

will rely, and if these facts consist of instances of public use and sale more than two years before the application they must be stated in a separate allegation from those which set up other methods of abandonment.⁶ Where the defence rests, wholly or in part, upon the fraud of the patentee in attempting to mislead the public by an imperfect or redundant specification, or in obtaining by deceit the issue of the patent, the answer must charge the fraudulent acts in terms distinct, particular, and positive.⁷ The departure of a re-issued patent from its original, or its unlawful grant by the Commissioner when the original was sufficient to protect the actual invention;⁸

is admissible without notice at law or mention in the answer in equity, see *Brown v. Piper* (1875), 91 U. S. 37; 10 O. G. 417.

⁶ That if abandonment is relied on it must be specially set up in defence, see *Wyeth v. Stone* (1840), 1 Story, 273; 2 Robb, 23.

That an answer of use and sale before application must allege an abandonment, or that the use and sale were more than two years before the application, see *Root v. Ball* (1846), 4 McLean, 177; 2 Robb, 513.

That an answer alleging that the invention was in use two years before the application need not also aver that the inventor consented to such use, see *Campbell v. New York* (1888), 35 Fed. Rep. 504.

That an answer alleging two years public use and sale before the plaintiff's invention is improper, no such defence being known to the law, see *Kelleher v. Darling* (1878), 4 Clifford, 424; 14 O. G. 673; 3 Bann. & A. 438.

That public use and sale and abandonment may be set up in the same answer, but not in the same allegation, as they depend on different principles, see *Jones v. Sewall* (1873), 6 Fisher, 343; 3 O. G. 630; 3 Clifford, 563.

That where no question as to novelty is made by the pleadings, and

the use relied on is a public use under the inventor or by him, there is no need to give notice of the persons using or the place where used, see *American Hide & Leather Splitting and Dressing Mach. Co. v. American Tool & Mach. Co.* (1870), 4 Fisher, 284; Holmes, 503.

⁷ That fraud must be set up in the answer by distinct and special allegations, see *Blake v. Stafford* (1868), 3 Fisher, 294; 6 Blatch. 195.

That an allegation that a re-issue was obtained under false pretences must be made in distinct language without equivocation, and be the subject of distinct proof, see *Doughty v. West* (1865), 2 Fisher, 553.

That an averment in the answer that the patent was obtained by "false and fraudulent representations to the Commissioner," and "is void in law," is too general to raise an issue, see *Clark v. Scott* (1872), 5 Fisher, 245; 2 O. G. 4; 9 Blatch. 301.

⁸ That the want of identity between an original and re-issue must be set up in the answer by distinct and special allegations, see *Blake v. Stafford* (1868), 3 Fisher, 294; 6 Blatch. 195.

That an answer in a suit on a re-issued patent, alleging that the original was not surrendered because it was inoperative or invalid or claimed too

the ambiguity of the Description or the Claim;⁹ unreasonable delay in filing a disclaimer;¹⁰ the failure of the plaintiff to stamp or label his patented articles when placed upon the market;¹¹ the issue of a joint patent for a sole invention;¹² the defendant's license or co-ownership;¹³ each of these, if insisted on by the defendant, must be so fully and exactly declared in the answer as to forewarn the plaintiff of the precise line of attack and enable him to make the necessary preparation to repel it.

§ 1117. Denial of Plaintiff's Title or of Defendant's Infringement in the Answer.

When the defendant disputes the title of a plaintiff in whom, according to the records of the Patent Office, the legal ownership resides, the answer must reveal the facts which qualify the record title or create antagonistic or exclusive interests in others.¹ If he himself claims to own the patent, as an equitable assignee, he must state the consideration which he paid for it, both in nature and amount, in such

much, and that the re-issue claims were broadened, puts in issue the lawfulness of the enlargement and the scope of the original, see *Searls v. Bouton* (1882), 22 O. G. 946; 12 Fed. Rep. 874; 20 Blatch. 528.

⁹ That an objection to the patent on account of an insufficient specification must be set up in the answer, or it will not be considered, see *Jennings v. Pierce* (1878), 15 Blatch. 42; 3 Bann. & A. 361; *Wonson v. Peterson* (1878), 13 O. G. 548; 3 Bann. & A. 249; *Rubber Co. v. Goodyear* (1869), 9 Wall, 788; *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351.

¹⁰ That unreasonable delay in filing a disclaimer must be specifically alleged in the answer, see *Worden v. Searls* (1884), 21 Fed. Rep. 406; *Burden v. Corning* (1864), 2 Fisher, 477.

That an amendment of the application without authority need not be set up in the answer, see *Eagleton Mfg.*

Co. v. West, Bradley, & Cary Mfg. Co. (1880), 2 Fed. Rep. 774; 17 O. G. 1504; 18 Blatch. 218; 5 Bann. & A. 475.

¹¹ That an objection that "patented" is not stamped on the plaintiff's articles must be set up in the answer, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

¹² That the defence that joint patentees were not joint inventors must be specially set up, see *Butler v. Bainbridge* (1886), 29 Fed. Rep. 142; 37 O. G. 1124.

¹³ That in equity the defendant must specially allege his license or co-ownership, see *Puetz v. Bransford* (1887), 31 Fed. Rep. 458; 39 O. G. 1083.

§ 1117. ¹ That if the defendant denies the title of owners of record he must set up in his answer the facts which affect their title, or produce the proper proof, see *Washburn & Moen Mfg. Co. v. Haish* (1880), 19 O. G. 173; 4 Fed. Rep. 900; 10 Bissell, 65.

form that its adequacy or good faith can be denied.² The answer must traverse the allegation of infringement positively and without equivocation.³ This traverse may be couched in general terms, containing no precise description of the invention but referring to it as the one covered by the patent.⁴ Where the defendant admits the use of the invention, but excuses his infringing act on the ground of his subjection to authority, the answer must disclose his principal.⁵ If he justifies under a license, it must appear upon his answer that the license warrants the use that he has made of the invention.⁶ Facts which constitute an estoppel *in pais* should be set out in the answer with sufficient detail to indicate that if established by the evidence, and unexplained by counter proof from the plaintiff, they must operate as an equitable bar to the further prosecution of the action.⁷

² That a defendant, claiming to be the owner of the patent in controversy by purchase, must set forth the consideration he paid for it in amount and in such form that it can be traversed and that its adequacy may appear, if the record shows the title to be in the plaintiff, see *Secombe v. Campbell* (1880), 2 Fed. Rep. 357; 18 Blatch. 108; 5 Bann. & A. 429.

³ That if infringement is alleged in the bill the defendant must answer it distinctly and unequivocally, see *Jordan v. Wallace* (1871), 5 Fisher, 185.

That the answer must deny infringement specifically in order to allow evidence against it, unless a stipulation between counsel takes the place of the answer, see *Allis v. Buckstaff* (1882), 13 Fed. Rep. 879; 22 O. G. 1705.

That unless the defendant in his answer contests the infringement very slight proof will sustain the allegation, see *Spring v. Domestic Sewing Mach. Co.* (1881), 9 Fed. Rep. 505; 21 O. G. 633; *Goodyear v. Berry* (1868), 3 Fisher, 439; 2 Bond, 189.

⁴ That a denial that the defendants have practised the invention described

is sufficient without particularly setting forth the invention, or specifically contradicting the allegation in the bill, see *Miller v. Buchanan* (1880), 18 O. G. 1532; 5 Fed. Rep. 366.

That where the bill alleges a covenant on the part of the defendant not to infringe, an answer giving the history of such covenant is not responsive, see *Sargent v. Larned* (1855), 2 Curtis, 340.

⁵ That a claim that the defendant acted only as agent must disclose the principal, see *Morse v. Davis* (1862), 5 Blatch. 40.

⁶ That a defendant may answer that he was acting under a license, and may impeach the patent unless the covenants of his license estop him, see *National Mfg. Co. v. Meyers* (1881), 7 Fed. Rep. 355.

That an answer by an infringing user, alleging recovery against his vendor, does not state a defence unless it also avers satisfaction of the judgment, see *Fisher v. Consolidated Amador Mine* (1885), 11 Sawyer, 190; 25 Fed. Rep. 201.

⁷ That the answer must set out in

§ 1118. Effect of Admissions in the Answer.

Admissions in an answer are conclusive on the defendant, but have no effect beyond the necessary import of the words.¹ Thus the acknowledgment that the defendant has infringed admits but one act of infringement, and a joint answer containing such acknowledgment does not admit a joint infringing act, or a joint *status* on the merits of the case.² An indirect admission is as binding as one that is affirmatively expressed. An allegation in the answer that the defendant has patented the invention since the issue of the plaintiff's patent is a concession that it is both new and useful.³ The omission to notice in the answer any positive material allegation in the bill is a confession that the matters thus alleged are true.⁴ Admissions are not waived by the production of

detail the facts from which an estoppel is alleged to arise, see *Puetz v. Bransford* (1887), 39 O. G. 1083, 1427 ; 31 Fed. Rep. 458.

§ 1118. ¹ That admissions in the answer are conclusive, but go no further than the necessary import of the language, see *Jones v. Morehead* (1863), 1 Wall. 155.

² That the admission of "making and selling" implies only the making and selling of one article, unless the plural is used, when it implies two, see *Jones v. Morehead* (1863), 1 Wall. 155.

That a joint answer does not admit a joint infringement or a joint *status* on the merits, see *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126.

³ That if a defendant in his answer avers that he has patented the invention, after the plaintiff's patent, as new and useful, he cannot claim that it is old, see *Morse Fountain Pen Co. v. Esterbrook Steel Pen Mfg. Co.* (1869), 3 Fisher, 515.

⁴ That where the bill avers and the answer does not deny but merely demands proof of the title of the plaintiff corporation, its corporate capacity is admitted by the pleadings, see *Stover v.*

Halsted (1875), 8 O. G. 558 ; 13 Blatch. 95 ; 2 Bann. & A. 98.

That an answer not denying infringement, but alleging that the defendant's device produces a different result from the plaintiff's, admits the infringement, see *Stuart v. Shantz* (1872), 6 Fisher, 35 ; 2 O. G. 524.

That if the bill avers, and the answer does not deny nor the evidence contradict, that the defendant uses a described device, the use is admitted, see *Ely v. Monson & Brimfield Mfg. Co.* (1860), 4 Fisher, 64.

That an answer denying the use of the invention "with the full knowledge of the premises in the bill and in violation of the complainant's exclusive rights secured by the patent of 1864" is an implied admission of actual use, and no further proof thereof is needed, see *Jordan v. Wallace* (1871), 5 Fisher, 185.

That an admission in the answer that the defendants bought the business in which the infringing device was used, and describing it as the "machine used by the defendants," is, in the absence of all other evidence, enough to show *prima facie* an infringement by them,

evidence in support of the same position on the part of the plaintiff.⁵

§ 1119. Answer : Whether under Oath : Effect of Sworn Answer.

The plaintiff is entitled to an answer under oath; but since the act of 1864, by which all parties were made competent witnesses, it is in most cases wiser not to require it. The defendant is limited in his defences to the matters set up in his answer, and is also bound by its admissions, whether or not he swears to its correctness; and if the plaintiff needs his testimony in support of any averments of the bill, he can procure it at the trial in the ordinary method. The principal advantage, therefore, of the oath in modern practice, except in a few special cases, is to compel the defendant to confine the allegations of his answer to facts whose existence he can verify, and thereby save the plaintiff from some fruitless inquiry. The disadvantage, however, is a great one. A sworn answer is still regarded as equivalent to the evidence of one competent witness, and is sufficient to sustain its various averments unless met by proof of corresponding weight upon the other side. It is thus equal to the testimony of the plaintiff, and when to it is added the evidence of the defendant on the trial, the burden of overcoming both is often greater than the plaintiff can sustain.¹ Hence it is customary as well as

see *Fischer v. Wilson* (1879), 16 O. G. 455; 16 Blatch. 220; 4 Bann. & A. 228.

That if the defendant denies the infringement, it is not proved by one reply of his, while testifying in reference to another matter, in which he seems to imply that he has infringed, see *Reay v. Rau* (1883), 23 O. G. 1928; 15 Fed. Rep. 749.

That want of consent to use the device need not be proved when it was alleged in the bill and not denied in the answer, see *Fischer v. Hayes* (1881), 6 Fed. Rep. 76; 20 O. G. 239; 19 Blatch. 26.

That an admission of the defendants in their answer that they have made large profits is to be understood in its

ordinary sense, and is entitled to weight in ascertaining the truth or falsehood of their showing before the master, see *Troy Iron & Nail Factory v. Corning* (1869), 3 Fisher, 497; 6 Blatch. 328.

⁵ That the adverse party does not waive an admission by going into evidence on the same matter, see *Jones v. Morehead* (1863), 1 Wall. 155.

§ 1119. ¹ In *Slessinger v. Buckingham* (1883), 17 Fed. Rep. 454, Sawyer, J.: (455) "The answer, so far as responsive to the bill, directly denying the matters alleged, not only makes an issue, but it is testimony in the case called for by complainant proving the issue for defendants; and it must be overthrown by the testimony of two

prudent for the plaintiff to dispense with this requirement, and to accept the answer as a simple pleading which gives him notice of the claims hereafter to be urged by the defendant. When an answer under oath is demanded the demand must be complied with, if the defendant has the capacity to take an oath. A bill against a corporation cannot contain this demand unless its officers are made parties, — the corporate body being unable to comply, although a corporation may be called upon to answer interrogatories and must give such replies as the knowledge of its officers permits.²

witnesses, or the testimony of one witness and circumstances equivalent to another, or, at least, sufficient to make a preponderance of testimony in favor of complainant. Solicitors, generally, in this circuit, seem to overlook the great disadvantages under which they often labor in not waiving an answer under oath in equity cases, now that the complainant and defendant are themselves both competent witnesses, and can be orally examined under Equity Rule 67, where the complainant can get the evidence of his opponent, fresh from him in person, under a sharp and pressing examination, instead of having it deliberately shaped by him, and cautiously arranged and shaded for him, by his solicitor at his leisure in his office. Besides, when examined orally as a witness, the defendant counts but one; and the complainant may offer himself in opposition as to matters within his knowledge, if he swerves in the least particular from the truth; while, if called upon to answer a bill of discovery under oath, the defendant's answer, if responsive to the allegations of the bill, must be overthrown by the evidence of two witnesses, or of one witness and other circumstances equivalent to a second. Besides, if complainant has other evidence sufficient to overthrow defendant's answer under oath, he has no occasion for a discovery. It would seem that a discovery by answer under

oath may now be advantageously waived by the complainant in at least a great majority of cases." 8 Sawyer, 469 (471).

² In *Colgate v. Compagnie Francaise* (1885), 23 Fed. Rep. 82, Wallace, J.: (83) "Undoubtedly, a corporation cannot be compelled to answer under oath to a bill in equity. It answers only under the seal of the corporation. It is for this reason the practice has obtained of making the officers of the corporation parties to the bill and requiring them to answer the interrogatories. This, however, does not excuse a corporation from answering, and the complainant is entitled to an answer from a corporation as well as from an individual, although the value of the answer as evidence may not be worth the expense of the experiment. Although no officer or agent is made a party to the bill, it is still the duty of the corporation to cause diligent examination to be made, and give in its answer all the information derived from such examination; and if it alleges ignorance without excuse a disposition on its part to defeat and obstruct the course of justice may be inferred which will justify the court in charging it with the costs of the suit. (*Attorney General v. Burgesses of East Retford*, 2 Mylne & K. 35.) There is nothing, therefore, in the fact that the defendant is a corporation to defeat the complainant's right to maintain a bill of discovery." 23 Blatch. 86 (88).

§ 1120. Answer Setting up Special Defences, when Filed: Joint Answers: Exceptions to Answer.

An answer, containing a statement of any defence of which special notice is required in actions at law, must be filed a sufficient time before the trial, or the plaintiff may insist on a continuance.¹ Each of the defendants may answer separately from the others, or where it can be done without confusion all may join.² A joint answer cannot be sworn to by a part of the defendants, though such an answer may be amended by erasing the non-juring parties and be allowed to stand as the reply of those who have made oath to its averments.³ A defendant who has neither joined in the answer of his co-defendants, nor filed a separate answer of his own, cannot appear and answer after a final decree, though no decree *pro confesso* has been passed against him.⁴ Objections to an answer on account of defects of form, or the omission of necessary allegations, or the insertion of scandalous and impertinent matter, must be taken by exceptions, and if these are sustained the answer must be amended by such alterations, expurgations, or additions as it may require.⁵ The filing of the answer, and its amendment if excepted to, is followed by the general replication, which puts the cause at issue without rejoinder or further pleadings upon either side.⁶

§ 1120. ¹ That a plea or notice at law setting up special defences under the statute must be served or filed at least thirty days before the term of trial or a continuance will be allowed, and that the rule in equity is substantially the same, see *Roemer v. Simon* (1877), 95 U. S. 214; 12 O. G. 796; *Seymour v. Osborn* (1870), 11 Wall. 516; *Phillips v. Comstock* (1849), 4 McLean, 525; 2 Robb, 724.

That the rules as to defences and notices are the same in equity as at law, see *Roemer v. Simon* (1877), 95 U. S. 214; 12 O. G. 796.

² That several defendants may answer severally, see Equity Rule 62; Story, Eq. Pl. § 848.

³ That an answer of three defendants

sworn to by two only must be erased or the third defendant omitted from it, see *Bailey Washing Mach. Co. v. Young* (1874), 12 Blatch. 199; 1 Bann. & A. 362.

⁴ That where one of several defendants did not appear, but no decree *pro confesso* was taken, he was not allowed to file an answer after final hearing and decree, see *Allen v. Mayor of New York* (1880), 7 Fed. Rep. 483; 18 Blatch. 239; 5 Bann. & A. 461.

⁵ Equity Rules 61, 63-65.

That objections to an answer for failure to name persons, &c., ought to be taken by exceptions, see *Graham v. Mason* (1869), 5 Fisher, 1; 4 Clifford, 88.

⁶ Equity Rule 66.

That a replication cannot go behind

§ 1121. Cross-Bills.

Where the defendant, in an action in equity, is entitled to relief against the plaintiff, in some matter connected with the suit, he may file a cross-bill with his answer setting up his claims and praying for the relief required.¹ A cross-bill cannot introduce new parties, or a new and independent controversy, but may be used for purposes of discovery or for the determination of any issue subordinate to that involved in the original bill.² It must aver all facts that are essential to sustain the defendant's right to the desired relief, and disclose the relation between the remedy it seeks and that which forms the object of the principal suit.³ Cross-bills cannot be filed without leave of the court upon due notice to the adverse party.⁴

the case made on the pleadings and add a different cause of action, see *Burdell v. Denig* (1883), 15 Fed. Rep. 397.

That where the defendants to a bill for infringement plead accord and satisfaction with the plaintiffs, and the plaintiffs reply that the defendants obtained their machines of third parties before the plaintiffs became owners of the patent and before the infringement claimed in the bill, the replication is a departure and bad, see *Burdell v. Denig* (1883), 15 Fed. Rep. 397.

That an excess in a replication is surplusage, and the rest may stand as a traverse, see *Wren v. Spencer Optical Mfg. Co.* (1879), 18 O. G. 857; 5 Bann. & A. 61.

That if the plaintiff instead of filing a replication sets down the case for a hearing on the bill and answer, it admits that all that is well pleaded in the answer is proved, see *Parton v. Prang* (1872), 2 O. G. 619.

That the want of a replication is waived by taking the evidence on both sides without objection, see *Fischer v. Wilson* (1879), 16 O. G. 455; 16 Blatch. 220; 4 Bann. & A. 228.

§ 1121. ¹ Equity Rule, 72.

² That a cross-bill cannot introduce

new parties, see *Sheilds v. Barrow* (1854), 17 How. 130.

That a cross-bill must relate to matters contained in the original bill, see *Forbes v. R. R. Co.* (1872), 2 Woods, 323; *Rubber Co. v. Goodyear* (1869), 9 Wall. 807; *Cross v. DeValle* (1863), 1 Wall. 1.

That a bill claiming a set-off against one of several plaintiffs is not a cross-bill, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 807.

That a cross-bill is not the proper mode of raising a question as to the defendant's ownership of the plaintiff's patent, a demurrer covering such cases, see *Puetz v. Bransford* (1887), 32 Fed. Rep. 318; 41 O. G. 353.

³ That a cross-bill must disclose the grounds of the defendant's claim, and the connection between the matters averred and the original bill, see *Story*, Eq. Pl. § 401.

⁴ That cross-bills cannot be filed without leave of court, see *Loom Co. v. Short* (1876), 10 O. G. 1019; *Bronson v. LaCrosse R. R. Co.* (1863), 2 Wall. 283.

That cross-bills cannot be filed without due notice, see *Loom Co. v. Short* (1876), 10 O. G. 1019.

That on a bill against the defendants, setting up a license to some of the

After the original bill is answered the plaintiff must answer the cross-bill, and until this is done the cause will not be heard.⁵ If the plaintiff withdraws the action after a cross-bill has been filed and served upon him, a decree *pro confesso* on the cross-bill may be taken by the defendant.⁶

§ 1122. Supplemental Bills.

Whenever any action in equity becomes defective after the filing of the original bill, whether by a change of the persons interested in the subject-matter of the suit, or by the occurrence of events enlarging or diminishing the rights of the parties, or whenever the plaintiff discovers facts essential to the proper decision of the controversy concerning which he had no information at the commencement of the action, he may file a supplemental bill alleging the new matter and thereby making it a part of his original claim.¹ A supplemental bill must not vary the character of the suit or the cause of action; and can be filed only by leave of the court, for sufficient reasons and upon proper notice to the defendant.² In actions in equity for infringement this method of amending the proceedings to suit the changing circumstances of the case is frequently employed. Thus where the plaintiff becomes bankrupt or assigns his interest in the patent and the compensation for past infringements, pending suit, a supplemental bill is necessary on behalf of the trustee in insolvency or the assignee.³ Where

defendants as a measure of damages, if the licensed defendants file a cross-bill for a surrender of the license, there is no authority for a notice to non-residents by publication, see *Loon Co. v. Short* (1876), 10 O. G. 1019.

⁵ Equity Rule 72.

⁶ That a decree *pro confesso* will be entered on the cross-bill if the plaintiff, having been served or appearing to answer, withdraws the original bill, see *Lowenstein v. Glidewell* (1878), 5 Dillon, 325.

§ 1122. ¹ Equity Rule 57.

That a bill in the nature of a supplemental bill is proper where there has been a change of interest in the subject-

matter, see *Tappan v. Smith* (1863), 5 Bissell, 73; *Hoxie v. Carr* (1832), 1 Sumner, 173.

That matter subsequently occurring may be set up by supplemental bill, see *Copen v. Flesher* (1861), 1 Bond, 440.

² That the character of the suit cannot be changed after the hearing by a supplemental bill, see *Snead v. McCoull* (1851), 12 How. 407.

That leave of the court must be obtained and due notice given, see Equity Rule 57.

³ That if the plaintiff becomes bankrupt pending suit, a supplemental bill may be needed unless the plaintiff has re-acquired the right of action, see *Gear*

other persons than those named in the original bill are found to have been participants in the infringing acts, or where new persons become interested in the infringing enterprise, a supplemental bill brings them before the court and joins them as defendants in the original action.⁴ If the defendant has been guilty of additional infringements since the institution of the suit, these may be incorporated in the cause of action by a supplemental bill at any time before the plaintiff's evidence is closed.⁵ When the patent is extended during the litigation, and the infringement continues under the extension, a supplemental bill based on the extension may be filed, and the plaintiff can then recover for the entire injury in the single action.⁶ When the plaintiff obtains a rehearing after the dismissal of his bill, upon the ground of newly discovered evidence, a supplemental bill is necessary, setting up the evidence and showing that it is material and could not have been produced by reasonable diligence on the former trial.⁷ Whether a supple-

v. Fitch (1878), 16 O. G. 1231; 3 Bann. & A. 573.

That if the original complainant and assignor dies, the assignee may file a supplemental bill, see *Metal Stamping Co. v. Crandall* (1880), 18 O. G. 1531.

⁴ That when a plaintiff, on a motion for leave to file a supplemental bill to add a new defendant, avers that he is informed and believes that the new defendant has obtained an interest in the infringing devices and is using them, it is sufficient, see *Parkhurst v. Kinsman* (1848), 2 Blatch. 72.

⁵ That new matters concerning the original defendants, and a prayer for discovery thereon, may be inserted in a supplemental bill to bring in a new defendant, see *Parkhurst v. Kinsman* (1848), 2 Blatch. 72.

That a subsequent bill, alleging new infringements since the original bill was filed, may be received after the answer is made and the plaintiff's *prima facie* case is proved, and the evidence already in will then be applied as far as

it is relevant, see *Turrell v. Spaeth* (1876), 9 O. G. 1163; 2 Bann. & A. 315.

⁶ That a supplemental bill is proper when an extension is granted during the suit, see *Reedy v. Scott* (1874), 23 Wall. 352; 7 O. G. 463.

That where a patent expired during suit and was extended, and a supplemental bill was filed, and then the patent was re-issued, and a supplemental bill was filed on the re-issue, and on the latter bill a hearing was had, the proceedings were allowed, see *Howe v. Williams* (1863), 2 Fisher, 395; 2 Clifford, 245.

⁷ That a supplemental bill, after the dismissal of the original, praying for a hearing on the ground of new evidence, etc., must allege and show that the evidence could not have been obtained before the former hearing with reasonable diligence, and that the evidence is material, see *Spill v. Celluloid Mfg. Co.* (1884), 22 Fed. Rev. 94; 22 Blatch. 441; 29 O. G. 773.

mental bill can be filed upon the re-issue of the patent, pending suit, has been disputed, — some decisions asserting that the action fails and an original bill on the new patent becomes necessary;⁸ others declaring that although no damages or profits can now be recovered for the infringement of the original patent, the plaintiff may avail himself of the presence of the parties in the court, and continue the action under a supplemental bill.⁹ The right to object to this mode of procedure, if such right exists, may, however, be waived by the defendant, and if he acquiesces in a hearing on the re-issue under a supplemental bill, he cannot afterwards take advantage of the error.¹⁰ The supplemental bill need not repeat the allegations of the original, but may contain additional averments of the same general character, and state new matters constituting the same cause of action.¹¹ The defendant may demur, plead, or answer to a supplemental bill in the manner and for the reasons heretofore described in reference to the original.¹²

§ 1123. Amendments to Bill or Answer.

Before the filing of the replication amendments may be made, as a matter of right, in the bill or answer, but after replication no material alteration in either is allowed, except by leave of the court upon notice to the adverse party.¹ Leave

⁸ That when a patent is re-issued pending suit, no supplemental bill can be filed on the re-issue, but the suit abates and a new bill must be filed, see *Fry v. Quinlan* (1875), 13 Blatch. 205; *Reedy v. Scott* (1874), 23 Wall. 352; 7 O. G. 463.

⁹ That a supplemental bill, counting on a re-issue, may be filed after the original patent has expired, if the original bill was filed during the life of the patent, see *Dental Vulcanite Co. v. Wetherbee* (1866), 3 Fisher, 87; 2 Clifford, 555; *Howe v. Williams* (1863), 2 Fisher, 395; 2 Clifford, 245.

That a bill may be amended to count on the last re-issue, see *Reay v. Rayner* (1884), 19 Fed. Rep. 308; 26 O. G. 1111; 22 Blatch. 13.

¹⁰ That when a patent is re-issued

pending suit, a supplemental bill setting up the re-issue cannot be filed, a new original bill being necessary unless the defendant acquiesces in a different course; but if a supplemental bill is filed and the hearing goes on without objection, the proceedings are valid, see *Reedy v. Scott* (1874), 23 Wall. 352; 7 O. G. 463.

That where a disclaimer pending suit does not materially change the nature of the cause, a supplemental bill and new motion for an injunction are not required, see *Libbey v. Mt. Washington Glass Co.* (1886), 26 Fed. Rep. 757; 36 O. G. 572.

¹¹ Equity Rule 58.

¹² Equity Rule 57.

§ 1123. ¹ Equity Rules 28, 29, 60.

That defects in a bill or answer must

to amend will not be granted where the proposed amendment could with reasonable diligence have been sooner introduced, nor where it changes the character of the pleading, or is evidently offered for the purpose of delay.² The authority to permit amendments is conferred upon the court for the furtherance of justice, and to relieve the parties from the consequences of their unavoidable ignorance or mistake, and this authority may be exercised at any stage of the proceedings when its necessity becomes apparent. Thus where the evidence discloses that the description of the parties in the bill is incorrect, or that a different re-issue is in force from the one recited in the bill, or where the allegations of a bill brought by an assignee are broad enough to embrace, but do not specifically mention, claims for past infringements, or where the answer and the defendant's proof set up new matter in avoidance of his liability for the infringing acts, the plaintiff may amend the bill by the correction of the error, the enlargement of the insufficient allegation, or the insertion

be cured by amendment not by special motion, see *Doughty v. West* (1865), 2 Fisher, 553.

That a bill counting on one of two patents which together cover the infringing invention may be amended to count on both and the evidence already taken will be applied thereto, see *Underwood v. Gerber* (1889), 37 Fed. Rep. 796.

² That a motion to amend the answer will be denied if the new matter is not relevant or material, or could by due diligence have been put in the original answer, see *Richardson v. Croft* (1881), 20 O. G. 372.

That there is no good cause for allowing an amendment, under the 60th and 29th rules in equity, so as to introduce a new defence into the answer, if the same matter could with reasonable diligence have been set up in the original, see *India Rubber Comb Co. v. Phelps* (1870), 4 Fisher, 315 ; 8 Blatch. 85.

That where the same search would have shown the same facts; before as

well as since the original answer was filed, there is no ground for an amendment, see *India Rubber Comb Co. v. Phelps* (1870), 4 Fisher, 315 ; 8 Blatch. 85.

That an amendment changing the character of the bill is not usually allowed after a hearing, or after the case is set down for a hearing, see *Tremaine v. Hitchcock* (1874), 23 Wall. 518 ; 7 O. G. 1055.

That where the new defence rests on parol evidence only, the courts will disfavor an amendment to introduce it, as tending to encourage the manufacture of testimony, see *India Rubber Comb Co. v. Phelps* (1870), 4 Fisher, 315 ; 8 Blatch. 85.

That a motion to amend the answer and for a commission to take evidence abroad will not be granted when the proof before the court shows that no evidence to sustain the amendment can be obtained, see *Hicks v. Otto* (1883), 17 Fed. Rep. 539.

of new facts to meet the evidence and answer of the defendant.³ In like manner, where the evidence shows that the answer is insufficient, as by its failure to state all the available defences, or to recite the names and residences of all the persons who made prior use of the invention, or that it contains unfounded admissions to the detriment of the defendant, amendments may be made to render the answer conformable to the proof, unless the other evidence clearly indicates that on the case, taken as a whole, the plaintiff cannot be defeated.⁴ The amendment of the pleadings does

³ That where the evidence shows that the *status* of parties has been misdescribed, it can be cured by amendment, see *Needham v. Washburn* (1874), 7 O. G. 649; 4 Clifford, 254; 1 Bann. & A. 537.

That where the bill set up one re-issue, but all the evidence and references were based upon a second re-issue, an amendment in the bill inserting the second re-issue will be allowed, see *Tre-maine v. Hitchcock* (1874), 23 Wall. 518; 7 O. G. 1055.

That an assignee of the patent, in a suit against an alleged infringer, can move, before the signing of the interlocutory decree, to amend his bill so as to include the subject of assigned claims for damages and profits which were due to *mesne* assignors, where it appears that the bill was brought, answered, and tried on the theory that a recovery on those assigned claims was sought, see *New York Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1884), 20 Fed. Rep. 505; 22 Blatch. 182.

That if the defendant pleads a license and the plaintiff claims that he has abandoned it, the plaintiff must amend his bill and set up the abandonment, see *Wilson v. Stolley* (1847), 4 McLean, 275.

⁴ That an answer may be amended by inserting a new defence on a motion offered before final argument, and a de-

creed may be entered subject to the finding on such new defence, see *Snow v. Tapley* (1878), 13 O. G. 548; 3 Bann. & A. 228.

That where the evidence clearly shows that the patent is invalid the court may permit the answer to be amended so as to give proper notice of it, see *Geier v. Goetinger* (1874), 7 O. G. 563; 1 Bann. & A. 553.

That a motion to insert new defences in the answer in equity will be denied after an answer has been made under oath and the evidence thereon is closed, unless the defendant is without fault, see *Loom Co. v. Higgins* (1876), 9 O. G. 965; 13 Blatch. 349.

That an answer failing to name the persons using, under a defence of prior use, may be excepted to and amended under special order, see *Graham v. Mason* (1869), 5 Fisher, 1; 4 Clifford, 88.

That an admission in the answer that the defendants had made certain articles which the plaintiff was seeking to enjoin may be struck out, if a denial of the validity of the patent is to be made and no testimony has yet been taken, and the defendants are not guilty of laches, see *Morehead v. Jones* (1860), 3 Wall. Jr. 306.

That a defendant having in a former stage of the suit defended on the ground that he owned the patent, and admitted its infringement and its extent, and

not render evidence admissible if when taken it was inadmissible and properly objected to; but evidence taken without objection in the presence of the adverse party may be received and considered under the amendment.⁵

§ 1124. Trial, Various Modes of.

Issues of fact, in actions in equity for infringement, are always determined by the court, in accordance with its own views as to the significance and weight of the evidence presented.¹ Various methods of investigating facts exist. The

been defeated, cannot amend his answer after account taken on the ground that such admission was a mistake, and contest the infringement or the extent of it before the master, see *Ruggles v. Eddy* (1874), 11 Blatch. 524; 1 Bann. & A. 92.

That a defendant who, in one suit between him and the plaintiff, has consented to a decree with substantial damages, and has given the plaintiff an agreement acknowledging the validity of the patent and the novelty and utility of the invention, cannot on the second suit amend his answer to insert a denial of novelty and attack the patent, see *Pentlarge v. Beeston* (1878), 15 Blatch. 347.

That after a verdict and refusal of new trial, a feigned issue may be ordered in equity on new evidence, and the answer may be amended to insert it, see *Foote v. Silsby* (1850), 1 Blatch. 545.

That where the evidence shows that the plaintiff's patent cannot be defeated on final hearing, a motion to amend the answer will be denied, see *Richardson v. Croft* (1880), 11 Fed. Rep. 800.

⁵ That an amendment of an answer under leave of court does not render evidence admissible which was properly objected to before the amendment, see *Allis v. Buckstaff* (1882), 22 O. G. 1705; 13 Fed. Rep. 879; *Roberts v. Buck* (1873), 3 O. G. 268; *Holmes*, 224; 6 *Fisher*, 325.

That evidence offered without notice and objected to may be admitted after amendment by agreement when the omission of notice was inadvertent and the plaintiff was not taken by surprise, see *Roberts v. Buck* (1873), 3 *Fisher*, 325; 3 O. G. 268; *Holmes*, 224.

That when evidence as to prior use was taken before the answer was amended to give proper notice of it, against objection but with full rebutting evidence and cross-examination, it was allowed to stand, see *Allis v. Buckstaff* (1882), 13 Fed. Rep. 879; 22 O. G. 1705.

That unless evidence not covered by the answer is objected to when offered, if the plaintiff is present, the defendant may amend his answer to cover it without costs, see *Brown v. Hall* (1869), 3 *Fisher*, 531; 6 Blatch. 401.

That an amendment of a plea making it double will not be allowed after long delay, see *Giant Powder Co. v. Safety Nitro-Powder Co.* (1884), 19 Fed. Rep. 509; 27 O. G. 99; 10 *Sawyer*, 23.

That a paper filed without leave to amend cannot be treated as an amendment of the original answer, see *Dental Vulcanite Co. v. Wetherbee* (1866), 2 *Fisher*, 87; 2 *Clifford*, 555.

§ 1124. ¹ This is equally true whatever be the mode of trial. If the court hears the evidence, either directly or through depositions, its decision upon the facts is at once primary and

court may hear the testimony of the witnesses orally, or it may be offered in the form of depositions.² Feigned issues may be framed and sent to a jury in a court of law, or submitted to a special jury impanelled in the court of equity.³ If the witnesses are examined in open court before the judge alone, the procedure is the same as in any other *viva voce* trial. Depositions are taken before some proper officer, or other person appointed for that purpose by the court or by the parties, and transmitted in the usual manner to the clerk for publication and for presentation to the court in connection with the arguments of counsel.⁴ The trial of feigned issues to a jury, whether in the court of equity or law, is a proceeding of a peculiar character, and in reference to patent cases is still of practical importance.

§ 1125. Trial by Jury on Feigned Issues.

In the earlier periods of patent litigation the courts of equity, in deference to the statute of Jac. I., referred all questions concerning the patentability of the invention, the validity of the patent, the title of the plaintiff, the fact of infringement, and the amount of damages, to the decision of the courts of law, and afforded equitable relief only for the protection of the plaintiff during the litigation and for the

final. Where the facts are first passed upon by a jury, whether on a feigned issue at law or under the act of 1875, the verdict is merely advisory, and may be departed from by the court. See *Watt v. Starke* (1879), 101 U. S. 247; 17 O. G. 1092; *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351; *Ely v. Monson & Brimfield Mfg. Co.* (1860), 4 Fisher, 64.

² That the court may hear the testimony directly, see *Blease v. Garlington* (1875), 92 U. S. 1; *In re Clark* (1872), 9 Blatch. 372.

That evidence may be taken by depositions, see Equity Rules 67-69.

That a secret trial of a patent suit cannot be allowed, see Opinion Atty. Gen. (1820), 1 Op. Att. Gen. 376.

VOL. III. — 30

³ That a feigned issue may be ordered, see *Gray v. Halkyard* (1886), 28 Fed. Rep. 854; 38 O. G. 784; also § 1125 and notes, *post*.

That a special jury may be employed in patent cases in equity, see act of Feb. 16, 1875, Sec. 2.

That a jury trial under Sec. 2, act of 1875, is matter of discretion not of right, see *Keyes v. Pueblo Smelting and Refining Co.* (1887), 31 Fed. Rep. 560.

That priority and public use are questions of fact, and may properly be submitted to a jury by a court of equity, see *Gray v. Halkyard* (1886), 38 O. G. 784; 28 Fed. Rep. 854.

⁴ Equity Rules 67-69.

enforcement of the judgment after it had been obtained.¹ When, at a later period, equity assumed a more immediate jurisdiction over this class of cases it still regarded a jury as the proper tribunal, and a court of law as the proper forum, for the investigation of the most important issues, and therefore, having framed these issues in a form to suit its purposes, sent them into the court of law for trial and received the verdict of the jury as the determination of the matters it embraced.² But even this modification of the ancient practice has, during the past half-century, almost disappeared, and at the present day equity usually conducts its inquiries within its own tribunals. When it requires the assistance of a jury, as in some cases it still may do, the act of 1875 enables it to summon and impanel one consisting of not less than five nor more than twelve persons, to present to them such issues as it deems expedient, and to proceed upon their verdict in the same manner as if the issues had been tried at law.³ The submission of feigned issues to a jury is now a matter entirely within the discretion of the court, and no appeal will lie from its refusal, although on an appeal for other causes the court above may send the cause back for a jury trial, if it seems expedient.⁴ It is not ordered at the

§ 1125. ¹ As to the early relation of trials at law to equity proceedings in patent cases, see § 932 and notes, *ante*.

² As to the later relation of trials at law to patent cases in equity, see § 932, 1081-1084, and notes, *ante*.

³ Act of Feb. 16, 1875, Sec. 2.

⁴ In *Brooks v. Norcross* (1851), 2 Fisher, 661, Woodbury, J. : (662) "It is requested, as a preliminary favor or right, that the question of infringement in this case be tried by a jury. I am not aware of any trial of that kind which is allowed in any way in chancery, as a matter of right to a party, unless it be in case of a bill in chancery to abate a nuisance which is of a public character, and which some individual claims to injure himself specially. There, if the nuisance be denied, courts

will usually decline to sustain a private complaint to abate it, if the question of nuisance be not first settled at law and by a jury. (*Irwin v. Dixon*, 9 How. 10, and in cases cited there.) Such is not the class to which the present case belongs. Another set of instances, where a jury is ordered in chancery, is to try particular facts, and not to settle at law a question of right. It is, too, with a view to settle facts on which the court feels doubt, and itself wishes the aid of a jury to do it, and not where the party applies for a jury either as a right or a favor. This is the most numerous class of cases where a jury is used. (7 How. 227, *McLaughlin v. Bank of Potomac et al.* 3 Story R. 746.) In the argument of counsel, it seems to be conceded that the allowance of a jury to settle at

request of the parties, nor until the court finds itself unable otherwise to ascertain the facts, and this may not occur before the evidence has been published.⁵ It is more readily

law the question of infringement is regarded not as a right, but a matter in the sound discretion of the court. This, too, is the adjudged law in instances of that character. (*Pierpont v. Fowle*, 2 W. & M. 25, 37; *Saunders v. Smith*, 3 Mylne & Craig, 735; *Jacobs*, 311.) But this discretion must, of course, be regulated by sound reasons. And though an English Chancellor has said he remembered no case where the trial at law was refused when wished, it is certain there have been many. The chief test is, whether the chancery court entertains any reasonable doubt as to the law or fact, and wants them ascertained for its aid. (*Curtis on Pat.* 383; *Web. Pat. Cas.* 473.) And if a trial is ordered at law, to remove doubts or settle contested rights, before a final decision in chancery, the latter court will still often issue the temporary injunction, founded on long possession of the patent, or other *prima facie* evidence, till a decision is had at law. (*Web. Pat. Cas.* 730; *Curtis on Pat.* 381; 14 Ves. 130; 8 Merivale, 622.) Most of the patent cases where the court has deemed it proper to dissolve an injunction, or refuse one till the parties' rights are settled at law, are those where the defendant denies the plaintiff's right in his answer, and the recoveries against other persons, and numerous sales and long possession, have not been such as to raise a strong presumption that the patent is valid. (*Orr v. Littlefield*, 1 W. & M. 13; *Woodworth v. Edwards et al.*, 3 W. & M. 120, and cases there cited, 2 Eden, Ch. 137; *Curtis on Pat.* 339; *Web. Pat. Cas.* 472; *Hindmarch on Pat.* 30-37.)" See also *Ely v. Monson & Brimfield Mfg. Co.* (1860), 4 Fisher, 64.

That a feigned issue may be sent to

a jury on mere questions of fact, see *Gray v. Halkyard* (1886), 23 Fed. Rep. 854; 38 O. G. 784.

That feigned issues are not favored in our courts, see *Cochrane v. Deener* (1876), 94 U. S. 780; 11 O. G. 687.

That in the Federal courts, the judge being the same at law and in equity, there is no such reason for sending cases to the jury as in England, see *Brooks v. Norcross* (1851), 2 Fisher, 661.

