. 105.

That a bill alleging that the defendants were doing business as a company while infringing avers a joint infringement, see Kaolatype Engraving Co. *v.* Hoke (1887), 30 Fed. Rep. 444; 39 O. G. 585.

That if the defendant is one of several directors of a corporation, located and doing business in another district, it should appear that he has power alone to direct the use or disuse of the infringing device, or all or a majority of the directors must be made parties, see Jones *v.* Osgood (1869), 3 Fisher, 591; 6 Blatch. 435.

[4] That where a bill alleges that the defendants "jointly and collectively and also separately infringed," and no joint use is shown, but the bill is not demurred to and a final hearing is had without objection, a decree may issue against each separately, see Putnam *v.* Hollender (1881), 6 Fed. Rep. 882; 19 O. G. 1423; 19 Blatch. 48.

§ 1105. Nonjoindor of Defendants.

The nonjoindor of defendants is no ground of defence against the action, unless the account of profits is inseparable, or for some other reason the presence of the omitted parties is indispensable to a decree.[1] The absence of proper defendants must be taken advantage of by the demurrer, plea, or answer, and the objection must set forth the connection of such persons with the cause of action and allege that they are within the territorial jurisdiction of the court.[2] If the objection is sustained, the persons named may be ordered to appear and be made parties, and if this order cannot be enforced the court will stay proceedings indefinitely or dismiss the bill.[3] An amendment changing the capacity in which the defendants have been sued, and in effect creating a new defendant, cannot be allowed.[4]

§ 1106. Averments of a Bill in Equity in Actions for Infringement.

A bill in equity, in actions for infringement, must disclose the substantial groundwork of the case and contain aver-

§ 1105. [1] That nonjoinder of defendants is no defence unless their presence is necessary to enable the court to decree any effectual relief, see Florence Sewing Mach. Co. *v.* Singer Mfg. Co. (1870), 4 Fisher, 329 ; 8 Blatch. 113.

[2] That the objection that the bill does not allege a joint infringement by the defendants is to be taken by demurrer, see Fischer *v.* O'Shaughnessy (1881), 6 Fed. Rep. 92.

That a plea of nonjoinder must allege that the absent defendants are within the jurisdiction, see Goodyear *v.* Toby (1868), 6 Blatch. 130.

[3] That if the want of parties defendant is not objected to by demurrer, plea, or answer, it is too late to make the objection afterward, provided the court can make a decree concerning the actual parties separately from the others ; but where it cannot, the court will not proceed, though the absent parties are out of its jurisdiction, see Florence Sewing Mach. Co. *v.* Singer Mfg. Co. (1870) 4 Fisher, 329 ; 8 Blatch. 113.

That in a suit against a mere vendee his vendor may apply to be made a defendant, and if admitted he submits to the jurisdiction for all purposes though not originally within it, but cannot set up in a cross-bill any matter which the original defendant could not have alleged, see Curran *v.* St. Charles Car Co. (1887), 32 Fed. Rep. 835.

[4] That a bill against several defendants as copartners cannot be amended to charge them as separately the president, secretary, and directors of a company, this being unnecessary in a suit against them as individuals, and improper in a suit against the company as a whole, see Tyler *v.* Galloway (1882), 13 Fed. Rep. 477 ; 22 O. G. 1294 ; 21 Blatch. 66.

ments covering every material fact, the court having no authority to consider what is proved and not alleged, or what is alleged and not supported by the ev. ence.[1] The material facts in equity, as at law, relate to these five questions: (1) The performance by the alleged inventor of an inventive act resulting in the alleged invention; (2) The existence and validity of a patent protecting this invention; (3) The title of the plaintiff to that patent; (4) The infringement of that patent by the defendant; and (5) The damage sustained by the plaintiff, and the benefits accruing to the defendant, from the infringing acts. The averment of the inventive act may state the performance of the act and the resulting invention in general terms, sufficient to identify the invention with the subject-matter, and the inventor with the grantee, of the letters-patent, as these appear in the ensuing allegations.[2] The averment of the patent may describe it by its date and title with a *profert*, neither setting it out according to its terms,

§ 1106.[1] That the substantial groundwork of a case must be alleged in the bill or no decree can be rendered, see Pelham *v.* Edelmeyer (1883), 15 Fed. Rep. 262; 25 O. G. 292; 21 Blatch. 188.

That the bill must aver every material fact, for the court cannot consider what is proved and not alleged or what is alleged and not proved, see Blandy *v.* Griffith (1869), 3 Fisher, 609.

That a bill in equity under the act of 1870 must follow and be supported by the general doctrines of equity, see Root *v.* Lake Shore & Michigan Southern R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112.

For the form and requisites of a bill in equity, see McCoy *v.* Nelson (1887), 121 U. S. 484; 39 O. G. 831.

[2] That a bill in equity must describe the invention, not merely by date and number of the patent, but so fully as to apprise the court of its nature and characteristics, see Post *v.* Richards Hardware Co. (1885), 25 Fed. Rep. 905.

That unless a clear description of the invention is given in the bill, the patent must be annexed or *profert* made, or the bill will be demurrable, see Wise *v.* Grand Ave. R. R. Co. (1888), 33 Fed. Rep. 277.

That the description of the invention is sufficient when the bill refers to and makes *profert* of the patent, or employs the language of the specification, or gives a full and accurate description in the pleader's own words, see Post *v.* Richards Hardware Co. (1885), 25 Fed. Rep. 905.

That the bill or declaration must allege that the invention was not in public use or on sale for more than two years before the application, see Blessing *v.* Steam Copper Works (1888) 34 Fed. Rep. 753.

That the history of the art being part of the controversy in a patent cause, the description of prior patents and the litigation thereon may be proper averments in the bill, see Steam Gauge & Lantern Co. *v.* McRoberts (1886), 26 Fed. Rep. 765; 36 O. G. 822.

nor in the case of a re-issue specifying the ground of the re-issue nor the concurrence of the owners of the original in its surrender.[3] The averment of title may allege the interest of the plaintiff in the patent without reciting the chain of title or declaring that the conveyance under which he claims has been recorded, but it must define the right in which he sues, and if this right is based upon or is to be established by reference to a former judgment such judgment must be also stated.[4] The averment of infringement need not describe the particular acts performed by the defendant, nor point out the portions of the invention which he has appropriated nor the articles produced by its unlawful use.[5] It must allege

[3] That the patent need not be set out in the bill, but a statement of title and a *profert* are enough, see American Bell Telephone Co. *v.* Southern Telephone Co. (1888), 34 Fed. Rep. 803; McMillin *v.* St. Louis & Mississippi Valley Transportation Co. (1883), 18 Fed. Rep. 260; 5 McCrary, 561.

That a bill on a re-issued patent need not aver that the grantee of a territorial right acted with the patentee in the surrender of the original patent, or that he concurred in the re-issue, see Meyer *v.* Bailey (1875), 8 O. G. 437; 2 Bann. & A. 73.

That a bill for the infringement of a re-issue need not aver the ground of re-issue, see Spaeth *v.* Barney (1885), 22 Fed. Rep. 828; 30 O. G. 997.

That a bill in equity, setting forth the issue of a patent and its re-issue with expanded Claims after two years and not explaining the delay, suggests sufficient to serve as a defence on demurrer, see Wollensak *v.* Reiher (1885), 115 U. S. 96; 31 O. G. 1301.

[4] That the bill need not state the entire chain of title, an averment that the title is in the complainants being sufficient, see Nourse *v.* Allen (1859), 3 Fisher, 63; 4 Blatch. 376.

That a plaintiff grantee need not aver the recording of his grant, but the defendant may claim to be the *bona fide* owner without notice, see Perry *v.* Corning (1870), 7 Blatch. 195.

That an allegation of an assignment of the whole patent except in certain specified counties, if not traversed in the answer or the evidence, cannot be otherwise objected to, see Washburn & Moen Mfg. Co. *v.* Haish (1880), 4 Fed. Rep. 900; 19 O. G. 173; 10 Bissell, 65.

That if the plaintiff relies on a former verdict and judgment to show his title, or his right to equitable relief, his bill must aver it, see Blandy *v.* Griffith (1869), 3 Fisher, 609; Parker *v.* Brant (1850), 1 Fisher, 58.

That a bill alleging the infringement of two claims and a judgment in a former suit on one of them does not imply that full relief has been obtained in the other suit, see Allis *v.* Stowell, (1883), 15 Fed. Rep. 242; 23 O. G. 1033.