That it is a matter of discretion, not jurisdiction, whether chancery will send a case to be tried at law, and a decision thereon is no ground of appeal, though if an appeal be taken on other grounds, and it appears that the case ought to be tried otherwise, it can be sent back for that purpose, see *Cochrane v. Deener* (1876), 94 U. S. 780; 11 O. G. 687.

⁵ That an issue at law will not be ordered on the mere request of the parties, see *Brooks v. Norcross* (1851), 2 Fisher, 661.

That an order for jury issues will not be granted when the truth of the matters in dispute can be conveniently and satisfactorily ascertained by the court itself, see *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351; *Brooks v. Norcross* (1851), 2 Fisher, 661.

That no jury issue as to infringement will be ordered unless the court has doubts as to the identity of the devices, see *Van Hook v. Pendleton* (1846), 1 Blatch. 187.

That a suit at law may be ordered on an answer which does not set out the names of the persons in prior use or knowledge, but the pleadings in the suit at law must set them out, see *Orr*

allowed when the patent is recent, the novelty of the invention doubtful, the identity of the infringing process or device with that covered by the patent uncertain, and the proof conflicting or the credibility of the witnesses disputed.⁶ It is not often resorted to when the patent and the infringement have already been established by a verdict.⁷

§ 1126. Effect of the Verdict on a Feigned Issue.

During the trial of a feigned issue in a court of law equity will not interfere with the proceedings.¹ It may send with the record of such issues the depositions already taken to be used as evidence, but other depositions will not be admitted except when obtained in conformity with the ordinary rules of law.² The verdict of the jury is advisory only, and may

v. Merrill (1846), 1 W. & M. 376; 2 Robb, 331.

That an order for issues to the jury will not be made until the evidence is taken and publication has passed, see *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351.

⁶ That equity grants a motion for jury issues when the patent is new and novelty uncertain, or when the case depends on conflicting evidence or the credibility of witnesses, see *Howe v. Williams* (1863), 2 Fisher, 395; 2 Clifford, 245.

⁷ In *Howe v. Williams* (1863), 2 Fisher, 395; Clifford, J.: (398) "Such a motion is sometimes granted, where the patent is recent, and where the case shows that the originality of the invention is doubtful; or where the merits of the controversy chiefly depend upon contradictory evidence, involving the credibility of witnesses; but where the patent is of long standing, and the inventor has had an exclusive possession under it, the motion is seldom received with any favor. (*Washburn et al. v. Gould*, 3 Story C. C. 169; *Hill v. Thompson*, 3 Meriv. 622; *Collard v. Allison*, 4 Mylne & Cr. 487.) Other examples where such a motion was

granted are also shown in some of the numerous cases cited by the respondent, but it is a sufficient answer to all such decisions, as applied to this case, to say that the motion ought not in general to be granted where it appears that a trial at law and a hearing in equity have already been had, and that both have resulted in favor of the complainant; and the motion is accordingly overruled. *Goodyear v. Day*, 2 Wall. Jr. 296." 2 Clifford, 245 (246).

§ 1126. ¹ That when chancery suspends, in order to allow a case to be tried at law, it does not interfere with the proceedings at law, see *Watt v. Starke* (1879), 101 U. S. 247; 17 O. G. 1092.

² That on the trial of feigned issues, depositions *de bene esse*, taken without notice to the opposite party, are not admissible unless they are sent down with the record of the issues framed on the equity side of the court, see *Cahoon v. Ring* (1861), 1 Clifford, 592.

That after a decree ordering jury issues and the sending of the record to the court of law, the court of law will not order any depositions taken in equity to be removed to the law court unless they were sent down with the

be discarded in the court of equity and a contrary judgment rendered.³ A motion for a new trial for a verdict against evidence must be made to the judge in chancery, and may be supported by the record and proof of the testimony as given in the court of law.⁴ After the verdict the defeated party may proceed in the cause in equity, and introduce further evidence unless the time for taking evidence is past; and for this purpose, where an order for feigned issues is made before the time for taking evidence expires, the time will be extended until after the verdict is rendered and a sufficient opportunity has been afforded for additional testimony.⁵

record, nor will they be admitted as evidence, see *Cahoon v. Ring*, (1861), 1 Clifford, 592.

That on the trial of feigned issues as to novelty Office copies of the plaintiff's correspondence with the Patent Office, as to the re-issue or its construction, are not admissible evidence, see *Cahoon v. Ring* (1861), 1 Clifford, 592.

That a respondent cannot be asked a question on the trial of a feigned issue, if the reply which it calls for would contradict an admission in his answer, see *Cahoon v. Ring* (1861), 1 Clifford, 592.

That if feigned issues present no question of fraud or mistake, and the bill is based on a re-issued patent, the original is not admissible, see *Cahoon v. Ring* (1861), 1 Clifford, 592.

³ That the verdict of a jury in a cause sent from chancery, being only advisory and never conclusive, may be disregarded, and a decree rendered contrary to it, see *Watt v. Starke* (1879), 101 U. S. 247; 17 O. G. 1092; *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351; *Ely v. Monson & Brimfield Mfg. Co.* (1860), 4 Fisher, 64.

⁴ That when chancery sends an issue to law for a trial on the facts, a motion for a new trial must be made to the court of chancery, and notes of the pro-

ceedings and evidence at law must be submitted to the chancellor, see *Watt v. Starke* (1879), 101 U. S. 247; 17 O. G. 1092.

That a bill of exceptions cannot be taken on the trial of a feigned issue directed by a court of equity, or if taken can only be used on a motion for a new trial, see *Watt v. Starke* (1879), 101 U. S. 247; 17 O. G. 1092.

That the proceedings and evidence at law may be brought to the notice of the chancellor either by having them reported with the verdict or by moving the chancellor to send to the judge at law for his notes or by any other proper way, and they then become part of the record, see *Watt v. Starke* (1879), 101 U. S. 247; 17 O. G. 1092.

⁵ That the verdict on jury issues is never final, but the defeated party may proceed in the cause and if the evidence is not closed under the rules, or if the court grants leave, he may introduce further proof to support his claims, see *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351.

That when feigned issues are ordered before the time for taking the evidence expires, no decree after verdict on such issues will be ordered until further time for taking evidence is given, see *Cahoon v. Ring* (1861), 1 Clifford, 592.

§ 1127. Evidence Admissible in Equity.

The evidence admissible in equity upon the various issues created by the bill and answer is the same as that receivable at law upon the corresponding issues.¹ The burden of proof rests upon the plaintiff as to all the material averments of his bill, and upon the defendant as to matters of avoidance or estoppel or the subordination of a legal to his equitable rights.² The parties are competent witnesses on either side, and neither, by summoning and examining the other waives

§ 1127. ¹ For the evidence admissible on each issue, see §§ 1022-1049, and notes, *ante*.

² That the court cannot notice what is merely alleged and not proved, see *Blandy v. Griffith* (1869), 3 Fisher, 609.

That the burden of proof on all matters necessary to sustain the action rests on the plaintiff, see § 1018 and notes, *ante*.

As to the *prima facie* evidence afforded by the patent, see § 1016 and notes, *ante*.

That whatever is averred in the bill and not denied in the answer is admitted, and need not be further proved, see §§ 1114-1118 and notes, *ante*.

That the burden of proof on the question of infringement rests on the appellant, and if he fails in it the decree will be affirmed, see *Price v. Kelley* (1881), 20 O. G. 1452; 13 Fed. Rep. 304.

That if the defendant denies infringement the plaintiff must prove it, see *Francis v. Mellor* (1871), 8 Phila. 157; 5 Fisher, 153; 1 O. G. 48.

That infringement may be found, as against the defendant's sworn denial in his answer, upon circumstantial evidence, though no direct act of infringement can be proved, see *Peterson v. Simpkins* (1885), 25 Fed. Rep. 486; 33 O. G. 1392.

That if the plaintiff does not object to the defendant's answer, on the ground that it merely denies information as to the validity of the patent and disputes

the damages, the plaintiff takes the burden of proving the infringement, see *Wooster v. Musser* (1884), 20 Fed. Rep. 162; 28 O. G. 288.

That defences set up in the answer, if the burden is on the defendant, are not noticed unless some proof is offered in their support, see *Cook v. Howard* (1870), 4 Fisher, 269.

That the burden of proving an equitable against a legal title is on the affirmant, and his pleadings must deny that the plaintiff is a *bona fide* holder for value without notice, see *Gibson v. Cook* (1859), 2 Blatch. 144.

That in equity the court may inspect a model of the invention, and upon inspection declare it unpatentable, see *Everett v. Thatcher* (1878), 16 O. G. 1046; 2 Flippin, 234; 3 Bann. & A. 435.

That a court of equity has power to order an inspection of infringing or controverted inventions, see *Wilson v. Keely* (1888), 43 O. G. 511.

That the plaintiff's affidavits offered in rebuttal must not strengthen his case as to the infringement, thus creating a danger of surprise to the defendant if allowed, see *Union Paper Bag Mach. Co. v. Binney* (1871), 5 Fisher, 166.

That exhibits not properly explained and applied will not be considered, see *Miller v. Smith* (1880), 5 Fed. Rep. 359; 18 O. G. 1047.

any claim against him.³ The plaintiff may compel the defendant to produce the books by which infringing sales are evidenced, but cannot, under the preliminary proof, force him to disclose the details of his business and give the names of confidential customers.⁴ One party, whose deposition is being taken by the other, has a right to decline to answer questions which he deems improper and his replies to which might prejudice his interests, and to refer his objections to the court to be decided before the examination can proceed.⁵ An answer under oath, if responsive to the bill, not only makes but proves the issue and requires two witnesses, or their equivalent, to overthrow it.⁶ An irresponsive answer is an admission of the truth of the averments of the bill, and an equivocal answer, especially on the question of infringement, affords such strong presumptions in favor of the plaintiff that little further evidence is necessary to support his allegations.⁷ Direct admissions in the answer are conclusive evidence against the defendant.⁸ A bill *in perpetuum* in one Federal court, with the

³ That the plaintiff does not waive his rights against the defendant by making him his witness, see *Jenkins v. Greenwald* (1857), 2 Fisher, 37 ; 1 Bond, 126.

⁴ That the books of the defendant may be ordered produced, see *Roberts v. Wolley* (1882), 14 Fed. Rep. 167.

That when the infringement and validity are denied the plaintiff cannot compel the defendant, on the preliminary proof, to give him the names of more than one of his confidential customers to whom he furnished articles covered by the patent, see *Roberts v. Wolley* (1882), 14 Fed. Rep. 167.

⁵ That an examiner has no power to rule on the evidence, and the defendant, when a witness, has the right to take the opinion of the court in a doubtful case, and when he acts in good faith under the advice of counsel he cannot be punished for contempt, see *Roberts v. Wolley* (1882), 14 Fed. Rep. 167.

⁶ For the effect of an answer under oath, see § 1119 and notes, *ante*.

⁷ That an answer is not evidence as to matter not responsive to the interrogatories, and if the allegations of the answer are not responsive to the interrogatories or sustained by other evidence, the plaintiff has judgment, see *Wren v. Spencer Optical Mfg. Co.* (1879), 18 O. G. 857 ; 5 Bann. & A. 61.

That unless the denial of infringement in the answer under oath is positive and unequivocal, the testimony of a single witness, with corroborating facts, is sufficient proof of the infringement, see *Goodyear v. Berry* (1868), 3 Fisher, 439 ; 2 Bond, 189.

⁸ As to the effect of admissions in the answer, see § 1118 and notes, *ante*.

That when the defendant by an answer in regard to date seemed to admit an infringement on which there was no other evidence, but denied the infringement constantly, the answer was not sufficient to prove it, see *Reay v. Rau*

evidence taken under it, may be received in any other.⁹ Evidence admissible at law only under a special notice cannot be introduced in equity unless the same notice has been given by the answer.¹⁰

§ 1128. Method of Producing Evidence in Equity: Objections: Exceptions.

When the trial of an action in equity is conducted in open court, whether with or without a jury, the methods of offering and objecting to evidence follow those which are pursued in courts of law. But when the testimony is taken by deposition, according to the usual practice in courts of equity, different rules prevail. In such cases the court fixes a period within which each party shall complete his evidence, and appoints some proper officer or other person as an examiner to receive the testimony and transmit it to the court.¹ Under this order, if the plaintiff fails to take his evidence within the time prescribed, and does not apply for an extension, the court may proceed with the cause and determine it upon the pleadings as they stand.² Evidence taken after the appointed time will

(1883), 15 Fed. Rep. 749; 23 O. G. 1928.

That the defendant does not admit his infringement by accepting service of an injunction, giving bond, and acknowledging the validity of the patent and the plaintiff's title, but the presumption arising from these acts may be rebutted, see *Byam v. Eddy* (1853), 24 Vt. 666; 2 Blatch. 521.

⁹ That a bill *perpetuam rei memoriam* to take evidence for the defendant of a witness over ninety on a matter twelve years before the patent issued, if the plaintiff will not sue at once, is proper, and the evidence thus taken in a Federal court is admissible in any other Federal court, see *New York & Baltimore Coffee Polishing Co. v. New York Coffee Polishing Co.* (1881), 20 Blatch. 174; 9 Fed. Rep. 578.

¹⁰ That the statutory defences of which notice is required at law must be

set up in equity in the answer, or evidence concerning them is inadmissible, see §§ 1114-1116, and notes, *ante*.

§ 1128. ¹ Equity Rules, 67-71.

That affidavits cannot be entitled in the cause before the bill is filed though they may be taken, see *Baldwin v. Bernard* (1872), 5 Fisher, 442; 2 O. G. 320; 9 Blatch. 509, note.

That affidavits not entitled in the cause are mere extra-judicial oaths and not receivable, see *Buerk v. Imhaeuser* (1876), 10 O. G. 907.

That when expert evidence is desired an application to put it in must be made before the first hearing, see *Hitchcock v. Tremaine* (1872), 1 O. G. 633; 5 Fisher, 537; 9 Blatch. 550.

² That if the plaintiff fails to take evidence within the prescribed time, and does not apply for an extension, the court will proceed to determine the case on the pleadings as they stand,

be considered, unless a motion to suppress it is presented; but if objected to the court will ordinarily reject it, though where no injury could result to the opposing party, it may be allowed to remain.³ Inadmissible evidence must be objected to when it is offered before the examiner, if the adverse party is then present, and the objection must be entered on the record of the testimony to be transmitted with it to the court.⁴ Every

see *Irwin v. Meyrose* (1881), 2 McCrary, 244; 7 Fed. Rep. 533.

³ That under Rule 69 no evidence taken after the time can be read at the hearing if the other party objects, see *Wooster v. Clark* (1881), 21 O. G. 264; 9 Fed. Rep. 854.

That when a defendant offers no evidence to sustain his defence of prior use, and after the evidence is closed and the plaintiff has made out his case, the defendant without amending his answer, or obtaining an extension of time, files affidavits of public use, they are too late and are not regarded, see *Union Paper Bag Mach. Co. v. Newell* (1874), 5 O. G. 459; 1 Bann. & A. 118; 11 Blatch. 549.

That if evidence is taken and filed out of time without any motion to suppress it, it may be considered, see *Matthews v. Spangenberg* (1882), 19 Fed. Rep. 823; 23 O. G. 92; 20 Blatch. 482.

That evidence taken without objection may stand on an amended answer, see *Babcock v. Pioneer Iron Works* (1888), 34 Fed. Rep. 338.

That under Rules 66 and 69 the court has discretion to direct that a replication filed and evidence taken after the time named in Rule 66 shall stand as if filed and taken within the time, see *Fischer v. Hayes* (1881), 20 O. G. 239; 6 Fed. Rep. 76; 19 Blatch, 26.

That when depositions were taken in conformity with a special order as to notice, and the adverse party had no time to confer with his counsel and attend, they

will be admitted on condition that the opposite party have a chance to take them over again and cross-examine, see *Aiken v. Bemis* (1847), 3 W. & M. 348; 2 Robb, 644.

⁴ That objections must be distinctly made when the evidence is presented or they will be waived, see *Barker v. Stowe* (1878), 15 Blatch. 49; 14 O. G. 559; 3 Bann. & A. 337.

That if a party is present at an examination of witnesses, and does not object to the evidence on the ground of a want of averment in the answer, he cannot take advantage of the defect at the hearing, see *Brown v. Hall* (1869), 3 Fisher, 531; 6 Blatch. 401.

That witnesses produced as to prior use without notice must be objected to when the testimony is taken or the evidence will be admitted, see *Roemer v. Simon* (1874), 5 O. G. 555; 1 Bann. & A. 138.

That if the defence of prior invention is not set out in the answer as it should be, and no objection is made at the proper time, it cannot be excepted to in the Supreme Court after appeal, see *Loom Co. v. Higgins* (1882), 105 U. S. 580; 21 O. G. 2031.

That objections to the admissibility of evidence must appear on the record, or they will be considered as waived, see *Fischer v. Neil* (1881), 19 O. G. 603; 6 Fed. Rep. 89.

That if there is no objection on the record to hearsay evidence the objection will be waived, see *Fischer v. Neil* (1881), 6 Fed. Rep. 89; 19 O. G. 603.

objection must specifically state the grounds on which it rests, and every ground not stated will be waived.⁵ Evidence not objected to can be employed only for purposes for which it is legally admissible.⁶ Objections to the competency of witnesses, or to their introduction under the pleadings as they are framed, or to the authenticity of documentary evidence, must be fully disclosed in order that, if possible, the obstacle may be removed.⁷ When the record of the testimony with the objections is returned to court, the inadmissible evidence may be struck out on motion; or if the inadmissibility arises from the want of proper averments in the bill or answer, the defects may be amended and the evidence may be then received or the cause sent back to the examiner for a repetition of the testimony.⁸ A motion to suppress the evidence of a

⁵ That a general objection to evidence is not considered unless the ground of objection is specified, and if the ground of objection is specified all other grounds are waived, see *Fischer v. Neil* (1881), 19 O. G. 603; 6 Fed. Rep. 89; *Brown v. Hall* (1869), 3 Fisher, 531; 6 Blatch. 401.

⁶ That evidence not objected to can only be used for the purpose for which it is admissible, see *Zane v. Soffe* (1880), 2 Fed. Rep. 229.

That under a general denial of the patentee's priority evidence of prior use taken without objection is competent at the final hearing, both as to the state of the art and the priority of the patent, see *Zane v. Soffe* (1884), 110 U. S. 200; 28 O. G. 737.

⁷ That an objection to the examination of a witness must state specifically the grounds of the objection so that it may be removed if possible, see *Woodbury Patent Planing Mach. Co. v. Keith* (1879), 101 U. S. 479; 17 O. G. 1031; 4 Bann. & A. 100.

⁸ In *Allis v. Buckstaff* (1882), 13 Fed. Rep. 879, Dyer, J. : (884) "It was held in *Roberts v. Buck*, 6 Fisher, 325, that where evidence of anticipations not set up in the answer had been taken,

and a motion was afterwards made to amend the answer, an amendment would not make that evidence admissible which was taken under objection before the amendment. After all, I suppose it to be discretionary with the court in such a case, especially after the objecting party has fully cross-examined the witnesses and taken rebutting proofs, either to let the testimony stand in the case, or to strike it out and permit the defence to take the testimony anew under the amended answer. So far as the state of the case in *Roberts v. Buck* is disclosed, in the opinion of the court there is ground for the inference that the objecting party stood on his objection and elected not to cross-examine the witnesses or to offer rebutting proofs. In the case at bar objection was made to the examination of the witnesses, but there was full cross-examination, and proofs in rebuttal of that particular evidence were offered, and I think it is a proper exercise of discretion to let the testimony, which is objected to as irregularly taken, stand in the case." 22 O. G. 1705 (1707).

Further, that the pleadings may be amended and the evidence allowed to

witness, on the ground that he was mistaken in its details, will not be entertained if the examination was in due form and after proper notice.⁹ No evidence can be used in argument before the court unless presented to the examiner and appearing on the record, except such documents as are equally accessible to both parties, and whose connection with the controversy is so apparent that their production by one can operate as no surprise upon the other.¹⁰ Upon the motion of either party, for sufficient cause, the court may refer the record back to the examiner for the introduction of additional evidence or the re-examination of the former witnesses, and in such reference the testimony must be limited to the points

stand, see *Babcock v. Pioneer Iron Works* (1888), 34 Fed. Rep. 338; *Forbes v. Barstow Stove Co.* (1864), 2 Clifford, 379.

That if a witness is objected to before the examiner on the ground that the notice is imperfect, the notice must be amended or the evidence though taken will not be considered, see *Kiesele v. Haas* (1887), 32 Fed. Rep. 794.

That evidence of prior use taken against objection before the examiner, without due notice or answer, will be struck out by the court, see *Bragg v. City of Stockton* (1886), 11 Sawyer, 597; 27 Fed. Rep. 509.

That where a witness's name was not stated in the answer but his application for a patent was referred to, a motion to strike out his evidence will be sustained, see *Decker v. Grote* (1873), 6 Fisher, 143; 3 O. G. 65; 10 Blatch. 331.

That evidence of prior use, &c., given by persons not named in the answer, will be considered on the hearing unless a motion is made to strike it out, although it was objected to when taken, see *Elm City Co. v. Wooster* (1873), 4 O. G. 83; 6 Fisher, 452.

That evidence of prior use taken without proper notice and objected to cannot be admitted under the answer when afterward amended on motion, unless

by agreement of the parties and where the omission of notice was inadvertent and the plaintiff was not taken by surprise, see *Roberts v. Buck* (1873), 6 Fisher, 325; 3 O. G. 268; *Holmes*, 224.

⁹ That a motion to suppress testimony, on the ground that the witness was mistaken as to the occasion named, is not allowed if the examination was in proper form and after due notice and on oath, see *Fischer v. Hayes* (1881), 20 O. G. 242; 6 Fed. Rep. 86.

¹⁰ That a patent not offered as evidence before the examiner, and not set up in the answer, cannot be introduced in equity, even upon a question of title, as the plaintiff has no opportunity for explanation, see *Grover & Baker Sewing Machine Co. v. Sloat* (1860), 2 Fisher, 112.

That prior patents, though generally referred to in the answer cannot be first introduced after the hearing is closed, see *Peterson v. Simpkins* (1885), 25 Fed. Rep. 486.

That the defendant may offer the original at the hearing to show that the re-issue departs from it, though it was not put in before the master, if it works no surprise to the plaintiff, see *Knapp v. Shaw* (1883), 15 Fed. Rep. 115; 23 O. G. 2236.

designated by the court.¹¹ When the evidence is thus complete and printed, and the briefs of counsel are prepared, the cause is argued and submitted to the decision of the court. After the hearing and submission neither party has the right to file any paper in the case without leave of the court, upon motion and due notice to the adversary.¹²

§ 1129. Practice and Procedure in Equity in Actions for Infringement.

The practice in equity, in actions for infringement, follows that of the English chancery as it existed before the "New Rules" were adopted, except where changed by express regulations.¹ The rules in equity prescribed by the Supreme Court of the United States are binding on the Circuit Court.² These rules were framed to conduct the cause to a hearing and have no effect upon it after it has been heard, unless steps are taken to bring it again within their operation. All privileges which they confer upon the parties, and all objections on the ground of their violation, must, therefore, be made available

¹¹ That if the case is referred back to the master to take new proof, and it relates to the same subject, it does not make out a new case, see *Wooster v. Simonson* (1884), 20 Fed. Rep. 316; 28 O. G. 918.

¹² In *Union Sugar Refinery v. Matthiesson* (1868), 3 Clifford, 146, Clifford, J. : (148) "When a suit in equity has been heard and submitted to the court for decision, neither party has a right to file any paper in the cause except by leave of the court. Such prohibition commences at the date of the submission of the cause to the court, and continues throughout the period that it remains upon the docket thereafter. The master may report back the cause to the court at any time when he has completed his investigations; and it would be the duty of the clerk to allow him to file his report without any new order from the court, as the right to do so is implied from the decree re-

ferring the cause to him for the purpose specified in the decree."

§ 1129. ¹ That equity practice, unless otherwise ordered by the Acts of Congress, or the Rules of the Supreme Court, is usually in accordance with the English chancery practice as it was before the "New Rules," see *Goodyear v. Providence Rubber Co.* (1864), 2 Fisher, 499; 2 Clifford, 351; *Parker v. Sears* (1850), 1 Fisher, 93; *Motte v. Bennett* (1849), 2 Fisher, 642.

² That the Circuit courts are bound by and cannot rescind the rules of equity made by the Supreme Court, see *Jenkins v. Greenwald* (1857), 2 Fisher, 37; 1 Bond, 126.

That Federal courts of equity follow the practice prescribed by the judiciary acts and their own rules, not the local law, see *United States v. American Bell Telephone Co.* (1886), 29 Fed. Rep. 17; 38 O. G. 1237.

before or at the hearing, or they will be waived.³ The stipulations of the parties, when properly evidenced, are recognized by the court, but parol stipulations made out of court, and concerning the terms of which dispute has arisen, will not be enforced.⁴

§ 1130. Decrees in Equity : Decrees Pro Confesso.

Decrees in equity in actions for infringement are of three kinds: Decrees *pro confesso*; Interlocutory Decrees; and Final Decrees. A decree *pro confesso* may be granted where the defendant, having been served with process, fails to appear within the time required, or having appeared fails to plead, demur, or answer according to the order of the court, or fails to answer after a former demurrer, plea, or answer has been overruled or declared insufficient.¹ Such a decree assumes the truth of the bill, and until rescinded is as binding as any solemn decree.² It concludes the defendant

³ In *Allen v. Mayor of New York* (1880), 7 Fed. Rep. 483, Wheeler, J. : (484) "The rules in equity are framed for bringing a cause to a hearing, and do not apply after a cause has been heard unless some proceedings are taken to bring it within their operation again, and to start it anew towards a hearing. When the cause is heard, without objection by either party, all steps not taken by either, which the other had a right to insist upon for the orderly bringing the cause to a hearing, must be considered as waived. Any other course would lead to re-opening causes, after hearing, for technical and unimportant defects, and greatly embarrass the prompt administration of justice by the courts, which is for the good of the people." 18 Blatch. 239 (240); 5 Bann. & A. 461 (462).

⁴ That written stipulations filed by the parties are recognized by the courts, see *Allis v. Buckstaff* (1882), 22 O. G. 1705; 13 Fed. Rep. 879.

That a stipulation cannot have the effect of a final decree until ratified by

the court, see *Roemer v. Neumann* (1886), 26 Fed. Rep. 332.

That parol stipulations of counsel made out of court are not noticed by the court so far as to decide upon the accuracy of recollection, or the terms of the agreement, or whether the court ought to enforce it, especially when the stipulation was made before the examiner and should appear on the record, see *American Saddle Co. v. Hogg* (1872), 6 Fisher, 67; 2 O. G. 595; Holmes, 177.

§ 1130. ¹ In *Thomson v. Wooster* (1885), 114 U. S. 104, Bradley, J. : (112) "By our rules a decree *pro confesso* may be had if the defendant, on being served with process, fails to appear within the time required; or if having appeared, he fails to plead, demur, or answer to the bill within the time limited for that purpose; or if he fails to answer after a former plea, demurrer, or answer is overruled or declared insufficient." 31 O. G. 913 (915).

² In *Thomson v. Wooster* (1885), 114 U. S. 104, Bradley, J. : (111)

as to the patentability of the invention, the validity of the patent, the title of the plaintiff, and the fact of his infringement, so far as these matters are supported by the allegations of the bill, in the same manner and to the same extent as if they had been proved, and cannot be questioned either in the Circuit court or on appeal, unless shown to be erroneous by other statements contained in the bill itself.³ During the term at which it is entered it is a decree *nisi*, and may be revoked upon sufficient grounds at the discretion of the court,⁴ but no such revocation will be ordered on account of

“ We may properly say, therefore, that to take a bill *pro confesso* is to order it to stand as if its statements were confessed to be true; and that a decree *pro confesso* is a decree based on such statements, assumed to be true (1 Smith's Ch. Pract. 153), and such a decree is as binding and conclusive as any decree rendered in the most solemn manner. It cannot be impeached collaterally, but only upon a bill of review, or [a bill] to set it aside for fraud. 1 Daniell Ch. Pr. 696, 1st ed.; Ogilvie v. Herne, 13 Ves. 563.” 31 O. G. 913 (915).

³ In Thomson v. Wooster (1885), 114 U. S. 104, Bradley, J. : (109) “ The bill, as we have seen, was taken *pro confesso*, and a decree *pro confesso* was regularly entered up, declaring that the letters-patent were valid, that Douglass was the original inventor of the invention therein described and claimed, that the defendants were infringing the patent, and that they must account to the complainant for the profits made by them by such infringement, and for the damages he had sustained thereby; and it was referred to a master to take and state an account of such profits and to ascertain said damages. The defendants are concluded by that decree, so far at least as it is supported by the allegations of the bill, taking the same to be true. Being carefully based on

these allegations, and not extending beyond them, it cannot now be questioned by the defendants, unless it is shown to be erroneous by other statements contained in the bill itself. A confession of facts properly pleaded dispenses with proofs of those facts, and is as effective for the purposes of the suit as if the facts were proved; and a decree *pro confesso* regards the statements of the bill as confessed.” 31 O. G. 913 (914).

That a decree *pro confesso* admits that the patent is valid for that suit, and the character of the inventive act cannot be attacked if the bill alleges infringement, see Dobson v. Hartford Carpet Co. (1884), 114 U. S. 439; 31 O. G. 787.

That after a decree *pro confesso* as to the validity of the patent, the defendant cannot deny its validity, or if it be a re-issue dispute the diligence of the plaintiff in obtaining it, see Thomson v. Wooster (1885), 114 U. S. 104; 31 O. G. 913.

That while a decree *pro confesso* stands unrevoked the defendant cannot set up anything in opposition to it either below or on appeal, except what appears on the face of the bill, see Thomson v. Wooster (1885), 114 U. S. 104; 31 O. G. 913.

⁴ That an interlocutory decree *pro confesso* is not definitive nor appealable,

the existence of a good defence where the defendant has already had an ample opportunity to appear and answer, nor where the cost of further litigation would exceed the amount demanded by the plaintiff.⁵ A decree *pro confesso* cannot be collaterally impeached, nor after it becomes absolute can it be reversed except by a bill of review or a petition to rescind it on the ground of fraud.⁶ The relief afforded by the decree does not necessarily conform to that actually required or prayed for by the plaintiff, but must be awarded in a degree and kind appropriate to the circumstances stated in the allegations of the bill.⁷ Whether, while a decree *pro confesso* remains in force, the defendant can appear before the master and be heard on the account for profits and the computation of damages, has been doubted; at all events, the inquiries of the master must be confined to the advantages derived by the defendant, and the loss suffered by the plaintiff, from the wrongful use of the invention.⁸

but lies in the control of the court, see *Roemer v. Neumann* (1886), 26 Fed. Rep. 332.

That after a decree *pro confesso* a motion to allow an answer to be filed is addressed to the discretion of the court, and there is no appeal from its refusal, see *Dean v. Mason* (1857), 20 How. 198.

⁵ That the existence of a meritorious defence gives no right to have a decree *pro confesso* set aside unless equity requires it, see *Andrews v. Denslow* (1877), 14 Blatch. 182; 2 Bann. & A. 587.

That after a decree *pro confesso* and the filing of the accounts, if the defendant moves for leave to file an answer and to open the account, and the plaintiff offers to take a judgment for less than the expense to the defendant of a trial, and it appears that the defendant has ceased to use the invention, the motion will be denied and the judgment entered for that amount, see *Andrews v. Denslow* (1877), 14 Blatch. 182; 2 Bann. & A. 587.

⁶ That an absolute decree *pro con-*

fesso cannot be collaterally impeached, nor directly attacked except by bill of review or for fraud, see *Thomson v. Wooster* (1885), 114 U. S. 104; 31 O. G. 913.

⁷ In *Thomson v. Wooster* (1885), 114 U. S. 104, Bradley, J. : (113) "It is thus seen that by our practice a decree *pro confesso* is not a decree as of course according to the prayer of the bill, nor merely such as the complainant chooses to take it; but that it is made (or should be made) by the court, according to what is proper to be decreed upon the statement of the bill, assumed to be true." 31 O. G. 913 (915).

⁸ That whether after a decree *pro confesso* the defendant is entitled to an order, permitting him to appear before the master and be heard, is doubtful, see *Thomson v. Wooster* (1885), 114 U. S. 104; 31 O. G. 913.

That after a decree *pro confesso* the master cannot inquire into the cost of producing results by other inventions, the sole question being as to the profits

§ 1131. Interlocutory Decrees.

An interlocutory decree is a decree in favor of the plaintiff upon the issues created by the bill and answer, and referring the cause to a master in chancery for an account of profits and an award of damages. To such a decree the plaintiff is entitled if in the judgment of the court the evidence sustains the patentability of the invention, the validity of the patent, the title of the plaintiff, the alleged infringement by the defendant, and the necessity for equitable relief.¹ Where the bill counts on several patents or on several Claims of the same patent, and either patent or any Claim is found to be valid and to have been violated, a decree must be granted and an account ordered upon such Claim or patent, although the others are invalid or have not been infringed.² The presence

made by using the plaintiff's invention, see *Thomson v. Wooster* (1885), 114 U. S. 104; 31 O. G. 913.

§ 1131. ¹ That where the validity of the patent and the fact of infringement are admitted or proved, the plaintiff is entitled to a decree and account as a matter of course, see *North American Iron Works v. Fiske* (1887), 30 Fed. Rep. 622; 39 O. G. 1086; *Western Electric Mfg. Co. v. Chicago Electric Mfg. Co.* (1882), 14 Fed. Rep. 691; 11 Bissell, 427; *Franz & Pope Knitting Mach. Co. v. Lamb Knitting Mach. Mfg. Co.* (1881), 19 O. G. 1000; *Cook v. Ernest* (1872), 2 O. G. 89; 5 Fisher, 396; *Carew v. Boston Elastic Fabric Co.* (1871), 1 O. G. 91; 5 Fisher, 90; 3 Clifford, 356; *Allen v. Blunt* (1849), 1 Blatch. 480.

That any infringement, however slight, entitles the plaintiff to a decree, see *Cary v. Wolff* (1885), 23 Blatch. 92; 32 O. G. 257; 24 Fed. Rep. 139.

That where the defendant in his answer declines to contest the suit and offers to pay a royalty, the plaintiff is entitled to a decree sustaining the patent and finding infringement, see *Globe Nail Co. v. Superior Nail Co.* (1886), 27 Fed. Rep. 454.

² That a decree will be passed where one Claim only of the patent is infringed, see *Tibbals v. Daby* (1880), 11 Fed. Rep. 903.

That the first Claim of the patent being abandoned, and the allegations of the second Claim not being denied, the plaintiff has a decree on the latter Claim, see *New York Coffee Polishing Co. v. Wilson* (1880), 2 Fed. Rep. 904.

That on a bill based on several patents, and alleging that the infringing structures were each covered in part by each patent, and on a plea denying this allegation and issue joined and proof taken, if it appears that two of the patents were not infringed, the plaintiff is entitled to a decree on those that were infringed, see *Matthews v. Lalance & Grosjean Mfg. Co.* (1880), 17 O. G. 1284; 2 Fed. Rep. 232; 18 Blatch. 84; 5 Bann. & A. 319.

That where a bill for the infringement of three patents states that "these several patents are applicable to the same process and are so used by the defendants," and damages cannot be awarded on two patents without the third, and the third is so near its expiration that an injunction could not be granted on it, the bill will not be

of excessive Claims does not impair the right to a decree upon a proper Claim of the same patent, on filing a disclaimer of the excess, unless such a disclaimer has already been unreasonably delayed.³ An interlocutory decree can cover only the patent and the patented articles in suit, though if the defendant justifies his use of the invention under a license, and succeeds in his defence, the court may order an account of overdue license fees instead of profits.⁴ A decree for profits may be entered where the bill merely prays for general relief, and should direct the defendant to account for all the profits made in violation of the plaintiff's rights by the employment of the patented inventions described in the bill.⁵ Where several defendants are charged

dismissed, the case differing from *Betts v. Gallais*, L. R. 10 Eq. 393, see *New York Grape Sugar Co. v. Peoria Grape Sugar Co.* (1884), 21 Fed. Rep. 878; 32 O. G. 138.

³ That where no unreasonable delay has occurred excessive Claims may be disclaimed and a decree entered on the valid Claims, see *Hake v. Brown* (1889), 37 Fed. Rep. 783; *Tyler v. Galloway* (1882), 12 Fed. Rep. 567; 20 Blatch. 445; 22 O. G. 2072; *Christman v. Rumsey* (1879), 17 Blatch. 148; 17 O. G. 903; 4 Bann. & A. 506; 58 How. Pr. 114; *Myers v. Frame* (1871), 4 Fisher, 493; 8 Blatch. 446; *Aiken v. Dolan* (1867), 3 Fisher, 197.

That unreasonable delay in disclaiming, or omission to disclaim, is a question of fact, and must be raised by the answer if it is to be made at all, see *Burden v. Corning* (1864), 2 Fisher, 477.

That where a patentee has assigned an undivided interest in the invention, and a joint suit in equity is afterward brought, a disclaimer by the patentee alone does not enure to the advantage of the parties to the bill, see *Wyeth v. Stone* (1840), 1 Story, 273; 2 Robb, 23.

That a recovery may be had on valid

Claims if there were no unreasonable delay, though the invalid Claims are not yet disclaimed, but no costs can be recovered, and the invalid Claims must be disclaimed before the decree will be granted, see *Burdett v. Estey* (1878), 15 O. G. 877; 15 Blatch. 349; 4 Bann. & A. 7.

That where a patent has several Claims, some of which are void, an action may be maintained on the valid Claims without previous disclaimer of the others, see *Cahart v. Austin* (1865), 2 Fisher, 543; 2 Clifford, 528.

⁴ That a decree does not cover any other patented articles or patent except those in suit, see *Buerk v. Imhaeuser* (1876), 11 O. G. 112; 2 Bann. & A. 465.

⁵ That under a prayer for general relief the court can decree an account of profits, see *Stevens v. Gladding* (1854), 17 How. 447.

That profits and damages may be decreed, though the right to an injunction may be lost, see *Kirk v. Du Bois* (1886), 28 Fed. Rep. 460; 37 O. G. 102.

That a decree for profits may be "for all the profits made in violation of the rights of the complainants under the patents aforesaid, by the respondents,

with joint and separate infringements, but no joint use is found, and the bill is not objected to for informality, a decree against each separately is proper, though where defendants, sued as partners, are proved to have been a corporation, the bill should be amended in order to warrant a decree against the corporation.⁶ A decree passed after the decision of the court upon the merits relates back to the date of such decision.⁷ An interlocutory decree for an account is always open to amendment upon motion, after due notice to the adverse party,⁸ and may be stayed by the court for any inequitable conduct of the plaintiff which prevents the defendant from embracing proper claims in his account.⁹

§ 1132. Final Decrees.

A final decree is a decree which terminates the litigation, either by awarding to the plaintiff the profits, damages, and other permanent relief to which he is entitled, or by deciding the cause upon its merits in favor of the defendant. A final decree for the plaintiff cannot be granted, where an account is necessary, until the account has been taken by the master and reported to and accepted by the court.¹ A final

from the manufacture, use, or sale of any of the articles named in the bill of complaint," see *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

⁶ That where defendants are sued as partners and proved to be a corporation, whether a decree can be entered against the corporation without amending the bill is doubtful, see *Needham v. Washburn* (1874), 7 O. G. 649; 4 Clifford, 254; 1 Bann. & A. 537.

⁷ That a decree entered after the decision on which it is based relates back to the date of such decision, see *Barker v. Stowe* (1882), 22 O. G. 259; 11 Fed. Rep. 303; 20 Blatch. 185.

⁸ That an interlocutory decree is always open to amendment and correction, see *Bell v. U. S. Stamping Co.* (1887), 32 Fed. Rep. 549; *De Florez v. Reynolds* (1880), 17 O. G. 503; 8 Fed. Rep. 434; 17 Blatch. 436; 5 Bann. & A.

140; *Magic Ruffle Co. v. Elm City Co.* (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

That a decree ordering an account on two patents one of which had expired before suit must be amended to exclude the latter, the court never having had jurisdiction, see *Creamer v. Bowers* (1887), 30 Fed. Rep. 185.

⁹ That where a plaintiff has obtained a decree for an account, and has begun suits against the same defendants in other circuits, the court will on motion stay the account unless the other suits are abandoned, but it cannot enjoin the plaintiff from prosecuting such other suits, especially after they have been allowed to proceed as far as the final hearing, see *Rumford Chemical Works v. Hecker* (1874), 5 O. G. 644; 11 Blatch. 552; 1 Bann. & A. 120.

§ 1132. ¹ That a decree with a ref-

decree for the defendant can be ordered at the conclusion of the hearing on the bill and answer, without further proceedings, and results in a dismissal of the bill. The defendant has a right to this decree wherever he sustains any one of his defences, whether against the patentability of the invention, the validity of the patent, the title of the plaintiff, the alleged infringement, or the equitable right of the plaintiff to maintain the action, except perhaps that of a license, where in some cases the court may still retain the cause and settle the account for unpaid royalties.² The court in rendering a decree for the defendant will not pass on such Claims of the plaintiff as in its judgment the evidence sustains, in order to establish precedents for future guidance, but will dismiss the bill and leave the plaintiff to his remaining remedies.³ Where, on its face, the patent is evidently void, a decree is

erence to a master is not a final decree, see *Reeves v. Keystone Bridge Co.* (1876), 9 O. G. 885; 2 Bann. & A. 256.

That the overruling of a demurrer is not a final decree on the validity of the patent, see *Wollensak v. Sargent* (1888), 33 Fed. Rep. 840.

That a decree absolute in its terms in favor of the defendant determines the controversy and is a bar to a further suit; nor can its force be qualified by any statement of the clerk of the court in favor of either party, see *Lyon v. Perin & Gaff Mfg. Co.* (1888), 125 U. S. 698; 43 O. G. 983.

That an interlocutory decree may be made final if the complainant signs a release of the profits, damages, and costs, see *Roemer v. Neumann* (1886), 26 Fed. Rep. 332.

² That the defendant is entitled to judgment if he proves any one of his special defences, see *Bates v. Coe* (1878), 98 U. S. 31; 15 O. G. 337.

That the bill will be dismissed if the evidence shows that the claimed invention was anticipated, see *Raymond v.*

Singer Mfg. Co. (1882), 11 Fed. Rep. 427.

That a bill based on void or expanded Claims in a re-issue will be dismissed, see *Cowell v. Sessions* (1883), 17 Fed. Rep. 450; 21 Blatch. 421.

That where on a suit based on five patents the court finds for the defendants on four, and is divided on the fifth, the bill will be dismissed without costs, see *American Wood Paper Co. v. Hest* (1867), 3 Fisher, 316.