That allegations of residence of parties are not necessary to confer jurisdiction, see Teese *v.* Phelps (1855), 1 McAllister, 17.

[5] In Thatcher Heating Co. *v.* Carbon Stove Co. (1878), 4 Bann. & A. 68, Nixon, J.: (69) "It was insisted that, unless the whole invention, as claimed, had been infringed, it was necessary for the complainant to specify in the bill the particular Claims of the violation of

infringing acts committed in violation of the plaintiff's rights, and disclose such circumstances of time, place, and method as show upon the face of the averment that these rights, as before described, have been invaded.[6] The allegation must be positive and certain, not stating the infringing acts hy-

which he complained. Perhaps that would have been the correct practice to have been established in suits for the infringement of patent rights, in analogy of what is required in courts of equity in actions for relief against fraud. In such cases it is not permitted to allege fraud generally. The party alleging it must s'.te the facts which constitute the fraud. (Small *v.* Boudinot, 1 Stockt. 391; Rorback *v.* Dorsheimer, 10 C. E. Green, 516.) But such is not the recognized practice in patent cases. A statement of the complainant's patent, and a general allegation that the defendant has infringed, is deemed sufficient to put the defendant upon his answer. (Turrell *v.* Cammerrer, 3 Fisher, 462.) . . . When the proofs are closed, and at the final hearing, the complainant is permitted to specify the Claims of the patent on which he will ask for a decree." 15 O. G. 1051 (1051).

In Turrell *v.* Cammerrer (1868), 3 Fisher, 462, Leavitt, J.: (463) "The question before the court arises upon a demurrer to a bill filed by the complainant for the infringement of letters-patent. It is objected that the bill does not state facts enough to enable the court to base a decree upon it, and it is insisted that, before the defendant can be called upon to answer, the complainant shall be required to set forth the precise infringement complained of, by some adequate description of the patented invention, and of the infringing machine or process. This he has never been required by the practice of this court to do. The general allegation of the bill that the defendant has infringed the letters-patent has been sufficient to put him upon his answer. It would obviously be a very inconvenient practice to require the complainant to set out at length in his bill the details of his invention and of the defendant's manufacture. The bill would be very voluminous and not necessarily more clear or explicit. The defendant is, by the general averment, put in possession of the allegation that he has infringed the complainant's patent. This he may deny by answer. The burden of proof is then upon the complainant to prove infringement and to show wherein it consists. If he fails to do this, he is not entitled to relief."

Further, that the bill may allege infringement generally without specifying particulars, see American Bell Telephone Co. *v.* Southern Telephone Co. (1888), 34 Fed. Rep. 803; Haven *v.* Brown (1873), 6 Fisher, 413.

That a bill for the infringement of a machine-patent need not state what articles the defendant has made by his machine, see Fischer *v.* Hayes (1881), 6 Fed. Rep. 76; 20 O. G. 239; 19 Blatch. 26.

[6] That no recovery can be had unless an infringement by making, using, or selling the invention, before the filing of the bill, is alleged and proved, see Slessinger *v.* Buckingham (1883), 17 Fed. Rep. 454; 8 Sawyer, 469.

That a bill alleging a grant to the plaintiffs and that the defendants are *now* making and using the invention against the interest of the grantees, although informal, is a sufficient charge of the infringement as occurring after the grant and within the granted territory, see Meyer *v.* Bailey (1875), 8 O. G. 437; 2 Bann. & A. 73.

pothetically, argumentatively, nor in the disjunctive;[7] and if the patent had expired before the date of the infringement it must aver that the infringing articles were unlawfully constructed while the patent was in force.[8] Where the plaintiff has conveyed assignable interests to others, which were outstanding when the infringement was committed, the averment of infringement must deny that the defendant used the invention under such conveyance.[9] If there is more than one defendant the relation which subsists between them must be sufficiently delineated to indicate that all participate in the infringing acts.[10] The averment of damages may be in general terms; that of profits must set forth such facts as to the mode in which the defendant has practised the invention, and the benefits he has thence derived, as in connection with the preceding averments will show that there have been pecuniary gains or savings for which the plaintiff is entitled to an account.[11] Where the advantage to the defendant

[7] That an allegation of infringement must not be in the disjunctive, as "making *or* selling," but if it alleges both making *and* selling it is sustained by evidence of either, see Locomotive Engine Safety Truck Co. *v.* Erie Railway Co. (1872), 6 Fisher, 187; 3 O. G. 93; 10 Blatch. 292.

That an allegation that the defendant "has built and is now using" does not aver that he uses what he built or built what he uses, see Locomotive Engine Safety Truck Co. *v.* Erie Railway Co. (1872), 6 Fisher, 187; 3 O. G. 93; 10 Blatch. 292.

That the allegation that the defendant is making and using devices "in some parts" substantially the same in construction and operation with those of the plaintiff, though objectionable, is still sustained as a sufficient statement of infringement, see McMillin *v.* St. Louis & Mississippi Valley Transportation Co. (1883), 18 Fed. Rep. 260; 5 McCrary, 561.

[8] That a bill to enjoin a device after the patent expires must aver that the device was made before the patent expired, see American Diamond Rock Boring Co. *v.* Rutland Marble Co. (1880), 2 Fed. Rep. 355; 18 Blatch. 147; 5 Bann. & A. 346.

[9] That in a suit by the owner of a patent, who has sold an exclusive right for a term of years, the bill must set out that the defendant is not operating under the licensee, see Still *v.* Reading (1881), 9 Fed. Rep. 40; 20 O. G. 1025; 4 Woods, 345.

[10] That where a corporation is sued for infringement and its officers are made parties, the fact that they are such officers should be averred, see Shickle *v.* South St. Louis Foundry Co. (1884), 22 Fed. Rep. 105.

[11] That the bill need not pray for damages *eo nomine*, but they may be awarded under the general prayer for relief, see Emerson *v.* Simm (1873), 3 O. G. 293; 6 Fisher, 281.

That the bill must state such facts as indicate that profits were realized by the defendant in order to support a prayer for an account, see Vaughn *v.* Central Pacific R. R. Co. (1877), 4 Sawyer, 280; 3 Bann. & A. 27.

can only be estimated as a whole, or from the nature of the invention or his method of infringement could not result in profits, no account in equity can be decreed.[12] But profits may be alleged as either general or special, and the actual profits appearing on the accounting will then be covered by the averment.

§ 1107. Prayers for Equitable Relief.

The bill must close with a prayer for the desired relief, and the relief sought must be, in part at least, of such a character as equity alone can grant. If the bill prays for damages only, and in most cases where it prays for profits only, it presents no ground for equitable interference.[1] With these petitions must be united one for an injunction, or a discovery, or some other remedy not obtainable at law, unless those portions of the bill relating to the parties or the title or the infringement or the profits make it apparent that out of equity the plaintiff has no adequate redress.[2] To each of these forms of relief special averments of the circumstances which require such relief are necessary, in addition to the ordinary allegations of the bill.[3] Thus where an injunction is requested, the bill must state that the defendant threatens to commit or re-

[12] That a bill claiming an account is improper where the advantage to the defendant is a general one and can only be estimated as a whole, see Sayles *v.* Richmond, Fredericksburg, & Potomac R. R. Co. (1879), 16 O. G. 43; 3 Hughes, 172; 4 Bann. & A. 239.

That a general allegation that profits were made by the defendant is not sufficient, and if from the nature of the invention it appears that profits were not obtainable, the bill will be dismissed, see Vaughn *v.* Central Pacific R. R. Co. (1877), 4 Sawyer, 280; 3 Bann. & A. 27.

That a bill averring an assignment of all right "for and to the past use of the invention and improvements under said letters-patent," and praying for an injunction, profits and damages and other relief, is sufficient basis for a recovery of damages for past infringements before the assignment, see Campbell *v.* James (1880), 2 Fed. Rep. 338; 18 O. G. 1111; 18 Blatch. 92; 5 Bann. & A. 354.

§ 1107. [1] That over a mere claim for damages or profits equity has no jurisdiction, see § 1087 and notes, *ante*.

[2] That a bill in equity will not lie for damages alone, but must pray for an injunction, a discovery, or an account, see Vaughn *v.* East Tennessee, Virginia, & Georgia R. R. Co. (1877), 11 O. G. 789; 1 Flippin, 621; 2 Bann. & A. 537.

[3] That the bill must aver such facts as show that the equitable relief prayed for is necessary, see Dunham *v.* R. R. Co. (1861), 1 Bond, 492; Harrison *v.* Nixon (1835), 9 Peters, 483.

fuses to desist from an infringement, and if the injunction is to precede the trial of the cause upon its merits a prior judgment sustaining the plaintiff's right, or long continued public acquiescence in the exercise of his exclusive privilege, must be averred.[4] When the bill prays for a discovery it must point out the facts concerning which the disclosure is required and allege the inability of the plaintiff to establish them by any evidence at his command.[5]

§ 1108. Joinder of Different Causes of Action Based on Several Patents: Multifariousness.

Where several patents belonging to the plaintiff are violated by the same infringement on the part of the defendant, these different causes of action may be united and relief for the entire injury may be afforded in a single suit.[1] A bill in equity, therefore, is not multifarious merely because it counts upon numerous patents, or alleges various infringing acts. A bill is multifarious when it joins matters perfectly distinct, or de-

[4] That if the bill contains a prayer for an injunction the facts which render it necessary must be set forth and the plaintiff's title shown, see § 1206 and notes, *post*.

That no allegation of a trial at law should be made as the foundation for an injunction unless there was a *bona fide* trial and judgment, see Doughty *v.* West (1865), 2 Fisher, 553.

[5] That a prayer for discovery must indicate the points for a disclosure and the absence of other evidence, see Vaughn *v.* Central Pacific R. R. Co. (1877), 4 Sawyer, 280; 3 Bann. & A. 27.

§ 1108. [1] That more than one patent may be embraced in the same suit, see Matthews *v.* Lalance & Grosjean Mfg. Co. (1880), 17 O. G. 1284; 2 Fed. Rep. 232; 18 Blatch. 84; 5 Bann. & A. 319; Parks *v.* Booth (1880), 102 U. S. 96; 17 O. G. 1089.

That several patents may be included in one suit when their subjects-matter are correlative and are embodied in the infringing process or device, see Nellis *v.* Pennock Mfg. Co. (1882), 22 O. G. 1131; 13 Fed. Rep. 451; 15 Phila. 493.

That suits on a patent for an original invention and on a patent for an improvement thereon are not divisible, if both patents belong to the same owner, see Case *v.* Redfield (1849), 4 McLean, 526; 2 Robb, 741.

That one who is sole owner of one patent and exclusive licensee under another may, joining his licensor, enjoin a device which infringes both patents, see Huber *v.* Myers Sanitary Depot (1888), 34 Fed. Rep. 752.

That where the plaintiff owns one patent in one State and the same with another patent in a second State, and on an infringement in the second State his bill counts on both patents, it is proper, see Gillespie *v.* Cummings (1874), 3 Sawyer, 259; 1 Bann. & A. 587.

That where all the Claims of several patents are infringed by one structure a suit on all is not multifarious, see Hayes *v.* Bickelhoupt (1885), 23 Fed. Rep. 183; 32 O. G. 135.

mands remedies of an independent character against separate defendants: for a defendant cannot be compelled to associate wholly different defences in his answer, to the confusion of the evidence and the protraction of the controversy, nor can the expense of proceedings against separate defendants on distinct issues be imposed upon him.[2] No universal test of multifariousness can be established; but whenever, in its sound discretion, the court perceives that the defendant is embarrassed by the multiplicity of the plaintiff's claims, the bill may be treated as defective and its reduction to a more simple form required.[3] In actions for infringement, as a general rule, the

[2] In Hayes *v.* Dayton (1880), 8 Fed. Rep. 702, Blatchford, J.: (703) "A bill is multifarious when it improperly unites in one bill against one defendant several matters perfectly distinct and unconnected, or when it demands several matters of a distinct and independent nature against several defendants in the same bill. The reason of the first case is that the defendant would be compelled to unite in his answer and defence different matters wholly unconnected with each other, and thus the proofs applicable to each would be apt to be confounded with each other, and delays would be occasioned by waiting for the proofs respecting one of the matters when the others might be fully ripe for hearing. The reason of the second case is that each defendant would have an unnecessary burden of costs by the statement in the pleadings of the several claims of the other defendants with which he has no connection." 18 O. G. 1406 (1407); 18 Blatch. 420 (421).

That in equity several causes of action may be joined between the same parties to avoid multiplicity of action, unless the defence may be embarrassed by confounding different issues and proofs, see Nourse *v.* Allen (1859), 3 Fisher, 63; 4 Blatch. 376.

[3] In Hayes *v.* Dayton (1880), 8 Fed. Rep. 702, Blatchford, J.: (704) "Where there is a joinder of distinct claims between the same parties it has never been held, as a general proposition, that they cannot be united, and that the bill is of course demurrable for that cause alone. Nor is there any positive, inflexible rule as to what, in the sense of courts of equity, constitutes a fatal multifariousness on demurrer. A sound discretion is always exercised in determining whether the subject-matters of the suit are properly joined or not. It is not very easy, *a priori*, to say exactly what is or what ought to be the true line regulating the course of pleading on this point. All that can be done in each particular case, as it arises, is to consider whether it comes nearer to the class of decisions where the objection is held to be fatal, or to the other class, where it is held not to be fatal. In new cases the court is governed by those analogies which seem best founded on general convenience, and will best promote the due administration of justice, without multiplying unnecessary litigation on the one hand, or drawing suitors into needless and oppressive expenses on the other." 18 O. G. 1406 (1407); 18 Blatch. 420 (422).

That whether a bill is multifarious depends on the circumstances of each case and the court must act on its discretion in sustaining it, see United States *v.*

bill will not be multifarious unless it charges several distinct violations of several independent patents. Where the same infringement, whether it be committed by one act or by a series of acts, invades the rights conferred on the plaintiff by numerous patents, he is not forced to divide the infringement into portions measured by the invention covered by each patent and pursue a separate remedy for every violated right.[4]

American Bell Telephone Co. (1888), 128 U. S. 315; Singer Mfg. Co. *v.* Springfield Foundry Co. (1888), 34 Fed. Rep. 393.

[4] In Hayes *v.* Dayton (1880), 8 Fed. Rep. 702, Blatchford, J.: (704) "We are not without cases on this subject, in suits on patents in this country. In Nourse *v.* Allen (4 Blatch. C. C. R. 376), in 1859, before Mr. Justice Nelson, a bill on four patents was held good on demurrer, where it alleged that the machine sued contained all the improvements in all the patents. The court thought that the convenience of both parties, as well as a saving of the expenses in the litigation, seemed to be consulted in embracing all the patents in one suit in such a case; and that although the defences as respected the several improvements might be different and unconnected, yet the patents were connected with each other in each infringing machine. In Nellis *v.* McLanahan (6 Fisher's Patent Cases, 286), in 1873, before Judge McKennan, it was held that where a suit in equity is brought for the infringement of several patents for different improvements not necessarily embodied in the construction and operation of any one machine, the bill must contain an explicit averment that the infringing machines contain all the improvements embraced in the several patents, or it will be held bad for multifariousness on demurrer. In Gillespie *v.* Cummings (3 Sawyer, 259), in 1874, before Judge Sawyer, the bill was founded on two patents for the manufacture of brooms. There was a demurrer on the ground of the joinder of two separate and distinct causes of action. It appearing by the bill that the defendant's broom, if infringing, must be an infringement of both of the patents, and that there was therefore a common point to be litigated, and much of the testimony must from the nature of things be applicable to both of the patents, the bill was held good. In Herman Patent Mfg. Co. *v.* Brooklyn City R. R. Co. (15 Blatch. C. C. R. 444), in 1879, before Judge Benedict, a bill in equity on two patents alleged that the defendant was using machines containing in one and the same apparatus the inventions secured by each of the two patents. It was demurred to on the ground that it did not allege that the devices were used conjointly or connected together in any one apparatus, but the demurrer was overruled. The court held that, as the bill did not show the controversy to be of such a character that prejudice to the defendant would result from the joinder in one action of the causes of action joined, the bill must be sustained. The court was of opinion that, in the absence of any other fact, the circumstance that the two transactions complained of were the use in a single machine of two patented devices connected with the mechanism of the machine warranted the inference that no prejudice would result to the defendant from the joinder of the two transactions. The decisions above cited all tend in one direction." 18 O. G. 1406 (1407); 18 Blatch. 420 (423).