That a bill counting on two patents cannot be discontinued as to one after evidence taken, but should be wholly dismissed and a new bill filed to which the evidence already taken may apply, see *Brush v. Condit* (1884), 28 O. G. 451; 20 Fed. Rep. 826; 22 Blatch. 246.

That a bill will not be dismissed without prejudice as to one defendant after proof taken in full, see *Archer v. Annd* (1887), 40 O. G. 1029. / 55;

³ That if no infringement is found the court will not pass on the questions of novelty and validity, see *Saxe v. Hammond* (1875), Holmes, 456; 7 O. G. 781; 1 Bann. & A. 629.

granted to the defendant without reference to the defences set up in his answer.⁴

§ 1133. Rehearings.

A rehearing may be ordered at any time between the interlocutory and the final decree for the purpose of admitting new evidence or additional defences, or on any other sufficient grounds.¹ A rehearing after final decree must be granted at the same term at which such decree is rendered, if the case can be appealed to the Supreme Court, otherwise it may be permitted during the next succeeding term.² When the period for a rehearing has expired, a final decree can be annulled or set aside only by an appeal or bill of review.³ The allowance of a rehearing is not a matter of right, but rests entirely in the discretion of the court.⁴ Any person interested in the action and conducting it at his expense, though not a party to the record, may move for a rehearing, and if he does not, will be bound by the decree.⁵

¹ That if the patent is void on its face, as where the want of novelty is apparent, the bill will be dismissed without regard to the answer, see *Slawson v. Grand St., Prospect Park, & Flatbush R. R. Co.* (1882), 107 U. S. 649; 24 O. G. 99; *Quirole v. Ardito* (1880), 1 Fed. Rep. 610; 17 Blatch. 400; 5 Bann. & A. 80.

§ 1133. ¹ That a case may be reopened after an interlocutory decree for further hearing, or to amend the answer, or to introduce a new subject-matter of defence, upon a proper petition and affidavit, see *Allis v. Stowell* (1880), 18 O. G. 465; 5 Bann. & A. 458.

That a rehearing may be had at any time before final decree, see *Reeves v. Keystone Bridge Co.* (1876), 9 O. G. 885; 2 Bann. & A. 256.

² That under Equity Rule 88, an application for a rehearing must be made at the same term as the final decree is entered and recorded, such cases being appealable to the Supreme Court, see

Barker v. Stowe (1879), 16 O. G. 807; 4 Bann. & A. 485.

³ That a motion for a rehearing will not be granted unless presented within the time fixed by law, see *Brown v. Deere* (1881), 19 O. G. 1217; 6 Fed. Rep. 487; 2 McCrary, 425.

That due diligence is required for a motion to re-open a decree, and four years' delay is too long, see *Bate Refrigerating Co. v. Gillett* (1887), 40 O. G. 1029; 31 Fed. Rep. 809.

⁴ That a rehearing after a decree for an injunction and account is in the discretion of the court, see *American Diamond Rock Boring Co. v. Sheldon* (1880), 1 Fed. Rep. 870; 18 Blatch. 50; 5 Bann. & A. 292.

That no rehearing will be allowed unless the matters presented would change the decree, see *Brown v. Deere* (1881), 19 O. G. 1217; 6 Fed. Rep. 487; 2 McCrary, 425.

⁵ That a party who furnishes the money to carry on a suit may apply

§ 1134. Rehearing on the Ground of Newly Discovered Evidence.

The principal ground for a rehearing is the discovery of new evidence since the termination of the trial. No rehearing upon this ground will be granted where the alleged new evidence is immaterial or cumulative, or would not lead to a change in the decree, or was known to the party or his counsel at the former hearing, or could then have been discovered and presented by the exercise of proper diligence.¹ That the

for a rehearing, and if he does not he will be bound by the decree, see *Miller v. Liggett & Myers Tobacco Co.* (1881), 7 Fed. Rep. 91; 19 O. G. 1138; 2 McCrary, 375.

That a case will not be re-opened after the hearing, against the objection of the plaintiff, in the interest of other persons not parties, though new evidence may exist which renders the decision worthless to the plaintiff as a guide in future cases, see *Schneider v. Thill* (1880), 3 Fed. Rep. 95; 18 Blatch. 241; 5 Bann. & A. 509.

§ 1134. ¹ That no rehearing will be granted to admit immaterial evidence, see *Hoe v. Kahler* (1885), 25 Fed. Rep. 271; 23 Blatch. 354; 34 O. G. 127; *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; *Collins Co. v. Coes* (1881), 8 Fed. Rep. 517; 20 O. G. 1084; *Reeves v. Keystone Bridge Co.* (1876), 9 O. G. 885; 2 Bann. & A. 256.

That no rehearing will be ordered to admit cumulative evidence, see *Pfanschmidt v. P. H. Kelly Mercantile Co.* (1887), 41 O. G. 1501; 32 Fed. Rep. 667; *Blandy v. Griffith* (1873), 6 Fisher, 434.

That no rehearing will be granted unless the new evidence would change the result, see *Starling v. St. Paul Plow Works* (1887), 41 O. G. 818; 32 Fed. Rep. 290; *United States v. Gunning* (1885), 23 Fed. Rep. 668; 32 O. G.

1468; *Munson v. City of New York*, (1882), 22 O. G. 586; 20 Blatch. 358; 11 Fed. Rep. 72; *Coburn v. Schroeder* (1882), 22 O. G. 419; 20 Blatch. 392; 11 Fed. Rep. 425; *Collins Co. v. Coes* (1881), 8 Fed. Rep. 517; 20 O. G. 1084; *McCloskey v. Du Bois* (1881), 20 O. G. 1086; 9 Fed. Rep. 38; 20 Blatch. 7; *De Florez v. Reynolds* (1879), 16 Blatch. 397; 4 Bann. & A. 331; *Buerk v. Imhaeuser* (1876), 10 O. G. 907.

That no rehearing will be granted on the ground of newly discovered evidence of prior use, when the evidence is less persuasive than on the former trial, see *American Bell Telephone Co. v. People's Telephone Co.* (1885), 25 Fed. Rep. 725; 34 O. G. 561.

That a question of fact will not be reheard because the drawings first offered in evidence were defective, unless the new evidence is so clear and positive that an entirely different case is presented, see *Hayes v. Dayton* (1884), 20 Fed. Rep. 690.

That no rehearing will be granted where the evidence could have been before produced by proper diligence, see *Hoe v. Kahler* (1885), 25 Fed. Rep. 271; 34 O. G. 127; 23 Blatch. 354; *Willimantic Linen Co. v. Clark Thread Co.* (1885), 24 Fed. Rep. 799; 32 O. G. 1356; *Spill v. Celluloid Mfg. Co.* (1884), 29 O. G. 773; 22 Blatch. 441; 22 Fed. Rep. 94; *Hitchcock v. Tremaine* (1872), 5 Fisher 537; 1 O. G. 633; 9 Blatch. 550.

That a rehearing on the ground of

party was taken by surprise by the testimony offered by his adversary, but did not ask for a continuance in order to investigate and answer it, and has since discovered that it could have been successfully contradicted, or that expert evidence could have been but was not produced, or that new instances of prior use have been brought to his knowledge and can now be proved, does not warrant the opening of the decree and the rehearing of the testimony.² But where new facts have occurred since the former trial, which would have influenced the court in rendering its decree, or where material facts then existing, of which the party had no information or means of obtaining it until the former trial closed, have been since discovered, a rehearing will not be refused. Thus where a judgment has been rendered in another court between the same parties and on the same issues, since the trial of the present suit;³ or where the jurisdiction of the court is ques-

newly discovered evidence will not be allowed where the evidence is conflicting and of late discovery, and the excuses for delay are vague and unsatisfactory, see *Albany Steam Trap Co. v. Felthousen* (1886), 26 Fed. Rep. 318.

That a rehearing will be denied where the evidence could as well have been obtained before the former trial, especially in the defence of prior use, where the defendant can always make it appear that he has discovered new evidence, see *Hicks v. Ferdinand* (1884), 20 Fed. Rep. 111.

That no rehearing will be granted for new evidence if it were known to the party or his counsel at the time of the former trial, see *Colgate v. Western Union Telegraph Co.* (1884), 19 Fed. Rep. 828; 22 Blatch. 118.

That on a motion for a rehearing or a new trial the knowledge and diligence of counsel are regarded as those of the party, see *Ready Roofing Co. v. Taylor*, (1878), 15 Blatch. 94; 3 Bann. & A. 368.

That no new trial will be allowed on

the ground of new evidence where the evidence was not before offered because of the inexperience or ignorance of counsel, see *De Florez v. Reynolds* (1879), 16 Blatch. 397; 4 Bann. & A. 331.

² That if the plaintiff is surprised by the evidence of the witnesses, he may ask time to investigate on the ground that no notice had been given in the answer, but must not take the risk of a decision, see *Barker v. Stowe* (1879), 16 O. G. 807; 4 Bann. & A. 485.

That no rehearing will be granted on the ground that the defendant did not have proper expert evidence, unless the excuse is shown and the application is made before final hearing, see *Hitchcock v. Tremaine* (1872), 5 Fisher, 537; 1 O. G. 633; 9 Blatch. 550.

³ That where a decree in a former suit between the same parties on the same issues was filed after the present suit was begun, the pending case may be opened to let a copy of the decree be filed, see *Barker v. Stowe* (1882), 22 O. G. 259; 11 Fed. Rep. 303; 20 Blatch. 185.

tioned and the new evidence will tend to settle that dispute ;⁴ or where a prior patent offered to anticipate the invention of the plaintiff is now discovered to have actually been issued after his invention was conceived,⁵ — the case will be re-opened to allow the testimony to be offered and considered by the court. After a final decree no rehearing is allowed on the ground of new evidence if the evidence were known or could have been known before the decree was entered, or if it would not have been available to the party on the final hearing.⁶ The motion for rehearing must be signed by counsel, sworn to by the party, clearly allege the new evidence and its discovery, and state in detail the efforts which were made at the former hearing to ascertain and produce it.⁷ Due notice must be

⁴ That a decree may be opened and a rehearing granted after an interlocutory decree and a reference to the master, if the jurisdiction in equity is in question and new evidence has been discovered, see *Spring v. Domestic Sewing Mach. Co.* (1882), 22 O. G. 1445 ; 13 Fed. Rep. 446.

⁵ That the case will be opened for further evidence and rehearing when a foreign patent, supposed to be prior to the one in question, had been relied on and was afterward found to be subsequent, see *Baldwin v. Schultz* (1871), 5 Fisher, 75 ; 2 O. G. 319 ; 9 Blatch. 494.

That no rehearing will be allowed on the ground that a patent earlier than the plaintiff's, which was offered in evidence on the hearing, has been discovered by the defendant to have been twice re-issued, the last time being since the hearing, as this fact is immaterial, see *Hitchcock v. Tremaine* (1872), 5 Fisher, 537 ; 1 O. G. 633 ; 9 Blatch. 550.

That a rehearing may be granted at the discretion of the court on a claim of newly discovered evidence, in order that the cases may be completed and all points relating to the patent decided, though the petitioners may not be entitled to a rehearing as matter of right,

see *Railway Register Mfg. Co. v. Broadway & Seventh Avenue R. R. Co.* (1885), 32 O. G. 257.

⁶ That a petition to re-open the case and for leave to file a supplemental answer, setting up newly discovered evidence after final hearing and decree, will be granted only when such evidence would have availed the defendant if offered on the final hearing, see *Collins Co. v. Coes* (1881), 8 Fed. Rep. 517 ; 20 O. G. 1084.

That a rehearing will not be granted on the ground that the court misquoted the testimony, the misquotation not affecting the decision, see *Torrent v. Duluth Lumber Co.* (1887), 32 Fed. Rep. 229.

⁷ That a petition to re-open must be signed by counsel, sworn to before a disinterested magistrate, and must be clear in its allegations, fully disclose the new evidence and its discovery, and set forth the diligence used before the former hearing, see *Allis v. Stowell* (1880), 18 O. G. 465 ; 5 Bann. & A. 458.

That the petition must aver that due diligence was used, see *Spill v. Celluloid Mfg. Co.* (1884), 29 O. G. 773 ; 22 Blatch. 441 ; 22 Fed. Rep. 94.

That the petition must show why the evidence was not produced before,

given to the opposite party, and an opportunity to answer it afforded.⁸ If the court is satisfied that proper diligence has been exercised, and that the motion should be granted, a supplemental bill is filed containing the new evidence, on which the additional testimony with its counter-proof is taken, and the case is then presented to the court to be decided on the whole evidence together.⁹

§ 1135. Rehearing on the Ground of Newly Discovered Defences.

Another ground for a rehearing, often recognized by the court in actions for infringement, is the existence of a defence not set up in the answer, and consequently not hitherto presented to the court.¹ A rehearing will be granted upon this

see *Burdsall v. Curran* (1887), 31 Fed. Rep. 918; 42 O. G. 1167.

That a rehearing will not be granted on the affidavit of counsel that to the best of his information and belief the new evidence could not have been obtained, some positive proof as to this point being required, see *Page v. Holmes Burglar Alarm Telegraph Co.* (1880), 2 Fed. Rep. 330; 18 Blatch. 118; 5 Bann. & A. 439.

That an affidavit in support of a motion for a rehearing is not sufficient if it merely states that the party "made every effort" to obtain the testimony, "but was not aware that he could do so," for it must state what efforts he made, see *Barker v. Stowe* (1879), 16 O. G. 807; 4 Bann. & A. 485.

That a petition to re-open a case on the affidavit of one of two joint patentees that he was the sole inventor, and those of third persons that they had heard him so declare, will not be granted, see *Collins Co. v. Coes* (1881), 8 Fed. Rep. 517; 20 O. G. 1084.

⁸ That a petition for a rehearing after a decree is not *ex parte*, but requires a notice to the opposite party and a chance to answer, see *Giant Powder Co. v. California Vigorit Powder Co.* (1880), 6 Sawyer, 508.

⁹ That the practice in a rehearing is to petition for leave to file a supplemental bill setting out the newly discovered evidence, and for rehearing when the supplemental bill is in readiness to be heard, see *Reeves v. Keystone Bridge Co.* (1876), 9 O. G. 885; 2 Bann. & A. 256.

That in a motion for leave to file a new bill, after the case is once adjudged, on the ground that new facts have been discovered, the court will examine and consider the counter affidavits, and if the evidence is cumulative, or the application unreasonably delayed, the motion will be denied, see *Blandy v. Griffith* (1873), 6 Fisher, 434.

That the petitioner must satisfy the court that due diligence was used and that the new evidence is material, see *Reeves v. Keystone Bridge Co.* (1876), 9 O. G. 885; 2 Bann. & A. 256.

That where a rehearing is granted, and new evidence admitted, opening the whole record, the old and new evidence will be considered together, see *Reed v. Lawrence* (1887), 32 Fed. Rep. 228; *Henry v. Francetown Soapstone Co.* (1880), 17 O. G. 569; 2 Fed. Rep. 78; 5 Bann. & A. 108.

§ 1135. ¹ That an interlocutory decree may be opened on motion, without

ground only when the defence has come to the knowledge of the defendant since the former hearing, or having been known was then withheld for reasons which the court approves. When the defence is newly discovered, the court in determining the question of a rehearing is guided by the principles applied to cases of newly discovered evidence. If the defence were known and purposely withheld, the equity of the decree in view of the alleged defence and the defendant's reasons for neglecting to present it will control the court.² Thus a defence which if maintained could not change the ultimate result, or a defence withheld in pursuance of parol stipulations which are now disputed, or a defence which would have been urged had not the defendant negligently mistaken the real issue, or a defence incapable of positive and prevailing proof, affords no ground for opening the decree.³ The affidavits, which support the petition for a rehearing upon this ground, must state each of the new defences and account for the defendant's previous failure to present it.⁴ A rehearing will

a bill of review, to let in a new defence, but the motion must be supported by the same proof as the same attempt after final decree, see *Willimantic Linen Co. v. Clark Thread Co.* (1885), 24 Fed. Rep. 799 ; 32 O. G. 1356.

² That a rehearing will be ordered when the vital points in the case are not fully opened up in the former evidence, see *Rumford Chemical Works v. Lauer* (1872), 5 Fisher, 615 ; 3 O. G. 349 ; 10 Blatch. 122.

³ That a motion to re-open and let in a new defence based on a patent for a different invention will be denied, since it could not change the result, see *Adair v. Thayer* (1881), 20 O. G. 523 ; 7 Fed. Rep. 920.

That a case will not be re-opened to allow a defendant to put in a new defence not set up in his answer, when his claim so to do is based on an agreement with opposite counsel not entered of record and now disputed, see *American Saddle Co. v. Hogg* (1872), 6 Fisher, 67 ; 2 O. G. 595 ; *Holmes*, 177.

That ignorance or incapacity of counsel is no ground for new trial, see *De Florez v. Reynolds* (1879), 16 Blatch. 397 ; 4 Bann. & A. 331.

That a case will not be re-opened to admit the defence that a joint patent is invalid because the invention is sole, upon the claim of the sole inventor that he alone invented it, and where there is no admission to that effect by the other inventor and no proof except the statements of the alleged sole inventor to others, although another case is pending in which this defence may be set up and the patent adjudged void, see *Collins v. Coes* (1881), 20 O. G. 1084 ; 8 Fed. Rep. 517.

⁴ That on a motion for a rehearing the affidavits must set forth the particular defences to be urged and the reasons why they were not before presented, see *Day v. Schwab* (1880), 2 Fed. Rep. 544 ; 17 O. G. 1348 ; 5 Bann. & A. 389.

That after a final hearing and decree for the plaintiff the defendant cannot

not be granted in order that the case may be prepared anew, nor because the counsel were neglectful of their duties or were surprised by unexpected claims of their antagonists, nor for defects in the preliminary stages of the trial when no injustice has been done.⁵ Laches in applying for a rehearing will form a ground for its denial, even in cases where it might otherwise be granted.⁶ When further argument on the same facts might lead the court to different conclusions, a new hearing for that purpose may be properly allowed;⁷ and

have the case re-opened, and amend his answer by setting up a new defence of prior use, unless he alleges particular facts which show that he could not have discovered this defence by due diligence before the prior hearing, see *Hicks v. Otto* (1884), 22 Blatch. 122.

⁵ That a case will not be re-opened to allow it to be prepared anew for trial, see *Coburn v. Schroeder* (1882), 11 Fed. Rep. 425; 22 O. G. 419; 20 Blatch. 392.

That the case was not attended to by counsel is no reason for a rehearing, see *Day v. Schwab* (1880), 2 Fed. Rep. 544; 17 O. G. 1348; 5 Bann. & A. 389.

That no rehearing will be allowed on the ground that the petitioner was surprised by the unexpected claims of opposing counsel, see *Everest v. Buffalo Lubricating Oil Co.* (1884), 22 Fed. Rep. 252; 22 Blatch. 524.

That a case will not be re-opened on account of mere technical and unimportant defects in its preliminary steps, when no injustice has been done, all such defects being waived, see *Allen v. Mayor of New York* (1880), 7 Fed. Rep. 483; 18 Blatch. 239; 5 Bann. & A. 461.

That a decree will not be opened for a rehearing where the change of issue by filing a disclaimer limited the issue, and a chance to try the question has been already had, see *Coburn v. Schroeder* (1882), 22 O. G. 419; 20 Blatch. 392; 11 Fed. Rep. 425.

That the issues are not changed on a rehearing by a disclaimer of part of a Claim set up at a former hearing, the disclaimer narrowing the issue, not broadening it, see *Coburn v. Schroeder* (1882), 11 Fed. Rep. 425; 22 O. G. 419; 20 Blatch. 392.

That a rehearing may be denied on the ground that the new matter alleged is not material, see *Hoe v. Kahler* (1885), 23 Blatch. 354; 25 Fed. Rep. 271; 34 O. G. 127.

⁶ That a rehearing may be denied on the ground of laches, see *Hoe v. Kahler* (1885), 23 Blatch. 354; 25 Fed. Rep. 271; 34 O. G. 127.

That a delay of a year and a half after the new evidence is discovered before filing a motion for leave to offer it is too long, see *Blandy v. Griffith* (1873), 6 Fisher, 434.

That where a defendant, eleven months after paying the execution in full, moves to open the decree, he is too late, see *Doubleday v. Sherman* (1869), 6 Blatch. 513.

That when a decree has been entered by consent and the damages are paid, and after many terms the defendant applies for leave to file a supplemental bill on the ground of mistake of fact in giving such consent, the motion will be denied as being in effect a bill of review and too late, under rule 88, see *In re Pentlarge & Beeston* (1879), 17 Blatch. 306; 4 Bann. & A. 607.

⁷ That a motion for rehearing may

an award of excessive damages from some error in their mode of computation may be similarly reviewed.⁸ Evidence already taken under a decree may be ordered to stand for future use in case, upon rehearing, the decree should be affirmed.⁹

§ 1136. Profits in Equity Distinct from Profits at Law, both in Theory and in Mode of Computation.

The award of profits to the plaintiff in an action in equity for infringement rests upon an entirely different theory from an award of damages at law, though both are intended as a compensation for his injury.¹ It is true that in computing

be made on the ground of necessity for further argument and consideration, though no new facts are presented and the issues are unchanged, see *Celluloid Mfg. Co. v. Chrolithion Collar & Cuff Co.* (1885), 25 Fed. Rep. 482.

That a decree will not be reversed on rehearing upon the same facts and arguments, see *Gage v. Kellogg* (1886), 26 Fed. Rep. 242 ; 36 O. G. 234.

That a rehearing may be granted in view of recent decisions of the Supreme Court, but the testimony taken will stand for future use if necessary, see *American Diamond Rock Boring Co. v. Sheldons* (1885), 32 O. G. 1240 ; 24 Fed. Rep. 374 ; 23 Blatch. 286 ; *Wooster v. Handy* (1884), 28 O. G. 629 ; 22 Blatch. 307 ; 21 Fed. Rep. 51 ; *American Diamond Drill Co. v. Sullivan* (1884), 28 O. G. 811 ; 22 Blatch. 298 ; 21 Fed. Rep. 74.

That a rehearing will not be granted on the ground that a false allegation in the bill misled the defendant, after laches in applying, see *Willimantic Linen Co. v. Clark Thread Co.* (1885), 32 O. G. 1356 ; 24 Fed. Rep. 799.

That a rehearing will not be granted on the ground that the defendants were misnamed in the bill, were ignorant of the patent, or were mere nominal parties, if they appeared and answered without objection, see *Bate Refrigerating Co. v.*

Gillett (1887), 40 O. G. 1029 ; 31 Fed. Rep. 809.

⁸ That when an error has been committed in assessing damages a new hearing will be ordered, unless the plaintiff will remit the amount to nominal damages, see *Cowing v. Rumsey* (1870), 4 Fisher, 275 ; 8 Blatch. 36.

⁹ That a rehearing on the merits being granted after decree for account and partial hearing thereon, an order may be made that the evidence already taken on the account shall stand for future use, if needed, see *Campbell v. New York* (1888), 35 Fed. Rep. 504 ; *American Diamond Rock Boring Co. v. Sheldon* (1885), 23 Blatch. 286 ; 24 Fed. Rep. 374 ; 32 O. G. 1240.

That where a rehearing was granted on condition that the proceedings in account should stand if the decree were sustained, and the bill was dismissed, the dismissal was without prejudice to the proceedings in account if the decree of dismissal were reversed on appeal, see *American Diamond Rock Boring Co. v. Sheldon* (1885), 25 Fed. Rep. 768 ; 33 O. G. 1598.

§ 1136. ¹ That "profits" and "damages" are not convertible terms, see *Goodyear Dental Vulcanite Co. v. Van Antwerp* (1876), 9 O. G. 497 ; 2 Bann. & A. 252.

That "profits" refer to what the

damages the jury may refer to the defendant's profits as affording some indication of the loss sustained by the plaintiff; but even these profits in themselves are wholly distinct from profits when accounted for in equity; the former embracing only that pecuniary gain of the defendant which but for his infringement would have accrued to the plaintiff, the latter including all the benefits which the defendant has derived from the invention, without reference to the amount which the plaintiff might otherwise have received.² Scarcely a rule or doctrine belonging to the one idea of profits is thus fully applicable to the other; and each should therefore be examined and expressed as if the other never had existed, the interchange of propositions, in such cases of fundamental difference in theory, leading to hopeless confusion and perplexity.

§ 1137. Power of Equity to Compel an Infringer to Account for his Unlawful Gains.

The power of a court of equity to order the defendant to account for his unlawful gains by an infringement, in cases where on other grounds it had obtained jurisdiction over him, has never been questioned.¹ This power was exercised in the earli-

defendant has gained by the unlawful use of the invention, and "damages" refer to what the plaintiff has lost, see *Goodyear Dental Vulcanite Co. v. Van Antwerp* (1876), 9 O. G. 497; 2 Bann. & A. 252.

That a patentee cannot expect or receive a complete remedy, see *Spaulding v. Page* (1871), 4 Fisher, 641; 1 Sawyer, 702.

² For a discussion of the defendant's profits as a measure of the plaintiff's damages at law, see §§ 1062, 1063, and notes, *ante*.

That in equity both profits and damages are recoverable, see *Williams v. Rome, Watertown, & Ogdensburgh R. R. Co.* (1880), 17 O. G. 1447; 18 Blatch. 181; 2 Fed. Rep. 702; *Goodyear Dental Vulcanite Co. v. Van Antwerp* (1876), 9 O. G. 497; 2 Bann. & A. 252.

§ 1137. ¹ In *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24, Wheeler, J.: (26) "There was nothing in the statutes relating to the patents, before the act of 1870, providing expressly for the recovery of the gains and profits of an infringement of a patent by suit in equity. The right must have been derived from the application of the general principles of justice as administered in courts of equity to the relations between the owners of patents and infringers, created by the Patent Laws. The patentee owns the monopoly of the patented invention. When an infringer converts any part of the monopoly into money, or into anything else, the owner has the right to follow his property in its new form. The person in whose hands it is, becomes his trustee, — not because he was

est actions for infringement which were brought before the English chancery, and has been unhesitatingly applied in our own courts of equity. No statute authorized it until the act of 1870, adopting and sanctioning the uniform judicial practice, provided that not only profits but damages might be recovered by a successful plaintiff. The mode in which this power has been and is exerted resembles that employed when a trustee is forced to render an account of the trust estate confided to his care, and hence expressions have sometimes fallen from the lips of judges representing the defendant as a true trustee subject at all times to the supervision of the court.² But the defendant is not a trustee, nor, as we have already seen, does any fiduciary relation subsist between him and the plaintiff.³ He is a simple *tortfeasor*, who having become amenable to equity is there compelled to recompense the plaintiff for the injury in the manner best suited to the circumstances of the parties and the exigencies of the case. No analogy exists between it and any other form of remedy. The nature of the property appropriated by the defendant, its inseparable intermixture with the results of his own labor or expenditure, the impossibility of ascertaining in most cases with any reasonable certainty the precise pecuniary loss of the plaintiff, — all render necessary some peculiar and arbitrary method by which the amount of compensation may be finally determined; and this, which has been univer-

ever a trustee of the invention or monopoly, or had any right whatever to dispose of it for the owner, but because he had the money or other thing in his hands which the owner of the invention had the right to claim because the invention brought it. It is what is received for the invention that belongs to the owner of the patent, and when that is not mixed with what is received for anything else, there can be no difficulty about how much the owner of the patent is entitled to; when it is, the difficulty lies wholly in making separation." 4 Bann. & A. 445 (447).

² That the rule in equity is to treat the defendant as trustee for the profits

received, see *Birdsall v. Coolidge* (1876), 93 U. S. 64; 10 O. G. 748; *Packet Co. v. Sickles* (1873), 19 Wall. 611.

³ That there can be no trustee *de son tort* and no account unless the property is trust property, see *Sayles v. Richmond, Fredericksburg, & Potomac R. R. Co.* (1879), 3 Hughes, 172; 4 Bann. & A. 239; 16 O. G. 43.

That equity may treat the infringer as a trustee though he is not truly such, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

For a discussion of the relation of the infringer to the patentee, as trustee or otherwise, see §§ 1086, 1091, and notes, *ante*.

sally employed in equity, is at least as certain and as just as that pursued at law. Resemblances, indeed, may be discovered between this mode of redress and others, both at law and equity, and in some cases these indicate a similarity in principle, as where one who has converted chattels and turned them into money is held accountable to the owner for the price received in the same manner as the defendant in infringement is compelled to pay the owner of the patent such a proportion of the results of his infringing sales as represents the value of the patented idea of means; but all these resemblances are misleading, and if on some occasions they give point to an argument or a decision, in others they obscure distinctions which reason and policy require to be preserved. The theory of profits in equity thus stands alone. It may be stated as follows: Equity, having acquired jurisdiction over the parties and the cause on other grounds, will give complete relief, including compensation for past infringements; in awarding this compensation it must pursue some method of computing and enforcing the payment of the amount which is in accordance with the established forms of equity procedure; and it has adopted the one now in use as that which is best fitted for the purpose, and which when properly employed preserves most perfectly the equitable rights of all the parties to the action. That this theory has in some instances been perverted, and this method abused, does not reflect upon the soundness of the one nor on the practical justice of the other. The mistakes which have been made, and the grounds of criticism which exist, relate to the details of practice and the significance given or denied to certain data of the account, rather than to the substantial principles on which the doctrine and the rule themselves are based.

§ 1138. Profits in Equity Defined: General Mode of Computation.

Profits in equity include all those pecuniary benefits which the defendant has derived from the infringement. These are regarded in equity as the property of the owner of the patent.¹

§ 1138. ¹ That the benefits derived by the defendant from the plaintiff's invention are a proper ground of recovery, see *Sargent v. Yale Lock Mfg. Co.* (1879), 17 O. G. 106; 17 Blatch. 249; 4 Bann. & A. 579. That where no benefits are received by the defendant there are no profits to

To ascertain their amount, and to compel its payment to the plaintiff, the defendant is ordered in the interlocutory decree to render an account, and in the final decree to pay the sum thus ascertained to the plaintiff; and these orders are enforced against the defendant's person or property by the usual measures known to courts of equity.² The account is taken before a master, who after due investigation reports to the court the value of the profits to which the plaintiff is entitled. In making his investigation, and forming his estimate of the net amount, the master is bound by certain rules from which he is not permitted to depart.³ These relate chiefly to the items with which the defendant must be charged, the items with which he must be credited, and the evidence by which the claims of the respective parties must be supported. With reference to these rules, all cases of infringement may be divided into two great classes: (1) Those in which the infringement consists in the unlawful use, or making and use, of the patented invention; (2) Those in which the infringement consists in the unlawful sale, or manufacture and sale, of the patented invention. These two classes are wholly distinct,—the items on each side of the account differing more

be accounted for, see *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10 *Bissell*, 445; *Burdett v. Estey* (1880), 3 Fed. Rep. 566; 19 *Blatch*. 1; 5 *Bann. & A.* 308; *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126; *Vaughn v. Central Pacific R. R. Co.* (1877), 4 *Sawyer*, 280; 3 *Bann. & A.* 27.

That profits are not to be accounted for unless due to the invention covered by the patent, see *Brady v. Atlantic Works* (1878), 3 *Bann. & A.* 577; 15 *O. G.* 965.

That no profit can be decreed for the use of a void patent, see *Kennedy v. Hazelton* (1888), 128 U. S. 667.

That where the defendant has used the plaintiff's device it is presumed that there might have been some profits, and an account of them will be ordered, see *Andrews v. Creegan* (1881), 19 *O. G.* 1140; 19 *Blatch*. 113; 7 *Fed. Rep.* 477.

² That the plaintiff may recover the profits due to the use of his improvement on a bill praying for either general or special profits, see *Graham v. Mason* (1872), 5 *Fisher*, 290; 1 *O. G.* 609; *Holmes*, 88.

That an interlocutory decree directing an account of "gains, savings, and advantages," in addition to the profits, and awarding costs, is proper, see *Coburn v. Schroeder* (1881), 8 *Fed. Rep.* 521; 20 *O. G.* 1085; 19 *Blatch*. 493.

That a decree in an action for the infringement of a design-patent may order an account of the profits and damages resulting from making and selling the article containing the design, see *Dobson v. Dornan* (1886), 118 U. S. 10; 35 *O. G.* 750.

³ For the mode of taking the account, see §§ 1156, 1157, and notes, *post*.

or less as the infringement has assumed one or the other of these forms.¹ They will therefore be considered separately, the few general doctrines applicable to both being noticed in their appropriate place in each discussion; and as the rules which govern the account for an infringing sale are fewer and more simple, and naturally aid in the comprehension of those which govern the account for an infringing use, the former will be first reviewed, although the logical order of the subject is thereby reversed.

§ 1139. **Computation of Profits where the Infringement Consists in the Sale, or Manufacture and Sale, of the Patented Invention.**

The pecuniary benefits derived by the defendant from the unlawful sale, or manufacture and sale, of the patented invention are represented by the profits actually received by him upon the patented articles which he has sold.¹ Upon articles made and not sold, or upon articles sold and yet unpaid for, or upon articles sold and paid for at a price not exceeding the cost of production, no profit can, of course, have accrued to the defendant or have become in equity the property of the plaintiff.² Upon articles actually sold at a profit and paid for, the profit is measured by the difference between the cost of making and selling and the price obtained.³ Hence in these cases the defendant must be charged with the amount received

¹ That the rule of profits is not uniform, see *Graham v. Mason* (1872), 1 O. G. 609; *Holmes*, 88; 5 *Fisher*, 290.

That if the invention is a product, the profits on the product will be allowed; see *Burdett v. Estey* (1880), 3 Fed. Rep. 566; 19 *Blatch.* 1; 5 *Bann. & A.* 308; *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126.

§ 1139. ¹ That only profits actually received are to be accounted for, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628; *Burdett v. Estey* (1883), 3 Fed. Rep. 566; 19 *Blatch.* 1; 5 *Bann. & A.* 308; *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10 *Bissell*, 445; *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126; *Vaughn v. Central Pacific*

R. R. Co. (1877), 4 *Sawyer*, 280; 3 *Bann. & A.* 27; also § 1146, note 2, *post.*

² That profits on sales arise only when the goods are actually sold and paid for is evident, since while the goods remain unsold they are liable to become a source of loss to the owner, and when sold, though at an advantageous price, and not paid for, the profit is still contingent and may never be realized.

³ That profits are the difference between cost and yield, see *Burdett v. Estey* (1880), 3 Fed. Rep. 566; 19 *Blatch.* 1; 5 *Bann. & A.* 308; *Piper v. Brown* (1873), 6 *Fisher*, 240; 3 O. G. 97; *Holmes*, 196; *Rubber Co. v. Good-year* (1869), 9 *Wall.* 788.

for each article sold in violation of the patent. Against this must be credited the cost of manufacturing and marketing each article, the difference indicating the defendant's gain.⁴ Where these questions are uncomplicated with any others the only difficulty encountered pertains to the credits to be given to the defendant. Concerning these some difference of opinion has existed. That the cost of manufacture,⁵ including the price paid for materials and labor,⁶ the interest on the amount actually expended for machinery and power,⁷ the value of the use of tools,⁸ the loss occasioned by waste,⁹

⁴ That where the invention infringes as a whole all profits belong to the patentee, see *Ruggles v. Eddy* (1877), 12 O. G. 716; 2 Bann. & A. 627.

⁵ That profits can be ascertained only by deducting all elements of cost, see *Troy Iron & Nail Factory v. Corning* (1869), 3 Fisher, 497; 6 Blatch. 328.

That the cost of making the articles must be allowed, see *Zane v. Peck Bros.* (1882), 23 O. G. 191; 13 Fed. Rep. 475; *Rubber Co. v. Goodyear* (1869), 9 Wall. 788; *Wilbur v. Beecher* (1850), 2 Blatch. 132.

⁶ That the price paid for materials must be allowed, see *Gould's Mfg. Co. v. Cowing* (1882), 105 U. S. 253; 21 O. G. 1277; *Buerk v. Imhaeuser* (1876), 10 O. G. 907; 14 Blatch. 19; 2 Bann. & A. 452; *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

That wages paid for actual service are allowed, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 Bann. & A. 445; *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

That charges for extra work and materials may be allowed to the respondents on condition that they will assign the charges to the complainant, see *Brady v. Atlantic Works* (1878), 15 O. G. 965; 3 Bann. & A. 577.

⁷ In *Herring v. Gage* (1878), 15 Blatch. 124, Wallace, J. : (129) "Undoubtedly interest and cost of power

enter into the account of profits to be ascertained from a given manufacture. Profit is the gain made upon any investment when both receipts and payments are taken into the account. Where interest has been paid upon the capital invested, or where it is to be paid upon borrowed capital, it should be allowed in estimating profits; but I am not aware of any rule which requires that it should be deducted where it has not been actually paid or incurred. The allowance for cost of power is to be determined by the same rule. If expense has been actually incurred for power, it should be deducted. But if interest or expense for cost of power has not been incurred, there is no more reason why there should be a deduction therefor from the profits than that there should be for the personal service of the infringer in conducting the business." 2 Bann. & A. 396 (401).

See also as to allowance of interest when actually paid, *Rubber Co. v. Goodyear* (1869), 9 Wall. 788; *Wilbur v. Beecher* (1850), 2 Blatch. 132.

⁸ That the value of the use of tools must be allowed, see *Gould's Mfg. Co. v. Cowing* (1882), 105 U. S. 253; 21 O. G. 1277; *Troy Iron & Nail Factory v. Corning* (1869), 3 Fisher, 497; 6 Blatch. 328.

⁹ That loss by waste should be allowed, see *Gould's Mfg. Co. v. Cowing* (1882), 105 U. S. 253; 21 O. G. 1277.

the rental of buildings necessarily occupied in the manufacture,¹⁰ the reasonable salaries of superintendents or other higher employees,¹¹ the royalties paid upon machinery or processes used in producing the articles sold,¹² the decrease in cost of manufacture resulting from inventions made or owned by the defendant,¹³ and other ordinary running expenses, should be allowed is undisputed. It is equally certain that the time and services of the defendant, or, when the defendant is a corporation, of its stockholders unless as regular *bona fide* employees, the interest on capital invested in the general business, and the insurance on the property employed, cannot be credited.¹⁴ Whether the defendant may deduct the

¹⁰ That the value of real and personal estate employed in making the device, including repairs thereon, is part of its cost and is to be allowed, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 4 Bann. & A. 445; 17 Blatch. 24; *Troy Iron & Nail Factory v. Corning* (1869), 3 Fisher, 497; 6 Blatch. 328.

¹¹ That reasonable salaries to superintendents and workmen are allowed, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

That extraordinary salaries are not allowed, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

¹² That a royalty paid by the defendant on another patented invention, if reasonable in amount, will be allowed, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

¹³ That where the defendant has cheapened the cost of producing the infringing device by an improvement of his own, he is entitled to a corresponding credit in ascertaining the profits, see *Mason v. Graham* (1874), 23 Wall. 261; 7 O. G. 833.

That where part of the selling price was due to an invention of the defendant, the profit thereon is not allowed to the plaintiff, nor its cost to the defend-

ant, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 Bann. & A. 445.

That if the defendants used other improvements of their own invention, and claim deductions on that account, they must prove them affirmatively, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

¹⁴ In *Williams v. Leonard* (1872), 5 Fisher, 381, Woodruff, J.: (383) "As to the 'salaries' of the defendants during the period in which they have been engaged in infringing, they have no title, as against the complainant. It would be very great injustice, if the *quantum* of gains and profits recoverable by a complainant depended on the question how much of such gains and profits the defendants used for their own support, or the support of their families; or, as even more broadly claimed here by the defendants, how much they saw fit to appropriate to their own use. Infringers would rarely be required to pay over anything, if they could divide the gains and profits among themselves, under the name of salary, wages, or any other designation. Men work for gains and profits, but they are gains and profits still. support themselves and their families

amount of the usual manufacturer's profit has been doubted.¹⁶ The cost of marketing, comprising the price paid for freight, storage, commissions, the rental of warehouses and shops, the salaries of clerks, and the legitimate expense of collecting the amounts due for sales, should also be allowed.¹⁶ Where

out of their gains and profits, but that does not change their nature. If it were not so, inventors might, by reason of infringements, fail to obtain anything, and the infringers obtain what they see fit to term adequate salaries out of their piracy. What, in good faith, the defendants pay to others, as expenses, may be taken as the cost to them of their manufacture. What they take to themselves are gains. They might perhaps have earned and gained as much, or perhaps more, by laboring in some other business, in no violation of the rights of their neighbor; but they cannot be permitted to gain either wages or salary by a violation of such rights." 9 Blatch. 476 (478).

That the time and services of the infringers are not allowed, see *Piper v. Brown* (1873), 3 O. G. 97; *Holmes*, 196; 6 *Fisher*, 240.

That the expense of maintaining the insane infringer while under guardianship cannot be allowed after his restoration to sanity, see *Avery v. Wilson* (1884), 20 Fed. Rep. 856.

That where the defendant is a corporation the salaries paid by it to its stockholders as employees, in good faith and not as a mode of dividing profits, are to be allowed, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 *Bann. & A.* 445; *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 *Bann. & A.* 439.

That interest on capital stock is not allowed, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 788; *contra*, *Wilbur v. Beecher* (1850), 2 Blatch. 132.

That insurance on real and personal

estate employed in the business, and local taxes, are not to be allowed, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 *Bann. & A.* 445.

¹⁶ That the manufacturer's profit should be allowed, see *Simpson v. Davis* (1884), 22 Fed. Rep. 444; 22 Blatch. 113; *Buerk v. Imhaeuser* (1876), 10 O. G. 907; 2 *Bann. & A.* 452; 14 Blatch. 19; *contra*, *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

The manufacturer's profit occupies different positions in the account according to the mode of infringement. Where the infringement is by making and selling, the manufacturer's profit enters into the profit resulting from the sale, and is a direct advantage derived from and wholly dependent on the unlawful use of the invention. Like salaries or wages claimed by the infringer it should therefore be disallowed. But in cases where the infringement consists in the use of the invention and the sale of its products, the profits, under the present questionable doctrine, are represented by the difference in advantage between the invention used and that which the defendant had a right to use, and into this difference the manufacturer's profit does not enter unless it is greater or less when the patented invention is employed than it would otherwise be. In these cases, therefore, it may properly be allowed, either wholly or in part, as the evidence may show it to have been affected by the infringement.

¹⁶ That the cost of marketing the articles is to be allowed, see *Gould's Mfg. Co. v. Cowing* (1882), 105 U. S. 253; 21 O. G. 1277; *Zane v. Peck Brothers*

the defendant is engaged in a general business, the patented invention constituting only one department of his sales, the expenses of the business must be apportioned in the ratio of the respective sales of the infringing and the non-infringing articles, and the proportion of the former charged as the expenses of their sale.¹⁷ In this computation no allowance

(1882), 23 O. G. 191; 13 Fed. Rep. 475; *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

That if sales are large the cost of clerk hire, storage, freight, etc., are to be allowed, see *Zane v. Peck Brothers* (1882), 23 O. G. 191; 13 Fed. Rep. 475.