That a bill counting on several pat-

The fact that the inventions are capable of a joint employment, and that the defendant has thus wrongfully employed them, entitles the plaintiff to regard this wrongful use as constituting a single injury, and to seek his redress for it in a single action, although the defences to each patent may be different and unconnected. In such cases, however, the bill must aver, and the evidence must prove, the joint employment of the several inventions; and even then the difficulties which attend the defendant's presentation of his claims may be so great as to demand a different method of procedure.[5] Where the inventions covered by the various patents are incapable of a united use, or are applied to separate uses by the defendant, the infringements are distinct and a bill counting upon more than one of them is multifarious.[6] A bill is not rendered

ents is not multifarious when all are alleged to be infringed by one machine, see Deering *v.* Winona Harvester Works (1885) 24 Fed. Rep. 90; 32 O. G. 654; Nourse *v.* Allen (1859), 3 Fisher, 63; 4 Blatch. 376.

[5] In Lilliendahl *v.* Detwiller (1883), 18 Fed. Rep. 176, Nixon, J.: (177) "A bill is not necessarily obnoxious to the charge of multifariousness because the suit is brought upon more than one patent. Courts encourage single suits upon a number of patents to avoid multiplicity of actions; but in such cases the bill of complaint, in order to be maintainable, must allege and the proofs must show that the inventions embraced in the several patents are capable of conjoint use, and are so used by the defendants."

Further, that a bill alleging the infringement of several patents must aver that the inventions are capable of joint use and are so used by the defendant, see Kaolatype Engraving Co. *v.* Hoke (1887), 39 O. G. 589; 30 Fed. Rep. 444; Griffith *v.* Segar (1887), 29 Fed. Rep. 707; Barney *v.* Peck (1883), 16 Fed. Rep. 413; 24 O. G. 101; Pope Mfg. Co. *v.* Marqua (1883), 15 Fed. Rep. 400; Gamewell Fire Alarm Telegraph Co. *v.* Chillicothe (1881), 7 Fed. Rep. 351; Hayes *v.* Dayton (1880), 8 Fed. Rep. 702; 18 O. G. 1406; 18 Blatch. 420; Nellis *v.* McLanahan (1873), 6 Fisher, 286.

That a bill alleging the infringement of five patents by one machine, when in fact each invention is capable of separate use and the trial as to each on the questions of validity and infringement must be separate and upon distinct issues, is multifarious, see Consolidated Electric Light Co. *v.* Brush Co. (1884), 20 Fed. Rep. 502; 22 Blatch. 206; 28 O. G. 544.

[6] That one bill cannot embrace infringements of two wholly separate patents for non-unitable inventions, see Hayes *v.* Dayton (1880), 18 O. G. 1406; 8 Fed. Rep. 702; 18 Blatch. 420.

That a bill will not lie for the infringement of several patents for machines unless all the machines have been used conjointly, see Shickle *v.* South St. Louis Foundry Co. (1884), 22 Fed. Rep. 105.

That where one device is used in one machine and the other in another, no joinder can be permitted, see Nourse *v.* Allen (1859), 3 Fisher, 63; 4 Blatch. 376.

multifarious by charging separate infringements of the different Claims of the same patent, nor by praying several forms of relief for the same injury.[7]

§ 1109. Process in Equity: Service: Appearance.

Upon the filing of the bill in the proper court, a *subpœna* issues and is served by the marshal, his deputy, or other person duly appointed for that purpose by the court.[1] Service must be made upon the defendant personally unless he resides within the district, when it may be made by leaving a copy of the *subpœna* at his usual place of abode, with any adult member of his family.[2] If he fails to appear within the time required the bill may be taken *pro confesso*, and where the relief desired by the plaintiff can be afforded without the presence of the defendant the hearing will proceed *ex parte*, and a final decree will be awarded.[3] If he appears, he must demur or plead or answer to the bill, and upon his neglect to do so a decree *pro confesso* may be entered and the cause be heard without him; or when an answer is essential to the plaintiff, as in bills for discovery or similar relief, an attachment may be issued to compel it.[4]

§ 1110. Demurrer in Equity.

A demurrer in equity is a pleading by which the defendant points out some defect in the bill, as a reason why he should not be compelled to answer further to its allegations.[1] This

[7] That separate infringements of different Claims of the same patent may be joined in one bill, see Bates *v.* Coe (1878), 98 U. S. 31; 15 O. G. 337; Kelleher *v.* Darling (1878), 4 Clifford, 424; 14 O. G. 673; 3 Bann. & A. 438.

That a bill to repeal an interfering patent and to recover for infringements is not multifarious, see Holliday *v.* Pickhardt (1887), 29 Fed. Rep. 853; Leach *v.* Chandler (1883), 18 Fed. Rep. 262.

That a bill averring an infringement by a corporation and its assignee in insolvency, and alleging that the assignee is about to distribute the corporate assets without regard to the plaintiff's rights, and praying for an injunction, decree, and account, is not multifarious and may be properly brought in the Federal courts, see Gordon *v.* St. Paul Harvester Works (1885), 23 Fed. Rep. 147.

§ 1109. [1] Equity Rules 7, 11, 15.

[2] Equity Rule 13.

[3] Equity Rule 18.

[4] Equity Rule 18.

§ 1110. [1] For the nature and effect of a demurrer in equity, see Story Eq. Pl. §§ 436–646; Equity Rules, 31–38.

That a general demurrer to a bill

defect must be apparent on the face of the bill, and may consist either in a want of jurisdiction in the court, or the incapacity of the parties to sue or be sued in the mode adopted by the plaintiff, or in the want of proper allegations in the bill itself. Thus where the averments show that the invention was not patentable, or that the patent sued on is invalid, as in a variance between an original and its re-issue, or that the plaintiff has no interest in the patent which has been prejudiced by the infringement, or that the infringements charged are distinct violations of different patents or are by different defendants, or that the remedy at law is adequate, objection may be taken by demurrer, and if sustained the bill must be amended or dismissed.[2]

containing the usual averments cannot be sustained, see McCoy *v.* Nelson (1887), 121 U. S. 484; 39 O. G. 831.

That objections to form must be taken by demurrer, and after the evidence is given the bill will not be studied to discover defects, see Pelham *v.* Edelmeyer (1883), 15 Fed. Rep. 262; 25 O. G. 292; 21 Blatch. 188.

[2] That the question of patentability cannot be decided on demurrer except in clear cases, see Blessing *v.* Steam Copper Works (1888), 34 Fed. Rep. 753; Dick *v.* Oil Well Supply Co. (1885), 25 Fed. Rep. 105.

That a demurrer does not admit that the invention is patentable, see Kaolatype Engraving Co. *v.* Hoke (1887), 30 Fed. Rep. 444; 39 O. G. 589.

That where the court can see from the light of common knowledge that a patent is void it may so decree on a demurrer, see West *v.* Rae (1887), 33 Fed. Rep. 45; Kaolatype Engraving Co. *v.* Hoke (1887), 30 Fed. Rep. 444; 39 O. G. 589.

That where recovery can be had only by extending the re-issue beyond the original the bill will be dismissed, see Covell *v.* Pratt (1880), 18 O. G. 301; Bann. & A. 380.

That a variance between the original and re-issue cannot be taken advantage of on demurrer unless the original is set out in the complaint or attached to it, or *profert* is made of it, see Adams & Westlake Mfg. Co. *v.* Meyrose (1882), 12 Fed. Rep. 440.

That whether delay in applying for a re-issue is reasonable is a question of law for the court, and may be raised by demurrer, see Wollensak *v.* Reiher (1885), 115 U. S. 96; 31 O. G. 1301.

That a demurrer denying the right of the Commissioner to extend a patent will be overruled, see New American File Co. *v.* Nicholson File Co. (1881), 8 Fed. Rep. 816; 20 O. G. 524.

That a demurrer to a bill for profits, filed one day before the patent expired, was sustained with costs to defendant, see Davis *v.* Smith (1884), 19 Fed. Rep. 823.

That a question of title raised by demurrer cannot be removed by amendment, see Steam Relief Valve Co. *v.* City of New Bedford (1884), 28 O. G. 283; 19 Fed. Rep. 253.

§ 1111. Demurrer to Part of the Bill: Proceedings on Demurrer.