That commissions on the defendant's sales, where they have not paid any, cannot be allowed, see *Piper v. Brown* (1873), 3 O. G. 97; *Holmes*, 196; 6 *Fisher*, 240.

That a commission paid to an agent is a profit to be accounted for by the agent, not by the principal, see *Steiger v. Heidelberger* (1880) 18 O. G. 1463; 4 Fed. Rep. 455; 18 *Blatch*. 426.

That where the competition produced by the infringement increases the sales of the plaintiff by reason of the reduced prices, this fact is to be considered on the question of profits, see *Ingersoll v. Musgrove* (1878), 13 O. G. 966; 14 *Blatch*. 541; 3 *Bann. & A.* 304.

That where the defendants as makers sell to themselves as users, and are the largest users while other purchasers buy but little, it is proper to consider that the magnitude of the sales to themselves reduced the price below that to small buyers, see *Troy Iron & Nail Factory v. Corning* (1869), 3 *Fisher*, 497; 6 *Blatch*. 328.

¹⁷ In *Hitchcock v. Tremaine* (1872), 5 *Fisher*, 310, *Woodruff, J.*: (311) "The defendants are dealers in musical instruments, including pianos, melodeons, and organs with and organs without the *tremolo* attachment, which has been decreed to be an infringement of

the complainants' patent. (See *Hitchcock v. Tremaine*, 8 *Blatch. C. C.* 440; 4 *Fisher*, 508.) The conduct of their business necessarily involves certain general expenses, which are as truly expenses of dealing in one class of goods as of dealing in another class. Such expenses as general clerk hire, rent of store, salary of book-keeper, if any, and the like, concern the entire business, and in any estimate of gains and profits are properly apportionable to the several kinds of business done, or kinds of goods sold, when the profits of either are to be separately stated. . . . The gross proceeds of sales of each kind being ascertained, and a deduction from each being made of such special or peculiar expenses as in a *pro forma* account would be chargeable to each, there would remain for allotment to each account its proportionate share of the general expenses incurred for the benefit of all,—that is, for the maintenance and conduct of the business; and this distribution should be in the proportion of the several amounts of sales of each. It is not just to say, in respect to either, as is argued by the complainants here, that the general expenses are not increased by the presence of one class of goods, and would have been the same if the sales had been confined to the other classes. If that argument were supposed to prevail in an accounting for the profits of sales of one class, it would also prevail in each separate accounting, and so would be allowed in neither. In the present case, the dealing in organs having the *tremolo* at-

can be made for losses on infringing articles which have been sold at cost or less than cost, or which have not been paid for or remain unsold. The profits on articles sold at a profit and paid for are the only object of inquiry. Losses incurred by the defendant through his wrongful invasion of the patent are not chargeable to the plaintiff, nor can their value be deducted from the compensation which he is entitled to receive.¹⁸ Nor where the defendant has expended money in

attachment was a part of the general business of the defendants. These were not sold without involving a part of the general expenses of the business. It may be true that in a given case it costs the defendants no more to sell an organ containing the infringing attachment than it would have cost to sell an organ not containing the attachment; but *non constat* that if the organ sold had not contained such attachment, it would have been sold at all. The complainants are here demanding the profits of that sale. They must take them burdened with the just allowance for those disbursements which enable the defendants to offer the attachments to the public in a salable form, and to keep them in the market, before the eye and within the reach of customers, and generally to properly conduct the business of selling, and keep due account thereof. . . . On the other hand, the master very properly refused to apportion these expenses according to the amount of profits on sales. Whether the defendants made any profits on their whole business or not, is quite immaterial to these complainants. They are not to be deprived of the gains made by selling the infringing attachments because the defendants made less profits, or even no profits, on the sale of pianos, or as the case may be, of some other musical instruments. To allow this, would permit the defendants to violate the rights of the complainants, and use the profits thereby gained

to cover their losses on other sales." 9 Blatch. 385 (386).

See also *Brady v. Atlantic Works* (1878), 3 Bann. & A. 577; 15 O. G. 965; *Tremaine v. Hitchcock* (1874), 23 Wall. 518; 7 O. G. 1055.

¹⁸ In *Graham v. Mason* (1872), 5 Fisher, 290, Shepley, J. : (293) "In making up the account of profits, the master sometimes takes into account the cost of the whole number of infringing mechanisms or contrivances made by the defendant, and the proceeds of all the sales, and gives the patentee the net profits on the whole amount manufactured. This would be a correct rule in some cases, but it would not be just to the patentee in cases where the infringer had made profits on one fraction of the whole number made and sold, and through defective manufacture or unskilful management of his business had met with losses on a larger fraction, so that a correct account of the whole operation would show a loss on the total manufacture. In such a case, if the patentee, with a full knowledge of all the facts, should bring his bill declaring specifically for the infringement only by the manufacture of those specified mechanisms in the making and selling of which the infringer had made profits, he would certainly be entitled to recover the profits thus made. It is not easy to see why he is not entitled to such profits in a bill counting generally against the infringer without offset or

protecting his vendees from the plaintiff, or securing their release from liability, or given them guaranties of unmolested future enjoyment, can these expenses be considered or set off against the profits actually made.¹⁹

§ 1140. Computation of Profits where the Infringement Consists in Selling Articles in which the Patented Invention is Embraced and Added to the Profits of Each Sale.

The foregoing rule of computation is sufficient where the article sold is the exact patented invention. Where it embraces more than the patented invention, further distinctions become necessary. If the infringing article, as actually made and sold by the defendant, contains substantial features which contribute to its market value, but are not covered by the plaintiff's patent, it is evident that the price paid by the vendee is not based on the sole consideration of the patented invention, and that the difference between the price and the cost of manufacture is greater than the benefit derived by the defendant from his infringing act. In such cases an ad-

deduction for losses made in the manufacture and sale of other infringing mechanisms." 1 O. G. 609 (610); Holmes, 88 (90). See also *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That where the defendant has made and sold some infringing devices at a profit, he must account for them though he sold others without profit and has some on hand which he cannot dispose of, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 Bann. & A. 445.

That where business is carried on for one season at a profit and for the next at a loss, and no connection existed between the two, and the accounts were kept separate, no deductions from the profits of the former on account of the losses in the latter are to be allowed, see *Piper v. Brown* (1873), 3 O. G. 97; Holmes, 196; 6 Fisher, 240.

That bad debts are sometimes con-

sidered in estimating profits, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 788; *Wilbur v. Beecher* (1850), 2 Blatch. 132. But not properly in an account for profits on sales, since no profits accrue except where goods sold are actually paid for, and since profits arising on sales where the price is collected are not diminished by losses on other sales.

¹⁹ That money paid to protect defendant's vendees from the plaintiff is not to be allowed in the account of profits, see *Mason v. Graham* (1874), 23 Wall. 261; 7 O. G. 833; *Graham v. Mason* (1872), 1 O. G. 609; Holmes, 83; 5 Fisher, 290.

That liabilities for and guaranties of title given to purchasers by the defendant are not allowed, all claims of the plaintiff against them being extinguished by his recovery of profits, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 Bann. & A. 445.

ditional investigation is required. The price of the patented invention and its cost must be separated from the total expenses and receipts in order that the deduction of the latter from the former may indicate the profit due to the invention.¹

§ 1140. ¹ In *Maier v. Brown* (1883), 17 Fed. Rep. 736, Brown, J. : (736) "There is no doubt whatever of the general proposition that the patentee of an improvement is limited in his recovery to such profits as may be properly apportioned to the use of his improvement. He can only recover profits upon the entire article when such article is wholly his own invention, or when its entire value is properly and legally attributable to the patented feature. (*Seymour v. McCormick*, 16 How. 480; *Mowry v. Whitney*, 14 Wall. 620; *Littlefield v. Perry*, 21 Wall. 205; *Elizabeth v. Pavement Co.*, 97 U. S. 126; *Garretson v. Clark*, 15 Blatch. 70; *Zane v. Peck*, 13 Fed. Rep. 475; *Fitch v. Bragg*, 16 Fed. Rep. 243.) The difficulty is in the application of this principle. Thus, if one discovers a new composition of matter, such as gun-cotton, nitro-glycerine, or vulcanized rubber, or invents some new machine, such as the telephone, or some new article of manufacture, such as barbed wire or a new pavement, he would obviously be entitled to damages arising from the manufacture and sale of the entire article. Upon the other hand, if his invention were limited to some particular part of a large machine, such as the cut-off of an engine, the axle of a wagon, or the seat upon a mowing machine, it is equally clear that his recovery must be limited to such profits as arise from the manufacture and sale of the patented feature. His damages, too, must be proved, and not left to conjecture; and the fact that it is impossible to separate the profits arising from the improvement from those incident to the manufacture of the whole machine, is an insufficient

reason for awarding the plaintiff more than he is justly entitled to receive. (*Philp v. Nock*, 17 Wall. 400; *Calkins v. Bertrand*, 8 Fed. Rep. 755; *Gould's Mfg. Co. v. Cowing*, 12 Blatch. 243.) In case he is unable to prove how much of the entire profit upon the machine is due to his patent, he can recover only nominal damages. *Blake v. Robertson*, 94 U. S. 728."

Further, that the profits on the exact invention, as distinguished from profits due to other features of the article as a whole, must be separated and alone accounted for, see *Fay v. Allen* (1887), 30 Fed. Rep. 446; *Roemer v. Simon* (1887), 31 Fed. Rep. 41; 40 O. G. 1456; *Everest v. Buffalo Lubricating Oil Co.* (1887), 31 Fed. Rep. 742; *Reed v. Lawrence* (1886), 29 Fed. Rep. 915; *Faulks v. Kamp* (1882), 22 O. G. 2244; 10 Fed. Rep. 675; *Gould's Mfg. Co. v. Cowing* (1882), 105 U. S. 253; 21 O. G. 1277; *Kirby v. Armstrong* (1881), 19 O. G. 661; 10 Bissell, 135; 5 Fed. Rep. 801; *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10 Bissell, 445; *Garretson v. Clark* (1879), 16 O. G. 806; 4 Bann. & A. 536; *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 Bann. & A. 445; 24 O. G. 703; *Garretson v. Clark* (1878), 14 O. G. 485; 15 Blatch. 70; 3 Bann. & A. 352; *Knox v. Great Western Quicksilver Mining Co.* (1878), 14 O. G. 897; 6 Sawyer, 430; 4 Bann. & A. 25; *Brady v. Atlantic Works* (1878), 3 Bann. & A. 577; 15 O. G. 965; *Ingersoll v. Musgrove* (1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304; *Buerk v. Imhaeuser* (1876), 10 O. G. 907; 14 Blatch. 19; 2 Bann. & A. 452; *Robertson v. Blake* (1876), 94 U. S. 728; 11

The price paid for the patented invention is the price received for the whole article, less what it would have brought in open market had the patented invention been omitted. Its cost is the difference between the expense of making the article with it and without it. If the article is more expensive and brings a higher price when it includes the patented invention, the subtraction of the excess of cost from the excess of price will show whether a profit has been made, and its amount. When the price remains the same as if the patented invention were not used, and the expense of manufacturing the article is lessened, the profit is the decrease in its cost. If cost and price are unchanged by the introduction of the patented invention, or are increased or diminished in the same proportion, or the price decreases while the cost is still the same, there is no profit in the sale of any single article for which the plaintiff has a right to an account from the defendant, and whatever benefit exists must be occasioned by an increase of his sales. The rule, as thus far stated, presents certain difficulties, since if the presence of the patented invention adds nothing to the gains of the defendant, and the plaintiff has sustained no actual loss for which he can recover damages, the wrongful sale of the invention must go unredressed, except by nominal

O. G. 877; *Ingels v. Mast* (1875), 7 O. G. 836; 1 *Flippin*, 424; 2 *Bann. & A.* 24; *Gould's Mfg. Co. v. Cowing* (1874), 8 O. G. 277; 12 *Blatch.* 243; 1 *Bann. & A.* 375; *Graham v. Mason* (1872), 1 O. G. 609; *Holmes*, 88; 5 *Fisher*, 290.

That where part of the selling price was due to other matter than the plaintiff's invention, and he was allowed the whole profits, the cost of this other matter must be deducted, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 *Blatch.* 24; 4 *Bann. & A.* 445.

That on a patent for a combination only the profits on the exact new features of the invention can be recovered, see *Ingels v. Mast* (1875), 7 O. G. 836; 1 *Flippin*, 424; 2 *Bann. & A.* 24.

That profits on the device alone, as

sold separately, do not measure the damages when it is part of a machine and enhances the value of the machine itself if applied to it, see *Gould's Mfg. Co. v. Cowing* (1882), 105 U. S. 253; 21 O. G. 1277.

That profits are to be allowed though the defendant has improved the shape and effectiveness of the device, see *Graham v. Mason* (1872), 1 O. G. 609; *Holmes*, 88; 5 *Fisher*, 290.

That the invention being a unit, the profits of the monopoly cannot be divided among its parts arbitrarily, see *Livingston v. Jones* (1861), 2 *Fisher*, 207; 3 *Wall. Jr.* 330.

That profits due to an element not patented, which enters into the composition of patented articles, are sometimes allowed, see *Rubber Co. v. Goodyear* (1869), 9 *Wall.* 788.

damages and future prohibition. But this rule leaves the plaintiff in no worse position than he would have occupied at law, and equity does not aim to give a higher compensation than the law, although its methods of procedure often so result.

§ 1141. Computation of Profits where the Infringement Consists in Selling Articles in which the Patented Invention is Embraced and Increases the Number and Amount of Sales.

Where the presence of the patented invention, though adding nothing to the profits of the defendant on a single article, increases the number of his sales, and thus augments the gains which he derives from the manufacture and sale of the articles as a whole, another mode of computation must be followed. Here it is evident that all the profits on those articles, which would not have been sold had they not contained the patented invention, are due to the infringement;¹ and if these articles can be separated from the rest, their profits can be ascertained by deducting the cost of manufacture from the price received. In many cases this separation may be impossible, and if so, no profits can be computed or recovered. But where the introduction of the patented invention into the article makes it available for new uses and in new lines of business, those whose market has depended on the presence of the patented invention are easily distinguishable from those which might as readily have been sold without it, and the estimate of profits due to the invention can be as accurately and intelligibly made as if the entire article were covered by the patent.

§ 1142. Computation of Profits where the Infringement Consists in Selling Articles which Embrace the Patented Invention, and thence Derive their Entire Market Value.

Where the article, though embracing other features than those covered by the patent, so far derives its marketability

§ 1141. ¹ That where no sale would take place were not the patented invention incorporated in the article sold, the sale and consequent profit are due to the invention, see § 1142 and notes, *post*.

from the presence of the invention that articles from which it is absent would be totally unsalable, the entire profit on the sales must be attributed to the infringement.¹ This may

§ 1142. ¹ In *Gould's Mfg. Co. v. Cowing* (1882), 105 U. S. 253, Waite, C. J.: (255) "The rule applicable to this class of cases was well stated by Mr. Justice Strong, speaking for the whole court, in *Mowry v. Whitney* (14 Wall. 620). The subject-matter of that suit was a patent for an improvement in the process of manufacturing car-wheels, and in respect to the profits resulting to an infringer from the use of the patented process it was said, p. 651: 'The question to be determined . . . is, what advantage did the defendant derive from using the complainant's invention over what he had in using other processes then open to the public, and adequate to enable him to obtain an equally beneficial result. The fruits of that advantage are his profits.' It does not necessarily follow from this that where the patent is for one of the constituent parts and not for the whole of a machine, the profits are to be confined to what can be made by the manufacture and sale of the patented part separately. If without the improvements a machine adapted to the same uses can be made which will be valuable in the market and salable, then, as was further said in that case, the inquiry is 'what was the advantage in cost, in skill required, in convenience of operation, or marketability,' gained by the use of the patented improvement? If the improvement is required to adapt the machine to a particular use, and there is no other way open to the public of supplying the demand for that use, then it is clear the infringer has by his infringement secured the advantage of a market he would not otherwise have had, and that the fruits of this advantage are the entire profits he has made in that mar-

ket." 21 O. G. 1277 (1278); 11 Fed. Rep. 447 (447).

In *Whitney v. Mowry* (1886), 4 Fisher, 141, Swayne, J.: (145) "But it would seem to be very clear that if a party invents a machine, or anything else, that is perfectly valueless, having no salable commercial value, and which in every other respect is worthless because he cannot sell it, and then use in connection with that machine or structure, or article, whatever it may be, the invention of another, no matter how slight that invention may be, which gives it its entire market value, it would seem at first view that the amount to be recovered should be the entire amount of profit, because there is a proximate, inseparable connection between the old or useless article sold by means of the new invention which could not have been sold otherwise. In the case of a close monopoly, there is a profit made which, it would seem, at first view, is entirely due to the infringement of the patent right of another; and it would seem that the infringer ought not to be permitted to say, under such circumstances, that there should be an apportionment of the profits. But, on the other hand, take the case for instance of a railroad car, or anything else, the making of which involves a large expenditure of money; and then by the application of the invention of another, slight and trifling in its character, of very little cost, of no value except in connection with that structure, the application of that slight improvement is sufficient to turn the scale in the market so that nobody will buy the article except in connection with the patented invention. Suppose, in further illustration of this view of the subject, it be a

occur where an article previously in demand has been wholly superseded in the market by the same article containing a patented improvement. The original still preserves its former utility, and if marketable might become a source of profit to the seller. But if unsalable without the patented improvement no profit could arise, since in this form of infringement profits are the fruit of sales, not of utility, and, therefore, when made salable by the incorporation of the patented improvement, it is to this that both the sales and profits are due. Hence, in these cases, though with some hesitation on the part of certain judges, the entire profits on the sales are awarded to the plaintiff, notwithstanding the intrinsic value of the original invention, or its present usefulness to any one who might wish to employ it.²

railroad car, the cost of which is thousands of dollars, and some little invention is made in regard to the interior structure of the car or in its ornamentation, which is patentable under the act of 1861, yet the slight, the simple thing is such as to strike the public taste and judgment, and have such an effect in the commercial world that nobody will buy the article without that invention; yet it would seem to be a pretty hard measure of justice in a court of equity to say that the entire profits made on that large article should go into the pockets of the inventor and patentee of this small thing, which had been used without license or authority in connection with it."

Further, that where the plaintiff's device gives its entire value to the defendant's article, the profits of the entire article are to be accounted for, see *Hurlburt v. Schillinger* (1889), 130 U. S. 456; *Callahan v. Myers* (1888), 128 U. S. 617; *Fifield v. Whittemore* (1888), 33 Fed. Rep. 835; *Welling v. La Bau* (1888), 43 O. G. 115; *Fay v. Allen* (1887), 30 Fed. Rep. 446; *Reed v. Lawrence* (1886), 29 Fed. Rep. 915; *Root v. Lake Shore & Mich. Southern*

R. R. Co. (1882), 105 U. S. 189; 21 O. G. 1112; *Zane v. Peck Brothers* (1882), 23 O. G. 191; 13 Fed. Rep. 475.

That where the entire market value of a device depends on its infringing features, the profits are found by comparing the profits made by this device with those made by one not having the infringing features, see *Garretson v. Clark* (1879), 16 O. G. 806; 4 Bann. & A. 536.

² In reference to this point market value must not be confounded with salability. Market value is the price commanded by the article in open market. Salability may aid in fixing this price, and may determine what amount of profits may be derived from each sale and from all sales collectively. In infringements which consist in making and selling infringing articles all sales, and consequently all profits on sales, may depend upon the presence of the patented feature, however slight in itself the advantage thereby conferred. In the case of the railway car, used as an illustration in *Mowry v. Whitney*, *ante*, if the railway car were unsalable without the patented improvement, the sale itself, the price received, and the differ-

§ 1143. Burden of Proof Concerning the Amount of Profits Resulting from Infringing Sales.

The burden of proof concerning the receipt of profits by the defendant from the sale of the patented invention, and also concerning their precise amount, devolves upon the plaintiff.¹ While the defendant may be subjected to examination before the master, and while his books may be inspected and every other available method of investigation be pursued, it is still for the plaintiff to show by a preponderance of testimony the exact sum for which the defendant is accountable.² Profits are ascertained by computation, and computation requires certain data to which arithmetical processes may be applied with definite and invariable results. These are not a matter of speculation, or of compromise, or of arbitrary adjustment.³ The price received for the patented invention

once between price and cost, would all be directly attributable to the presence of the patented improvement, and the profits would properly be accounted for to the patentee. This is the result which would be reached in an action at law, if it were shown that the cars made and sold by the defendant would have been sold by the plaintiff, the profits of the sale being in that case the measure of the plaintiff's damages; and that the same is true in equity on an account of profits seems certain, notwithstanding the doubts of the learned judge.

§ 1143. ¹ That the burden of proof as to the amount of damages or profits rests on the plaintiff, see § 1071 and notes, *ante*.

² That the defendant may be examined as a witness and his books inspected, see Equity Rule 77; *Foote v. Silsby* (1856), 3 Blatch. 507.

That the plaintiff must affirmatively show what profits are due to his invention, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628; *Bell v. U. S. Stamping Co.* (1887), 32 Fed. Rep. 549; *Garretson v. Clark* (1884), 111 U. S. 120; 27 O. G. 524; *Schil-*

linger v. Gunther (1878), 14 O. G. 713; 15 Blatch. 303; 3 Bann. & A. 491.

That every intendment is against a wilful infringer and the plaintiff's proof of loss should be liberally construed in his favor, see *Bigelow Carpet Co. v. Dobson* (1882), 15 Phila. 476; 10 Fed. Rep. 385; 21 O. G. 1200.

³ That the evidence must show the amount of profits and not leave them open to conjecture, see *Ingersoll v. Musgrove* (1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304.

That the right to recover profits rests on the principle that the defendant, having unlawfully appropriated benefits belonging to the plaintiff, is accountable for them, and these, being ascertainable by computation, do not rest in the discretion of the court or jury, see *Jenkins v. Greenwald* (1857), 2 Fisher, 37; 1 Bond, 126.

That an arbitrary award of one half the net profits on the whole article as due to the plaintiff's device is not proper, since the exact amount is to be ascertained by computation, see *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10 Bissell, 445.

That there is no presumption that

and the cost of producing it are the two factors which must affirmatively appear, that by the subtraction of one from the other the profit may be known. Thus when the article sold is entirely covered by the patent, or when though embracing other features it derives its marketability solely from the presence of the patented invention, the plaintiff must prove the amount of the receipts and the expenditures, the difference in that case being the profit due to the infringement. Where the article would be marketable without the patented invention, but sells for a higher price or is manufactured at less cost when it contains the features covered by the patent, the evidence must separate the patented invention from the other portions of the article, and disclose how much of the increased receipts or lessened cost arises from its presence, and what proportion of the profits on each article is properly attributable to its use.⁴ When, in the latter case,

the defendant's percentage of profit is the same as that of the plaintiff, but the amount must be specifically shown, see *Roemer v. Simon* (1887), 31 Fed. Rep. 41; 40 O. G. 1456.

That when the profits cannot be determined by evidence they cannot be recovered as damages, see *Blake v. Greenwood Cemetery* (1883), 16 Fed. Rep. 676; 21 Blatch. 222.

That profits are not allowed unless capable of measurement, see *Locomotive Safety Truck Co. v. Pennsylvania R. R. Co.* (1880), 2 Fed. Rep. 677; 5 Bann. & A. 514; 14 Phila. 432.

That royalties paid by the defendant or others do not afford a measure of profits, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628; *Wooster v. Taylor* (1878), 14 Blatch. 403; 3 Bann. & A. 241; *Knox v. Great Western Quicksilver Mining Co.* (1878), 14 O. G. 897; 6 Sawyer, 430; 4 Bann. & A. 25.

That if the defendant offers evidence to show that no profits were realized and the plaintiff does not prove the contrary, only nominal damages are al-

lowed, see *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10 Bissell, 445.

⁴ In *Garretson v. Clark* (1884), 111 U. S. 120, Field, J.: (121) "When a patent is for an improvement, and not for an entirely new machine or contrivance, the patentee must show in what particulars his improvement has added to the usefulness of the machine or contrivance. He must separate its results distinctly from those of the other parts, so that the benefits derived from it may be distinctly seen and appreciated. The rule on this head is aptly stated by Mr. Justice Blatchford in the court below. 'The patentee,' he says, 'must in every case give evidence tending to separate or apportion the defendant's profits and the patentee's damages between the patented feature and the unpatented features, and such evidence must be reliable and tangible, and not conjectural or speculative; or he must show, by equally reliable and satisfactory evidence, that the profits and damages are to be calculated on the whole machine, for the reason that the entire value of the whole machine, as a marketable ar-

the relation between cost and receipts remains unchanged whether or not the article contains the patented invention, and whatever benefit may have accrued to the defendant from the infringement assumes the form of an increase in sales, the plaintiff must separate the sales due to the presence of his invention from those which would have taken place without it, and prove the amount of profits derived by the defendant from such separated sales. The evidence upon all these points must be direct; or, if circumstantial, the inferences drawn therefrom must be conclusive.⁵ The fact that an article containing the patented invention practically commands the market does not of itself show that all sales or profits are necessarily attributable to the infringement; nor does the fact that the defendant sold, at the same

article, is properly and legally attributable to the patented feature." 27 O. G. 524 (524).

Further that the plaintiff must prove that the entire profits of the defendant are due to his invention or he must separate the profits due thereto from all others, see *Tuttle v. Gaylord* (1886), 28 Fed. Rep. 97; 36 O. G. 604; *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10 Bissell, 445; *Kirby v. Armstrong* (1881), 5 Fed. Rep. 801; 19 O. G. 661; 10 Bissell, 135; *Schillinger v. Gunther* (1878), 14 O. G. 713; 15 Blatch. 303; 3 Bann. & A. 491; *Black v. Munson* (1877), 14 Blatch. 265; 2 Bann. & A. 623.

That where the plaintiff's device is an improvement he must show what proportion of the profits were due to it and to the original device, or only nominal damages will be allowed, see *Bosstock v. Goodrich* (1885), 25 Fed. Rep. 819; 34 O. G. 1047.

As to the application of this rule to the infringement of a design patent, see *Dobson v. Hartford Carpet Co.* (1885), 114 U. S. 439, where Blatchford, J., says: (445) "The rule in question is even more applicable to a patent for a design than to one for mechanism. A design or pattern in ornamentation or

shape appeals only to the taste through the eye, and is often a matter of evanescent caprice. The article which embodies it is not necessarily or generally any more serviceable or durable than an article for the same use having a different design or pattern. Approval of the particular design or pattern may very well be one motive for purchasing the article containing it, but the article must have intrinsic merits of quality and structure to obtain a purchaser, aside from the pattern or design; and to attribute, in law, the entire profit to the pattern, to the exclusion of the other merits, unless it is shown by evidence as a fact that the profit ought to be so attributed, not only violates the statutory rules of 'actual damages' and of 'profits to be accounted for,' but confounds all distinctions between cause and effect." 31 O. G. 787, (780). See also *Tomkinson v. Willetts Mfg. Co.* (1888), 34 Fed. Rep. 536; *Dobson v. Dornan* (1886), 118 U. S. 10; 35 O. G. 750.

⁵ That the evidence must afford all necessary data for the computation and be direct and positive, see § 1157 and notes, *post*.

profit, articles from which the patented elements were absent, determine that no portion of the profit on the infringing article was due to the unlawful use of the invention.⁶ The burden thus imposed upon the plaintiff may be difficult to bear, and may involve a tedious research and considerable expense without available results, but no other rule would be just to the defendant, or tend in any manner to protect the equitable rights of either party. And since the power to award damages has been conferred on courts of equity, all the redress obtainable in any forum by the plaintiff can be afforded him, although he fails to make his claim to profits good.

§ 1144. Computation of Profits where the Infringement Consists in the Use, or Manufacture and Use, of the Patented Invention.

In the second class of cases, where the infringing act consists in the unlawful use, or making and use, of the patented invention, the data for computation are less capable of definite ascertainment. The cost of using the invention may present little difficulty, but the benefit derived from its employment rarely assumes the form of a specific sum of money, like the price received for an article sold, and hence requires the application of different and more complicated rules for its detection. The benefit derived from the use of any art or instrument may manifest itself either in the increase of direct pecuniary receipts, or in the decrease of expenses. A process or machine whose products, though entailing the same cost of manufacture on the maker, command a higher price, confers upon its user an advantage measured by the increment of price received. An art or article whose use

⁶ That the fact that the machine, with the improvements, commands the market does not show that all the profits are due to the improvement, see *Garretson v. Clark* (1878), 14 O. G. 485; 15 Blatch. 70; 3 Bann. & A. 352; *Gould's Mfg. Co. v. Cowing* (1877), 12 O. G. 942; 14 Blatch. 315; 3 Bann. & A. 75.

That if the defendant sold the infringing device at a profit it is not affected by the fact that he sold other non-infringing devices at the same profit, as each stands by itself, see *Simpson v. Davis* (1884), 22 Fed. Rep. 444; 22 Blatch. 113.

results in lessening the expenses of a business, without increasing its receipts, is profitable to its employer in proportion to the saving it involves. Thus the profits from the unlawful use of a patented invention may assume different forms according to the nature of the invention and the circumstances under which it is used, and consist either in direct gains, or in savings, or in both together.

§ 1145. Computation of Profits where the Infringement Consists in the Use, or Manufacture and Use, of the Patented Invention: Receipts and Savings Taken as the Minuend.

In computing the profits derived from the unlawful use of a patented invention, the entire amount received or saved by the defendant cannot be taken as one factor of the problem, except in a few peculiar cases. If the defendant is paid a definite sum for using the invention, or if the product which he makes and sells can be produced only by the infringing process or machine, or if the saving in expense can be accomplished neither in the whole nor in part by any other method, then may the total receipts for the use of the invention or the sale of its products, or the total savings, be taken as the minuend, from which the cost being deducted the remainder may be properly regarded as the profit due to the infringement.¹ But, under the present doctrine of our courts upon this subject, where the product is producible by other means, or the saving might entirely or in part result from the use of other arts or instruments, the advantage derived by the defendant from the unlawful use of the patented invention cannot be measured by the difference between the gross amount of his receipts or savings and his expenses. The value of the use of an invention is held to be the value of the use of that new idea of means which the inventor has embodied and expressed in his article or process; and to which only the protection of his patent is extended, since whatever inventions exist in the arts, open to the public at the date

§ 1145. ¹ That when the article can be made only by the patented process the entire profits belong to the patentee, see *Mulford v. Pearce* (1877), 11 O. G. 741; 14 Blatch. 141; 2 Bann. & A. 542.

of his inventive act, may be employed by all, and to the whole community thus belongs already the entire benefit derivable from their unrestricted use. When any new invention is perfected, therefore, the benefit that it confers on its employer consists not of the whole advantage flowing from its use, but of the advantage it affords in excess of that obtainable by other means which have been previously bestowed upon the public.² Upon this doctrine rests the rule that where the defendant's savings or receipts could have been secured, to any extent, by the use of arts or articles which were open to the public at the date of the invention covered by the patent, the proportion of such savings or receipts which may enter into the computation of the profits due to the infringement is ascertained by deducting from their gross amount whatever would have been received or saved by the employment of such prior means.³ In the application of this rule no attention is

² In *Locomotive Safety Truck Co. v. Penna. R. R. Co.* (1880), 2 Fed. Rep. 677, Strong, J.: (679) "This rule is founded upon the soundest reason. It is only that which was previously not known, or, in other words, it is only the addition to human knowledge and convenience which a patentee has made, that he can be said to own. The Patent Laws give him an exclusive right to that addition, and to the advantages resulting from it, and to nothing more. Undoubtedly it may be a benefit to the community to have two modes of doing certain work instead of one, both equally economical and convenient, accomplishing the same result, and each still patentable; but, as was well remarked by the master: 'Unless a patentee can show such an absolute advantage in the use of his patent over results which could be reached by other processes in common and unrestricted use, there has been nothing really gained, no advance made by his invention. In such a case, though he may maintain a monopoly over his patented machine, process, or combination, and exact such damages as

he may be able to show he has suffered from an infringer, he cannot claim any portion of what has been realized as profits in any sense owing or due to him, for the reason that the infringer could just as well have obtained such product or result without his aid, or the benefit of his work or ideas.'" 14 Phila. 432 (432); 5 Bann. & A. 514 (515). But see § 1062, note 7, *ante*, where this doctrine is criticised and limited.

³ That the profits derived from the use of a patented invention are measured by the advantage gained by the infringer in excess of what he would have obtained by using means already open to the public and able to produce the same results, see *Coupe v. Weatherhead* (1888), 37 Fed. Rep. 16; *McMurray v. Emerson* (1888), 36 Fed. Rep. 901; *Shannon v. Bruner* (1888), 33 Fed. Rep. 871; *Creamer v. Bowers* (1888), 35 Fed. Rep. 206; *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628; *Turrill v. Illinois Central R. R. Co.* (1880), 20 Fed. Rep. 912; *Knox v. Great Western Quicksilver Mining Co.* (1878), 14 O. G.

paid to the existence of other prior patented inventions which the defendant had or could have acquired the right to use, nor to any inventions subsequent to the one covered by the patent, whether or not they have been patented. The plaintiff's patent, if valid, secures to him the exclusive use of his invention, and those who use it without right cannot defend nor palliate nor in any wise escape the consequences of their unlawful acts upon the ground that they might, with equal advantage to themselves, have violated the rights of others, or have obtained other privileges under different patents, or have availed themselves of subsequent inventions.⁴ Having

897; 6 Sawyer, 430; 4 Bann. & A. 25; Mors v. Conover (1876), 11 O. G. 1111; Ingels v. Mast (1875), 7 O. G. 836; 1 Flippin, 424; 2 Bann. & A. 24; Black v. Thorn (1874), 7 O. G. 176; 12 Blatch. 20; 1 Bann. & A. 155; Turrill v. Illinois Central R. R. Co. (1873), 5 Bissell, 344; Mowry v. Whitney (1872), 14 Wall. 620; 5 Fisher, 494; 1 O. G. 492.

That no profits are recoverable where other methods in common use produce the same results with equal facility, see Black v. Thorn (1884), 111 U. S. 122; 27 O. G. 415.

⁴ In Turrill v. Illinois Central R. R. Co. (1883), 20 Fed. Rep. 912, Harlan, J. : (914) "If the position of defendants' counsel be tenable, a prior patent may be practically destroyed, and the owner deprived of all profits arising therefrom, by obtaining from a junior patentee a license to use his invention. If the latter be equally useful with the former, the claim of the prior patentee for profits realized from the actual use of his invention by an infringer can always be defeated by showing that the infringer was at liberty to use, although he did not use, the subsequent invention, and might have made thereby the same or greater profits at less cost. Indeed, upon the principle or theory asserted by defendants' counsel, the junior patentee may himself use the invention

of a prior patentee without liability to the latter for profits, provided he shows that had he used his own invention he would have accomplished the same or better results at the same or less cost. I do not believe such to be the law, although in several cases cited by counsel there are general expressions which seem to sustain that view. But, after close study of those cases, I am of opinion that in no one of them was the precise point now under consideration in the mind of the court, or necessarily involved in the decision."

In Herring v. Gage (1878), 15 Blatch. 124, Wallace, J. : (128) "In settling an account between a patentee and an infringer, the real inquiry is: What is the advantage which the infringer has derived from his use of the invention? If he has derived a profit attributable directly to the employment of the invention, that profit belongs to the patentee and is the measure of his recovery. Here the defendants saved a considerable quantity of flour by the use of the complainants' property, which, until they used it, had been lost. Their gain is directly traceable to the use of the invention. How is it important to ascertain what they might have saved, if, instead of using the complainants' property they had used some other device? How are they in a better position than

voluntarily selected his invention as their method of procuring receipts or effecting savings, they are accountable for whatever savings or receipts are due to its employment, though other means which might by wrong or by right have been acquired would have resulted in an equal or a greater benefit.

§ 1146. **Computation of Profits where the Infringement Consists in the Use, or Manufacture and Use, of the Patented Invention: Actual Receipts and Savings Alone Regarded.**

Into this factor of the computation, moreover, no element can enter unless it has been actually saved or received by the defendant, either in money or in some form of property or

they would be if there had been a different device which was patented, and they had acquired the right to use it from the patentee, but, instead of using it, saw fit to employ the complainants' device? *Mowry v. Whitney* was a case where the entire profit of the manufacture of an article made by the patented process was given upon an accounting, when that profit was largely due not to the advantage derived from the patented process, but from that of other processes actually used by the manufacturer, and which he had the right to use; and what was said in that case, pertinent to such a state of facts, is not to be assumed as the enunciation of the rule where the profit has been made directly by the use of the patentee's device. Such a rule would impose an extraordinary burden upon a patentee, because it would require him, when seeking for redress, to explore the whole realm of practical and theoretical mechanism, to ascertain and demonstrate that what was realized by the wrongful appropriation of his invention could not have been made by the use of any other device or substitute which the infringer might have employed. The infringer is, at the election of the patentee, treated

as a trustee, and as such, required to account for the profits actually made by the use of the patentee's property. It would be a novel defence to permit a trustee who has made a profit by the use of the money or property of his *cestui que trust*, to show that he would have made an equal profit if he had used the money or property of a third person, or if he had used his own money or property. It was quite unnecessary, in my judgment, to enter into any investigation of the savings which the defendants might have realized if they had used some other than the complainants' device, and the exception to the master's finding upon the question cannot avail the defendants." 3 Bann. & A. : 6 (400). See also *Burdett v. Estey* (1880), 3 Fed. Rep. 566; 19 Blatch. 1; 5 Bann. & A. 308; *Knex v. Great Western Quicksilver Mining Co.* (1878), 14 O. G. 897; 6 Sawyer, 430; 4 Bann. & A. 25; *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

That the fact that an equally useful invention might have been obtained at a less royalty may be considered, see *Ingels v. Mast* (1875), 7 O. G. 836; 1 Flippin, 424; 2 Bann. & A. 24.

service which has a definite ascertainable money value.¹ What the defendant might have gained or saved by greater skill or diligence in the use of the invention, or with larger capital at his command, or if he had collected all his debts, is immaterial.² Equally unimportant is the fact that he enjoyed benefits of which no pecuniary estimate is possible, such as an increase in his physical comfort or his intellectual acquisitions.³ These savings and receipts must also be di-

§ 1146. ¹ In *Vaughan v. Central Pacific R. R. Co.*, (1877), 4 Sawyer, 280, Sawyer, J. : (282) "But in order to maintain a suit in equity for an account of profits, there must be actual profits resulting to the infringer susceptible of computation or estimation, of which the patentee could be deprived and with which the infringer can be charged as trustee. If from the character of the invention there can be nothing in the nature of profits of which the patentee can be deprived, there is no basis for charging the infringer with receiving profits for his benefit, and nothing for which he can be called upon to account. As the defendant's counsel well observe, if one should invent and patent a more comfortable bed than any heretofore existing, and another should infringe the patent by using it, the use of the bed might well be more agreeable, and afford greater comfort and satisfaction to the infringer than any other; yet it would be absurd to say that he derived any pecuniary profits from its mere use with which he could be charged as the trustee of the holder of the patent; or that there is any basis of profits in the legal sense of the term for which he could be called upon in a court of equity to account. It would be impossible to predicate profits in any just sense upon such an infringement. It could furnish no element for the basis of an account. The same is true of many inventions." 3 Bann. & A. 27 (29).

That where the profits are not in

money but in general advantage, and must be compensated for in an estimated sum, a bill for account is not proper, but the remedy is at law, see *Sayles v. Richmond, Fredericksburg, & Potomac R. R. Co.* (1879), 3 Hughes, 172; 4 Bann. & A. 239; 16 O. G. 43.

² That the exact profits or savings, as the defendant actually used the invention, are to be accounted for, see *Williams v. Rome, Watertown, & Ogdensburgh R. R. Co.* (1880), 17 O. G. 1447; 18 Blatch. 181; 2 Fed. Rep. 702; 5 Bann. & A. 423.

That where the profit consists in saving time, the question is not how much might have been saved but how much was saved, see *Munson v. City of New York* (1883), 16 Fed. Rep. 560; 21 Blatch. 342.

That profits are to be based on the actual production of the defendant's infringing articles, not on their productive capacity, see *Webster v. New Brunswick Carpet Co.* (1875), 9 O. G. 203; 2 Bann. & A. 67.

That no profits are recoverable where the defendant through his unskillfulness or unbusiness-like habits made none, see *Conover v. Mers* (1873), 6 Fisher, 506; 11 Blatch. 197.

That no profits should be charged on work for which the defendants cannot collect their pay, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

³ That an increase in comfort or convenience is not a profit, see *Vaughn v.*

rectly traceable to the employment of the patented invention, excluding all contingent or remote advantages whose dependence upon the infringing act is open to a reasonable doubt, and, therefore, may be due to other causes.⁴

§ 1147. **Computation of Profits where the Infringement Consists in the Use, or Manufacture and Use, of the Patented Invention: Ascertainment of Receipts from the Unlawful Use of the Invention.**

In estimating the proportion of receipts which are chargeable to the defendant as the profits arising from his use of the invention, the same general methods are pursued as in cases of unlawful sales. Such receipts consist either of compensation paid to the infringer for his use of the invention, or of prices obtained by him for products made by the infringing process or device. Where the receipts are compensation for his unlawful use of the invention, their gross amount less the expenses which attend the use are the profits due to the infringement.¹ Among these expenses are to be allowed

Central Pacific R. R. Co. (1877), 4 Sawyer, 280; 3 Bann. & A. 27.

⁴ In *Piper v. Brown* (1873), 3 O. G. 97, Shepley, J. : (98) "Where profits are recoverable by the owner of a patented invention against an infringer, they are such profits or gains as result directly or immediately from the wrongful act of the infringer. Remote and contingent profits or gains, depending upon the result of successful schemes or investments, are never allowed. The resultant profits are, ordinarily, best arrived at by determining the difference between the actual ascertained cost and the actual ascertainable value to the infringer, which value, in case of sales by him is the price obtained or the market value of the thing sold. Profits contingent upon future bargains or speculations, or future states of the market, are not estimated and are not recoverable. The distinction between such profits as are direct and immediate and

those which are remote and contingent is recognized in *Masterton v. Mayor of Brooklyn*, 7 Hill, 61, and the *Philadelphia, W. and B. Railroad v. Howard*, 13 Howard, 307." Holmes, 196 (197); 6 Fisher, 240 (241).

That where a large amount of merchandise is withdrawn from the market by the use of the patented process and the price of the remainder is thereby enhanced, the effect is too remote to be estimated upon as indicating profits, see *Piper v. Brown* (1873), 3 O. G. 97; Holmes, 196; 6 Fisher, 240.

§ 1147. ¹ The profits made by the sale of an infringing article, and the profits made where an exact sum is received as compensation for an infringing use, are practically identical in character and in their relation to the patented invention. In the former the invention is used as a means of obtaining a compensation measured by the difference between cost and receipts, in

the cost of the infringing device or of the materials consumed in the process, the sums paid for power, labor, salaries, and shop-rent, the value of the use of buildings, tools, and other property necessary to the performance of the infringing act, the current running expenses of the enterprise, and the loss by waste; but not the value of the time and skill of the infringer, nor any loss he may sustain in other branches of his business or in other employments of the patented invention.

§ 1148. Computation of Profits where the Infringement Consists in the Use, or Manufacture and Use, of the Patented Invention: Ascertainment of Receipts from the Sale of Products made by the Unlawful Use of the Invention.

When the receipts consist of prices obtained by the defendant for products made by the infringing process or device, inquiry must be first directed to the degree in which the market value of the product depends on the employment of the patented invention. Where the complete product is produced in marketable condition by the infringing art or instrument, or where although containing other elements its entire market value is derived from those which have resulted from the infringing process or device, the total receipts are evidently due to the unlawful use of the invention. But where these elements bestow upon the product a mere fraction of its market value, a division of the price obtained for the whole product must be effected, in the ratio of the market values due to these and to the extraneous elements, and only the amount attributable to the former must be regarded as

the latter the act of using the invention is sold for a specific price. The cost of making and marketing the article is the equivalent of the cost of performing the act of using; the profit on the article sold is the equivalent of the price received for the infringing use. The rules governing the charges and allowances in the account are, therefore, the same, so far as the different methods of infringement permit. Whatever expense is incurred by the defendant in performing

the act of using should be credited to him, and against it should be debited the specific sum received for the infringement. (See § 1139 and notes, *ante*, for these items in detail.) The only doubt attaches to the allowance of the cost of the infringing device, which still remains his property though he is unable to employ it, and which though an expense involved in the performance of the act of using is not one properly chargeable against the plaintiff.

received from the infringement.¹ Deducting from these receipts the expense of applying the invention to the manufacture of the product and its proportion of the cost of marketing, including the rental of the necessary buildings, the sums paid for machinery, power, materials, wages, storage, freight, and commissions, the value of the use of tools, repairs, waste, and a proper share of the current expenses of the business, the remainder constitutes that part of the receipts which may contribute toward the profits arising from the use of the invention.² If it appears at this stage of the computation that no profit has accrued to the defendant which can be carried to the credit of the patented invention, the inquiry into his receipts will terminate, unless the presence of the elements due to the infringing instrument or process has increased the sale of his products to a definitely measurable extent, in which case all the profit from such increment of sales must be attributed to the use of the invention.³ The net amount received from the unlawful use of the invention having been thus ascertained, the present rule seems to require that a comparison next be instituted between this net amount and that which would have been received by the de-

§ 1148. ¹ That the amount of the profits due to the use of the precise invention in question must be separated and distinguished from all others, see *Faulks v. Kamp* (1882), 22 O. G. 2244 ; 10 Fed. Rep. 675 ; *Kirby v. Armstrong* (1881), 19 O. G. 661 ; 10 Bissell, 135 ; 5 Fed. Rep. 801 ; *Garretson v. Clark* (1879), 16 O. G. 806 ; 4 Bann. & A. 536 ; *Garretson v. Clark* (1878), 14 O. G. 485 ; 15 Blatch. 70 ; 3 Bann. & A. 352 ; *Buerk v. Imhaeuser* (1876), 10 O. G. 907 ; 14 Blatch. 19 ; 2 Bann. & A. 452 ; *Robertson v. Blake* (1876), 94 U. S. 728 ; 11 O. G. 877.

That where the invention is an improvement the profits due to it must be separated from those due to the original, see *Kirby v. Armstrong* (1881), 19 O. G. 661 ; 10 Bissell, 135 ; 5 Fed. Rep. 801 ; *Garretson v. Clark* (1878), 14 O. G. 485 ; 15 Blatch. 70 ; 3 Bann. & A. 352 ;

Gould's Mfg. Co. v. Cowing (1874), 1 Bann. & A. 375 ; 8 O. G. 277 ; 12 Blatch. 243 ; *Graham v. Mason* (1872), 1 O. G. 609 ; *Holmes*, 88 ; 5 *Fisher*, 290.

That if the plaintiff's patent covers all that is meritorious in the device used by the defendant, the plaintiff should recover all that the defendant has made, while if other improvements contributed to it an allowance must be made for them, see *Hurlburt v. Schillinger* (1889), 130 U. S. 456 ; *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764 ; 1 Bann. & A. 439.

² For the items allowed as the cost of manufacturing, see § 1139 and notes, *ante*.

³ For the rules governing profits arising from an increase of sales, see § 1062 and notes, *ante*.

fendant had he employed, in place of the infringing article or art, some instrument or process which was open to the public before the conception of the patented invention.⁴ If no such open process or device existed by which the product could have been produced, the net amount, arrived at as above described, is chargeable to the defendant as a profit for which he must account to the plaintiff. But if this open process or device would have produced a product substantially identical with that already made and sold by the defendant and having market value, the difference between the net amount arising from the sale of such a product and the net amount received by the defendant indicates the profit which he has derived from the infringement, through the sale of products made by his unlawful use of the invention.⁵

§ 1149. Computation of Profits where the Infringement Consists in the Use, or Manufacture and Use, of the Patented Invention: Ascertainment of Savings.

The profit derived through savings is less susceptible of direct computation than that accruing through receipts. A saving in the expense of manufacturing and marketing a product is included in the estimate of the profits resulting from its sale.¹ If its cost and price are equal, as the product is actually made and sold, a saving in the cost is an escape from an amount of loss equivalent to the saving, and under the presumption that at all events the product would have been

⁴ That the infringer of a process must account for the advantage derived from it over what he would have obtained without it, but not for all the profits of the manufacture, see *Mowry v. Whitney* (1872), 14 Wall. 620; 1 O. G. 492; 5 Fisher, 494.

See, also, as to the same subject, §§ 1062, 1145, and notes, *ante*.

⁵ That the true rule would, in this case, give the entire net amount of profit to the plaintiff, unless the process or device were a mere improvement on the one open to the public, see § 1062, note 7, *ante*.

§ 1149. ¹ That advantage in the re-

duction of cost is a profit, see *Knox v. Great Western Quicksilver Mining Co.* (1878), 14 O. G. 897; 6 Sawyer, 430; 4 Bann. & A. 25.

That savings in cost by infringement may be recovered as profits, see *Campbell v. James* (1880), 18 O. G. 1111; 18 Blatch. 92; 2 Fed. Rep. 338; 5 Bann. & A. 354; *Herring v. Gage* (1878), 15 Blatch. 124; 3 Bann. & A. 396; *Tilghman v. Mitchell* (1871), 4 Fisher, 599; 9 Blatch. 1.

That a saving is not a profit unless it increases a gain or diminishes a loss, see *Bell v. U. S. Stamping Co.* (1887), 32 Fed. Rep. 549.

produced and put upon the market, is properly regarded as a profit.² But where the business carried on by the defendant is of a general character, consisting not in the manufacture of specific products but in service to the public, and the saving is distributed over numerous items in the cost of the whole enterprise, while it may be perfectly apparent that the defendant has been benefited largely by the use of the invention, the amount of his pecuniary advantage may be beyond the possibility of exact discovery or calculation. What can be shown in such cases, either by direct evidence or by fair inference from the nature of the enterprise and the general effect of the employment of the patented invention on its profits as a whole, to have been saved by the infringement, is to be credited to the plaintiff as his profit. And where the enterprise has been conducted at a loss, any excess of loss which would have been incurred without the use of the infringing art or instrument is also to be reckoned as a profit and accounted for by the defendant.³

² That profits are recoverable for the improvement though the whole device was unprofitable, see *Graham v. Mason* (1872), 5 Fisher, 290; 1 O. G. 609; *Holmes*, 88.

³ In *Elizabeth v. Pavement Co.* (1878), 97 U. S. 126, Bradley, J.: (138) "But one thing may be affirmed with reasonable confidence, that if an infringer of a patent has realized no profit from the use of the invention, he cannot be called upon to respond for profits; the patentee, in such a case, is left to his remedy for damages. It is also clear that a patentee is entitled to recover the profits that have been actually realized from the use of his invention, although, from other causes, the general business of the defendant, in which the invention is employed, may not have resulted in profits,— as where it is shown that the use of his invention produced a definite saving in the process of a manufacture. (*Mowry v. Whitney*, 14 Wall. 434; *Cawood Patent*, 94 U. S. 695.) On the contrary, though the defendant's

general business be ever so profitable, if the use of the invention has not contributed to the profits, none can be recovered. The same result would seem to follow where it is impossible to show the profitable effect of using the invention upon the business results of the party infringing. It may be added, that where no profits are shown to have accrued, a court of equity cannot give a decree for profits, by way of damages, or as a punishment for the infringement. (*Livingston v. Woodworth*, 15 How. 559.) But when the entire profit of a business or undertaking results from the use of the invention, the patentee will be entitled to recover the entire profits, if he elects that remedy. And in such a case, the defendant will not be allowed to diminish the show of profits by putting in unconscionable claims for personal services or other inequitable deductions. *Rubber Co. v. Goodyear*, 9 Wall. 788."

Further, that profits may exist though the business is generally unprofitable,

§ 1150. Burden of Proof on the Plaintiff to Show the Amount of Receipts or Savings.

Whether an estimate of profits proceeds upon the basis of receipts or savings, it is the duty of the plaintiff to establish their existence and amount by reliable and tangible proof. The difficulty in procuring testimony by which this can be done may be insuperable, but no dilemma of the plaintiff warrants the master or the court in arbitrarily assuming any other measure of the profits than that which is determined by the evidence.¹ Each stage of the computation must be reached by arithmetical processes employing data furnished by the testimony, and fixing that proportion of receipts or savings which is due to the infringing use of the invention; and what the plaintiff cannot thus disclose he cannot claim as profits.² The presumptions of law are, however, in his favor in all cases of wilful infringement, and the rule requiring complete proof will not be strained against him. If from the data furnished a reasonable calculation can be made, he will not be denied relief upon the ground that a higher degree

see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628; *Knox v. Great Western Quicksilver Mining Co.* (1878), 14 O. G. 897; 6 Sawyer, 430; 4 Bann. & A. 25; *Illinois Central R. R. Co. v. Turrill* (1876), 94 U. S. 695; 12 O. G. 709; *Mers v. Conover*, (1876), 11 O. G. 1111; *Conover v. Mers* (1873), 6 Fisher, 506; 11 Blatch. 197; *Hitchcock v. Tremaine* (1872), 5 Fisher, 310; 9 Blatch. 385.

§ 1150. ¹ As to the duty of the plaintiff in proving the amount of profits, and the evidence on which the computation must be based, see § 1143, and notes, *ante*, and § 1157 and notes, *post*.

² That the plaintiff must apportion the defendant's profits, and show how much resulted from his own invention by reliable and tangible proof, or else he must show that all the profits were due to his invention, see *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10

Bissell, 445; *Kirby v. Armstrong* (1881), 5 Fed. Rep. 801; 19 O. G. 661; 10 *Bissell*, 135.

That where the patent covers only one feature of the defendant's device the proof must separate the profit due to the patented invention, or only nominal damages can be awarded, see *Tuttle v. Gaylord* (1886), 28 Fed. Rep. 97; 36 O. G. 694; *Garretson v. Clark* (1884), 111 U. S. 120; 27 O. G. 524; *Schillinger v. Gunther* (1878), 3 Bann. & A. 491; 14 O. G. 713; 15 Blatch. 303; *Black v. Munson* (1877), 14 Blatch. 265; 2 Bann. & A. 623.

That on a suit for infringing one Claim of a patent the plaintiff must confine the profits to the Claim infringed, and cannot show that the invention as an entirety was better and more profitable than any other in use, unless its whole advantage resided in the feature embraced in this Claim, see *Fischer v. Hayes* (1884), 22 Fed. Rep. 529.

of certainty might be desirable, especially where the uncertainty arises from the defendant's concealment or neglect.³

§ 1151. Computation of Profits from Subordinate Methods of Infringement: Commissions on Sales: Repairs, &c.

Profits may be derived from the unlawful use of an invention in other ways, subordinate to those already noticed. A defendant who does not manufacture the infringing article or sell it on his own account, but on commission, receives therefrom a profit measured by the amount of the commission less that proportion of his general expenses which constitutes the cost of sale.¹ Wages received for the repairing of infringing articles or of their integral parts, deducting the expense incurred by the repairer, but not the value of his personal services, may leave a residue of profit which should be credited to the invention.² But where the purchaser of an infringing article pays to the wrongful maker and vendor the same price which the plaintiff would have charged, the advantages derived from its enjoyment contain no element of profit due to the infringement, the lawful and unlawful use of the invention resulting in the same measure of expense and benefit to the defendant, whose liability for the infringing use is therefore in the form of damages, and not of profits.³

³ That reasonable certainty is all that is required from the plaintiff, where the facts are peculiarly within the defendant's knowledge, see *Creamer v. Bowers* (1888), 35 Fed. Rep. 206; *Lewis v. Standard Laundry Mach. Co.* (1883), 21 Blatch. 184.

That the doctrine of confusion of goods does not apply where there is mere confusion of accounts and the articles themselves cannot be mixed, see *National Car Brake Shoe Co. v. Terre Haute Car Mfg. Co.* (1884), 28 O. G. 1007; 19 Fed. Rep. 514.

That an infringer is liable for all the profits on an article used as an entirety unless he can show that a part resulted from the employment of something else, see *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126.

§ 1151. ¹ That one who sells upon commission is accountable for his commissions on his sales, and may be enjoined, when he makes a profit distinct from that of his employers, see *Steiger v. Heidelberger* (1880), 4 Fed. Rep. 455; 18 O. G. 1463; 18 Blatch. 426.

That a commission agent may be sued for infringement in one district though a suit may be pending against his principal in another, see *Steiger v. Heidelberger* (1880), 18 O. G. 1463; 4 Fed. Rep. 455; 18 Blatch. 426.

² That the profits made by repairing infringing devices, or on parts sold for such repairs, are to be accounted for, see *Graham v. Mason* (1872), 1 O. G. 609; *Holmes*, 88; 5 *Fisher*, 290.

³ That where a city hired infringing contractors to pave, and paid them as

§ 1152. Computation of Profits as Determined by the Duration of the Infringement: Interest.

The plaintiff is entitled to recover all profits derived by the defendant through his infringing acts, from the date of the issue or re-issue of the patent to the date of the accounting, irrespective of the price paid by the plaintiff for the patent or the royalties due from him to his licensor.¹ Whether he can recover interest on such profits, and if so for what period it must be computed, depends upon the mode in which the profits have accrued. In certain cases where profits are taken as a measure of damages in a court of law they are treated as unliquidated until ascertained by verdict, and,

much as it would have had to pay the plaintiff, it was held that the city had made no profit, and was liable for none, but might be liable in damages, see *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126.

§ 1152. ¹ That when the bill limits the time of the infringement the account cannot go beyond it, see *Creamer v. Bowers* (1888), 35 Fed. Rep. 206.

That profits are to be accounted for to the time of taking the account, however derived from the invention, see *Knox v. Great Western Quicksilver Mining Co.* (1878), 14 O. G. 897; 6 Sawyer, 430; 4 Bann. & A. 25; *Tatham v. Lowber* (1857), 4 Blatch. 86.

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

That when the patent was antedated under the Act of 1836, the defendant was liable for all profits after the time to which it was antedated, see *Burdett v. Estoy* (1880), 3 Fed. Rep. 566; 19 Blatch. 1; 5 Bann. & A. 308.

That where the Supreme Court has held the patent invalid and has afterwards sustained it, the infringer is liable for profits arising from his use of

the invention after the first decision, see *Tilghman v. Proctor*, (1888), 125 U. S. 136; 43 O. G. 628.

That an account for profits accruing after the suit commenced will be ordered only where the infringement began before the suit and was continued afterwards, see *Marsh v. Nichols* (1888), 128 U. S. 605.

That an assignee can recover the entire profits whatever royalty arrangements he may have with the patentee, see *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126.

That the amount paid by other persons for past infringements is no guide to the profits now to be awarded, see *Rude v. Westcott* (1889), 130 U. S. 152; *Cornely v. Marckwald* (1889), 131 U. S. 159; *Westcott v. Rude* (1884), 19 Fed. Rep. 830; 27 O. G. 719.

That the profits are to be accounted for without reference to the usual royalty, see *Williams v. Rome, Watertown & Ogdensburgh R. R. Co.* (1880), 2 Fed. Rep. 702; 17 O. G. 1447; 18 Blatch. 181; 5 Bann. & A. 423; *Wooster v. Taylor* (1878), 14 Blatch. 403; 3 Bann. & A. 241; *Knox v. Great Western Quicksilver Mining Co.* (1878), 14 O. G. 897; 6 Sawyer, 430; 4 Bann. & A. 25.

therefore, not subject to interest.² But in equity, profits are regarded as a debt due by the defendant to the plaintiff from the time when they appear as money or as money value in the hands of the defendant, and consequently bear interest from that time until the date of payment.³ Thus where the defendant receives the price for products sold, such a proportion of that price as represents the profit due to the infringement is the property of the plaintiff, and interest should be allowed thereon while it remains in the possession of the defendant.⁴ Where the profit results from savings which do not enter into the cost of products sold, and are not recognized as money or as its equivalent until the annual balance of accounts, the computation of interest on the savings may then properly begin.⁵ Upon these questions the decisions are not uniform; but the principle is clear, and if the distinctions between the profits arising from different modes of infringement are kept in mind, its application presents little difficulty.⁶ Interest on the entire sum found by the

² For the rule regarding interest on damages in actions at law, and on profits when taken as the measure of such damages, see § 1066 and notes, *ante*.

³ That profits are not regarded as unliquidated damages, see *Jenkins v. Greenwald* (1857), 2 Fisher, 37; 1 Bond, 126.

That in equity the profits of an infringement are not damages, but money had and received, and are a claim against the bankrupt estate of the infringer, see *Watson v. Holliday* (1882), L. R. 20 Ch. D. 780; *contra*, *Gordon v. St. Paul Harvester Works* (1885), 23 Fed. Rep. 147; *In re Boston & Fairhaven Iron Works* (1885), 23 Fed. Rep. 880.

⁴ That profits bear interest from the time they were unlawfully detained, see *Burdett v. Estey* (1880), 3 Fed. Rep. 566; 19 Blatch. 1; 5 Bann. & A. 308.

That interest on royalties is allowed from the date of the infringement to the date of the decree, see *Locomotive Safety*

Truck Co. v. Pennsylvania R. R. Co. (1880), 2 Fed. Rep. 677; 5 Bann. & A. 514; 14 Phila. 432.

⁵ That in some cases interest is to be computed each year on the profits, see *Tilghman v. Mitchell* (1871), 4 Fisher, 599; 9 Blatch. 1.

⁶ Among the statements of the courts on this subject are the following, most of which will, however, be found reconcilable with the doctrine laid down in the text, if the exact facts in issue are carefully examined:

That interest is not allowed on profits any more than on unliquidated damages, see *Illinois Central R. R. Co. v. Turrill* (1884), 110 U. S. 301; 26 O. G. 917; *Locomotive Safety Truck Co. v. Penna. R. R. Co.* (1880), 14 Phila. 432; 2 Fed. Rep. 677; 5 Bann. & A. 514; *Parks v. Booth* (1880), 102 U. S. 96; 17 O. G. 1089.

That interest may be allowed as damages, though damages do not carry interest as such, as where a sum became

master to be due as profits is reckoned from the date of his report, or from the time at which the account is terminated.⁷ Counsel fees and other expenses of litigation are not included in the estimate of profits.⁸ Profits cannot be trebled by the court as damages may be.⁹

§ 1153. Liability of Infringer to Account: Partial Liability of Several Infringers: Corporate Liability.

The defendant is equally liable for the profits whether the invention is adapted to general use or is available only in his own personal or official occupation.¹ Though he is the mere

due properly before judgment, see *Bates v. St. Johnsbury & L. C. R. R. Co.* (1887), 32 Fed. Rep. 628.

That profits are really damages and are unliquidated until the decree, see *Mowry v. Whitney* (1872), 14 Wall. 620; 5 Fisher, 494; 1 O. G. 492.

That interest is not to be computed on profits unless under special circumstances, 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; *Brady v. Atlantic Works* (1878), 15 O. G. 965; 3 Bann. & A. 577; *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

That interest on profits is not allowed before the decree, especially when the defendant has acted in good faith under his own patent, see *Mowry v. Whitney* (1872), 14 Wall. 620; 5 Fisher, 494; 1 O. G. 492.

That interest is to be allowed on profits to the date of the master's report, see *Tatham v. Lowber* (1857), 4 Blatch. 86.

That interest is to be allowed on profits from the time of the interlocutory decree, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879), 17 Blatch. 24; 4 Bann. & A. 445.

⁷ That interest should be allowed on profits from the time the report is in

proper form for exceptions, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628; *Illinois Central R. R. Co. v. Turrill* (1884), 110 U. S. 301; 26 O. G. 917; *Turrill v. Illinois Central R. R. Co.* (1880), 20 Fed. Rep. 912.

⁸ That counsel fees are not allowed in assessing damages or profits, see *Parks v. Booth* (1880), 102 U. S. 96; 17 O. G. 1089; *Philp v. Nock* (1873), 17 Wall. 460; *Teese v. Huntingdon* (1859), 23 How. 2; *Blanchard's Gun Stock Turning Factory v. Warner* (1848), 1 Blatch. 258; *Stimpson v. Railroads* (1847), 1 Wall. Jr. 164; 2 Robb, 595; *Boston Mfg. Co. v. Fiske* (1820), 2 Mason, 119; 1 Robb, 320; *Whittemore v. Cutter* (1813), 1 Gallison, 429; 1 Robb, 28.

⁹ That profits cannot be trebled as damages may, see *Holbrook v. Small* (1878), 17 O. G. 55; 3 Bann. & A. 625.

§ 1153. ¹ That although the invention was useless except to the defendant, and he might use it or not as he chose without materially affecting his business, he is still liable for profits, see *Campbell v. James* (1880), 18 O. G. 1111; 18 Blatch. 92; 2 Fed. Rep. 338; 5 Bann. & A. 854.

That if an officer of the government voluntarily uses an invention, which is of no value except for governmental purposes, he must account for the

delegate of a superior authority, to whom all his receipts are payable, yet if the infringement is his voluntary act he must account for its advantages even where he has paid the entire sum to his superior.² Where there are several defendants, some of whom are interested in the enterprise during a portion only of the period of the infringement, their liability for profits is limited to the amount accruing while they were engaged in the infringing acts.³ Profits received by one corporation are not collectible from its successor, whatever may be their identity of enterprise or membership.⁴ The death of an infringer does not bar the right of the owner of the patent to an account from his estate, and if his death occur during the action a bill of revivor will continue the proceedings against his personal representative.⁵ After a decree for profits the defendant cannot be enjoined from paying them to the plaintiff, at the suit of a third party who claims to be the owner of the patent.⁶ A plaintiff, being the sole owner of

profits, see *Campbell v. James* (1880), 18 O. G. 1111; 18 Blatch. 92; 2 Fed. Rep. 338; 5 Bann. & A. 354.

That where the United States is the real defendant, and has made no profits to itself except by saving expense otherwise to be incurred, its officers are liable, see *Campbell v. James* (1880), 18 O. G. 1111; 18 Blatch. 92; 2 Fed. Rep. 338; 5 Bann. & A. 354.

² That although the defendant, as an officer of the United States, has paid over the savings to the government, he is still liable, see *Campbell v. James* (1880), 18 O. G. 1111; 18 Blatch. 92; 2 Fed. Rep. 338; 5 Bann. & A. 354.

But see as to the foregoing case *James v. Campbell* (1882), 104 U. S. 356; 21 O. G. 337.

³ That if not all the defendants are infringing during the whole time, the profits are to be apportioned accordingly, see *Tatham v. Lowber* (1857), 4 Blatch. 86.

That when a copartnership consisted of three members profits were awarded against the three jointly, up to the time

when one retired, then against the remaining two, though a new partner had been taken in who was not made a defendant, see *Herring v. Gage* (1878), 15 Blatch. 124; 3 Bann. & A. 396.

⁴ That a defendant corporation is not accountable for the profits made by a preceding corporation, see *Sayles v. Dubuque & Sioux City R. R. Co.* (1878), 5 Dillon, 561; 3 Bann. & A. 219.

⁵ That the estate of an infringer is liable for profits after his death, see *Smith v. Baker's Adm'rs* (1874), 5 O. G. 496; 10 Phila. 221; 1 Bann. & A. 117.

That a bill of revivor will lie where the infringer dies pending suit, see *Hohorst v. Howard* (1888), 37 Fed. Rep. 97; *Kirk v. DuBois* (1886), 28 Fed. Rep. 460; 37 O. G. 102; *Smith v. Baker's Adm'rs* (1874), 5 O. G. 496; 10 Phila. 221; 1 Bann. & A. 117.

⁶ That a defendant, after a decree for profits, cannot be enjoined from paying such profits to the plaintiff, upon the motion of a third party who claims title to the patent adversely to the

the patent, may recover the whole profits, though they belong to him in common with his partners by virtue of the partnership agreement.⁷

§ 1154. Damages in Equity.

Damages, as such, were not recoverable in equity in cases of infringement until the act of 1870, which conferred upon the Circuit courts the power to award them in addition to the profits. The purpose of this act was to afford the plaintiff adequate compensation for his injury in actions in equity, although the evidence on the accounting might show that the defendant had made no profits, or that the profits which he had received were insufficient to cover the whole loss that the plaintiff had sustained, and thus relieve him from the necessity of discontinuing his equitable proceedings and seeking his redress in damages at law.¹ Construing the act in this

plaintiff, see *Secombe v. Campbell* (1880), 5 Fed. Rep. 804; 5 Bann. & A. 632.

⁷ That the plaintiff may recover profits, though part of them may belong to his copartners in business, he being owner of the patent, see *Sargent v. Yale Lock Mfg. Co.* (1879), 17 Blatch. 244; 4 Bann. & A. 574; 17 O. G. 105.

§ 1154. ¹ That prior to the act of July 8, 1870, profits and damages were not recoverable in a single suit, but the former might be obtained in equity, the latter at law, see *Willimantic Thread Co. v. Clark Thread Co.* (1886), 27 Fed. Rep. 865; *Williams v. Leonard* (1872), 9 Blatch. 476; 5 Fisher, 381; *Perry v. Corning* (1870), 7 Blatch. 195; *Livingston v. Jones* (1861), 2 Fisher, 207; 3 Wall. Jr. 330.

That the act of 1870 (Sec. 4921, Rev. Stat.), authorizes equity to give damages as well as profits, see *Willimantic Thread Co. v. Clark Thread Co.* (1886), 27 Fed. Rep. 865.

That the act of 1870 enlarged equity jurisdiction by allowing damages in ad-

dition to profits to be recovered, but did not restrict the right to recover for any gains, savings, or advantages recoverable before, see *Coburn v. Schroeder* (1881), 20 O. G. 1085; 8 Fed. Rep. 521; 19 Blatch. 493.

That Sec. 55, act of 1870, merely confers on a court of equity the power to award or multiply damages, in addition to its decree for an account, see *Root v. Lake Shore & Michigan Southern R. R. Co.* (1882), 105 U. S. 189; 21 O. G. 1112.

That the right to recover damages as well as profits does not rest wholly on Sec. 4921 of the Revised Statutes, see *Coburn v. Schroeder* (1881), 20 O. G. 1085; 8 Fed. Rep. 521; 19 Blatch. 493.

That on a bill in equity brought before July 8, 1870, no damages beyond the actual profits of the defendant could be recovered, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

That no damages are recoverable in a suit in equity begun before July 8, 1870, though a supplemental bill is filed and a re-issue granted after that date, see

spirit, the courts have held that wherever the plaintiff has suffered an injury by the infringement greater than the amount of profits made by the defendant, whether because the defendant has made no profits or less than a fair profit through his unskillfulness or unwise conduct of his business, or because the wrongs inflicted on the plaintiff lie outside the scope of the mere loss of profits on the patented invention, the plaintiff is entitled to recover in excess of profits such a sum in damages as, taken with the profits, will give him complete compensation for the injury.² The rule of damages in equity is otherwise the same with that at law.³ Their amount must

Sarven v. Hall (1872), 5 Fisher, 415 ; 1 O. G. 437 ; 9 Blatch. 524.

That the provisions of the act of July 8, 1870, apply to suits begun after that date for injuries previously committed, see *Union Paper Bag Mach. Co. v. Newell* (1873), 6 Fisher, 582 ; 5 O. G. 173 ; 11 Blatch. 379.

² That profits and savings are still the measure of recovery in equity unless the extent of the plaintiff's loss requires an additional allowance of damages, see *Willimantic Thread Co. v. Clark Thread Co.* (1886), 27 Fed. Rep. 865 ; *Birdsall v. Coolidge* (1876), 93 U. S. 64 ; 10 O. G. 748.

That if the profits do not fully compensate the plaintiff, damages may be awarded in addition; see *Simpson v. Davis* (1884), 22 Fed. Rep. 444 ; 22 Blatch. 113 ; *Brady v. Atlantic Works* (1878), 3 Bann. & A. 577 ; 15 O. G. 965 ; *Birdsall v. Coolidge* (1876), 93 U. S. 64 ; 10 O. G. 748 ; *Buerk v. Imhaeuser* (1876), 10 O. G. 907 ; 14 Blatch. 19 ; 2 Bann. & A. 452 ; *Carew v. Boston Elastic Fabric Co.* (1871), 1 O. G. 91 ; 3 Clifford, 356 ; 5 Fisher, 90.

That damages may be recovered in equity though the defendant made no profit, see *Yale Lock Co. v. Sargent* (1886), 117 U. S. 536 ; 35 O. G. 497 ; *Burdett v. Estey* (1880), 19 Blatch. 1 ; 3 Fed. Rep. 566 ; 5 Bann. & A. 308.

That where the defendant conducts his business so carelessly as to make no profits, damages may be allowed, see *Brady v. Atlantic Works* (1878), 3 Bann. & A. 577 ; 15 O. G. 965 ; *Marsh v. Seymour* (1877), 97 U. S. 348 ; 13 O. G. 723.

That where the defendant made no profits because he reduced his prices in order to drive the plaintiff from the market, damages may be awarded, see *Brady v. Atlantic Works* (1878), 3 Bann. & A. 577 ; 15 O. G. 965.

That a decree for profits does not authorize the allowance of damages, see *Livingston v. Woodworth* (1853), 15 How. 546.

That where the plaintiff cannot show any advantage in the use of his invention over others which are open to the public, he cannot recover profits though he may recover damages, see *Locomotive Safety Truck Co. v. Pennsylvania R. R. Co.* (1880), 2 Fed. Rep. 677 ; 5 Bann. & A. 514 ; 14 Phila. 432.

That only net profits are allowed and no damages where the infringement was not wilful or malicious, see *Ford v. Kurtz* (1882), 12 Fed. Rep. 789 ; 11 Bissell, 324.

³ For the rule of damages at law and evidence thereon, see §§ 1049-1071 and notes, *ante*.

be established by evidence, not conjectured; and the court, if it deem necessary, may treble them.⁴ Interest cannot be reckoned till after the decree.⁵ On a bill *pro confesso* nominal damages may be awarded, where neither damages nor profits can be proved.⁶

§ 1155. Account Ordered if Infringement Proved: By whom Taken.

The defendant may be ordered to account whenever he has been found guilty of infringement. The fact that he has practised the invention raises a presumption that its use was beneficial, and this presumption is not overcome by an assertion in his answer that the infringement was unprofitable. Having for his own advantage unlawfully appropriated the property of the plaintiff, he must now incur the trouble and expense of a full disclosure of the enterprise, since if no gains or savings have been made an estimate and award of damages may be required.¹ An account, when ordered, is

⁴ That the damages must be proved by evidence, not left to conjecture, see *Ingersoll v. Musgrove* (1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304.

That when the profits cannot be fixed by evidence they cannot be recovered as damages, see *Blake v. Greenwood Cemetery* (1883), 16 Fed. Rep. 676; 21 Blatch. 222.

That the court may treble the damages in equity as well as at law, see *Carew v. Boston Elastic Fabric Co.* (1871), 1 O. G. 91; 3 Clifford, 356; 5 Fisher, 90.

That where an infringement is flagrant the damages will be trebled, see *Lyon v. Donaldson* (1888), 34 Fed. Rep. 789.

That where the defendant evidently believed himself to be right, the court will not increase the damages on the ground that he fought vigorously, or refuse to increase them on the ground that the patent is apparently void where that claim was not made in due season

in the defence, see *Welling v. La Bau* (1888), 35 Fed. Rep. 302.

That if the patent is really void, though no such defence were made, the damages will not be increased, see *Welling v. La Bau* (1888), 35 Fed. Rep. 302.

⁵ That no interest is to be allowed on the damages until the date of the decree, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

That where a license fee is the measure of damages, interest on the amount may be allowed from the date of the interlocutory decree, see *Graham v. Geneva Lake Crawford Mfg. Co.* (1881), 24 Fed. Rep. 642; 32 O. G. 1603.

⁶ That where the bill is taken *pro confesso*, and on the reference to the master no satisfactory proof of damages and profits is given, the plaintiff can recover only nominal damages, see *Fisk v. West, Bradley, & Cary Mfg. Co.* (1880), 19 O. G. 545.

§ 1155. ¹ In *Andrews v. Creegan*

taken by a master appointed for that purpose by the court, who, having given notice to the parties or their counsel of the day fixed for the hearing, receives the evidence presented, and from it makes his computation of the profits which the defendant has received or the damage which the plaintiff has sustained. The failure of the defendant to appear at the day named for the accounting does not delay nor prevent the hearing, unless his evidence or his books are needed, in which case a continuance is granted and an order to be present at a certain future day is personally served upon him, followed by an attachment for contempt if he should then be absent.² When the master has arrived at his conclusions

(1881), 7 Fed. Rep. 477, Wheeler, J. : (478) "The defendant denies any profits, and insists that none are proved to lay the foundation of an accounting. None are proved beyond the presumption arising from the fact of the putting the well down so that it could be used. This would raise a presumption that there were, or might have been, some profits, and the allegation that the transaction was not profitable would not meet the presumption so as to defeat an accounting. The plaintiff would have the right to have the account taken, however it might result, left to him. Besides this, the act of 1870 (Rev. St. § 4921), provides for an accounting for damages as well as profits, and there may be damages to be accounted for in this case." 19 O. G. 1140 (1140); 19 Blatch. 113 (114). See also *Urner v. Kayton* (1883), 17 Fed. Rep. 539; 24 O. G. 1178; 21 Blatch. 428; *Motte v. Bennett* (1849), 2 Fisher, 642.

That an account may be ordered though no injunction or bond would be required, see *Smith v. Baker's Adm'rs* (1874), 5 O. G. 496; 1 Bann. & A. 117; 10 Phila. 221.

² In *Kerosene Lamp Heater Co. v. Fisher* (1880), 1 Fed. Rep. 91, Lowell, J. : (92) "The practice which we approve is this: The master appoints a

day for proceeding with the reference, and gives notice, by mail or otherwise, to the parties or their solicitors. We think the solicitor should be notified, whether the party is or not; though probably, under Rule 75, notice to the party is a good notice. If the defendant does not appear, the master proceeds, *ex parte*, and makes out the profits and damages, if he can, from the evidence produced by the plaintiff. If it appears that an account of profits is necessary to a just decision of the cause, and is desired by the plaintiff, he makes an order that the defendant furnish an account by a certain day, and adjourns the hearing to that day. The defendant should be served personally with a notice of this adjournment, and of the order to produce his account, if it is intended to move for an attachment in case he fails to appear. The service may be made by any disinterested person, and need not be by the marshal. If the defendant then fails to appear and account, he will be in contempt." 5 Bann. & A. 78 (79).

That a disclosure of gains and profits is incidental to an accounting under a decree in an infringement suit, see *Gordon v. Anthony* (1879), 16 O. G. 1135; 16 Blatch. 234; 4 Bann. & A. 248.

from the testimony they are embodied in a draft report, and filed in court or submitted to the parties. To this report the parties make objections as they deem advisable; and thereupon the master reconsiders the matter involved in such objections, modifies or affirms his previous conclusions, and in a final report presents them to the court. Either party may file exceptions to this report based on his previous objections, and may have the entire evidence as taken by the master laid before the court, and the court may then review the questions of fact as well as of law involved in the accounting, and recommit, or set aside, or alter, or reverse the report as in its judgment the law and evidence require.³ Throughout this proceeding the master must be guided by the terms of the decree which orders the account, and if these are ambiguous he may call upon the court for more definite instructions.⁴ It is his duty also to forward the accounting as rapidly as circumstances will permit, although the court may stay the hearing when the pendency of other suits in other jurisdictions between the same parties, or any facts within its knowledge, render such a stay desirable.⁵

³ Equity Rules 73-84.

⁴ That if the decretal order is ambiguous the master can report the case back for specific instructions, see *Union Sugar Refinery v. Matthiesson* (1868), 3 Clifford, 146.

That the master may act beyond the territorial jurisdiction of the court, and even in foreign countries, see *Bate Refrigerating Co. v. Gillette* (1886), 28 Fed. Rep. 673.

That the master must choose the best and cheapest method of taking evidence, see *Bate Refrigerating Co. v. Gillette* (1886), 28 Fed. Rep. 673.

⁵ That in a proper case properly presented the court may suspend a suit against the users until the suit against the maker is ended, since if the maker pays the user is not liable, provided it appears that the thing used is the very one for which the maker is sued, see *Allis v. Stowell* (1883), 16 Fed. Rep. 783.

That a suit against the dealer who sells will not be kept open indefinitely to await the decision of an appeal from a judgment in favor of the manufacturer, see *Grain Drill Mfg. Co. v. Reinstedler* (1885), 25 Fed. Rep. 198.

That where priority is in issue and an interference was declared, and three different and variant decisions were rendered in the Patent Office and the District court, and a bill for repeal is now pending in the Circuit court, the present case will be retained until the latter suit is tried and decided, see *Lockwood v. Cutter Tower Co.* (1882), 11 Fed. Rep. 724.

That an accounting will not be stayed on the ground that another case is pending in the Supreme Court on different issues, or that another court has held the patent invalid on different facts, see *Celluloid Mfg. Co. v. Comstock & Cheney Co.* (1886), 27 Fed. Rep. 358; 36 O. G. 1356.

§ 1156. Procedure in Taking an Account.

In taking the account the master has no right to consider the question of infringement or the scope and meaning of the patent, but must accept these matters as they have been already settled by the court.¹ All inquiries into the damages or profits resulting from the infringement are within his powers, and in pursuing these he may be led into numerous investigations as to the state of the art at the time of the invention, or other kindred subjects, and may inspect the articles sold or used by the defendant in connection with those covered by the patent for the purpose of determining what proportion of the defendant's gains or savings is attributable to the latter; but otherwise he has no occasion to explore their history or origin.²

§ 1156. ¹ That a master taking an account has no business with the question of infringement or the scope or extent of the patent, but must apply the principles laid down by the court, and though he may inspect the two devices he has no concern with their history, see *Turrill v. Illinois Central R. R. Co.* (1873), 5 Bissell, 344; *Whitney v. Mowry* (1870), 4 Fisher, 207.

That a decree finding infringement binds the master as to everything substantially like the infringing device, though he may inquire whether specific articles are covered by the decree, see *Wooster v. Thornton* (1886), 26 Fed. Rep. 274; 34 O. G. 560.

That a re-issue being sustained by the interlocutory decree or decree *pro confesso*, its validity or divergence from the original cannot be considered by the master, see *Thomson v. Wooster* (1885), 114 U. S. 104; 31 O. G. 913.

That in a suit on a re-issue the defendant cannot for the first time offer to the master, on the accounting, the original as evidence that the re-issue, if identical therewith, had not been infringed, see *Wooster v. Thornton*

(1886), 26 Fed. Rep. 274; 34 O. G. 560.

That on a bill for infringement against a railroad company for using the invention on other roads than their own under a license to use on roads "owned or operated" by them, the legal right of the defendants to operate such other roads cannot be questioned, see *Matthew v. Pennsylvania R. R. Co.* (1881), 8 Fed. Rep. 45.

That a decree in equity for profits only does not authorize the allowance of damages, see *Livingston v. Woodworth* (1853), 15 How. 546.

² That on the question of profits the state of the art at the date of the invention is always material, see *Locomotive Safety Truck Co. v. Pennsylvania R. R. Co.* (1880), 2 Fed. Rep. 677; 5 Bann. & A. 514; 14 Phila. 432.

That evidence may be offered before the master on an accounting to show that certain articles of the defendant did not embrace the infringing features, see *Welling v. La Bau* (1885), 23 Blatch. 305; 32 Fed. Rep. 293.

That all questions as to whether gains or savings are due to the infringement, and are to be accounted for, arise

§ 1157. Evidence on the Accounting.

The evidence admissible before the master is indicated by the rules which are to govern his estimate of the profits and the damages. The plaintiff must furnish sufficient testimony to enable him to arrive at definite conclusions, and cannot rely upon him to suggest what proof may be required.¹ The master must receive all relevant and material evidence, and by collating and comparing it must ascertain the data for his computation, and formulate their result in the award of a specific sum as damages or profits.² The plaintiff may compel the presence of the defendant, and the production of his books, and subject them to examination, but if the books disclose the sale or use of various articles, some of which may not have been covered by the patent, the plaintiff must by other testimony separate those by which his rights have been infringed.³ Admissions in the answer as to the extent

on the accounting, see *Coburn v. Schroeder* (1881), 20 O. G. 1085; 19 Blatch. 493; 8 Fed. Rep. 521.

That the confusion of accounts is not a confusion of the goods sold, and, as some may infringe while others do not, those which do must be separated by evidence, see *National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co.* (1884), 19 Fed. Rep. 514; 2 O. G. 1007.

That in taking the account the master is not limited to the date of entering the decree, but may extend it down to the time of hearing before him, see *Rogers v. Reissner* (1887), 39 O. G. 832; *Rubber Co. v. Goodyear* (1869), 9 Wall. 788.

That pending the accounting no suit at law for subsequent infringements by the same defendant can be brought without leave of the court, see *Morss v. Knapp* (1888), 35 Fed. Rep. 218.

§ 1157. ¹ That the plaintiff must furnish evidence enough to enable the master to make the computation, see *Brady v. Atlantic Works* (1878), 15 O. G. 965; 3 Bann. & A. 577.

That neither the master nor the court

are bound to suggest what proof is needed, but the plaintiff must furnish enough to show the profits or damages, see *Garretson v. Clark* (1879), 16 O. G. 806; 4 Bann. & A. 536.