The defendant may demur to one part of the bill, plead to another part, and answer the remainder, but he is not permitted to demur, plead, and answer to the entire bill at once, especially when the answer contains all the objections which are urged by the demurrer or the plea.[1] The plaintiff may, however, overlook this defect and cannot object to the proceedings upon that account, unless before the argument on the demurrer he moves to strike out the superfluous pleadings or compel the defendant to elect between them.[2] For the purposes of a hearing upon a demurrer the allegations of the bill are, by the demurrer, admitted to be true.[3] Where the demurrer covers the entire bill, a judgment thereon in favor of the defendant results in the dismissal or amendment of the bill.[4] If the bill is good in part, a demurrer to it as a whole will be overruled.[5] Where the demurrer objects to the entire

§ 1111. [1] That under rule 32 in equity a defendant may demur to the whole bill, or demur to a part and answer the rest, but cannot both demur and answer to the whole bill, especially when the answer sets up all that is in the demurrer, the demurrer being thereby waived, see Adams *v.* Howard (1881), 9 Fed. Rep. 347; 21 O. G. 264; 20 Blatch. 38; see also rule 37, as interpreted *contra* in Hayes *v.* Dayton (1880), 18 Blatch. 420; 18 O. G. 1406; 8 Fed. Rep. 702.

[2] That if a demurrer and answer are filed simultaneously the plaintiff waives the right to object under rule 37, if he goes to argument on the demurrer, see Hayes *v.* Dayton (1880), 18 O. G. 1406; 8 Fed. Rep. 702; 18 Blatch. 420.

[3] That after special demurrer to the bill the facts as alleged are taken as true on a hearing of the demurrer, see Woodworth *v.* Edwards (1847), 3 W. & M. 120; 2 Robb, 610.

That in a prayer for an injunction and a demurrer, the demurrer will be heard first, see Woodworth *v.* Edwards (1847), 3 W. & M. 120; 2 Robb, 610.

That a bill will not be dismissed for the reason that the complainant does not set down the demurrer for argument or take evidence within three months, if these are satisfact rily explained, see Adams *v.* Howard (1881), 21 O. G. 264; 20 Blatch. 38; 9 Fed. Rep. 347.

That where a demurrer is overruled the defendant is to answer over on terms and may contest the injunction, though if when ordered to file evidence he only filed a demurrer the judgment will not be opened for further hearing on the temporary injunction, but the case will be taken as confessed as to the facts, unless an affidavit is offered that delay was not the object, and a bond of indemnity is given, see Woodworth *v.* Edwards (1847), 3 W. & M. 120; 2 Robb, 610.

[4] Equity Rule 35.

[5] That if a bill is good in part a demurrer to the whole bill will be overruled, see Perry *v.* Littlefield (1879), 17 O. G. 51; 17 Blatch. 272; 4 Bann. & A. 624.

bill and also to some specific allegation, and the latter objection only is sustained, the bill may be dismissed as to the defective part and the defendant be required to plead or answer over as to the residue.[6] A failure to demur within the proper time, or at the prescribed stage of the proceedings, operates as a waiver of all defects which are not *ipso facto* destructive to the action.[7]

§ 1112. Plea in Equity: When Proper.

A plea in equity is a special answer, urging some particular defence by which the issue is reduced to a single point. Such particular defences are a want of jurisdiction over the controversy or the parties by reason of some fact not apparent in the bill, or some statute, record, or other matter which, if established, would defeat the action.[1] But, except in special cases, a plea must not anticipate the answer by denying the substantial allegations of the bill, — since, if this were allowable, the defendant, in his answer over after the plea is overruled, might revive and again contest the same issues which had been decided against him on his plea.[2] Thus while such special

[6] That on a demurrer to the whole bill, and also to part thereof, if the latter is sustained the bill will be dismissed as to the defective part and the rest answered, see Giant Powder Co. *v.* California Powder Works (1878), 98 U. S. 126; 15 O. G. 289.

[7] That an omission to swear to a bill is no ground of demurrer after the hearing and an order to file the evidence, see Woodworth *v.* Edwards (1847), 3 W. & M. 120; 2 Robb, 610.

That the bill may be verified by the equitable owner without the legal owner, see Goodyear *v.* Allyn (1868), 3 Fisher, 374; 6 Blatch. 33.

That if the bill is not duly sworn to the objection should be taken as soon as the defendant appears, and the court may order the oath if it deems it necessary, see Woodworth *v.* Edwards (1847), 3 W. & M. 120; 2 Robb, 610.

That on a plea to the jurisdiction *ex parte* affidavits which are introduced without notice or opportunity to cross-examine, as well as unauthenticated writings, are inadmissible, see Lilienthal *v.* Washburn (1881), 8 Fed. Rep. 707.

§ 1112. [1] For the nature and effect of a plea in equity, see Story Eq. Pl. §§ 647–837; Equity Rules, 31–38.

[2] That general defences not averring new matter cannot be made under a special plea, see Hubbell *v.* De Land (1882), 14 Fed. Rep. 471; 11 Bissell, 382; 22 O. G. 1883; Sharp *v.* Reissner (1881), 20 O. G. 1161; 9 Fed. Rep. 445; 20 Blatch. 10.

That in some cases the plea may deny an averment of the bill, see Matthews *v.* Lalance & Grosjean Mfg. Co. (1880), 2 Fed. Rep. 232; 17 O. G. 1284; 18 Blatch. 84; 5 Bann. & A. 319.

That the defendant cannot set up all his issues, except the issue as to infringe-

matters as the departure of a re-issued patent from its original may form the subject of a plea, defences which attack the patentability of the invention, or the fact of infringement, or other principal averment of the bill, can be set up only in the answer.[3] But a plea stating new matter, which displaces the equity of the bill, is proper though it may thereby attack the patent.[4]

§ 1113. Requisites of a Plea in Equity: Procedure Thereon.

A plea in equity must be single, clear, and unevasive.[1] Though it may cover several facts when all together constitute but one defence, if it embraces several defences it is fatally defective on account of the duplicity.[2] Double pleading in

ment, in pleas and try them separately, see Giant Powder Co. *v.* Safety Nitro-Powder Co. (1884), 10 Sawyer, 23; 27 O. G. 99; 19 Fed. Rep. 509.

[3] That the departure of a re-issue from the original can be set up in a special plea, see Hubbell *v.* De Land (1882), 14 Fed. Rep. 471; 11 Bissell, 382; 22 O. G. 1883.

That a plea may aver the expiration of the patent before suit and so dispute the jurisdiction of equity, see Edison Electric Light Co. *v.* United States Electric Lighting Co. (1888), 35 Fed. Rep. 134.

That the issue of infringement as well as other issues on the merits must be raised by answer, not by plea, see Korn *v.* Wiebusch (1887), 33 Fed. Rep. 50.

That a plea denying infringement only will be struck out on motion, since the same matter could be set up in the answer were the plea overruled, see Sharp *v.* Reissner (1881), 9 Fed. Rep. 445; 20 O. G. 1161; 20 Blatch. 10.

That a plea, denying that the defendant's structures are covered by the plaintiff's patent, denies an allegation of the bill and is bad in substance, see Matthews *v.* Lalance & Grosjean Mfg. Co. (1880), 17 O. G. 1284; 2 Fed. Rep. 232; 18 Blatch. 84; 5 Bann. & A. 319.

[4] That a plea setting up new matter, displacing the equity of the bill, will not be struck from the files or ordered to stand as an answer on the ground that it attacks the patent, see Hubbell *v.* De Land, (1882), 22 O. G. 1883; 14 Fed. Rep. 471; 11 Bissell, 382.

§ 1113. [1] That every pleading in equity must be single, clear, and unevasive, see Graham *v.* Mason (1869), 5 Fisher, 1; 4 Clifford, 88.

That a plea may be negative in form, see Edison Electric Light Co. *v.* United States Electric Lighting Co. (1888), 35 Fed. Rep. 134.

[2] That several defences cannot be made by plea, see Reissner *v.* Anness (1877), 12 O. G. 842; 3 Bann. & A. 148.

That a plea must present a single issue, see Giant Powder Co. *v.* Safety Nitro-Powder Co. (1884), 10 Sawyer, 23; 27 O. G. 99; 19 Fed. Rep. 509.

That though a plea must present a single issue it may embrace several facts, see Reissner *v.* Anness (1877), 12 O. G. 842; 3 Bann. & A. 148.

That the defences of fraud, new matter in the re-issue, and prior foreign patent are independent defences and cannot be embraced in one plea, see Reissner *v.* Anness (1877), 12 O. G. 842; 3 Bann. & A. 148.

equity is not permitted except by special leave of the court, and if without leave the defendant enters several pleas he may be compelled to elect one of them on which to stand, or to treat the pleas as an answer on which a final hearing may be had.[3] A plea may be interpreted, when necessary, by the exhibits thereunto annexed.[4] Unless in proper form the plea should not be answered by the plaintiff.[5] If on a trial of the issues it presents the defendant obtains judgment, the facts thus found in his favor will avail him as far as in law and equity they ought to do.[6] By setting down the plea for argument on its sufficiency the plaintiff admits the truth of its averments; by joining issue he admits its sufficiency as a defence; and therefore if its allegations are sustained the bill must be dismissed.[7] When upon argument or trial the

[3] That there can be no double pleading in equity unless special leave is given, see Giant Powder Co. *v.* Safety Nitro-Powder Co. (1884), 19 Fed. Rep. 509; 10 Sawyer, 23; 27 O. G. 99.

That delay in asking leave to file several pleas is not encouraged, see Giant Powder Co. *v.* Safety Nitro-Powder Co. (1884), 10 Sawyer, 23; 19 Fed. Rep. 509; 27 O. G. 99.

That a double plea may stand as an answer, or the defendant may disclaim all the defences except one, see Reissner *v.* Anness (1877), 12 O. G. 842; 3 Bann. & A. 148.

[4] That a plea in equity may be qualified by a paper annexed, the paper being treated as incorporated in the plea, see Wheeler *v.* McCormick (1871), 4 Fisher, 432; 8 Blatch. 267.

[5] That if the plea is insufficient as a defence it should be set down for argument on that question, not replied to, see Cottle *v.* Krementz (1885), 25 Fed. Rep. 494; Birdseye *v.* Heilner (1885), 26 Fed. Rep. 147; 34 O. G. 1392; 27 Fed. Rep. 289; Sharp *v.* Reissner (1881), 20 O. G. 1161; 9 Fed. Rep. 445; 20 Blatch. 10.

[6] Equity Rule 33.

[7] That the want of a certificate and affidavit to the plea under Rule 31 is waived by demurrer and argument on the merits of the plea, see Goodyear *v.* Toby (1868), 6 Blatch. 130.

That a replication to a plea admits its sufficiency both in form and substance, and if the facts pleaded are proved the bill must be dismissed, see Bean *v.* Clark (1887), 40 O. G. 1454; Cottle *v.* Krementz (1885), 25 Fed. Rep. 494; Birdseye *v.* Heilner (1885), 26 Fed. Rep. 147; 34 O. G. 1392; 27 Fed. Rep. 289; Reissner *v.* Anness (1878), 13 O. G. 7.

That where the plea merely denies an averment of the bill, a replication does not admit the plea to be valid, see Matthews *v.* Lalance & Grosjean Mfg. Co. (1880), 2 Fed. Rep. 232; 17 O. G. 1284; 18 Blatch. 84; 5 Bann. & A. 319.

That long neglect to join issue on a plea may admit its truth and sufficiency, see Keller *v.* Stolzenbach (1886), 28 Fed. Rep. 81; 37 O. G. 564.

That a decree against a plaintiff for failure to answer a plea or set it down for argument is not conclusive, see Keller *v.* Stolzenbach (1884), 27 O. G. 209; 20 Fed. Rep. 47.

That where a plea alleges a fact

plea is overruled the defendant may either file an answer to the bill or submit to a decree upon the merits.[8]

§ 1114. Answer in Equity, when Proper: Defences Peculiar to Equity: Laches: Estoppel.

An answer in equity is a denial, or a confession and avoidance, of the material allegations in the bill.[1] It is the method by which the defendant sets forth his general defences to the action. In cases of infringement all defences which are available at law may be resorted to in equity, and to certain of them equity attaches an especial significance. Those which deny the patentability of the invention, or the existence and validity of the patent, have the same weight and scope in either jurisdiction. But in equity the defendant may avail himself of any interest which he possesses in the patent whereby his use of the invention can be justified although the entire legal title may be vested in the plaintiff; and where a licensee is treated by his licensor as an infringer the former may defend himself on any ground open to infringers without regard to the conditions of his license.[2] In equity, also, the defence based on an estoppel is particularly favored, and here the laches of the plaintiff in enforcing his monopoly may often be sufficient to defeat his suit.[3] Delays which he cannot avoid,

which may serve one of the defendants it will not be overruled, but held until the evidence is in and then decided, see Williams & Albright *v.* Empire Transportation Co. (1878), 14 O. G. 523; 3 Bann. & A. 533.

[8] That the 34th rule in equity permits an answer even after plea overruled, see Wooster *v.* Blake (1881), 7 Fed. Rep. 816; 20 O. G. 158.

§ 1114. [1] As to the nature and scope of an answer in equity, see Story, Eq. Pl. §§ 838–876.

[2] That the defendant may set up his equitable rights against the legal title of the plaintiff, see § 1090 and notes, *ante*.

That in equity a licensee treated as an infringer may avail himself of any defence open to infringers, whatever covenants his license may contain, see Pelham *v.* Edelmeyer (1883), 15 Fed. Rep. 262; 25 O. G. 292; 21 Blatch. 188; White *v.* Lee (1882), 23 O. G. 1621; 14 Fed. Rep. 789. It would seem that this proposition can be true only when the licensee is sued as an infringer for doing the acts authorized by his license, the suit in such cases amounting to an eviction and releasing him from the license and its covenants.

[3] That a patentee may forfeit his right to past profits by his laches and acquiescence, see Kittle *v.* Hall (1887), 29 Fed. Rep. 508; 39 O. G. 707; Keller *v.* Stolzenbach (1886), 28 Fed. Rep. 81; 37 O. G. 564; New York Grape

or for a period so short as to raise no presumption of his acquiescence in the wrong, or during the pendency of other suits involving similar issues, or after the defendant has been duly notified or has discovered that his acts were violations of the patent, cannot affect the right of the plaintiff to complete redress.[4] But where the defendant is not conscious that his

Sugar Co. *v.* Buffalo Grape Sugar Co. (1883), 18 Fed. Rep. 638; 25 O. G. 1076; 21 Blatch. 519. See also § 1194, and notes, *post.*

That laches in obtaining a re-issue is a question of law when it appears on the face of the patent, and unless there explained by stating its reasons at length it may be raised by demurrer and may defeat the suit, see Wollensak *v.* Reiher (1885), 115 U. S. 96; 31 O. G. 1301.

That a delay of thirteen years in suing, if the bill does not show some good reason for it, is such laches as will prevent an injunction, though perhaps not a suit for damages, see McLaughlin *v.* People's Railway Co. (1884), 29 O. G. 277; 21 Fed. Rep. 574.

That laches is a good defence in equity and can be raised by demurrer if apparent on the bill, see McLaughlin *v.* People's Railway Co. (1884), 21 Fed. Rep. 574; 29 O. G. 277.

That a bill averring acts of infringement on "divers days and occasions" during twelve years does not allege continuous acts or show laches in the plaintiff, see Kaolatype Engraving Co. *v.* Hoke (1887), 30 Fed. Rep. 444; 39 O. G. 589.

That a delay not amounting to an estoppel will not prevent an injunction, though it may be a bar to a recovery of past profits, see New York Grape Sugar Co. *v.* Buffalo Grape Sugar Co. (1883), 25 O. G. 1076; 18 Fed. Rep. 638; 21 Blatch. 519.

That an assignee of claims for past infringements is barred by the laches of his assignor, see New York Grape Sugar Co. *v.* Buffalo Grape Sugar Co. (1885), 32 O. G. 1356; 24 Fed. Rep. 604.