² That the master is to sift out the evidence and get at the profits as best he may, see *Herring v. Gage* (1878), 15 Blatch. 124; 3 Bann. & A. 396.

³ That the master taking an account may examine the defendants and inspect their books, see *Brady v. Atlantic Works* (1878), 15 O. G. 965; 3 Bann. & A. 577.

That on a bill in equity for an account on a re-issue a *subpoena duces tecum* will issue to compel the defendants to produce all their books, etc., which can show the number of articles sold since the re-issue, see *Turrell v. Spaeth* (1875), 8 O. G. 986; 2 Bann. & A. 185.

That if the defendant's books are needed by the plaintiff he should move for them, or the case will not be sent back to the master for review, see *Fischer v. Hayes* (1883), 16 Fed. Rep. 469; 24 O. G. 304.

That where on the accounting the

of the infringement, and the benefits therefrom derived, are taken in their ordinary sense, and may be considered in determining the truth or falsehood of the testimony given by the defendant.⁴ The evidence must be positive and certain.⁵ The opinions of witnesses concerning the value of the invention to the defendant, or the amount of injury to the plaintiff, are of little weight.⁶ Evidence of sums paid in settlement or as license fees by other parties does not tend to show the profit made by the defendant, nor does it serve as any guide to the loss suffered by the plaintiff, unless the settlement was voluntary on both sides and for an exactly similar infringement, or unless the license fee is universally established.⁷ But the amount which the defendant has himself expended for other processes or instruments, performing

plaintiff testified to the cost of making and selling, the defendant has a right to the production of the plaintiff's books, though the plaintiff may refuse and withdraw the evidence already offered, see *Wisner v. Dodds* (1883), 14 Fed. Rep. 655.

⁴ That admissions in the answer are taken as usually understood and may be considered by the master, see § 1118 and notes, *ante*.

⁵ That the evidence must definitely fix the amount of profits, see *Ingersoll v. Musgrove* (1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304.

That evidence not sufficiently definite to show the amount of profits will not warrant an award either of profits or of damages, see *Blake v. Greenwood Cemetery* (1883), 16 Fed. Rep. 676; 21 Blatch. 222.

⁶ That the mere opinion and estimate of two witnesses may not be sufficient to show the value of the use of the invention to the defendant, see *Sargent v. Yale Lock Mfg. Co.* (1879), 17 O. G. 106; 17 Blatch. 249; 4 Bann. & A. 579.

That the report cannot be sustained where the only evidence was the opinion of a witness that the amount awarded

could have been saved by the defendant, see *Munson v. City of New York* (1883), 16 Fed. Rep. 560; 21 Blatch. 342.

⁷ That the amount paid by others for past infringements is no guide to the profits due on the present one, see *Rude v. Westcott* (1889), 130 U. S. 152; *Cornely v. Marckwald* (1889), 131 U. S. 159; *United Nickel Co. v. Central Pacific R. R. Co.* (1888), 36 Fed. Rep. 186; *Westcott v. Rude* (1884), 19 Fed. Rep. 830; 27 O. G. 719.

That the recovery of one dollar damages, on a stipulation leaving that matter to the court on the evidence taken, is no guide to the value of the invention, see *Blake v. Greenwood Cemetery* (1883) 16 Fed. Rep. 676; 21 Blatch. 222.

That where the evidence before the master does not show an established license fee, and his finding is based upon damages not upon profits, reference to a settlement in another suit with different circumstances cannot be allowed, see *Greenleaf v. Yale Lock Mfg. Co.* (1879), 17 O. G. 625; 17 Blatch. 253; 4 Bann. & A. 583.

That profits cannot be measured by a license-fee but must be accounted for, see *Williams v. Rome, Watertown, & Ogdensburgh R. R. Co.* (1880), 2 Fed.

the same work or effecting the same saving as the patented invention, is a fair measure of its worth to him, and may, therefore, be proved.⁸ If the plaintiff's testimony supports his claims concerning the damages and profits, and the defendant has an opportunity to contradict or qualify it and he fails to do so, it is presumed to be impregnable.⁹ During the hearing the case is pending before the master and all papers must be filed with him and not in court.¹⁰ Objections to the evidence presented must also be taken to him as the evidence is offered, although he has no power to finally decide upon them, but must note both the objection and his ruling, to be reviewed in due time by the court.¹¹ Reference to the court as each question arises is improper.¹² The record of

Rep. 702; 17 O. G. 1447; 18 Blatch. 181; 5 Bann. & A. 423.

That damages may be shown by an established license fee, see *Cary v. Zell Mfg. Co.* (1889), 37 Fed. Rep. 354; *United Nickel Co. v. Central Electric R. Co.* (1888), 36 Fed. Rep. 187; also § 1059 and notes, *ante*.

That where a license fee is established with reference to the entire patent, and only certain Claims are infringed, the master must apportion the license fee according to the value of the Claims, if possible, unless the remaining Claims are merely structural, and the burden of proof is on the plaintiff to show the value of the infringed Claims, see *Willimantic Thread Co. v. Clark Thread Co.* (1886), 27 Fed. Rep. 865.

That the master must determine whether a license fee is the fair measure of the value of the invention, where the infringement took place before the license fee was established, see *Wcooster v. Thornton* (1886), 26 Fed. Rep. 274; 34 O. G. 560.

That on the question of profits evidence to show what open methods there are and their degree of advantage, is admissible, see *Black v. Thorne* (1874), 7 O. G. 176; 12 Blatch. 20; 1 Bann. & A. 155.

⁸ That the amount afterwards paid by the defendant for another device answering the same purpose as the plaintiff's may show the value of the latter to him, see *Sargent v. Yale Lock Mfg. Co.* (1879), 17 O. G. 106; 17 Blatch. 249; 4 Bann. & A. 574.

⁹ That where the plaintiff makes out a *prima facie* case as to the amount of profits and the defendant has an opportunity to vary it, but does not, the presumption is that he cannot, see *Lewis v. Standard Laundry Mach. Co.* (1883), 21 Blatch. 184.

¹⁰ That after a reference to a master for account, papers are to be given to him, and not filed in court except by special order, see *Union Sugar Refinery v. Matthiesson* (1868), 3 Clifford, 146.

¹¹ That objections to the rulings of the master on the admissibility of evidence must be taken when the ruling is made, see *Troy Iron & Nail Factory v. Corning* (1869), 3 Fisher, 497; 6 Blatch. 328.

¹² In *Lull v. Clark* (1884), 22 Blatch. 207, Coxe, J. : (208) "He [the master] occupies, for the time being, the position of the court, and is not to be continually interfered with while discharging his duties to the best of his ability. It would create intolerable de-

the proceedings, which accompanies his report, must bring them all at once to the attention of the court, that at the hearing on the exceptions all may be determined.¹³ After the draft report is filed no evidence can be received.¹⁴

§ 1158. **Exceptions to the Report of the Master concerning the Amount of Profits.**

Having submitted his draft report to the parties, and having heard their objections and reconsidered his conclusions, the master may file his final report at any time without an order from the court.¹ Exceptions to the final report cannot be made on any question which was closed by the decree referring the case to the master, nor on any ruling as to the admissibility of evidence, unless the objection was duly entered on the record, and was urged before the master after the filing of his draft report.² Errors not affecting the decisions

lays and confusion, besides putting an unnecessary burden upon the court, to hold that each time the master makes a ruling the aggrieved party may, by special motion, have it reviewed. The orderly, and it seems the generally accepted, procedure is to present all the questions arising before the master by objections and exceptions to his report." 20 Fed. Rep. 454 (455).

Further, that the rulings of the master, except in extreme cases, will not be reviewed by the court pending a reference, see *Bate Refrigerating Co. v. Gillette* (1886), 28 Fed. Rep. 673; *Welling v. La Bau* (1885), 23 Blatch. 305; 32 Fed. Rep. 293; *Union Sugar Refinery v. Matthiesson* (1868), 3 Clifford, 146.

That the examiner cannot rule on evidence, and the defendant if a witness has a right to the opinion of the court before he answers, and is not in contempt if acting under advice he refuses to answer till he has that opinion, see *Roberts v. Walley* (1882), 14 Fed. Rep. 167; 26 O. G. 107.

¹³ That the master should finish his hearing and file his draft report, and

objection can then be made, see *Union Sugar Refinery v. Matthiesson* (1868), 3 Clifford, 146.

¹⁴ That no evidence can be introduced after the master has submitted a draft of his report to one of the parties, see *Piper v. Brown* (1873), Holmes, 196; 6 Fisher, 240; 3 O. G. 97.

§ 1158. ¹ Equity Rule 83.

² In *Troy Iron & Nail Factory v. Corning* (1869), 3 Fisher, 497, Shipman, J. : (501) "But let us take the rulings of the master that were formal and peremptory, overruling or sustaining objections to the admission of evidence at the time they were made. What are the rules of practice to be observed by the party who desires to revise such rulings? First, we think an exception should always be taken on the spot to each ruling of the master which a party intends to contest. It need not then be drawn up in form, but it should be taken by giving notice to the master, and it is his duty to note the facts in his minutes. This is a familiar rule, constantly applied in other trials, and we see no reason why it

of the master afford no ground for exceptions, nor can exceptions be sustained when the report conforms to the decree,

should not be adhered to in hearings before masters. . . . The reason of this rule is founded in the interest of justice, as its observance tends to narrow the limits of controversy; for if the party in whose favor a ruling is made is notified that an exception is taken, and the question is to be revised, he can waive the point and admit or withdraw the evidence, as the case may be, and thus avoid future controversy and delay over it. It may be said that this can have no application to the instances on this hearing, where the master admitted evidence objected to, and reserved the questions arising on the objections. As we have already intimated, it is not always easy to determine what precise disposition was made by the master of many of these reserved questions. But if he omitted to decide them, or ultimately decided them incorrectly, the first opportunity should have been taken to except to his omissions or alleged errors in this particular. This opportunity, if not presented before, occurred when the draft report was served, and the parties filed their objections thereto. None of these errors are embraced in the objections then filed. Exceptions to these rulings appear for the first time among those presented to the master's final report, although some of them were made years before either the draft or final report was drawn up. It would seem from the authorities that if it is proper to except at all to the master's final report, for rulings admitting or rejecting evidence, this can only be done where objections of the same kind have been made to the draft report." 6 Blatch. 328 (331).

In *Union Sugar Refinery v. Matthieson* (1868), 3 Clifford, 146, Clifford, J.: (148) "The better practice, as the court thinks, is for the master to complete

his investigations under the rules prescribed by the Supreme court, and in accordance with the usual course of proceeding in equity cases in this circuit. The usual course is that the master allow both parties, if they desire, to introduce testimony upon the subject of damages. He hears them fully, and when he has taken all the testimony, heard the parties, and come to a conclusion, he makes a draft of his report in the premises, and shows it to the parties, or files it in the clerk's office, and gives time for the parties respectively, if they see fit, to make their objections to the drafted report. When those objections are made it becomes his duty to consider or reconsider, as the case may be, the questions involved in those objections; and if, upon full consideration, he is still of the opinion that he was right in the conclusions formed and stated in the drafted report, he then makes his final report, and the parties have a right to file their exceptions to the final report, founded upon the previous objections made to the draft report; and then the whole matter comes back to the Circuit court for adjudication upon the master's report. Either party may set down the case for hearing upon the exceptions to the master's report. Both parties may except; both may object in the first instance to the draft report, and both parties may afterwards except to the final report. They are entitled to be heard upon all the questions which have arisen before the master, provided they are embraced in their objections and in their exceptions. When the exceptions are filed, if either party desires the evidence to be reported, they request the master to report it in whole or in part, as the case may be. It is the usual course for the master to comply with such a request; but if

though the decree itself may be amended when erroneous, and the report then correspondingly corrected.³ Exceptions must point out the defects in the report, and must direct the attention of the court to those portions of the evidence or the record in which they appear.⁴ The conclusions of the master concerning matters of fact cannot be reviewed, unless the entire testimony is presented to the court.⁵

neither party makes the request, it is not incumbent upon the master to report the evidence at all. He may or may not, in his discretion, as he sees fit. If he does report the evidence at the request of one or both parties, it then becomes the duty of the court, if there be proper exceptions, to review the questions of fact embraced in the report as well as the questions of law. But if the evidence is not reported, the court does not review the facts, but simply re-examines the questions of law. Such has been the practice in this circuit as far back as the knowledge of the justices now holding the court extends; and there has been no departure from the practice since either of us came into the court, within the recollection of either member of it."

That an exception to a principal finding by a master is not waived by not making the exception before the master, see *Jennings v. Dolan* (1887), 29 Fed. Rep. 861; 38 O. G. 1018.

That where the master notified counsel that the draft reports were ready for inspection and verbal objections had been made but not written out, and the exceptions to the report are the same, these objections may be filed with the master *nunc pro tunc*, see *Fischer v. Hayes* (1883), 16 Fed. Rep. 469; 24 O. G. 304.

³ That errors not affecting the conclusions of the master's report are no ground for exceptions, see *Gottfried v. Crescent Brewing Co.* (1884), 22 Fed. Rep. 433; 30 O. G. 892.

That the report of the master, being the deputy clerk of the court, will not

be set aside on the ground that no "special reason" for his appointment is alleged under the act of March 3, 1879, if the appointment was made by consent of parties and acted on, but the consent will be entered of record as such "special reason" after the report is filed, see *Fischer v. Hayes* (1884), 22 Fed. Rep. 92; 22 Blatch. 505.

That evidence as to allowances not finally allowed is properly taken by the master and must be objected to by a motion to suppress the testimony, not by exceptions to the master's report, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764; 1 Bann. & A. 439.

That no exception can be taken when the master's report conforms to the decree, but the decree if erroneous may be resettled, see *Williams v. Leonard* (1872), 5 Fisher, 381; 9 Blatch. 476.

That on a hearing on a master's report presented for acceptance or rejection, no matter will be considered which was closed by the decree referring the case to the master, see *Whitney v. Mowry* (1870), 4 Fisher, 207.

⁴ That exceptions to the master's report must point out his errors, or the counsel must direct attention to the evidence showing them, or they will be overruled, see *Turrill v. Illinois Central R. R. Co.* (1873), 5 Bissell, 344.

⁵ That questions of fact or computation which are for the master to decide will not be reviewed on exceptions to the report, see *Hammacher v. Wilson* (1887), 32 Fed. Rep. 796.

That the report of the master will

§ 1159. **Recommittal of Report for Further Hearing or Amendment.**

The court has power to recommit the report to the master for a further hearing, or for an amendment, when it is erroneous in principle, or when the master takes a wrong view of the invention, or when it fails to complete the computation, or exhibits any other misconception in law or fact which an additional investigation may correct.¹ No recommitment will be ordered to allow either party to avail himself of objections

not be set aside on the ground that he erroneously decided a complicated question of fact where the evidence is doubtful, see *Welling v. La Bau* (1885), 32 Fed. Rep. 293; 23 Blatch. 305.

That the finding of the master on a question of fact will not be reviewed unless the whole evidence is reported, see *Piper v. Brown* (1873), 6 Fisher, 240; 3 O. G. 97; Holmes, 196.

§ 1159. ¹ That the court has power to set aside the master's report for any error in law or in fact, or to recommit it for further proceedings, or correct it when there is anything to correct it by, see *Steam Stone Cutter Co. v. Windsor Mfg. Co.* (1879) 17 Blatch. 24; 4 Bann. & A. 445.

That proceedings before a master are of nearly the same solemnity as those before the court, and his finding will not be set aside unless against the weight of evidence, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628; *Welling v. La Bau* (1888), 43 O. G. 117.

That on a supplemental accounting the master may use his report on the first accounting for all proper purposes without having it offered in evidence, see *Reed v. Lawrence* (1886), 29 Fed. Rep. 915.

That if the master's report is erroneous in principle it will be sent back for further hearing and correction, see *Faulks v. Kamp* (1882), 22 O. G. 2244; 10 Fed. Rep. 675.

That where the master takes a wrong view of the invention, and so mistakes the profits, the report will be sent back for further evidence, see *Ruggles v. Eddy* (1877), 12 O. G. 716; 2 Bann. & A. 627.

That a re-accounting will not be granted on account of trifling errors by the master as to the items of the account, see *Zano v. Peck Bros.* (1882), 23 O. G. 191; 13 Fed. Rep. 475.

That where the master's report shows the percentage of profit, but not the amount on which the percentage should be calculated, the case must be sent back for further evidence, see *Conover v. Mers* (1873), 6 Fisher, 506; 11 Blatch. 197.

That when the master's report shows that further investigation is needed, the court will order it, see *Magic Rusflo Co. v. Elm City Co.* (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

That a master's report may be re-committed in order that it may so complete the case as to raise all questions which might be found material, see *McKay v. Jackman* (1883), 24 O. G. 1177; 17 Fed. Rep. 641.

That on a reference of his report back to the master for excessive damages, he may find a license fee and report that as the measure, see *Wooster v. Simonson* (1884), 28 O. G. 918; 20 Fed. Rep. 316.

which he has already waived, or to produce testimony which he has once advertently omitted.² Before the hearing by the court on the report evidence properly objected to and inadmissible may be suppressed.³ A report awarding to the plaintiff a substantial sum, but showing on its face that no account of damages or profits which can be taken will be legally sustainable, may be set aside.⁴ When the report or the accompanying evidence discloses both the error and the means for its correction, the court may rectify the mistake without a recommittal.⁵

§ 1160. Acceptance of Report : Final Decree.

The acceptance of a report of the master, in favor of the plaintiff, is followed by a final decree awarding him the sum found by the master to be due to him as damages or profits, or both, and granting a perpetual injunction or such other equitable relief as may be necessary. Where there are several plaintiffs the decree also provides for the distribution to each of a share of the award proportioned to his interest in

² That the report of the master will not be referred back to him if there has been no inadvertence, and if no further evidence is to be had, and the objectionable evidence was duly excepted to, see *Garretson v. Clark* (1878), 14 O. G. 485 ; 15 Blatch. 70 ; 3 Bann. & A. 352.

That a finding of the master based in part on his personal examination of the apparatus at the request of the parties, and in their presence, will not be reversed, see *Piper v. Brown* (1873), *Holmes*, 196 ; 6 *Fisher*, 240 ; 3 O. G. 97.

That where the evidence as to extent of infringement is conflicting, and sufficient to warrant either conclusion, the finding of the master will not be disturbed, see *Wooster v. Thornton* (1886), 26 *Fed. Rep.* 274 ; 34 O. G. 560.

That a motion to recommit the report to the master, that he may take an account of the profits to the date of the final decree on machines enjoined subsequent to the interlocutory decree,

is not granted, since it would hinder an appeal, but the decree is so drawn as to show to what date the account was taken, see *Union Metallic Cartridge Co. v. United States Cartridge Co.* (1881), 8 *Fed. Rep.* 446.

³ That inadmissible evidence, duly objected to, may be reached by motion to suppress, see *American Nicholson Pavement Co. v. City of Elizabeth* (1874), 6 O. G. 764 ; 1 *Bann. & A.* 439.

⁴ That before the act of 1870, where an interlocutory decree gave both damages and profits and the defendant excepted to the master's report concerning them, the exception was not allowed, but the damages were struck out, see *Williams v. Leonard* (1872), 5 *Fisher*, 381 ; 9 *Blatch.* 476.

⁵ That if the evidence before the master does not sustain a charge allowed by him, it will be struck out, and such evidence must appear on the face of the report, see *American Nichol-*

the patent or the amount of his injury.¹ A report in favor of the plaintiff does not, however, bind the court nor compel it to ratify that finding on the merits which was contained in the interlocutory decree. The final decree may depart from both, and dismiss the bill for reasons apparent on the pleadings or in the evidence adduced before the master.² A final decree can be amended only during the term at which it was entered.³

§ 1161. Appeal to the Supreme Court.

Errors of law or fact committed by Federal courts of equity are corrected by an appeal to the Supreme Court of the United States.¹ This appeal lies only on a final decree dismissing the bill, or awarding damages or profits or other relief to the plaintiff after the acceptance of the master's report; but all prior orders and decrees, on matters not within the discretion of the court, are thereby brought up for review.² An appeal may be taken in any case arising under

son Pavement Co. v. City of Elizabeth (1874), 6 O. G. 764; 1 Bann. & A. 439.

§ 1160. ¹ That the final decree should provide for the distribution of the profits or damages awarded to the respective parties in interest, see *Campbell v. James* (1880), 18 Blatch. 92; 5 Bann. & A. 354; 18 O. G. 1111; 2 Fed. Rep. 338.

That a decree will not issue against the officers of a corporation as individuals where the corporation is solvent, and they do not as individuals violate or threaten to violate the patent, see *Howard v. St. Paul Plow Works* (1888), 45 O. G. 1067.

That the defendant will not be ordered to deliver up the infringing articles to be destroyed, except perhaps in some peculiar cases, see *American Bell Telephone Co. v. Kitsell* (1888), 35 Fed. Rep. 521.

² That although an interlocutory decree is given for the plaintiff, yet if on the return of the master's report it ap-

pears that he ought not to recover, the final decree may be for the defendant, see *Steam Stone Cutter Co. v. Sheldon* (1884), 22 Blatch. 484; 21 Fed. Rep. 875; *Spill v. Celluloid Mfg. Co.* (1884), 22 Blatch. 441; 29 O. G. 773; 22 Fed. Rep. 94; *Wooster v. Handy* (1884), 22 Blatch. 307; 28 O. G. 629; 21 Fed. Rep. 51.

That if a re-issue is improper, the bill will be dismissed even after the report of the master on an interlocutory decree for the plaintiff, see *American Diamond Drill Co. v. Sullivan Mach. Co.* (1884), 22 Blatch. 298; 28 O. G. 811; 21 Fed. Rep. 74.

That the dismissal of a bill, after evidence taken, on the stipulation that such evidence may be used in any future suit on that patent, is allowable, and is not a dismissal on the merits, see *Brush v. Condit* (1884), 22 Blatch. 246; 28 O. G. 451; 20 Fed. Rep. 826.

³ See Equity Rule 88.

§ 1161. ¹ Sec. 692, Rev. Stat.

² That appeal lies only from a final

the Patent Laws without reference to the amount involved, unless the questions at issue relate merely to the taxation of costs, concerning which no appeal is entertained if the costs in controversy are less than two thousand dollars.³ Any party aggrieved by the alleged error, and having a distinct interest, may move for an appeal within two years after the entry of the final decree; but if the appeal is to operate as a *supersedeas*, the motion must be made within sixty days, and security be given by the appellant sufficient to cover the award, if any, to the prevailing party, with his costs and damages for the delay.⁴ A notice to the adverse party to appear

decree, see *Hayes v. Fischer* (1880), 102 U. S. 121.

That a decree cannot be appealed from until after the return of the master's report, see *Potter v. Mack* (1868), 3 Fisher, 428.

That a decree referring the case to a master for an account or damages, but not dismissing the bill or decreeing costs, is not a final decree from which appeal lies to the Supreme court, though a perpetual injunction was granted, see *Barnard v. Gibson* (1849), 7 How. 650.

That the decision of the Circuit court, affirming or denying simply, is a judgment from which an appeal lies to the Supreme court, see *Barker v. Stowe* (1882), 22 O. G. 259; 11 Fed. Rep. 303; 20 Blatch. 185.

That the damage caused by a perpetual injunction does not make it the subject-matter of an appeal, see *Barnard v. Gibson* (1849), 7 How. 650.

³ That in patent cases an appeal lies without reference to the amount, see *Philip v. Nock* (1871), 13 Wall. 185; *Wilson v. Sandford* (1850), 10 How. 99; *Allen v. Blunt* (1846), 2 W. & M. 121; 2 Robb. 530.

That the Supreme court will not examine into the merits of any decree, on an appeal by the plaintiff, where the only question is one of costs, see *Elastic Fabrics Co. v. Smith* (1879), 100 U. S. 110.

That an appeal will lie to the Supreme court on a question of costs, not involving the interpretation of the Patent Laws, only when the amount is over two thousand dollars, see *Sizer v. Many* (1853), 16 How. 98.

⁴ That any party aggrieved may appeal though he has been added since proceedings commenced, see *Ex parte Jordan* (1876), 94 U. S. 248; *Ex parte Cutting* (1876), 94 U. S. 14; *Sage v. Central R. R. Co.* (1876), 93 U. S. 412.

That any defendant can appeal to the Supreme court though the defendants in previous cases have not done so, see *Potter v. Whitney* (1866), 3 Fisher, 77; 1 Lowell, 87.

That after the Supreme court has passed on one case on its merits it will not hear arguments on technical points of pleading in another branch of the same case in another State, between those who were privies to the former case, see *Smith v. Ely* (1853), 15 How. 137.

That if an appeal does not operate as a *supersedeas*, security should be required of the appellant in twice the amount of the costs that the appellee may recover, but if the appeal does operate as a *supersedeas* then the security should be twice the value of all that is to be recovered unless it is otherwise secured, see *American Nicholson Pavement Co. v. City of Elizabeth*

is necessary, unless the appeal is taken in open court during the term at which the decree was granted.⁵ No error of law will be considered in the court above except those apparent on the record and duly and specifically assigned.⁶ Questions of fact are heard and determined upon the evidence sent up with the record from the court below;⁷ or an agreed statement of facts may be submitted presenting the points on which the judgment of the court is sought.⁸ Collusive appeals, how-

(1874), 6 O. G. 772; 1 Bann. & A. 463.

That an appeal may be taken within two years unless it is to operate as a *supersedeas*, see Sec. 1008, Rev. Stat.

That where an appeal operates as a *supersedeas* it must be moved for within sixty days, see Secs. 1007, 1012, Rev. Stat.

⁵ That notice of the appeal must be given to the adverse party, see *R. R. Co. v. Blair* (1879), 100 U. S. 661.

That if the appeal is taken in open court at the same term no citation is necessary, see *Milner v. Meek* (1877), 95 U. S. 252.

⁶ That on appeal no error can be assigned unless it is apparent on the record, see *Bates v. Coe* (1878), 98 U. S. 31; 15 O. G. 337; *Roemer v. Simon* (1877), 95 U. S. 214; 12 O. G. 796.

That an assignment of error that the "patent is invalid," without pointing out the defect, is insufficient, see *Marsh v. Seymour* (1877), 97 U. S. 348; 13 O. G. 723.

⁷ That on an appeal a patent not introduced below cannot be offered, see *Thomson v. Wooster* (1885), 114 U. S. 104; 31 O. G. 913.

That on appeal to the Supreme court only the printed matters can be used at the hearing, and delay will not be granted for the printing of papers which ought not to have been sent up at all, see *Craig v. Smith* (1879), 100 U. S. 226; 17 O. G. 145.

That the lower court should send up

what was read or inspected below, not what was merely presented, like the affidavits in support of a bill of review, see *Craig v. Smith* (1879), 100 U. S. 226; 17 O. G. 145.

That affidavits taken before the master or the court below as grounds of application to open proofs cannot be taken as evidence before the court on appeal, see *Thomson v. Wooster* (1885), 114 U. S. 104; 31 O. G. 913.

That copies only should be sent up and the originals kept in the court where they belong, unless in the opinion of the court below they require inspection above, see *Craig v. Smith* (1879), 100 U. S. 226; 17 O. G. 145.

That papers which ought to have been copied into the transcript and are sent up as originals will not be noticed, see *Craig v. Smith* (1879), 100 U. S. 226; 17 O. G. 145.

That the record for the Supreme court must set out the account of profits if any has been taken, see *Illinois Central R. R. Co. v. Turrill* (1876), 94 U. S. 695; 12 O. G. 709.

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.

⁸ That cases may be brought to the Supreme court on an agreed statement of facts, see *Stimpson v. Baltimore & Susquehanna R. R. Co.* (1850), 10 How. 329.

ever, are not tolerated; and if, pending an appeal taken in good faith, such compromises are effected between the parties as to leave no real contest subsisting, the court will refuse further cognizance of the appeal.⁹ Unless dismissed on these or other grounds of impropriety, an appeal results in the affirmation of the decree of the Circuit court, or in its modification or reversal, whereupon a mandate issues to the court below, in pursuance of which further proceedings are conducted.¹⁰

§ 1162. **Costs in Equity: when Taxed and in Whose Favor.**

In equity costs are divided, awarded, or denied by the court as justice may require.¹ They do not follow the judgment as a matter of right, and, unless granted in the decree, they cannot be recovered.² *Prima facie*, however, the prevailing party is entitled to his costs, and the burden of proof rests upon his adversary to show that such allotment would be inequitable.³ A full taxation of the costs cannot take

⁹ That where the appellants, pending the appeal, purchased the opposing patents and gave the parties stock in the defeated corporation, but did not compromise the damages, the appeal was dismissed, there being no longer any real controversy, see *Wood Paper Co. v. Heft* (1869), 8 Wall. 333.

That when it appears that an appeal is collusive, the decree of affirmance in the Supreme court will be set aside, and the order to the Circuit court recalled, see *Gardner v. Goodyear Dental Vulcanite Co.* (1873), 3 O. G. 295; 6 Fisher, 329.

¹⁰ That on an appeal if the Supreme court reverses the decision of the Circuit court, sustaining the patent, it may also reverse such orders and judgments for contempt as embrace an award of damages or profits to the plaintiff, see *Worden v. Searls* (1887), 121 U. S. 14; 39 O. G. 359.

That where no notice was given of the defence of priority and the evidence

was heard as to it against the plaintiff's objection, judgment will be reversed in the Supreme court, though the plaintiff did not appeal on that ground, see *Blanchard v. Putnam* (1869), 8 Wall. 420.

That an appeal from a final decree providing for payment of the master's fees does not suspend the order for their payment, see *Myers v. Dunbar* (1874), 8 O. G. 321; 1 Bann. & A. 565; 12 Blatch. 380.

§ 1162. ¹ That in equity the court will divide, award, or deny costs as justice requires, see *Troy Iron and Nail Factory v. Corning* (1872), 6 Fisher, 85; 10 Blatch. 223.

² That in equity costs do not follow as a matter of right, and must be awarded in the decree or they will not be recoverable, see *Coburn v. Schroeder* (1881), 8 Fed. Rep. 521; 20 O. G. 1085; 19 Blatch. 493.

³ That costs are always awarded to the successful party unless his own con-

place until the final decree, though special costs may be allowed on interlocutory orders during the course of the proceedings.⁴ Full costs will be decreed in favor of the plaintiff when the substantive issues raised on the accounting were decided in accordance with his claims; though where the defendant was willing, at the outset, to pay the net profits, and the costs of the accounting have thus been unnecessarily made by the plaintiff, each party is compelled to bear his own costs and one-half the master's fee.⁵ The same division of the

duct would render it inequitable and unjust, see *Bunker v. Stevens* (1885), 26 Fed. Rep. 245; 36 O. G. 345.

That in equity costs are *prima facie* taxable to the prevailing party, but not if inequitable in whole or in part, though the burden of proof rests upon the party objecting to them, see *Hovey v. Stevens* (1846), 3 W. & M. 17; 2 Robb, 567.

That no costs will be taxed in equity when neither party fully prevails, see *Hayes v. Bickelhaupt* (1885), 29 O. G. 368; 21 Fed. Rep. 567.

* That costs cannot be fully taxed or execution issue until final decree, and an appeal or *supersedeas* will stay the execution, see *Cohurn v. Schroeder* (1881), 20 O. G. 1085; 8 Fed. Rep. 521; 19 Blatch. 493.

That in taxing costs a "final hearing" is the submission of a case for judgment after issue, see *Goodyear Dental Vulcanite Co. v. Osgood* (1878), 13 O. G. 325; 2 Bann. & A. 529.

That equity may allow costs on interlocutory orders before final decree, see *Avery v. Wilson* (1884), 20 Fed. Rep. 856.

⁶ That if the plaintiff prevails in the issues raised on the accounting, the defendant must pay the whole cost, see *Urner v. Kayton* (1883), 17 Fed. Rep. 845.

That where the plaintiff prevails on one of two patents in suit he must have a decree, but costs are at the discretion

of the court, and may be apportioned, see *Pennsylvania Diamond Drill Co. v. Simpson* (1886), 37 O. G. 218; 29 Fed. Rep. 288.

That a bill being dismissed as to one patent and sustained as to the other, costs were allowed to neither party, see *Schmid v. Scovill Mfg. Co.* (1889), 39 Fed. Rep. 345; *Fay v. Allen* (1885), 24 Fed. Rep. 804; 32 O. G. 1355; *Everest v. Buffalo Lubricating Oil Co.* (1884), 28 O. G. 1101; 20 Fed. Rep. 848; *Adams v. Howard* (1884), 26 O. G. 825; 19 Fed. Rep. 317; 22 Blatch. 47.

That when a re-issue is held invalid in part, costs may be divided, see *Yale Lock Co. v. Sargent* (1886), 117 U. S. 536; 35 O. G. 497.

That if the defendants have infringed and there has been no unreasonable delay in disclaiming, a disclaimer may be filed, and an injunction issue, and an account be ordered, but no costs can be recovered, see *Hake v. Brown* (1889), 37 Fed. Rep. 783; *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117; *Hayes v. Bickelhaupt* (1885), 23 Fed. Rep. 183; 32 O. G. 135; *Myers v. Frame* (1871), 4 Fisher, 493; 8 Blatch. 446.

That a plaintiff disclaiming pending suit cannot recover costs, but may have an injunction, each party paying his own costs, without previous record of the disclaimer in the Patent Office, see *Aiken v. Dolan* (1867), 3 Fisher, 197.

That one Claim being disclaimed, a

costs is ordered where the plaintiff, by exaggerating his demands, has wasted time in the accounting, and has finally recovered but a small amount.⁶ When the master reports no profits or substantial damages, and nominal damages alone are, therefore, given to the plaintiff, costs are allowed him up to and including the interlocutory decree, while the costs of the accounting are awarded to the defendant; one being set off against the other, and the balance recovered by the proper party.⁷ A similar disposition of the costs is made when a report of damages or profits is reversed.⁸ The de-

decree without costs may be had on the others, see *Christman v. Rumsey* (1879), 17 Blatch. 148; 17 O. G. 903; 4 Bann. & A. 506; 58 How. Pr. 114.

That where one Claim of a re-issue is too broad, a decree may be had on the other without costs, on filing a disclaimer, see *Tyler v. Galloway* (1882), 20 Blatch. 445; 22 O. G. 2072; 12 Fed. Rep. 567.

That where the patent claims old features, the disclaimer must be filed before suit or no costs will be allowed, see *Tuck v. Bramhill* (1868), 3 Fisher, 400; 6 Blatch. 95; *Singer v. Walmsley* (1860), 1 Fisher, 558.

That if the defendants were willing at the outset to pay the net profits, and the plaintiff has made the costs, each party must pay his own costs and one half the master's fee, see *Ford v. Kurtz* (1882), 12 Fed. Rep. 789; 11 Bissell, 324.

⁶ That where the plaintiff exaggerated his claims, and wasted much time, and recovered only a small amount, costs were allowed to fall on each party, and the master's fee was paid by both equally, see *Troy Iron and Nail Co. v. Corning* (1872), 10 Blatch. 223; 6 Fisher, 85.

That though the patent is sustained and an accounting is had, if the plaintiff knew that nothing could be allowed him as profits or damages, he must pay

the cost of the accounting, see *Hill v. Smith* (1887), 32 Fed. Rep. 753.

⁷ That where nominal damages are allowed, costs will be taxed for the plaintiff up to the reference to the master, after that for the defendant, see *Kirby v. Armstrong* (1881), 19 O. G. 661; 5 Fed. Rep. 801; 10 Bissell, 135; *Ingersoll v. Musgrove* (1878), 13 O. G. 966; 14 Blatch. 541; 3 Bann. & A. 304.

That when the master reports only nominal damages on a decree *pro confesso*, and the plaintiff excepts to the report, and the exceptions are overruled, costs will be allowed him only up to and including the interlocutory decree, and the defendant will be allowed costs thereafter, the one to be set off against the other and the balance only recovered, see *Fisk v. West, Bradley, & Cary Mfg. Co.* (1880), 19 O. G. 545.

That on an award of nominal damages the cost of the reference, the master's fees, and the hearing on the report, fall on the plaintiff, see *Everest v. Buffalo Lubricating Oil Co.* (1887), 31 Fed. Rep. 742.

That where nominal damages are allowed, costs will be awarded according to the circumstances of the case, see *Calkins v. Bertrand* (1881), 8 Fed. Rep. 755; 10 Bissell, 445.

⁸ That when the assessment of dam-

defendant has his costs on the dismissal of the bill either at the interlocutory or the final hearing, unless the cause has been to his advantage by defining his rights and protecting him from future interference, and the action was in good faith instituted by the plaintiff.⁹ No costs are thus taxed in his favor when the patent is found invalid, and the bill is dismissed, on the ground of the inventor's acquiescence in more than two years' public use or sale while ignorant of his legal rights.¹⁰ When evidence not covered by the notice in the answer is admitted on amendment by agreement, and the defendant finally prevails, the costs which had accrued to him before the hearing cannot be recovered.¹¹ On the dismissal of a bill and cross-bill, the costs, being equal, are not taxed for either party.¹² All persons who are entered on the record as plaintiffs or defendants are liable for any costs that may be decreed against them. Claims not in issue will not be adjudicated merely to settle questions as to costs.¹³

ages is reversed the plaintiff will be allowed costs up to and including the interlocutory decree, and the defendant afterwards, see *Dobson v. Hartford Carpet Co.* (1885), 114 U. S. 439 ; 31 O. G. 787.

⁹ That no costs will be allowed to the defendant when the bill is dismissed, if the defendant is really benefited by it, as when his own rights are definitely settled, see *Smith v. Woodruff* (1873), 4 O. G. 635 ; 6 Fisher, 476.

That costs may be denied the defendant where his own conduct led the plaintiff into the controversy, see *Bunker v. Stevens* (1885), 26 Fed. Rep. 245 ; 36 O. G. 345.

¹⁰ That where the patent is found invalid, and the bill is dismissed on the ground of the plaintiff's acquiescence in the public use and sale of his invention, in ignorance of his legal rights and duties, no costs will be taxed against him,

see *Sisson v. Gilbert* (1871), 5 Fisher, 109 ; 9 Blatch. 185.

¹¹ That where evidence not covered by the notice is admitted upon an amendment of the notice by agreement, the defendant can have no costs up to the hearing, see *Roberts v. Buck* (1873), 3 O. G. 268 ; Holmes, 224 ; 6 Fisher, 325.

¹² That no costs will be allowed on dismissing the bill and cross-bill, they being nearly equal, see *Prime v. Brandon Mfg. Co.* (1879), 16 Blatch. 453 ; 4 Bann. & A. 379.

¹³ That claims not in issue will not be contested merely to settle costs, see *American Bell Telephone Co. v. Spencer* (1881), 20 O. G. 299 ; 8 Fed. Rep. 509.

That a decree will not be reviewed on appeal for the mere purpose of settling a question of costs, see *Union Paper Bag Mach. Co. v. Nixon* (1882), 105 U. S. 766 ; 21 O. G. 1275.

§ 1163. Items of Taxable Costs.

The items of costs recoverable in equity are substantially identical with those taxable at law, so far as the essential differences in procedure will permit. The fees of the clerk, the marshal, and the witnesses, the cost of the pleadings, the expenses incurred for models or copies of models in the Patent Office, or for transcripts of assignments when procured by the defendant, and for necessary telegraphing, are among the items usually allowed.¹ A docket-fee is taxed in every case where a final decree is entered after a replication has been filed, and though several cases are by agreement heard together and one decree is passed deciding all, a docket-fee in each case may be awarded.² Depositions taken in another case and in the present one admitted by consent, the cost of printing the pleadings, evidence, or arguments for the convenience of the court, the expense of making or procuring copies of models not on deposit in the Patent Office, or copies of patents or drawings obtained as evidence for his own use by the defendant, are not included in the items taxed.³ The

§ 1163. ¹ As to the usual items taxed as costs, see § 1080 and notes, *ante*.

² That any final decree after replication is a final hearing under Sec. 284, Rev. Stat., for the purpose of a docket-fee, see *Goodyear Dental Vulcanite Co. v. Osgood* (1877), 13 O. G. 325; 2 Bann. & A. 529.

That where several cases are heard together by agreement and one decree is entered for all, a docket-fee will be taxed in each case, see *Goodyear Dental Vulcanite Co. v. Osgood* (1877), 13 O. G. 325; 2 Bann. & A. 529.

That where a case is dismissed on motion of the plaintiff after issue and interlocutory decree on the merits, a docket-fee will be taxed, see *Goodyear Dental Vulcanite Co. v. Osgood* (1877), 13 O. G. 325; 2 Bann. & A. 529.

That no docket-fee will be taxed for an attorney who did not enter on the docket before the filing of the general

replication, or who has not been admitted to the Supreme court or to some Circuit court, see *Goodyear Dental Vulcanite Co. v. Osgood* (1877), 13 O. G. 325; 2 Bann. & A. 529.

That no attorney's docket-fee is to be taxed for attendance on an order of reference to a master, see *Doughty v. West, Bradley & Cary Mfg. Co.* (1870), 4 Fisher, 318; 8 Blatch. 107.

That a docket-fee and certified copies of file-wrappers, &c., are not taxable for the defendant where the bill is dismissed after the cause was at issue and noticed for hearing, see *Ryan v. Gould* (1887), 41 O. G. 1392.

³ That officers of an infringing corporation who appear as witnesses on an accounting, cannot have their mileage and attendance taxed as costs, see *American Diamond Drill Co. v. Sullivan Mach. Co.* (1885), 32 Fed. Rep. 552.

That when evidence is taken to be

master's fee is payable by the defendant on the return of the report, and may be recovered by him from the plaintiff if the bill is finally dismissed; though in some districts it is the custom to charge it to the plaintiff, and tax it in his costs against the defendant.⁴

used in two cases its cost will be divided between them, see *Thayer v. Hart* (1884), 80 O. G. 776.

That depositions taken in another case against other defendants and admitted in the present one by consent, though under the same patent, were not taxed, but a solicitor's fee of \$2.50 was allowed in each, see *Wooster v. Handy* (1885), 23 Fed. Rep. 49; 23 Blatch. 113. See this case for several other rulings on items of cost.

That the expense of printing evidence for the convenience of the court will not be taxed against the losing party, see *Spaulding v. Tucker* (1871), 4 Fisher, 633.

As to other items not taxed, see § 1080 and notes, *ante*.

⁴ That the master's fee may be collected, in the first instance, from the defendant by order of court, and by him recovered as costs on a final decree in his favor, see *Urner v. Kayton* (1883), 24 O. G. 1178; *Myers v. Dunbar* (1874), 8 O. G. 321; 12 Blatch. 380; 1 Bann. & A. 565.

That the order of court for payment of the master's fees and such other costs must be literally obeyed, see *Myers v. Dunbar* (1874), 8 O. G. 321; 12 Blatch. 380; 1 Bann. & A. 565.