[4] In McMillin *v.* Barclay (1872), 5 Fisher, 189, McKennan, J.: (201) "I have failed to discover any evidence upon which an equitable estoppel in favor of the respondents can rest. It must necessarily grow out of some declaration or act of the applicant, by which they were induced to believe that they might rightfully or innocently use the invention now claimed by him. If they appropriated it without consulting him, and he was passive when he knew it because he was powerless to prevent them, he is not estopped from asserting his right when he is in a condition to enforce it. If they took the risk of using what they did not own, the owner's helplessness then will not shield them from accountability to him now. This is the only effect of the proof; for, although the applicant publicly used his invention after he applied for a patent, he did not intend to abandon it, as has been already shown; and as he had a clear right so to use it, the law does not presume from that fact that he assented to its use by others. (Ryan *v.* Goodwin, 3 Sum. 519.) Nor is this supposed estoppel invigorated by the fact that invasion of the patentee's rights has been widespread, and that all who may be found in that category may be held liable accordingly. Whoever reaps where he did not sow wrongfully appropriates what belongs to another, and equity will not stay the hand of the rightful owner of the harvest against him." 4 Brews. (Pa.) 275 (285).

That redress is promptly sought when

use of the invention is unlawful, and the plaintiff is aware of the infringement, the latter must take measures for his own protection with all reasonable diligence, or the delay will furnish a sufficient answer to his claim for an injunction if not for damages or profits on account of past invasions of his rights.[5]

§ 1115. Scope of Answer: Joinder of Defences.

The answer must include all matters of defence on which the defendant intends to rely, except such as are proper subjects for a plea or a demurrer.[1] Defences not inserted in the

action is brought within six months after the patent is granted, see Brick *v.* Staten Island Ry. Co. (1885), 25 Fed. Rep. 553.

That delay pending other suits is not laches, see Van Hook *v.* Pendleton (1846), 1 Blatch. 187; and §§ 1194, 1195, and notes, *post*.

That delay after due notice to the defendant is not laches, see City of Concord *v.* Norton (1883), 16 Fed. Rep. 477.

That seasonable notice to an infringer, followed by a suit within reasonable time, rebuts the claim of laches, see Seibert Cylinder Oil-Cup Co. *v.* Michigan Lubricator Co. (1888), 34 Fed. Rep. 33.

That the plaintiff is not guilty of laches by not suing infringers of whom he is ignorant, see Adams *v.* Howard (1884), 26 O. G. 825; 19 Fed. Rep. 317; New York Grape Sugar Co. *v.* Buffalo Grape Sugar Co. (1883), 25 O. G. 1076; 18 Fed. Rep. 638; 21 Blatch. 519.

That a patentee who is diligently prosecuting infringers is not guilty of laches in not suing some particular one who knows of the other suits, see American Bell Telephone Co. *v.* Southern Telephone Co. (1888), 34 Fed. Rep. 795.

That laches of a plaintiff does not bar his rights where he gave such notice as he was able, see Kittle *v.* Hall (1887), 39 O. G. 707; 29 Fed. Rep. 508.

That where inaction of the patentee is due to the misrepresentations of the defendant it is not laches, see Wilson *v.* Keely (1888), 43 O. G. 511.

That a delay in suing infringers caused by the patentee's bankruptcy and the passing of the patent into the hands of his trustee, with ineffectual efforts of the patentee to regain it until shortly before suit, is not such laches as forfeits in equity the right to sue, if timely notice of an intention to prosecute were given to infringers, see Kittle *v.* Hall (1887), 29 Fed. Rep. 508; 39 O. G. 707.

[5] That if the plaintiff is aware of the infringement and the defendant acts in good faith notice must be given or the remedy by injunction may be lost by delay, see Mundy *v.* Kendall (1885), 23 Fed. Rep. 591; 32 O. G. 1237.

That equity will grant no relief to any one acting fraudulently, see Hoffheins *v.* Brandt, (1867), 3 Fisher, 218.

§ 1115. [1] That in equity as at law the foundation for evidence must be laid in the pleadings, see Wilson *v.* Stolley (1847), 4 McLean, 275.

That a general defence of "want of equity" will not be regarded, see Puetz *v.* Bransford (1887), 39 O. G. 1083; 31 Fed. Rep. 458.

That the issue must be raised by allegations in the bill and answer, and if defective they may be amended, see Doughty *v.* West (1865), 2 Fisher, 553.

That every material fact must be set

answer will not be noticed by the court.[2] Any number of defences may be joined in the same answer provided they are consistent with each other, and defences are consistent when they can all be true.[3] Inconsistent defences create a repugnancy which is fatal to the answer unless cured by an abandonment of one of the antagonistic claims. Each defence must be distinctly and affirmatively stated, with such particularity as to time, place, person, and circumstances that the plaintiff may be informed of the precise attack he has to meet.[4] The answer must apprise the plaintiff of the defendant's theory as to the scope and meaning of the patent, in order that he may perceive under what view of the invention the defences will be urged, for the defendant cannot set up hypothetical defences based upon possible constructions of the patent subsequently to be given by the court.[5] The defendant is concluded by

up in the pleadings, see Blandy *v.* Griffith (1869), 3 Fisher, 609.

That affirmative defences, especially that of prior knowledge, must be properly alleged as well as proved, see Searls *v.* Bouton (1882), 21 O. G. 1784 ; 12 Fed. Rep. 140 ; 20 Blatch. 426.

[2] That defences not set up in the answer will not be considered by the court, see Sessions *v.* Romadka (1884), 28 O. G. 721 ; 21 Fed. Rep. 124 ; Bates *v.* Coe (1878), 98 U. S. 31 ; 15 O. G. 337 ; Salamander Felting Co. *v.* Haven (1875), 9 O. G. 253 ; 3 Dillon, 131 ; 2 Bann. & A. 164 ; Howes *v.* Nute (1870), 4 Clifford, 173 ; 4 Fisher, 263.

That if the invention described in the patent is evidently not the result of inventive skill, the court will dismiss the bill though this defence is not urged in the answer, see Slawson *v.* Grand St., Prospect Park, & Flatbush R. R. Co. (1882), 107 U. S. 649 ; 24 O. G. 99.

[3] In National Mfg. Co. *v.* Meyers (1881), 7 Fed. Rep. 355, Swing, J. : (357) "In equity a defendant has the right to set up as many defences as he may have, providing they are not inconsistent. (Sharp *v.* Carlisle, 5 Dana, 488 ; Wood *v.* Wood, 2 Paige, Ch. 108 ; Hopper *v.* Hopper, 11 Paige, Ch. 46 ; Daniell's Ch. Pr. 727.) Defences are inconsistent where they cannot both be true ; but where there are different defences and they may all be true, though entirely different in their nature, they are not inconsistent."

[4] That if more than one defence is presented in the answer each must be distinct and unconditional, see Graham *v.* Mason (1869), 5 Fisher, 1 ; 4 Clifford, 88.

That substantial matters of defence as to the novelty of the invention must be set up in the answer with such particularity as to time, place, and person that the plaintiff may know what he has to meet, see Brown *v.* Hall (1869), 3 Fisher, 531 ; 6 Blatch. 401.

[5] That the answer must inform the plaintiff of the defendant's theory as to the construction of the patent, and cannot aver that if the plaintiff's patent be so construed as to cover the defendant's device he will then defend on the ground of prior use, see Graham *v.* Mason (1869), 4 Clifford, 88 ; 5 Fisher, 1.

his answer, which is regarded as embracing his actual and entire defence, and cannot depart from it except by an amendment under leave of the court, especially where the plaintiff is entitled to an answer under oath.[6]

§ 1116. Statement of Special Defences in the Answer.

Those special defences, which in actions at law must be set forth in a notice served on the defendant, in equity appear only in the answer.[1] Their statement is, however, governed by the same rules as to precision and completeness which are applicable to a notice.[2] If the answer asserts that the patentee or his assignor surreptitiously or unjustly obtained the patent for that which was in fact invented by another, it must also allege that the first inventor was using reasonable diligence in adapting and perfecting it.[3] When it denies the novelty of the invention, on the ground of prior use or knowledge, it must recite the names and residences of the persons using or having knowledge of the invention, and sufficiently describe the place of use to put the plaintiff in possession of the means of identifying such invention with his own.[4] When

[6] That a departure from the defence alleged in the answer is not allowed in equity when the plaintiff is entitled to an answer under oath, see Russell & Erwin Mfg. Co. *v.* Mallory (1872), 5 Fisher, 632; 2 O. G. 495; 10 Blatch. 140.

That an answer in equity is evidence as well as defence and cannot be made by attorney, though the objection is waived if not insisted on, see Wooster *v.* Muser (1884), 28 O. G. 286; 20 Fed. Rep. 162.

§ 1116. [1] That in equity the special defences are set up in the answer, not by a notice, see Bates *v.* Coe (1878), 98 U. S. 31; 15 O. G. 337; Pickering *v.* Phillips (1876), 10 O. G. 420; 4 Clifford, 383; 2 Bann. & A. 417; Agawam Co. *v.* Jordan (1868), 7 Wall. 583; Doughty *v.* West (1865), 2 Fisher, 553; Pitts *v.* Edmonds (1857), 2 Fisher, 52; 1 Bissell, 168.

That the defence that the invention was not patentable need not be set up in the answer, see Hendy *v.* Golden State & Miners' Iron Works (1888), 127 U. S. 370; 43 O. G. 1117.

[2] That the notice at law and the answer of special defences in equity are governed by the same rules, see Roemer *v.* Simon (1877), 95 U. S. 214; 12 O. G. 796. Also §§ 993–1005, *ante*.

[3] That an answer alleging that the patentee surreptitiously obtained a patent for what he knew was the invention of another must also allege that the first inventor was using due diligence to perfect it, see Agawam Co. *v.* Jordan (1868), 7 Wall. 583. This refers to the defence described in the act of 1836, not that under the act of 1793. See § 960 and notes, *ante*.

[4] That the defence of want of novelty must be clearly and specifically set forth in the answer, see Loom Co. *v.* Higgins

it attacks the novelty of the invention, on the ground of a prior patent or a prior publication, it must disclose the name

(1882), 105 U. S. 580 ; 21 O. G. 2031 ; 21 O. G. 1784 ; 12 Fed. Rep. 140 ; 20 Guidet *v.* Barber (1873), 5 O. G. 149 ; Blatch. 426.

Jordan *v.* Dobson (1870), 4 Fisher, 232 ; 2 Abbott, 398 ; 7 Phila. 533 ; Graham *v.* Mason (1869), 5 Fisher, 1 ; 4 Clifford, 88 ; Pitts *v.* Edmonds (1857), 2 Fisher, 52 ; 1 Bissell, 168.

That the defendant in equity must give notice in his answer of the names and residences of the persons whom he intends to prove possessed the knowledge of the invention, and of the place where it has been used, see Seymour *v.* Osborn (1870), 11 Wall. 516.

That a defendant who relies on a defence of prior use must set out in his answer the names of those who have invented or used the anticipating device, but not the names of his witnesses, see Allis *v.* Buckstaff (1882), 22 O. G. 1705; 13 Fed. Rep. 879 ; Roemer *v.* Simon (1877), 95 U. S. 214 ; 12 O. G. 796.

That depositions as to prior use cannot be read unless the persons using were named in the answer, see Collender *v.* Griffith (1873), 3 O. G. 689; 11 Blatch. 212.

That where an answer merely alleges prior knowledge, and does not set forth where and by whom the invention was used, evidence of prior knowledge and use is not admissible, see Searls *v.* Bouton (1882), 12 Fed. Rep. 140 ; 21 O. G. 1784 ; 20 Blatch. 426.

That evidence of prior use, given by witnesses not named in the answer, can be considered only to show the state of the art, see Stevenson *v.* Magowan (1887), 42 O. G. 1063 ; 31 Fed. Rep. 824 ; Richardson *v.* Lockwood (1873), 4 O. G. 398 ; 6 Fisher, 454.

That an answer alleging knowledge by certain persons *of* a certain place, but not *at* any specified place, does not open the way for evidence of knowledge at any place, see Searls *v.* Bouton (1882),

That an allegation by the defendant of a prior use, on his knowledge and belief, amounts to nothing unless his information is disclosed, see Young *v.* Lippman (1872), 2 O. G. 249; 5 Fisher, 230 ; 9 Blatch. 277.

That evidence as to a prior rejected application of a third person, his use and knowledge, is not admissible in equity unless these facts are set up in the answer, see Union Paper Bag Mach. Co. *v.* Pultz & Walkley Co. (1878), 15 O. G. 423 ; 15 Blatch. 160 ; 3 Bann. & A. 403.

That where the answer mentions a person who made a prior application for a patent, but gave no residence, he could not be examined as to prior knowledge and use, see Decker *v.* Grote (1873), 3 O. G. 65 ; 10 Blatch. 331 ; 6 Fisher, 143.

That unless the answer denying priority of invention gives notice of the persons and places of the previous use, evidence of foreign patents and other evidence in support of the answer is not regarded, see Earl *v.* Dexter (1874), 6 O. G. 729 ; Holmes, 412 ; 1 Bann. & A. 400.

That an answer in equity may be sufficient for an order to try the issue at law though it does not set out the names of prior users and the place of use, but the answer in the suit at law must set them out, see Orr *v.* Merrill (1846), 1 W. & M. 376 ; 2 Robb, 331.

That evidence of prior use abroad is not supported by notice of use in this country, see Dixon *v.* Moyer (1821), 4 Wash. 68 ; 1 Robb, 324.

That the answer denying priority of invention must cover the whole invention, not a part of it, see Parks *v.* Booth (1880), 102 U. S. 96 ; 17 O. G. 1089.

That machines not set up in the an-

of the patentee and the date of the patent, and give the volume, page, and date of the publication.[5] An answer of abandonment must specifically aver the facts on which the defendant

swer cannot be offered in evidence nor considered on final hearing, see Howe *v.* Williams (1863), 2 Fisher, 395 ; 2 Clifford, 245.

That evidence of prior use, if taken without proper averments in the answer, and duly objected to, may be struck out on motion, see Bragg *v.* City of Stockton (1886), 27 Fed. Rep. 509 ; 11 Sawyer, 597; Decker *v.* Grote (1873), 6 Fisher, 143 ; 3 O. G. 65 ; 10 Blatch. 331.

That if evidence of prior use be taken without proper notice, the answer may sometimes be amended and the evidence may stand, see Forbes *v.* Barstow Stove Co. (1864), 2 Clifford, 379.

That evidence of prior use taken without proper notice will be allowed to stand unless a motion to strike it out is made, see Elm City Co. *v.* Wooster (1873), 4 O. G. 83 ; 6 Fisher, 452.

That evidence of prior use, taken under a general denial of priority without objection, is properly received both as to the state of the art and the priority of the invention, see Zane *v.* Soffe (1884), 110 U. S. 200; 26 O. G. 737; Loom Co. *v.* Higgins (1882), 105 U. S. 580 ; 21 O. G. 2031.

That evidence taken without due notice and against objections, but with full examination and cross-examination, may stand after amendment of the answer, see Allis *v.* Buckstaff (1882), 13 Fed. Rep. 879 ; 22 O. G. 1705.

That amendment after evidence taken under objection will not cure the defect unless the former omission was inadvertent and the plaintiff is not taken by surprise, see Roberts *v.* Buck (1873), 6 Fisher, 325; Holmes, 224 ; 3 O. G. 268.

That witnesses produced without proper notice must be objected to at the time or the defect will be waived, see Roemer *v.* Simon (1874), 5 O. G. 555; 1 Bann. & A. 138.

That the improper admission of evidence of prior use without due notice cannot be excepted to in the Supreme Court on appeal, unless objection were made at the proper time, see Loom Co. *v.* Higgins (1882), 105 U. S. 580 ; 21 O. G. 2031.

That if the evidence of prior use were admitted without due notice against the plaintiff's objection, the Supreme Court on appeal will reverse the judgment, though the appeal did not rest on that ground, see Blanchard *v.* Putnam (1869), 8 Wall. 420.

That the Supreme Court may consult the evidence contained in the record in order to determine the scope of the invention, though prior use is not set up in the answer, see Eachus *v.* Broomall (1885), 115 U. S. 429 ; 33 O. G. 1265.

[5] That defences of prior patent or prior publication must be set up in the answer, not by special plea, see Carnrick *v.* McKesson (1881), 19 Blatch. 369 ; 8 Fed. Rep. 807.

That copies of drawings of prior patents and evidence as to them are inadmissible to show priority unless set up in the answer, see Earl *v.* Dexter (1874), 6 O. G. 729 ; Holmes, 412 ; 1 Bann. & A. 400.

That the answer cannot allege any earlier date for a prior patent or publication than its actual issue, see Kelleher *v.* Darling (1878), 14 O. G. 673 ; 4 Clifford, 424 ; 3 Bann. & A. 438.

That a prior patent not set up in the answer can be used only to show the state of the art and so give a construction to the patent in question, see Grier *v.* Wilt (1887), 120 U. S. 412; 38 O. G. 1365.

That evidence of the state of the art