That the fees of the master are not to exceed the fees allowed by the statutes to a commissioner in a like reference, though in some difficult cases it may be greater, see *Doughty v. West, Bradley & Cary Mfg. Co.* (1870), 4 Fisher, 318; 8 Blatch. 107.

That ten dollars a day may be allowed

the master in peculiar cases, see *Doughty v. West, Bradley & Cary Mfg. Co.* (1870), 4 Fisher, 318; 8 Blatch. 107.

That the clerk has no power to fix the compensation of the master, see *Doughty v. West, Bradley, & Cary Mfg. Co.* (1870), 4 Fisher, 318; 8 Blatch. 107.

That where the interlocutory decree for the plaintiff is set aside on rehearing or final decree, the master's fees paid by the defendant are taxable as costs against the plaintiff, but the court, not the clerk, should tax them, see *American Diamond Drill Co. v. Sullivan Mach. Co.* (1885), 32 Fed. Rep. 552.

That in Massachusetts the master's fee for taking the account is charged in the first instance to the plaintiffs, and recovered by him as costs against the defendant if he prevails, see *Macdonald v. Shepard* (1882), 10 Fed. Rep. 919.

That the master is an officer of the court and is entitled to his compensation irrespective of the result of the suit, see *Myers v. Dunbar* (1874), 8 O. G. 321; 1 Bann. & A. 565; 12 Blatch. 380.

That costs being once equitably taxed by consent, the consent cannot be withdrawn when the master's report comes in, see *Holbrook v. Small* (1878), 17 O. G. 55; 3 Bann. & A. 625.

That no costs will be taxed as to the exceptions to a master's report when all were overruled by the court, see *Troy Iron & Nail Factory v. Corning* (1872), 6 Fisher, 85; 10 Blatch. 223.

§ 1164. Bill of Review.

A final decree in equity, if unappealed from or affirmed upon appeal, permanently concludes the parties on all matters covered by its terms, unless reversed by a bill of review. A bill of review may be filed, by leave of the court, for errors of law apparent on the record, and without leave of the court for errors in fact disclosed by the discovery of new evidence.¹ When based upon alleged errors of law, the bill serves the same purpose, and is governed by the same general principles, as a writ of error, and must be filed within the time allowed for that proceeding.² If intended to correct errors in fact, and for that end to introduce new evidence, it occupies the same position and is guided by the same rules as an application for a new trial.³ On such a bill the court may permit additional testimony to be offered, and new instances of prior use to be alleged and shown; but if the party, although duly notified, was voluntarily absent from the former trial, or if the new evidence suggested could have been discovered by diligent attention to the matters brought out in the previous hearing, the bill will be dismissed and the relief denied.⁴ A decree by consent cannot be reversed on a bill of review, unless the consent has been obtained by fraud.⁵ The bill must show that the new facts to be produced are material

§ 1164. ¹ As to the nature and object of a Bill of Review, see Story Eq. Pl. §§ 403-428.

² That a bill of review based on errors of law follows the rules governing writs of error, see *Clark v. Killian* (1880), 103 U. S. 766.

³ That a bill of review based on errors of fact is governed by the same rules as a petition for a new trial, see Story Eq. Pl. §§ 412-419.

⁴ That courts may, in their discretion, allow newly discovered evidence to be introduced on a bill of review, but the power is to be exercised cautiously and only when necessary to justice, see *Craig v. Smith* (1879), 100 U. S. 226; 17 O. G. 145.

That on a bill of review new instances

of prior use may be alleged and shown, if the bill is filed more than thirty days before the final submission, see *Craig v. Smith* (1879), 100 U. S. 226; 17 O. G. 145.

That if the plaintiff fails to appear at the trial and the court examines the pleadings, proofs, and exhibits, and decrees for the defendant, a bill of review cannot be sustained unless it alleges new matter or an error on the record, see *Irwin v. Meyrose* (1381), 2 McCrary, 244; 7 Fed. Rep. 533. This case contains a discussion of bills of review and decisions thereon.

⁵ That a decree by consent cannot be set aside by a bill of review, see *In re Pentlarge & Beeston* (1879), 17 Blatch. 306; 4 Bann. & A. 607.

to some issue covered by the decree; that, if the testimony is received, the decree upon this issue will be more favorable to the petitioner; and that he had employed due diligence in the investigation and presentation of his evidence at the former trial.⁶ If the bill is sustained, the decree is opened and a new hearing takes place, upon which the decision, and if necessary the new reference and accounting, will proceed.

§ 1165. Bill of Revivor.

When by the death of either of the parties a suit-in equity becomes abated, a bill of revivor will restore it and permit the court to proceed to its determination.¹ A bill of revivor can be filed only by or against the personal representatives, as distinguished from the assignee or devisee, of the deceased party, and only when the death does not prevent the court from granting the desired relief.² Thus if the original bill prays for an injunction and account, and the defendant dies before the final decree, though an injunction is no longer possible, a bill of revivor will perpetuate the suit against his representatives and enable the plaintiff to secure his damages and profits against the estate.³ A devisee, although

⁶ That a petition for leave to file a supplemental bill in the nature of a bill for a review must show that the petitioner could not with reasonable diligence have discovered the alleged new matters before the hearing and decision, and that the new matter is material, see *Spill v. Celluloid Mfg. Co.* (1884), 22 Blatch. 441; 29 O. G. 773; 22 Fed. Rep. 94.

That a bill of review will not be granted when the petitioner could, by diligent attention to the exhibits attached to the original bill, have found out what he now relies on as new matter, or where the court is satisfied that the decree will be the same, see *Rubber Co. v. Goodyear* (1869), 9 Wall. 805.

§ 1165. ¹ Equity Rule 56.

That where the defendant dies pending suit, a bill of revivor may be filed against his representatives, see *Hohorst*

v. Howard (1888), 37 Fed. Rep. 97; *Kirk v. Du Bois* (1886), 28 Fed. Rep. 460; 37 O. G. 102; *Smith v. Baker's Adm'rs* (1874), 5 O. G. 496; 10 Phila. 221; 1 Bann. & A. 117.

² That a bill of revivor is not to be filed by the assignee of the original complainant, but only by the legal representatives of a deceased party, see *Metal Stamping Co. v. Crandall* (1880), 18 O. G. 1531.

That a bill of revivor will lie only where the cause of action would survive, see *Story Eq. Pl. § 356*.

³ That where a decree fixing the liability of a defendant is rendered during his lifetime, the suit will survive, see *Atterbury v. Gill* (1877), 13 O. G. 276; 2 Flippin, 239; 3 Bann. & A. 174.

That on the death of a defendant, pending a bill for an injunction and account, a bill will lie against his rep-

unable to avail himself of a bill of revivor, may file an original bill of the same character, and obtain thereby the benefit of the previous proceedings.⁴ An action abated by any other event than the death of a party, if the cause of action still exists, may be restored in a similar manner by a bill in the nature of a bill of revivor.⁵

§ 1166. Bill to Perpetuate Testimony.

Auxiliary to actions for infringement are two other equitable proceedings: a Bill to Perpetuate Testimony, and a Bill of Discovery. A bill to perpetuate testimony is required whenever it becomes apparent that on a future action, which the proper plaintiff refuses to commence or which he cannot yet begin, certain evidence will be important, and that, though now available, this evidence may at that time be beyond the reach of the petitioner.¹ Upon this bill, its allegations being sustained by proof, the court will cause the testimony to be taken in some suitable manner, and preserved among the records of the court, until it may be needed at the trial.²

§ 1167. Bill of Discovery.

A bill of discovery is a bill praying for the compulsory disclosure of certain facts within the knowledge of the re-

representatives to revive the suit and obtain an account, see *Smith v. Baker's Admrs.* (1874), 5 O. G. 496; 1 Bann. & A. 117; 10 Phila. 221.

That under Rule 56 a bill of revivor filed by an administrator when the defendant died after the interlocutory decree against him, and while the case was before the master for an award, does not revive the case unless the court so orders, see *Atterbury v. Gill* (1877), 13 O. G. 276; 2 Flippin, 239; 3 Bann. & A. 174.

⁴ That a devisee is unable to obtain a bill of revivor, though he may have relief and the benefit of the prior proceedings on filing an original bill in the nature of a bill of revivor, see *Story Eq. Pl. §§ 377-379.*

⁵ Equity Rule 56.

That the death of a patentee after an appeal does not abate the suit, see *Illinois Central R. R. Co. v. Turrill* (1884), 110 U. S. 301; 26 O. G. 917.

§ 1166. ¹ As to the object and nature of a Bill to Perpetuate Testimony, see 2 *Story Eq. Jur. §§ 1505-1516.*

That a bill for the perpetuation of testimony will not be granted where a suit can at once be brought by the petitioner, see *New York & Baltimore Coffee Polishing Co. v. New York Coffee Polishing Co.* (1881), 9 *Fed. Rep.* 578; 20 *Blatch.* 174.

² As to the form of and proceedings in a Bill to Perpetuate Testimony, see *Story Eq. Pl. §§ 300-310.*

spondent, or the production of certain documents or other articles within his custody or control.¹ It is ordinarily employed only in aid of suits at law, or as collateral or introductory to other equitable proceedings.² The bill must aver some right in the petitioner which the discovery might help to vindicate, and demand information which might constitute a ground for some claim or defence in the principal action.³ The respondent named must be a party to such action, and not simply a witness.⁴ A corporation may be called upon for a discovery by this proceeding and must answer; but if a disclosure under oath is to be ordered, its officers must also be made parties.⁵ Under a mere bill of discovery, the petitioner can obtain no other assistance than the disclosure for which he asks; but if his bill contains a prayer for general

§ 1167. ¹ As to the nature and object of a Bill of Discovery, see 2 Story Eq. Jur. §§ 689-691, 1480-1504; Equity Rules, 40-44.

For a discussion of the value and employment of bills of discovery, see *Colgate v. Compagnie Française* (1885), 23 Blatch. 86; 23 Fed. Rep. 82.

² That a bill of discovery of royalties due is not allowable except in aid of an action at law, the legal remedy being sufficient, see *Perkins v. Hendryx* (1885), 23 Fed. Rep. 418.

That a court of law cannot compel the defendant to allow an inspection of his methods as equity can, and thus a bill of discovery in aid of a suit at law is proper, see *Colgate v. Compagnie Française* (1885), 23 Fed. Rep. 82; 23 Blatch. 86.

That a bill of discovery will lie in the Circuit court, as ancillary to a suit for infringement, irrespective of citizenship, see *Kendall v. Winsor* (1860), 6 R. 1. 453.

³ That a bill of discovery must aver a title to be aided by the discovery, and if it is imperfect it cannot be treated as a bill for general relief, see *Young v. Colt* (1852), 2 Blatch. 373.

That a defendant cannot demand a discovery from the plaintiff as to his title and its source and validity by a cross-bill, unless he alleges title in himself, see *Young v. Colt* (1852), 2 Blatch. 373.

That discovery in patent cases is of the nature of an inspection, and is more effective than adverse testimony, see *Colgate v. Compagnie Française* (1885), 23 Blatch. 86; 23 Fed. Rep. 82.

For the requisites of a Bill of Discovery, see Story Eq. Pl. §§ 311-325.

⁴ That discovery can be obtained only from one who is a party to the bill, see Equity Rule 40.

⁵ That a corporation may be defendant on a bill of discovery in aid of a suit at law for infringement, and must make answer, though it cannot answer under oath, see *Colgate v. Compagnie Française*, (1885), 23 Fed. Rep. 82; 23 Blatch. 86.

That where a corporation is defendant in a bill of discovery the officers must be made parties, if the discovery is to be on oath, see *Vaughn v. East Tennessee, Virginia, & Georgia R. R. Co.* (1877), 11 O. G. 789; 1 Flippin, 621; 2 Bann. & A. 537.

relief, and the discovery is made, the court may grant whatever remedy the facts disclosed require.⁶

SECTION V.

OF INFRINGEMENT: INJUNCTIONS.

§ 1168. Value of Preventive Equitable Action in Cases of Expected Infringement.

The exercise of its preventive jurisdiction by a court of equity, in cases of infringement, is the most potent and most valuable of all the methods provided by the law for the protection of the owner of a patent.¹ It removes from him the danger of an irremediable injury, precludes the necessity of innumerable suits for his successive wrongs, and interposes in the path of the infringer an obstacle which he cannot overcome.² It is the proper complement of that legislative

⁶ That under a bill for discovery only, the plaintiff is not entitled to an account, see *Magic Ruffle Co. v. Elm City Co.* (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

That a bill in equity, stating approximately the amount of the defendant's gains and praying for a disclosure, is not a bill of discovery or a bill praying for a discovery, see *Gordon v. Anthony* (1879), 16 O. G. 1135; 16 Blatch. 234; 4 Bann. & A. 248.

That the admission of counsel as to the object of a bill is disregarded, for if the bill appears to be a bill for a discovery, it is such, see *Perry v. Corning* (1868), 6 Blatch. 134.

That a bill praying for an answer on oath and an account, though it does not allege that a discovery is necessary or contain interrogatories, or pray for an injunction, is a bill for a discovery and account and is sufficient, see *Perry v. Corning* (1868), 6 Blatch. 134.

That where a discovery is necessary and granted, the court may take entire

jurisdiction and give complete relief, see *Magic Ruffle Co. v. Elm City Co.* (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

That under a bill for discovery and other equitable relief, if the object of the plaintiff is to obtain damages, the discovery being had the court will give relief in damages, see *Magic Ruffle Co. v. Elm City Co.* (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506.

§ 1168. ¹ That there can be no injunctions at law, see *Motte v. Bennett* (1849), 2 Fisher, 642.

That only equity can prevent an invasion of rights, see *McMillin v. Barclay* (1871), 5 Fisher, 189; 4 Brews. (Pa.) 275.

That a court of equity may decree a final remedy, and also protect property during litigation, see *Potter v. Dixon* (1863), 2 Fisher, 381; 5 Blatch. 160.

² That the purpose of an injunction is to prevent infringements and a multiplicity of suits, see *Brooks v. Miller* (1886), 28 Fed. Rep. 615; *Brooks v.*

action which confers upon the inventor his exclusive privilege, — the one prohibiting all interference with his monopoly, the other practically enforcing this prohibition against individual transgressors; and could the patentee be always forewarned of the intended invasions of his rights, and were he vigilant in seeking this form of relief, no other litigation would ever be required. An injunction is thus the strong arm of the court, at once prompt in its action and effective in its results,³ never to be employed when other remedies are adequate, but applied unhesitatingly and without restriction wherever the plaintiff cannot otherwise escape irreparable or repeated injuries.⁴

§ 1169. Classes of Injunctions: Preliminary Injunctions and Perpetual Injunctions.

Injunctions in actions for infringement, as in other cases, may be either preliminary or perpetual. A preliminary injunction issues at the commencement, or during the pendency, of other proceedings in equity or at law. It is intended to compel the defendant to desist from his alleged infringing acts until it becomes evident that they do not invade the plaintiff's patent, and thus preserve affairs in *statu quo* while the necessary investigation is in progress in the courts.¹ A perpetual injunction is a decree upon the merits of the contro-

Norcross (1851), 2 Fisher, 661; *Motte v. Bennett* (1849), 2 Fisher, 642.

³ That an injunction is the strong arm of equity and is never to be used unless the court is convinced of its real necessity, see *Potter v. Schenck* (1866), 3 Fisher, 82; 1 Bissell, 515.

⁴ That an injunction will issue whenever it is needed to protect rights, see *Wilson v. Barnum* (1849), 2 Fisher, 635; 1 Wall. Jr. 347; 2 Robb, 749.

That it is the duty of the court to protect the plaintiff's clear rights by an injunction and thus prevent a multiplicity of suits, see *Ely v. Monson & Brimfield Mfg. Co.* (1860), 4 Fisher, 64.

That an injunction is often the only available remedy, see *Potter v. Muller* (1864), 2 Fisher, 465.

§ 1169. ¹ That the object of an injunction is to preserve matters *in statu quo* till the court has investigated them, and if it is of no importance thus to preserve them no injunction will issue, see *Westinghouse Air Brake Co. v. Carpenter* (1887, 32 Fed. Rep. 484; *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 Fisher, 189.

That an injunction is granted to preserve the existing order of things, not to disturb it, even though rights may be doubtful, see *Singer Mfg. Co. v. Union Button Hole & Embroidery*

versy, after a trial in equity and a judgment for the plaintiff, permanently prohibiting the defendant from the performance of those acts which have been proved and adjudged to be violations of the patent. Its purpose is to put an end to the manufacture, use, or sale of the invention by the defendant, until the exclusive privilege of the inventor has expired.

§ 1170. Preliminary Injunction: Discretion of the Court in Granting it Guided by Established Rules.

A preliminary injunction is not, like a perpetual injunction, a matter of course, nor can its issue be governed by any formulated and established rules. Its allowance or refusal depends neither upon the plaintiff's right nor on the defendant's wrong, but upon innumerable qualifying circumstances of varying importance, affecting the minds of different judges in a different manner, and rendering each case emphatically a case by itself, whose decision rests entirely with the individual court to which it is presented.¹ Nevertheless, there are certain principles by which the courts are guided in the grant of these injunctions, and certain facts which operate as arguments for or against their issue. These facts and principles require detailed discussion, and in the following paragraphs their character and bearing on preliminary injunctions will therefore be considered. So far as the same principles or facts are applicable to perpetual injunctions they will be hereafter noticed.

Co. (1873), 4 O. G. 553; 6 Fisher, 480; Holmes, 253.

That the purpose of an injunction is to disturb the existing order of things and set them right, see *Cook v. Ernest* (1872), 5 Fisher, 396; 2 O. G. 89.

That an injunction does not impair the right of trial by jury, but merely aids the party having a legal title to protect it till such trial can be had, see *Woodworth v. Rogers* (1847), 3 W. & M. 135; 2 Robb, 625.

§ 1170. ¹ That on a motion for an injunction the only question is whether

the plaintiff presents an undebatable case, see *Goodyear v. Hills* (1866), 3 Fisher, 134.

That a motion for an injunction depends on its own facts, and the court must decide so as to accomplish the ends of justice and the purposes of its jurisdiction, see *Potter v. Crowell* (1866), 3 Fisher, 112; 1 Abbott, 89.

That on a motion for an injunction the court will carefully consider the rights of parties, and protect the patentee during the litigation, see *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67.

§ 1171. Preliminary Injunction: Grantable only to Prevent Prospective Injury where no other Adequate Remedy Exists.

A preliminary injunction is intended to prevent a prospective injury, and must be confined to the purpose for which it is designed.¹ It cannot be employed for the punishment of past infringements, nor as a method of compelling the defendant to compromise existing controversies, nor to restrain third parties from contracting with the alleged infringer.² It is exclusively an auxiliary and collateral remedy, applied only in cases where the right is probable and the invasion of the right apparent, and contemplates a trial of the principal action on its merits, in which the existence, nature, and extent of the infringement will be definitely ascertained.³ Hence where the right is doubtful, or the wrong uncertain, or where some other mode of temporary protection is equally beneficial to the plaintiff and less injurious to the defendant, or where the object of the plaintiff is not protection to himself but punishment or coercion to the defendant, the injunction ought to be and is refused.⁴

§ 1172. Preliminary Injunction: Grant or Refusal not Subject to Appeal.

The issue or refusal of a preliminary injunction is always within the discretion of the court, and from its judgment

§ 1171. ¹ In *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 Fisher, 189, Strong, J. : (194) "A preliminary injunction is always an extraordinary exercise of judicial powers. Its purpose is to preserve the existing state of things until the rights of the parties can be fairly investigated. It is not to be used for any other purpose. It looks forward to a trial, and when it is of no importance to preserve things as they are, when the injunction is asked for, it will not be granted. It ought never to be issued unless the right of a patentee is an established or admitted one, and unless the alleged

invasion of the right is proved beyond reasonable doubt."

² See § 1196 and notes, *post*.

³ That the act of Feb. 15, 1819, does not alter the principles on which injunctions are granted, see *Sullivan v. Redfield* (1825), 1 Paine, 441 ; 1 Robb, 477.

⁴ That an injunction, though needed, is not to be granted without great caution before a final decree on the merits, see *Goodyear v. Dunbar* (1859), 1 Fisher, 472 ; 3 Wall. Jr. 310.

That an injunction will only issue *nisi* if the defendants are ready to stop infringing and the validity of the patent

there is no appeal.¹ The law presumes that, as the circumstances of cases differ, so judges will inevitably disagree in the views they take of the same circumstances, and in the significance which they attach to the particular facts which enter into their decisions. The widest liberty is necessarily conceded to the courts in the exercise of this authority, and action in accordance with their best discretion is all that is required.² Discretion is not, however, prejudice or arbitrary whim. It involves the obligation to determine each case by what has been done by equity in like cases, in conformity with the practice in equity and the principles on which equity decides.³ To do exact justice between the parties, according to

is doubtful, see *Margot v. Schnetzer* (1883), 15 Fed. Rep. 118; 24 O. G. 101.

§ 1172. ¹ That the grant of an injunction rests in the discretion of the court, see *Irwin v. Dane* (1871), 4 Fisher, 359; 2 Bissell, 442; *Potter v. Whitney* (1866), 3 Fisher, 77; 1 Lowell, 87; *Ayling v. Hull* (1865), 2 Clifford, 494.

That courts have, under Sec. 4921, Rev. Stat., a larger discretion as to injunctions in patent cases than in others, see *Yuengling v. Johnson* (1877), 1 Hughes, 607; 3 Bann. & A. 99.

² In *Earth Closet Co. v. Fenner* (1871), 5 Fisher, 15, Knowles, J. : (20) "The motion is one of that class addressed, in technical parlance, to the discretion of the court. For precedents, in any recognized sense of that word, it is, therefore, idle to search. By one judge an injunction may be granted to-day under a given state of facts, and by another be refused to-morrow upon identically the same state of facts, and yet neither functionary be chargeable with even error in judgment. The law makes the judge's discretion the rule, not unheeding that, in the qualities of mind which give character to an exercise of discretion, individuals differ scarcely less than in form and features. The judge is bound to de-

cide a question of this kind as, in his judgment upon the particular case before him, the principles of equity, and the practice of its courts warrant or dictate,—and this, whether his decision be in accord or at variance with that of his brother officer, of whatever grade or whatever locality. The largest liberty imaginable is his, 'with no rules to restrain, no after reckoning to dread.' Neither upon appeal, nor by writ of error, nor even by petition for revisory action, can a judge's rulings or findings upon a motion for a preliminary injunction be subjected to correction or even criticism on the part of his superiors in official rank or in judicial acumen."

That the best exercise of discretion is all that can be expected, see *Potter v. Whitney* (1866), 3 Fisher, 77; 1 Lowell, 87.

³ In *Motte v. Bennett* (1849), 2 Fisher, 642, Wayne, J. : (645) "By discretion, of course, is meant an obligation upon judges in chancery to determine each case, as nearly as it can be done, by what has been the course in chancery in like cases, as well as to prescribe the practice to be observed in each case, and the principles by which the right is to be determined between the parties in controversy. It never means will or authority in the

the condition of the litigation, the nature of the invention, the character and extent of the infringement, and the effect of the injunction on the interests of the plaintiff and defendant, must be the motive and endeavor of the court, and in the effort to accomplish this the analogy of precedents and the established rules of equity must be the acknowledged and controlling guide.⁴ While these are followed, the weight of evidence, the bearing of the facts, and the justice of the antagonistic claims are for the judge alone.

§ 1173. Preliminary Injunction: Granted only when the Patent is Valid, the Title is in the Plaintiff, and there is Danger of an Infringement by the Defendant.

A preliminary injunction will be granted only when the court is satisfied: (1) That the patent is valid; (2) That the plaintiff is the owner of a legal or equitable interest therein; and (3) That the defendant is about to commit an act of infringement.¹ It will be denied if reasonable doubt exists on any one of these points, and even when they are established if other circumstances render its allowance inexpedient or inequitable. Upon an application for a preliminary injunction, an exhaustive hearing as to these essential points

judge, but both restrained by decided cases or long-standing rules."

⁴ That though a preliminary injunction is a matter of discretion, not of precedent, the discretion is to be exercised as the rules of equity and the practice of the courts may require in the case at bar, see *Earth Closet Co. v. Fenner* (1871), 5 Fisher, 15.

§ 1173. ¹ In *Motte v. Bennett* (1849), 2 Fisher, 642, Wayne, J.: (659) "In equity, where the case is clear and without reasonable doubt, where the bill states a clear right to the thing patented which, together with the alleged infringement is verified by affidavit, and where the plaintiff has been in possession of it by having sold or used it in part or in the whole, the court will grant an injunction and continue it till the hearing or further order with-

out sending the plaintiff to law to try his right. And the rule applies as well to a bill brought by an assignee as by the original inventor." See also *Wise v. Grand Avenue R. R. Co.* (1888), 33 Fed. Rep. 277.

Further, that an injunction will issue only when the validity of the patent, the right of the plaintiff, and infringement, actual or prospective, by the defendant, are shown to the satisfaction of the court, see *Shelly v. Brannan* (1870), 4 Fisher, 198; 2 Bissell; 315; *Goodyear v. Hills* (1866), 3 Fisher, 134; *Potter v. Muller* (1864), 2 Fisher, 465; *Goodyear v. Day* (1852), 2 Wall. Jr., 283.

That no injunction will issue on a theory unsupported by proof, see *American Diamond Rock Boring Machine Co. v. Sullivan Mach. Co.* (1877), 14 Blatch. 119; 2 Bann. & A. 522.

is not, however, usually permitted. The court will not anticipate the trial on the merits by an extended examination of the testimony then to be produced, but in cases involving obscure propositions of law, or disputed and intricate questions of fact, will refuse the injunction until these matters come up for investigation in their proper order.² This necessary attitude of the courts toward these applications has led to the adoption of peculiar rules of evidence, by which the plaintiff is required to furnish certain special forms of proof, or in their absence to await the final hearing before invoking this preventive power.

§ 1174. Preliminary Injunction : Proof of Validity of Patent : Prior Judgment in its Favor : Public Acquiescence : Admissions of Defendant.

Under these rules of evidence the validity of the patent must be proved either by the judgment of some competent tribunal, or by the long-continued acquiescence of the public in the exclusive privilege which it confers, or by some other act or fact equivalent thereto.¹ The judgment of a compe-

² That on a motion for an injunction the court will only examine far enough to see whether the plaintiff's equitable rights require such protection during the litigation, see *Sickels v. Young* (1855), 3 Blatch. 293.

That a motion for a preliminary injunction is not designed to adjudicate disputed points not previously discussed, see *Gold & Stock Telegraph Co. v. Commercial Telegraph Co.* (1885), 22 Fed. Rep. 838.

That on a motion for a preliminary injunction, the court is not bound to decide difficult questions of law or disputed issues of fact, nor to order an injunction till after a full hearing, see *Parker v. Sears* (1850), 1 Fisher, 93.

§ 1174. ¹ In *Brown v. Hinkley* (1873), 3 O. G. 384, Longyear, J. : (384) "To entitle a patentee to the extraordinary writ of injunction, it is not sufficient for him merely to show

his patent and an infringement of it. His right must be further substantiated in one of two ways: first, by a possession accompanied by an actual use and enjoyment of it for a sufficient length of time to afford a reasonable presumption of the acquiescence of the public in its validity; or, second, by a judgment in his favor in a trial at law. The latter, however, is never necessary where the former exists; but I understand it to be essential in all cases that there should be a trial at law in the absence of such use and enjoyment. This has been the rule in England for more than a century, and it has always been the rule in the United States. The decisions by which the rule is established, and the reasons upon which it is based, are too numerous to be cited here." 6 Fisher, 370 (373).

In *Toppan v. National Bank Note Co.* (1861), 2 Fisher, 195, Shipman,

tent tribunal sustaining a patent is the highest evidence of its validity. It is not only conclusive upon the parties to the

J.: (108) "This extraordinary relief is never granted as matter of course. It is never granted on filing a bill and producing a patent. The patent itself, although in a certain sense it is *prima facie* evidence of the validity of the grant, is never sufficiently strong *per se* to warrant the relief asked for in this motion. The title of the patentee must, in order to obtain this relief, always be strengthened by exclusive possession for some period of time, or by an adjudication in which the validity of the patent has been sustained." 4 Blatch. 509 (511).

In *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133, Sprague, J.: (135) "In such a hearing it is not sufficient for a plaintiff, in order to make out a *prima facie* case, merely to produce his patent. The court will not, upon the mere production of a patent, entertain this motion for a preliminary injunction. The *prima facie* right under the patent must be strengthened; and that is done in one of two ways, by a judgment or decree after a judicial investigation, or by exclusive possession for some time, or, in other words, by the acquiescence of the public in the claims which the plaintiff has set up under his patent to a monopoly."

In *Orr v. Littlefield* (1845), 1 W. & M. 13, Woodbury, J.: (15) "It is not enough that a party has taken out a patent, and thus obtained a public grant, and the sanction or opinion of the Patent Office in favor of his right, though that opinion, since the laws were passed requiring some examination into the originality and utility of inventions, possesses more weight. But the complainant must furnish some further evidence of a probable right; and though it need not be conclusive evi-

dence, — also additional hearing on the bill would thus be anticipated and superseded, — yet it must be something stronger than the mere issue, however careful and public, of the patent conferring an exclusive right; as in doing that, there is no opposing party, no notice, no long public use, no trial with any one of his rights. The kind of additional evidence is this. If the patentee, after the procurement of his patent conferring an exclusive right, proceeds to put that right into exercise or use for some years without its being disturbed, that circumstance strengthens much the probability that the patent is good, and renders it so likely as alone often to justify the issue of an injunction in aid of it. . . . After that it becomes a question of public policy no less than private justice whether such a grant of a right, exercised and in possession so long, ought not to be protected until avoided by a full hearing and trial." 2 Robb, 323 (326).

Further, that no injunction will be granted unless the patent has been sustained by a judgment, or acquiescence in a long exclusive use, or its equivalent, see *Edward Barr Co. v. New Haven Automatic Sprinkler Co.* (1887), 43 O. G. 392; 32 Fed. Rep. 79; *Foster v. Crossin* (1885), 23 Fed. Rep. 400; *Kirby Bung Mfg. Co. v. White* (1880), 17 O. G. 974; 1 Fed. Rep. 604; 1 McCrary, 155; 5 Bann. & A. 263; *Hockholzer v. Kager* (1873), 2 Sawyer, 361; *Doughty v. West* (1865), 2 Fisher, 553; *Orr v. Littlefield* (1845), 1 W. & M. 13; 2 Robb, 323; *Ogle v. Ege* (1826), 4 Wash. 584; 1 Robb, 516.

That the decisions of the courts sustaining patents do not ratify the defects in them, see *Ex parte Murray* (1873), 3 O. G. 659.

controversy in which the judgment was rendered, but often constitutes so strong a general presumption in favor of the patent that, for the purposes of a preliminary injunction, no other persons are allowed to contradict it.² The universal recognition of the patent as creating a legitimate monopoly, and the consequent submission of the public, against their interest, to the claims which it asserts, is evidence in its support whose weight and value are surpassed only by those afforded by a judgment.³ Admissions by the defendant acknowledging or implying an acknowledgment that the patent is valid, and other facts of similar significance and force, may be received when public acquiescence and judgments are both wanting.⁴ All these forms of proof are definite, easily procured and presented, and usually preclude contradiction, — characteristics which render them especially suitable for the purposes of a preliminary hearing.⁵

² That a judgment sustaining the patent is evidence of its validity for the purposes of an injunction, see *Putnam v. Keystone Co.* (1889), 38 Fed. Rep. 234; *Stuart v. Thorman* (1888), 37 Fed. Rep. 90; *Wells v. Gill* (1872), 2 O. G. 590; 6 Fisher, 89. Also §§ 1175–1184, and notes, *post*.

That a current of decisions sustaining a patent is not to be departed from without good reason, see *American Bell Telephone Co. v. Wallace Electric Telegraph Co.* (1889), 37 Fed. Rep. 672; *Hammerschlag Mfg. Co. v. Spalding* (1888), 35 Fed. Rep. 67.

That an injunction will be granted on proof of infringement only, if the patent has been sustained by repeated judgments, especially where the defendant was interested in the prior defences, see *Robertson v. Hill* (1873), 6 Fisher, 465; 4 O. G. 132.

That an injunction will issue where a patent has but a short time to run, and has been fully sustained by judgments, see *Cary v. Domestic Spring Bed Co.* (1885), 27 Fed. Rep. 299.

That an injunction will issue under an extension, if the original had been

established by adjudication, see *Clum v. Brewer* (1855), 2 Curtis, 506.

³ That acquiescence in the monopoly is evidence to prove the validity of the patent, on a motion for an injunction, see *McCoy v. Nelson* (1887), 121 U. S. 484; 39 O. G. 831; *Miller v. Androscoggin Pulp Co.* (1872), 1 O. G. 409; 5 Fisher, 340; Holmes, 142; *Goodyear v. Railroad* (1853), 1 Fisher, 626.

Also §§ 1185–1188, and notes, *post*.

⁴ That admissions by the defendant and other evidence may supply the place of judgments and acquiescence, see § 1189 and notes, *post*.

⁵ In stating the evidence on which preliminary injunctions will be granted or refused, courts often combine two or more of these forms, or even assert that one without the other is insufficient. A number of these statements are here cited, not merely as illustrations of the practice, but that the cases themselves may be examined in connection with the more accurate enunciations referred to in the notes to this and the succeeding paragraphs.

That an injunction will be refused where the patent has not been adjudi-

§ 1175. **Preliminary Injunction: Prior Judgment as Evidence of Validity: Circumstances Determining the Weight of Prior Judgments.**

The weight to be attached to any judgment in favor of a patent, as evidence of its validity in future actions, depends

cated and patentability is doubtful, see *Baldwin v. Conway* (1887), 32 Fed. Rep. 795.

That a jury trial has not been a prerequisite to an injunction in England since 1761, if the court is satisfied of the infringement, though the validity of the patent is disputed, see *Motte v. Bennett* (1849), 2 Fisher, 642.

That an injunction will be granted if there has been long acquiescence in the patent and judgments sustaining it, and clear infringement, see *Schneider v. Missouri Glass Co.* (1888), 36 Fed. Rep. 582; *American Shoe Tip Co. v. National Shoe Toe Protector Co.* (1877), 11 O. G. 740; 2 Bann. & A. 551.

That where many licenses had been taken, the invention fully examined in the Office, and a *quasi* judgment rendered in its favor in a neighboring circuit, an injunction was issued, the injury to the defendant being trifling as compared with plaintiff's if it were refused, see *Hat Sweat Mfg. Co. v. Davis Sewing Mach. Co.* (1887), 32 Fed. Rep. 401; 41 O. G. 1273.

That an injunction will issue if the patent is of long standing, has been extended in the face of opposition, and sustained by the Federal courts, unless some other tribunal has declared it invalid, see *Putnam v. Weatherbee* (1875), 8 O. G. 320.

That an injunction will issue if the patent has been used for eleven years, been sustained by the courts, and been extended, see *Cook v. Ernest* (1872), 2 O. G. 89; 5 Fisher, 396.

That an injunction may be granted when the infringement is clear and the plaintiff's right is evidenced by a judg-

ment or decree in his favor and an extensive public acknowledgment, see *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 Fisher, 189.

That an injunction will issue if there has been long possession, or frequent recoveries, unless the patent appears to be void, see *Woodworth v. Hall* (1846), 1 W. & M. 248; 2 Robb, 495.

That an injunction will be granted where there has been an infringement, a long enjoyment of the patent, and its validity is not disproved, see *Miller v. Androscoggin Pulp Co.* (1872), 5 Fisher, 340; 1 O. G. 409; Holmes, 142.

That an injunction will be granted where priority and infringement are not questioned, and where the public have generally acquiesced and admitted the novelty of the invention, though no prior judgment has sustained the patent, see *Weston v. White* (1876), 13 Blatch. 447; 2 Bann. & A. 364.

That an injunction will be granted where the patent, being supported by the oath of the inventor, the action of the Patent Office, and an undisturbed enjoyment, has also been sustained by judgments and enforced by prior injunctions, see *Hussey v. Whitely* (1860), 1 Bond, 407; 2 Fisher, 120.

That an injunction will be granted when there exist undisputed use and infringement, see *Chase v. Wesson* (1873), Holmes, 274; 4 O. G. 476; 6 Fisher, 517.

That if the novelty and infringement are clear, an injunction may issue though the patent has never been judicially sustained, see *Foster v. Crossin* (1885), 23 Fed. Rep. 400.

That no injunction will issue where

upon the identity of parties, the identity of issues, the identity of testimony, and the authority of the tribunal by which the former controversy was decided.¹ The judgment of a court of last resort, in a suit between the same parties, on the same issues, and on the same or equivalent evidence, is conclusive. The decision of an inferior tribunal, in a litigation between different parties or upon different issues, and without a full examination of the facts or law, is of slight or no importance. A judgment sustaining a patent may thus possess any degree of weight as proof of its validity, from absolute

there has been no judgment, and no acquiescence, unless the plaintiff's right is clear and the infringement proved, see *North v. Kershaw* (1857), 4 Blatch. 70.

That where the defendant denies the validity of the patent unless it is construed as he claims, no injunction will issue until the plaintiff shows a prior judgment or its equivalent, see *Dickerson v. De La Vergne Refrigerating Mach. Co.* (1888), 35 Fed. Rep. 143.

That an injunction will be refused unless there has been an exclusive possession or public acquiescence, or a trial at law, see *Muscan Hair Mfg. Co. v. American Hair Mfg. Co.* (1858), 1 Fisher, 20; 4 Blatch. 174.

That no injunction will issue until after a trial at law unless the plaintiff shows a clear and unquestionable right, or such an exclusive possession for so long a time as to raise a presumption of such right, see *Thomas v. Weeks* (1827), 2 Paine, 92, and notes.

That no injunction will be granted where there has been neither long exclusive possession, nor any judgment, nor irreparable injury, see *Earth Closet Co. v. Fenner* (1871), 5 Fisher, 15.

That where a patent is sustained only by acquiescence, no injunction will issue unless the infringement is palpable, see *Burleigh Rock Drill Co. v. Lobdell* (1875), 7 O. G. 836; *Holmes*, 450; 1 Bann. & A. 625.

These decisions are, for the most part, substantially correct, but are stated too broadly, or with unnecessary restrictions, or with indefiniteness, — rendering them unsafe guides except where interpreted by more accurate expressions of the law.

§ 1175. ¹ That an injunction will be granted, after a judgment against the defendant, without any further proof of the right or its violation, see *Poppenhusen v. New York Gutta Percha Comb Co.* (1858), 2 Fisher, 74; 4 Blatch. 184.

That if a former suit on the same patent between the same parties, with the same prayer for relief and raising the same issues, was dismissed, the present one must also be, see *Barker v. Stowe* (1882), 11 Fed. Rep. 303; 22 O. G. 259; 20 Blatch. 185.

That after a judgment against the defendant in a former suit on an issue of novelty he cannot, in a second suit, raise the same issue, see *Dubois v. Philadelphia, Wilmington, & Baltimore R. Co.* (1871), 5 Fisher, 208.

That a decree in favor of the plaintiff in one suit is no proof of public acquiescence in another suit against a defendant who was a stranger to the first suit, though it may be considered on a motion for a preliminary injunction, see *Matthews v. Iron Clad Mfg. Co.* (1884), 19 Fed. Rep. 321; *Buck v. Hermance* (1848), 1 Blatch. 322.

demonstration to a mere suggestion, according as these attributes exist, concur, and co-operate to augment or reduce its value as a precedent.

§ 1176. Preliminary Injunction: Prior Judgment as Evidence of Validity: Identity of Parties.

The identity of parties is a question for the court before which the subsequent action is conducted.¹ Parties include not only those whose names appear upon the record, but all others who participate in the litigation by employing counsel, or by contributing toward expenses, or who in any manner direct the course of the proceedings, as well as those who derive their rights from persons primarily interested in the suit.² Thus where several defendants, by agreement, contest

§ 1176. ¹ That the court trying a case is to determine conclusively who are parties and privies, see *Miller v. Liggett & Myers Tobacco Co.* (1881), 19 O. G. 1138; 7 Fed. Rep. 91; 2 McCrary, 375.

That the rules governing injunctions as to parties to suits at law are not the same as in patent cases, see *Motte v. Bennett* (1849), 2 Fisher, 642.

² That both parties and privies are concluded by a judgment, see *Miller v. Liggett & Myers Tobacco Co.* (1881), 19 O. G. 1138; 7 Fed. Rep. 91; 2 McCrary, 375.

That a person is bound by a decision when he has had all the rights of a party to it, see *Miller v. Liggett & Myers Tobacco Co.* (1881), 7 Fed. Rep. 91; 19 O. G. 1138; 2 McCrary, 375.

That a privy, to be concluded, must be privy in such sense that he can control the litigation by making motions, offering evidence, examining witnesses, and taking an appeal, see *Miller v. Liggett & Myers Tobacco Co.* (1881), 19 O. G. 1138; 7 Fed. Rep. 91; 2 McCrary, 375.

That a person who furnished money to pay counsel and carry on the suit,

under contract with the party to the record, can protect his own interest in the suit and is bound by the decree, see *Miller v. Liggett & Myers Tobacco Co.* (1881), 7 Fed. Rep. 91; 19 O. G. 1138; 2 McCrary, 375.

That one who employs counsel and pays the expenses of a suit, though not a party thereto, is concluded by the judgment, see *United States & Foreign Salamander Felting Co. v. Asbestos Felting Co.* (1880), 19 O. G. 362; 4 Fed. Rep. 816; 18 Blatch. 310; 5 Bann. & A. 622.

That when the patent has been sustained, after great litigation, against a defendant who is intimately connected with the present defendant, an injunction will be granted unless such evidence is offered as would probably have changed the result in the other case, see *Colgate v. Gold & Stock Telegraph Co.* (1879), 16 O. G. 583; 16 Blatch. 503; 4 Bann. & A. 415.

That an injunction will be granted when the patent has already been sustained in a suit to the defence of which the present defendants contributed, although they now claim to have a new witness to prove prior use, see *Birdsall v. Hagerstown Agricultural Implement*

one of the actions in their joint behalf, all become thereby parties to the suit, and are equally concluded by the judgment; and in an application for an injunction against either, this decision has controlling weight upon the issues then determined, unless new evidence is offered, or the former court is of inferior authority.³

§ 1177. Preliminary Injunction: Prior Judgment as Evidence of Validity: Identity of Issues.

A judgment is a precedent only upon the issues which it expressly, or by necessary implication, has determined.¹ This

Mfg. Co. (1874), 6 O. G. 604; 1 Bann. & A. 426.

That an injunction will be granted where parties, whose defence was conducted by the present defendant, were found guilty of an infringement on the same issues, see *Yale & Towne Mfg. Co. v. Consolidated Time Lock Co.* (1889), 38 Fed. Rep. 917; *United States & Foreign Salamander Felting Co. v. Asbestos Felting Co.* (1876), 10 O. G. 828.

That one who takes an assignment of a junior patent, pending proceedings in another circuit, is bound by the judgment there rendered, see *Tyler v. Hyde* (1851), 2 Blatch. 308.

That a former judgment between the same parties as to title is *res adjudicata*, see *Puetz v. Bransford* (1887), 41 O. G. 353; 32 Fed. Rep. 318.

That a verdict for one grantee is not evidence in a suit by another, though it will be considered on a motion for an injunction, see *Buck v. Hermanca* (1848), 1 Blatch. 322.

³ That where there are several suits against different defendants, one of which is made a test case, and after its decision in favor of the plaintiff, and an appeal, the appeal is abandoned in pursuance of an agreement with the defendant by the plaintiff, and the other cases are dismissed, the other defend-

ants are not bound by that decision, see *McMillan v. Conrad* (1883), 16 Fed. Rep. 128; 5 McCrary, 140.

That a servant or agent, separately sued, is not personally bound by a judgment against the principal, see *Hayes v. Bickelhaupt* (1885), 32 O. G. 136; 24 Fed. Rep. 806.

That where two different suits in different districts are brought on interfering patents under Sec. 4918, and the defendant in the second defended in the first, and the issues were the same, the former record is proper evidence and the former judgment is binding on the defendant, see *United States & Foreign Salamander Felting Co. v. Asbestos Felting Co.* (1880), 4 Fed. Rep. 813; 18 Blatch. 310; 5 Bann. & A. 624; 19 O. G. 363.

§ 1177. ¹ That courts render judgments only on the issues presented and between the litigant parties, see *Page v. Holmes Burglar Alarm Telegraph Co.* (1880), 2 Fed. Rep. 330; 18 Blatch. 118; 5 Bann. & A. 439.

That prior judgments sustaining the patent avail only within the scope of the points decided, see *Carey v. Miller* (1888), 34 Fed. Rep. 392.

That precedents are to be read in the light of circumstances, and are not authoritative unless the facts are the same, see *Wilson v. Coon* (1880), 19

is especially true in patent litigation, since a decision in favor of a patent does not assert its validity in all respects, but in those merely which have been the subject of attack. When each of the sixteen distinct defences which can be set up against a patent is advanced, and the patent is sustained in spite of all, the judgment is a complete and final vindication of the patent between the contesting parties, unless new evidence is offered which leads the later court to different conclusions. But when the former judgment covered no question which is involved in the subsequent litigation, the fact that it upheld the patent is of no significance, although the parties were the same, except so far as it can be presumed that the defences now alleged would have been urged on that occasion had they not been known to be entirely destitute of merit.² A judgment offered as evidence to support a patent upon an application for an injunction must, therefore, either show upon its face, or be accompanied by written or oral testimony to prove, that it decided the same issues which are now in con-

O. G. 482 ; 6 Fed. Rep. 611 ; 18 Blatch. 532.

That the Circuit courts follow prior decisions, where the same questions are raised on the same evidence, see *American Bell Telephone Co. v. Wallace Electric Telegraph Co.* (1889), 37 Fed. Rep. 672 ; *Spring v. Domestic Sewing Mach. Co.* (1881), 9 Fed. Rep. 505 ; 21 O. G. 633 ; *Edgerton v. Furst & Bradley Mfg. Co.* (1881), 21 O. G. 261 ; 10 Bissell, 402 ; 9 Fed. Rep. 450.

² That the effect of a former judgment may be avoided by showing that the plaintiff's title was not then in controversy, or that some material fact was then unknown or overlooked, see *Parker v. Brant* (1850), 1 Fisher, 58.

That a decision in a former suit avails nothing on the question of infringement, when the same facts are not in controversy, see *Worswick Mfg. Co. v. City of Kansas* (1889), 38 Fed. Rep. 239 ; *Clarke v. Johnson* (1879), 17 O. G. 1401 ; 16 Blatch. 495 ; 4 Bann. & A. 403.

That the defendant, on a motion for an injunction, may show that a former judgment did not decide the point now in controversy, or that the point was not then fairly in dispute, or that material facts have been since discovered, see *National Hat Pouncing Mach. Co. v. Hedden* (1886), 38 O. G. 1129 ; 29 Fed. Rep. 147.

That a judgment of the Supreme court is not conclusive on a motion for an injunction, unless the points now in issue were therein decided, see *Consolidated Safety Valve Co. v. Ashton Valve Co.* (1886), 26 Fed. Rep. 319.

That only a direct and affirmative judgment, determining the validity of the patent, affects parties in other courts, see *Tyler v. Hyde* (1851), 2 Blatch. 308.

That when the validity of the patent was not contested, though threatened, in the former suit, and judgment was obtained without collusion, the presumption in favor of the patent is very strong, see *Potter v. Holland* (1858), 1 Fisher, 382 ; 4 Blatch. 238.

troverſy.³ Thus if the former ſuit were based on ſeveral patents, or on ſeveral Claims in the ſame patent, or upon an original which has been ſince re-issued with additional Claims, it muſt appear that thoſe which were ſuſtained embraced the one whereon the preſent judgment turns.⁴ And where the defendant in the previous action confined himſelf to certain objections to the patent, making no effort to defeat it upon other grounds, the nature and extent of his objections, and their connection or identity with thoſe now offered, muſt be proved.

³ That a judgment is not *res adjudicata* unleſs the parties are the ſame, and the ſame precise matter was involved and determined in the judgment, and if this does not appear on the record it may be ſhown by extrinsic evidence, ſee *Ruſſell v. Place* (1876), 94 U. S. 606 ; 12 O. G. 53.

That where ſeveral matters may have been litigated, and it is uncertain which have been decided, all are open to diſpute, ſee *Ruſſell v. Place* (1876), 94 U. S. 606 ; 12 O. G. 53.

That where a patent covered both a general and a ſpecial proceſs, and it is uncertain on which Claim the former judgment was rendered, both are open to all defences, ſee *Ruſſell v. Place* (1876), 94 U. S. 606 ; 12 O. G. 53.

That unleſs the prior judgment ſhows which Claim of the patent was conteſted, the ſcope of the patent and the fact of infringement are open for inquiry, ſee *Coburn v. Clark* (1883), 24 O. G. 899 ; 15 Fed. Rep. 804 ; 5 *McCrary*, 99.

That a judgment that a ſenior patentee is not the firſt inventor cannot affect the rights of a junior patentee, where the inventions are not identical, ſee *Brush v. Naugatuck R. R. Co.* (1885), 32 O. G. 894 ; 24 Fed. Rep. 371 ; 23 *Blatch*. 277.

That a decree ſuſtaining re-issue Claims will not be followed as a precedent, if a ſtricter rule of law has been

ſubſequentlly recognized, ſee *National Wire Mattreſs Co. v. N. Y. Braided Wire Mattreſs Co.* (1884), 28 O. G. 96 ; 20 Fed. Rep. 119.

⁴ In *Coburn v. Clark* (1883), 15 Fed. Rep. 804, Treat, J. : (807) " A more ſearching inquiry is needed for preliminary injunctions than a mere perfunctory order covering, in an indefinite manner poſſibly, all the Claims of a patent, and all poſſible infringements of valid or invalid Claims, when it is impoſſible to determine from a final decree what was in detail decided. The true rule ſhould require it to be ſhown what Claim was held to be valid ; the validity of that ſpecific Claim having been brought into queſtion. It may be that the court on final hearing paſſed on only one of many Claims, and that the alleged infringement in ſuch a caſe pertained only to that ſpecific Claim. How is it as to other Claims on which no decision has been made ? Muſt a court, on a motion for a provisional injunction for alleged infringement of ſome other Claim, deem itſelf concluded when no court has paſſed upon the ſpecific inquiries ? There ſhould be a careful investigation of the precise points decided, and of the alleged infringement ; otherwiſe great wrongs may be perpetrated againſt one or the other of the parties litigant. Preliminary injunctions are not to be granted, it may be deſtructively to defendants, merely

§ 1178. Preliminary Injunction: Prior Judgment as Evidence of Validity: Identity of Available Testimony.

The judgment of a court upon any issue of fact is always liable to error, and therefore always open to revision. Although the action in which it is rendered may be finally concluded, and no further contest be allowed on the same pleadings, yet the fact itself is never settled or beyond investigation. In other actions, even between the same parties, and sometimes in proceedings supplemental to the former action, it may be again examined, if the discovery of new evidence or any alteration in the attitude of the litigants toward each other should render it expedient.¹ Hence when a previous judgment upon such an issue is offered and accepted as a precedent, it is only on the supposition that on a new trial of the question the same testimony would be pro-

because an indefinite decision has been made by some court whose views are not disclosed in its decree; and, on the other hand, when plaintiff's rights have been fairly determined, should piracy be tolerated *pendente lite*?" 24 O. G. 899 (900); 5 McCrary, 99 (102).

That one patent is not aided by acquiescence or judgments sustaining a different patent, unless they were so legally connected as to have been covered by the judgments, see *Hovey v. Stevens* (1846), 1 W. & M. 290; 2 Robb, 479.

That a judgment obtained without contest on several patents is not of as much weight as if only the one now in question had been sued on, see *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133.

That where the former judgment does not show what claims are held valid there are two questions open: (1) What does the patent cover? (2) Has the defendant infringed? see *Coburn v. Clark* (1883), 15 Fed. Rep. 804; 24 O. G. 899; 5 McCrary, 99.

That in citing patent cases the facts of the cases are especially to be considered, see *Bevin v. East Hampton Bell*

Co. (1871), 5 Fisher, 23; 9 Blatch. 50.

That an injunction will be granted upon the plaintiff's bill averring infringement, supported by a judgment sustaining the patent, unless the defendant avers facts not passed upon by the former judgment, see *Cary v. Domestic Spring Bed Co.* (1886), 26 Fed. Rep. 38; 34 O. G. 1158.

§ 1178. ¹ That circuit courts are guided by prior decisions only when the same questions were raised on the same evidence, see *Edgerton v. Furst & Bradley Mfg. Co.* (1881), 21 O. G. 261; 10 Bissell, 402; 9 Fed. Rep. 450; *Spring v. Domestic Sewing Mach. Co.* (1881), 21 O. G. 633; 9 Fed. Rep. 505.

That where a patent has been sustained by previous decisions against the same defendant, the patent will now be construed as it was in such former actions, and if its validity might then have been disputed on the same evidence as now offered the injunction will be granted, see *Clarke v. Johnson* (1879), 17 O. G. 1401; 16 Blatch. 495; 4 Bann. & A. 403.

duced and the same result be reached.² And if in opposition to the judgment the defendant urges that the former trial did not properly disclose the facts, or that evidence not then introduced has since become attainable, the court may hear the testimony anew, and if convinced that error was committed may disregard the judgment, and decide *de novo* on the question of validity.³

§ 1179. Preliminary Injunction: Prior Judgment as Evidence of Validity: Judgments between Different Parties.

In the absence of identity of the parties, the value of the judgment as a precedent depends upon the nature of the questions it decides. Certain matters relating to the validity of a patent are governed by established rules of legal definition and construction, and their determination is the same in every case, without reference to the parties, and sometimes without reference to the testimony. Whether or not the patented invention has resulted from inventive skill, whether it is embraced in either of the classes protected by the statute, whether the Claims of a re-issue are identical with those of its original, whether the patent is formally sufficient, and what it claims as the invention patented,—are points which, once being carefully considered and decided, may be regarded as permanently settled for all purposes of future litigation. True, in these matters even, the judges are not bound to follow the decisions of tribunals of inferior or co-ordinate jurisdiction; but the judicial comity which always must prevail among courts representing the same government and

² That an injunction will be granted after an adjudication in favor of the patent upon final hearing and full consideration of exhaustive evidence, unless there is opposing and cogent evidence in addition to that offered on the former hearing, see *Jones v. Merrill* (1875), 8 O. G. 401.

³ That where a former judgment against a different defendant is urged, it may always be shown that the same matters are not in controversy, or that material facts were not then known or

considered, or that other relevant matters were not passed upon, see *Page v. Holmes Burglar Alarm Telegraph Co.* (1880), 2 Fed. Rep. 330; 18 Blatch. 118; 5 Bann. & A. 439.

That on a motion for an injunction the validity of the patent will be considered anew, although it has been sustained on similar hearings before other judges, if it is alleged that new facts are in proof and that the merits of the case were not fairly presented on the other hearings, see *Blake v. Rawson*

administering the same laws, requires that judgments upon points like these should not be departed from without grave reasons for declaring them to be erroneous.¹ On other questions, whose decision is necessarily contingent on the evidence produced, such as priority, novelty, utility, abandonment, the sufficiency of the description, or the good faith of the inventor, no party can or should be prejudiced by the imperfect presentation of the law or evidence except in cases over which he had control.² Judgments involving these points are

(1872), 3 O. G. 122; 6 Fisher, 74; Holmes, 200.

That where the court is convinced that a former judgment was radically erroneous, it will be disregarded, see *Wells v. Gill* (1872), 6 Fisher, 89; 2 O. G. 590.

That new and additional evidence on the same points may deprive a former judgment of its weight, see *Lockwood v. Faber* (1886), 27 Fed. Rep. 63.

§ 1179. ¹ In *Potter v. Whitney* (1866), 3 Fisher, 77, Lowell, J.: (80) "Although it is the duty of the judge, in every case of this nature, where the defendant has not been a party to any former suits, to examine the case anew and exercise his discretion upon the questions presented, yet when questions are in fact the same as in former cases, he cannot but admit those decisions as having great weight, as much as in any other case arising for instance in admiralty or at common law, in which the point in controversy has been passed upon and decided." 1 Lowell, 87 (89).

That the judicial construction given to a patent by one court will usually be followed in another, see *Consolidated Safety Valve Co. v. Kunkle* (1883), 23 O. G. 630; 14 Fed. Rep. 732.

That all previously adjudicated matters are *prima facie* established against the defendant, see *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 Fisher, 189; *Goodyear Dental*

Vulcanite Co. v. Evans (1868), 3 Fisher, 390; 6 Blatch. 121.

That a judgment sustaining the patent in a contested case, and without collusion, is sufficient evidence of its validity on a motion for an injunction, see *Coburn v. Brainard* (1883), 16 Fed. Rep. 412; 5 McCrary, 215; *Coburn v. Clark* (1883), 15 Fed. Rep. 804; 24 O. G. 899; 5 McCrary, 99.

That a former judgment or decree sustaining the patent, though between other parties, raises a strong presumption that the patent is valid, see *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 Fisher, 189; *Potter v. Fuller* (1862), 2 Fisher, 251.

That an adjudication on an original patent is no ground for an injunction on the re-issue where the inventions are different, or the re-issue is broader than the original, see *Poppenhusen v. Falke* (1861), 2 Fisher, 181; 4 Blatch. 493.

² That decisions in former cases, offered to prove priority, are not conclusive except between the same parties and privies, see *Day v. Combination Rubber Co.* (1880), 17 O. G. 1347; 2 Fed. Rep. 570; 5 Bann. & A. 385.

That the question of infringement cannot be regarded as settled by prior judgments, see *Goodyear Dental Vulcanite Co. v. Evans* (1868), 3 Fisher, 390; 6 Blatch. 121.

That no injunction will issue where the judgment by which the patent is supported was obtained on contradictory

indeed of weight where no effectual attempt is made to prove their error, but the defendant on an application for an injunction may claim a reconsideration of these questions upon the evidence and arguments which he presents.³

§ 1180. Preliminary Injunction: Prior Judgment as Evidence of Validity: Judgments of Supreme Court.

The influence of the decisions of one tribunal over the conclusions of another depends mainly upon the relations established between them by the law. A judgment of the Supreme Court of the United States is binding on all other courts until reversed or modified; and its decision that a patent is valid must, therefore, be received as plenary proof of such validity between the same parties and on the same issues, unless it can be shown that the judgment was obtained by fraud, or that new evidence has been discovered which, if presented at the former trial, would have produced a different result. On questions of interpretation or definition the judgment of the Supreme Court must be followed even although the parties

claims, or where the plaintiff's title is in doubt, or where possession is vaguely stated in the bill, and is met by counter-claims and proofs for the defendant, see *Parker v. Sears* (1850), 1 Fisher, 93.

That an injunction will issue when the novelty of the invention is established, see *Hussey v. Whitely* (1860), 2 Fisher, 120; 1 Bond, 407.

That an injunction will be granted when the patent has been sustained after a full hearing and the infringement is clear, and especially when the very form of the device used by the defendant has been passed upon in the former case, although the defendant is responsible and willing to give security, see *Conover v. Mers* (1868), 3 Fisher, 386.

³ In *Page v. Holmes Burglar Alarm Telegraph Co.* (1880), 2 Fed. Rep. 330, Blatchford, J.: (336) "It is well settled that even after the validity of a patent has been established in a suit, and not-

withstanding the presumption thereby raised that the patent is valid, it may always be shown in another suit on the patent against another defendant, and even in answer to an application for a preliminary injunction in such suit, that the right claimed by the plaintiff in the new suit was not, either as to its nature or its extent, fairly in controversy in the former suit, or that material facts were not known or considered when the former suit was tried, or that there are relevant matters which were not adjudicated in the former suit. *American Nicholson Pavement Co. v. City of Elizabeth*, 4 Fisher's Pat. Cas. 189." 18 Blatch. 118 (125); 5 Bann. & A. 439 (446).

That where the defendant was not a party to the former suit he is entitled to a hearing *de novo*, but past decisions on the same facts have much weight, see *Potter v. Whitney* (1866), 3 Fisher, 77; 1 Lowell, 87.

may be different; and on all matters its determinations are entitled to the highest deference, in view of the wide research, the learned argument, and the careful scrutiny by which they are preceded.¹ Thus when, on any ground, this court sustains a patent, a presumption in its favor is created which only proof can overcome.

§ 1180. ¹ In *American Middlings Purifier Co. v. Christian* (1877), 4 Dillon, 448, Miller, J.: (452) "The decision which is brought to our notice in this case is a decision of the Supreme court of the United States, the court whose judgments are final upon all questions of Patent Law; whether the parties in interest now were before it or not, its decision as to what is law in the case governs the decision of all the other courts in the United States. Where the question is one of complicated facts, and the facts may be controverted, and are controverted in the Supreme court of the United States, with regard to the validity of the patent, of course the decision of that court upon those facts is conclusive, so far as the facts are the same; and in addition to that it is a very fair presumption that wherever the validity of the patent is a question which is brought to the attention and consideration of the Supreme court of the United States, all the questions concerning that patent which could possibly be before the court were before it, and were fully and well considered, and received its full and careful attention." 3 Bann. & A. 42 (44).

That a patent sustained by the Supreme court of the United States is valid for the purposes of an injunction unless the decree is collusive, see *American Middlings Purifier Co. v. Atlantic Milling Co.* (1877), 4 Dillon, 100; 3 Bann. & A. 168.

That Supreme court decisions are binding though none of the parties are the same, see *Richardson v. Lockwood* (1870), 4 Clifford, 128.

That if a judgment has been acquiesced in, or has been affirmed by the Supreme court of the United States, any doubts as to the validity of the patent or the originality of the invention, which might arise in a new case, are removed, see *Wells v. Gill* (1872), 6 Fisher, 89; 2 O. G. 590.

That Supreme court decisions are binding though new evidence is offered, unless it affects the legal rights of the parties, see *Richardson v. Lockwood* (1870), 4 Clifford, 128.

That when the Supreme court of the United States has held the original patent invalid, no injunction will be granted on the re-issue as if it were a new patent, for if the original were void for want of novelty the re-issue must be, see *Jones v. McMurray* (1877), 2 Hughes, 527; 13 O. G. 6; 3 Bann. & A. 130.

That an injunction will be refused where the patent, having been held by the Supreme court not to cover the defendant's device, was re-issued to cover it and the plaintiff's judgment was based on the re-issue, see *Wells v. Jacques* (1871), 5 Fisher, 136.

That where the Supreme court has limited a doctrine since a decision involving it in a Circuit court on the same patent that decision may be departed from, see *Rubber & Celluloid Harness Trimming Co. v. India Rubber Comb Co.* (1888), 44 O. G. 343.

That on questions of Patent Law the decisions of the Circuit courts and the Patent Office are not binding on the Supreme court, see *Andrews v. Hovey* (1888), 124 U. S. 694; 42 O. G. 1285.

§ 1181. Preliminary Injunction: Prior Judgment as Evidence of Validity: Judgments of Circuit Courts.

A judgment in the Circuit court of the same circuit, sustaining the patent between the same parties and upon the same issues, is sufficient evidence of its validity for the purposes of a subsequent injunction. Where the parties are different, the value of the judgment as a precedent depends upon the nature of the questions therein decided and the thoroughness with which they were examined. Matters which fall within the province of the court, either as involving legal definitions or the construction or comparison of written instruments, do not vary with a change of parties; and consequently, when once settled by the court, are not reviewed in future actions unless in cases of palpable mistake.¹ On other questions its determinations will be reconsidered whenever new evidence or new arguments indicate that they have been erroneous, though in the absence of good reasons to the contrary they raise a presumption in favor of the patent which is suffi-

§ 1181. ¹ That doctrines once established will not be reconsidered except in special cases where justice requires it, see *Tilghman v. Mitchell* (1871), 4 Fisher, 615; 9 Blatch. 18.

That the former judgment of a Circuit court sustaining the patent will not be followed if the test of patentability as since defined by the Supreme court would make the patent invalid, see *Rubber & Celluloid Harness Trimming Co. v. India Rubber Comb Co.* (1888), 44 O. G. 343.

That if a patent has once been deliberately and carefully construed by a court and sustained, the court on motion for an injunction will adhere to that construction, see *Mallory Mfg. Co. v. Hickok* (1884), 20 Fed. Rep. 116.

That the judicial definition of a patent is usually a limited one, and looked at in another light the patent may be different, and hence such definitions cannot be final and binding in different cases, see *Wilson v. Barnum* (1849), 2 Fisher, 635.

That decisions as to the validity of a patent are binding in future cases in the same circuit on the same patent, see *Meyer v. Goodyear's India Rubber Glove Mfg. Co.* (1881), 22 O. G. 681; 11 Fed. Rep. 891; 20 Blatch. 91.

That one decision in a case is to be followed by other judges in deciding the same points in subsequent stages of the case, see *Bate Refrigerating Co. v. Gillett* (1887), 40 O. G. 1029; 31 Fed. Rep. 809.

That where it has once been decided in the same circuit that a re-issue is invalid because the same matter was covered by an earlier patent, no further argument against it will be heard, see *Meyer v. Goodyear's India Rubber Glove Co.* (1881), 11 Fed. Rep. 891; 22 O. G. 681; 20 Blatch. 91.

That a decision in the same court, though with other parties, on the same questions will not be disturbed without good reasons, see *Odorless Excavating Apparatus Co. v. Clements* (1878), 16 O. G. 854; 4 Bann. & A. 540.

cient for the grant of an injunction. The judgment of a Circuit court in another circuit has no controlling authority. All Circuit courts are of equal judicial rank, and each is entitled to decide its causes in accordance with its own conclusions.² The comity of courts, however, gives to the judgments in another circuit a degree of weight measured by the character and number of the judgments, the eminence of the judges, and the care with which the questions were considered.³ A judg-

² That no Circuit court is bound by the decisions of other Circuit courts, see *Blake v. Robertson* (1874), 6 O. G. 297.

That a judgment in another circuit is not *res adjudicata*, unless the controversy is ended, and the decree finally settles all questions, leaving none open for future decision, see *Rumford Chemical Works v. Hecker* (1876), 10 O. G. 289; *Beebe v. Russell* (1856), 19 How. 283.

That although a court owes respect to the decisions of co-ordinate courts, it must decide on its own convictions, see *Schillinger v. Crauford* (1885), 37 O. G. 1349.

That an injunction may be refused where the court is in doubt as to infringement, though previous decisions have sustained the patent, see *Hammer-schlag Mfg. Co. v. Judd* (1886), 28 Fed. Rep. 621.

³ In *Searls v. Worden* (1882), 21 O. G. 1955, Brown, J.: (1956) "Upon general questions of law we listen to the opinions of our brother judges with deference and with a desire to conform to them if we can conscientiously do so; but we do not treat them as conclusive. In patent causes, however, where the same issue has been passed upon by the Circuit court sitting in another district, it is only in case of a clear mistake of law or fact, of newly discovered testimony, or upon some question not considered by such court, that we feel at liberty to review its findings." 11 Fed. Rep. 501 (502).

In *American Middlings Purifier Co. v. Christian* (1877), 4 Dillon, 448, Miller, J.: (451) "I think that the uniform course of decisions in the courts of the United States, where a previous decision has been had by a Circuit court with regard to the validity of a patent, has been to treat it as of the very highest nature, and as almost conclusive in an application for injunction in another case founded on the same patent. No one pretends, no one argues, that such a decision, even by a Circuit court, is absolutely conclusive on a final hearing on the merits of the case; but since patents are of such extensive and general operation all over the country, and since the litigation in regard to patents has been found so expensive and so wearisome to the courts, it has become almost a matter of necessity, after the validity of a patent, as distinguished from the question of infringement, has been passed upon by a competent tribunal upon a fair hearing, to treat that decision, in any future application in other courts and against other parties, as strongly persuasive of the validity of the patent; and this is especially so on the question of a preliminary injunction, and there is reason for it. The decision of the Circuit court (I am saying nothing about the Supreme court of the United States) in such cases is generally, — I may add always, except where there are cases of collusion, — the result of careful and deliberate consideration, either of a protracted trial before

ment in another circuit on the same issues and between the same parties, if rendered after due deliberation, is usually

a jury, or of a careful and full hearing upon depositions before a court. The presumption, therefore, that the title to the patent itself, and its validity (if that were brought in question in one of these suits), was more critically and more thoroughly looked into, and decided upon better hearing and more mature consideration, than it can be in a preliminary injunction, is very strong. Therefore I think I may state it, fairly and correctly, that wherever a patent has been established, even by the decision of the Circuit court, under a careful consideration, in a subsequent application, either before the same court or any other, for a preliminary injunction or for any preliminary relief, that decision is of very great weight." 3 Bann. & A. 42 (43).

In *Goodyear Dental Vulcanite Co. v. Willis* (1874), 7 O. G. 41, Emmons, J. : (41) "We think the learned counsel for the defendant much underrated the effect which it is our duty to give to judgments pronounced by co-ordinate courts, where precisely the same points are brought in litigation before us. The learning upon this subject is familiar, but the motives with which we discuss these matters at all will be subserved by referring to a few of the leading judgments upon this subject here. Those to which we refer have applied the principle in patent cases, but it is by no means peculiar to them. It is a principle of general jurisprudence, a disregard of which would produce a conflict of opinion in the Federal judiciary, alike unseemly and impolitic. In 3 Story, 133, *Washburn v. Gould*, Justice Story, sitting in the Massachusetts circuit, said: 'The rule of comity always observed by the Justices of the Supreme court in cases which admitted of being carried before

the whole court was to conform to the opinions of each other, if any had been given.' Justice McLean had previously given a ruling upon the same point in the Ohio circuit in 3 McLean, 250, *Brooks v. Bicknell*, and Justice Story therefore said: 'Although his mind was not without much difficulty on this point, he should rule for the plaintiffs, in accordance with the opinion of Mr. Justice McLean.' In 3 Fisher, 363, *Am. Wood Paper Co. v. Fibre Disintegrating Co.*, before Benedict, J., Eastern district of New York, there had been previous suits on the same five patents in other districts, and especially a suit in the Eastern district of Pennsylvania, which decided the points in issue as to two of the patents. Judge Benedict said, as to these two patents, 'The determination of the court in the case referred to furnishes an authority from which I should not feel at liberty, had I the inclination, to dissent.' In 3 Fisher, 443, *Goodyear v. Berry*, Leavitt, J., Southern district of Ohio, a patent had been sustained in several other circuits. Judge Leavitt says: 'In so far as principles involving the validity of these patents have been settled by these decisions, they will be regarded as final and authoritative on this court.' In 4 Fisher, 624, *Tilghman v. Mitchell*, Southern district of New York, Blatchford, J., quotes with approbation our remark in *Tilghman v. Werk*, Southern district of Ohio, 1868, in which it is said, 'Although the record in this case, in reference to some views which a superior court may possibly take, contains some material additional proofs, still they are not such as to authorize the same court to overrule its former deliberate adjudications, and to disregard the judgments of a co-ordinate one in a case in all respects

adopted unless evidently incorrect. A concurrence of judgments in other circuits on the same issues but between dif-

substantially like it.' In 6 Pat. Office Gaz., p. 154, *Goodyear Dental Vulcanite Co. v. Root*, Justice Hunt, sitting in the Northern district of New York, considers as authoritative the previous decisions in Massachusetts on the same patent. To the support of the generality sustained by these judgments it is unnecessary to say that numerous citations might be added, all showing that, in the opinion of the most enlightened jurists, we should be guilty of grossly violating well established judicial usage and propriety should we disregard the adjudications already made in reference to the validity of the patent before us. The principle which inclines a court to adhere to its own decision of a similar point although subsequently convinced it was erroneous, though not in all respects applicable here, furnishes a strong analogy, and a reason on which our own actions should be based. (See *Ram on Legal Judgment*, 203 *et seq.*) It there abundantly appears that the adherence to decisions is by no means confined to those which precede it in the same tribunal. Those of co-ordinate courts are equally influential. The Queen's Bench, Common Pleas, and the Exchequer, where there is a common appellate court to review the decisions of each, follow with the utmost respect each other's adjudications. Upon reasons having much influence here, appellate courts often follow a series of adjudications made by subordinate tribunals where they have been acquiesced in, and have become in some sense a rule of property. It is not because they are obligatory, but from the unfitness of shifting rules. This is by no means closely applicable here, where judgments are recent and refer to the individual rights of the complainant. But many of the evils, it is quite ap-

parent, which this class of judgments seeks to avoid would be produced should we disregard the rule. In the elaborate treatment of this general subject in the book to which we have referred, both by the English and American authors, it is significant that they make no distinction between prior decisions of the same, and co-ordinate tribunals. It is enough to call for the application of the principle that the courts have the same jurisdiction under the same government to decide the same points, that there is a common appellate court finally to adjust the difference between them. If one system of co-ordinate courts more than another calls for the application of this general principle it is that of the Circuit courts of the United States. They all have similar special jurisdiction, and are all, in an eminent degree, looked to for all those rules of right and property created under the Federal statutes, and in reference to the subjects coming within the Federal Constitution. Although divided in jurisdiction geographically, they constitute a single system; and when one court has fully considered and deliberately decided a question, every suggestion of propriety and fit public action demand it should be followed until modified by the appellate court. The comment of the bar upon this subject assumed that the final decrees and elaborately reasoned decisions of Circuit judges, with full citations and criticisms of authorities, often involving the entire history of the law upon the subject discussed, are to be ranked with what are termed *nisi prius* decisions. They are in all respects judgments *in banc*. They not only have the deliberation and care of judgments in the high courts of chancery in England and this country, but the court of itself bears the same relation to the whole

ferent parties; the decision of any judge of recognized ability upon a question of legal definition or interpretation; a series

judicial system that such courts do to those in which they exist. There is but one appellate court above them. A superior tribunal also reviews the judgments of the English Chancery, and so of nearly all the like State tribunals. Although we would by no means confine our acquiescence in the decisions of our brother judges to cases where the particular patent has been adjudged to be valid, or that a particular device infringes upon it, still we think that eminently beyond other cases is the rule applicable to them. The right of the complainant is a special franchise granted by the political power. A special organism is created for the purpose of ascertaining his right to the grant. When issued, the several Federal courts are authorized to review the rectitude of this action, and from their determination an appeal lies to the court of last resort. It is an indivisible system for ascertaining the rightfulness and the limits of the patent, and when, in any co-ordinate department of it, judgment has been pronounced, that duty should be deemed performed until reversed by an appellate tribunal. It would present an unseemly spectacle for the same governmental grant to receive half a dozen different constructions in as many co-ordinate courts, all authorized to define it and inform the citizens what it means, and all having the force of law contemporaneously under the same government. We cannot speak with great certainty, but do affirm with much confidence that the expenses paid in our country for patent litigations are rapidly approximating the entire sum demanded for royalties. Until some special tribunal is instituted for the determination of these questions, and some general mode of reviewing these public grants, which shall test definitely the rightfulness

of the grants, it will result in a large saving of money to the great masses of our citizens who are using these improvements to let them and their advisers of the profession understand that a fair and full examination in one court, followed by a judgment, will, in the other co-ordinate tribunals, be acquiesced in as law, if there is no appeal and reversal." 1 Flippin, 388 (390); 1 Bann. & A. 568 (570).

That one court does not review or reverse the judgment of a court of co-ordinate jurisdiction, see *Hayes v. Dayton* (1884), 20 Fed. Rep. 690.

That the decision of a co-ordinate court will be followed, unless good reason for departing therefrom is shown, where the issues, pleadings, and evidence are the same, see *Hancock Inspirator Co. v. Register* (1888), 35 Fed. Rep. 61; *Worswick Mfg. Co. v. Philadelphia* (1887), 30 Fed. Rep. 625; *Steam Gauge & Lantern Co. v. McRoberts* (1886), 36 O. G. 822; 26 Fed. Rep. 765; *American Bell Telephone Co. v. National Improved Telephone Co.* (1886), 27 Fed. Rep. 663; *Cary v. Domestic Spring Bed Co.* (1886), 26 Fed. Rep. 38; 34 O. G. 1158; *Cary v. Lovell Mfg. Co.* (1885), 32 O. G. 1009; 24 Fed. Rep. 141; *Field v. Ireland* (1884), 28 O. G. 284; 19 Fed. Rep. 835; *Coburn v. Clark* (1883), 24 O. G. 899; 5 McCrary, 99; 15 Fed. Rep. 804; *American Ballast Log Co. v. Cotter* (1882), 11 Fed. Rep. 728; 21 O. G. 1030.

That co-ordinate courts should be followed on questions of validity and construction until overruled by the Supreme court, see *Hammerschlag Mfg. Co. v. Bancroft* (1887), 40 O. G. 1339.

That the judgment of a co-ordinate court should be followed unless new evidence is offered or an obvious mistake was made in the law, see *Cary v.*

of decisions, or even one decision, sustaining the patent against attacks in which all conceivable objections have been urged, — each of these is of sufficient influence to govern future rulings until its error is discovered.⁴

Lovell Mfg. Co. (1887), 31 Fed. Rep. 344; 40 O. G. 1239.

That a decision sustaining the patent in another circuit will be followed on motion for injunction, unless such new evidence is presented as would have led the other court to a different conclusion, see *Ladd v. Cameron* (1885), 25 Fed. Rep. 37.

That prior decisions in other courts as to the validity of the patent are regarded as final, see *Goodyear v. Berry* (1868), 3 Fisher, 439; 2 Bond, 189.

That a former decision will be presumed correct though in another court, if no new evidence is introduced and no new question is raised, see *Worden v. Searls* (1884), 21 Fed. Rep. 406.

That where one Circuit court sustains a patent, after full discussion, another court should follow it on the same evidence, unless in cases of plain mistake, see *Hammerschlag v. Garrett* (1881), 9 Fed. Rep. 43; *Goodyear v. Honsinger* (1867), 3 Fisher, 147; 2 Bissell, 1.

That when the patent has been sustained by other courts the only open question is that of infringement, see *Goodyear v. Rust* (1868), 3 Fisher, 456; 6 Blatch. 229.

That a judgment rendered in one circuit is evidence in another where the matter in dispute is the same, and the defendant in the later suit paid the expenses and employed the counsel in the former, though he was not a nominal party, see *United States & Foreign Salamander Felting Co. v. Asbestos Felting Co.* (1880), 19 O. G. 362; 18 Blatch. 310; 4 Fed. Rep. 816; 5 Bann. & A. 622.

⁴ That there is a strong presumption

that former decisions are correct when four different Circuit courts have made the same ones without appeal, see *Blake v. Robertson* (1874), 6 O. G. 297.

That where the same issues have been often presented and decided, agreeing in the construction of the patent, such decisions will be accepted as final until the Supreme court overrules them, unless new features are presented, see *Green v. French* (1882), 11 Fed. Rep. 591; 21 O. G. 1351.

That where the patent has already been sustained in three cases, in one of which the defendant was interested, the validity of the patent is established and the only question open is infringement, see *Robertson v. Hill* (1873), 4 O. G. 132; 6 Fisher, 465.

That where four judgments have been rendered sustaining the patent, one of which was against the defendant, and an extension has also been granted, the validity of the patent and the infringement are taken as established for the purposes of an injunction, see *Tilghman v. Mitchell* (1871), 4 Fisher, 615; 9 Blatch. 18.

That a patent twice sustained by the courts will be regarded as valid for the purposes of an injunction, where there is no reason to doubt the correctness of the decisions, see *Cary v. Lovell Mfg. Co.* (1885), 32 O. G. 1009; 24 Fed. Rep. 141.

That an answer denying that a decision was rendered "after full consideration" contains no imputation on the court and is neither impertinent nor scandalous, see *Miller v. Buchanan* (1880), 18 O. G. 1532; 5 Fed. Rep. 366.

That a decision sustaining a patent, after a contest covering all the usual

§ 1182. Preliminary Injunction : Prior Judgment as Evidence of Validity : Judgments of Circuit Courts : Judgments on Hearings, by Consent, by Collusion, etc.

The authority of a judgment in the Circuit court depends to some extent upon the mode in which its conclusions were attained. A decree based upon a hearing, in which all questions of fact as well as of law were submitted to the judge and by him were examined and decided, is of greater weight than one based on the verdict of a jury on a feigned issue, or than a judgment on a verdict in a court of law.¹ A decree by consent, if without collusion, binds the defendant in the same circuit, but has no effect on other parties, nor against him in other circuits, unless his first surrender is shown to have resulted from his knowledge that he had no adequate defence.²

defences, is almost conclusive, see *Cary v. Domestic Spring Bed Co.* (1885), 27 Fed. Rep. 299.

§ 1182. ¹ That the decision of a court of equity on final hearing furnishes an authority for the action of courts of co-ordinate jurisdiction, see *American Wood Paper Co. v. Fibre Disintegrating Co.* (1868), 3 Fisher, 362 ; 6 Blatch. 27.

That the conclusions of a judge on a patent case are more reliable than those of a jury, see *Buchanan v. Howland* (1863), 2 Fisher, 341 ; 5 Blatch. 151.

That the discussion of a patent by the court in a former suit is of some weight on a motion for an injunction, see *Consolidated Bunting Apparatus Co. v. Peter Schoenhofen Brewing Co.* (1886), 37 O. G. 786 ; 28 Fed. Rep. 428.

That on a motion for an injunction a decree in chancery is of more weight than the verdict of a jury, see *Goodyear v. Mullee* (1868), 3 Fisher, 420.

That the final decree of a court, if without collusion, is good ground for an injunction, see *Kirby Bung Mfg. Co. v. White* (1880), 1 Fed. Rep. 604 ; 17 O. G. 974 ; 1 McCrary, 155 ; 5 Bann. & A. 263.

That a hearing before a master is not a final hearing, see *Doughty v. West, Bradley & Cary Mfg. Co.* (1870), 4 Fisher, 318 ; 8 Blatch. 107.

That a dismissal of the bill, for failure to prove infringement, is no bar to another suit between the same parties, see *Steam Gauge & Lantern Co. v. Meyrose* (1886), 36 O. G. 1477 ; 27 Fed. Rep. 213.

That a dismissal of a bill for repeal on its merits is not a judgment necessarily importing that the patents in question did not interfere, or that the earlier one was void, see *Tyler v. Hyde* (1851), 2 Blatch. 308.

² That a judgment, without contest, sustaining the patent in the absence of collusion, is equally good proof of validity with any other judgment, see *McWilliams Mfg. Co. v. Blundell* (1882), 22 O. G. 177 ; 11 Fed. Rep. 419.

That a decree by consent in a prior suit, declaring the patent valid and the complainant sole owner, is binding as to all questions determined thereby in the second suit between the same parties, see *Tomkinson v. Willetts Mfg. Co.* (1884), 23 Fed. Rep. 895 ; 31 O. G. 918 ; 32 O. G. 382.

That a decree by consent merely

Collusive decrees are of no value against any party.³ A decision on an application for a preliminary injunction is of less weight than a decree.⁴ The verdict of a jury in a court of

shows the acquiescence of that defendant in that decision, see *Hayes v. Leton* (1881), 5 Fed. Rep. 521.

That where the present device of the defendant differs only in form from that concerning which he consented to a decree, an injunction will issue, see *United States Metallic Packing Co. v. Tripp* (1887), 39 O. G. 1554; 31 Fed. Rep. 350.

That a defendant is estopped by a decree by consent in a suit where the present plaintiff's assignor was plaintiff, see *United States Metallic Packing Co. v. Tripp* (1887), 39 O. G. 1554; 31 Fed. Rep. 350.

That a decree by consent in one circuit does not lay the foundation for an injunction in another, see *Warner v. Baasett* (1881), 7 Fed. Rep. 468; 19 Blatch. 145.

That a decree *pro forma* on the merits is not ground for an injunction in other courts, see *Kirby Bung Mfg. Co. v. White* (1880), 17 O. G. 974; 1 Fed. Rep. 604; 1 McCrary, 155; 5 Bann. & A. 263.

That a decree by consent is not effective against others not parties thereto, and has very little weight in any other court in favor of the patent, see *Spring v. Domestic Sewing Mach. Co.* (1879), 16 O. G. 721; 4 Bann. & A. 427.

That an injunction will not issue against third parties on the ground of a former judgment by consent against others, or where the former defendants abandoned their case and a decree was entered without a hearing, see *Hayes v. Leton* (1881), 5 Fed. Rep. 521.

That an injunction will not be issued where infringement is denied, solely on the ground that a judgment was rendered in another circuit on a mere motion, see *Sargent Mfg. Co. v. Woodruff* (1873), 5 Bissell, 444.

³ That collusive decrees are not ground for an injunction, see *Kirby Bung Mfg. Co. v. White* (1880), 17 O. G. 974; 1 Fed. Rep. 604; 1 McCrary, 155; 5 Bann. & A. 263.

That a suit is collusive if one party pays the fees of counsel on both sides, below and on appeal, though the fees were charged to the party primarily liable, see *Gardner v. Goodyear Dental Vulcanite Co.* (1873), 6 Fisher, 329; 8 O. G. 295.

That collusion in a former suit must be fully proved, not conjectured or suspected, see *Seibert Cylinder Oil Cup Co. v. Beggs* (1887), 32 Fed. Rep. 790.

⁴ That a decision on a motion for a preliminary injunction is of no controlling authority in another circuit, see *Cornell v. Littlejohn* (1876), 9 O. G. 837, 922; 2 Bann. & A. 324.

That the denial of an injunction by one court is some ground for its denial by others, see *Thompson v. Rand Avery Supply Co.* (1889), 38 Fed. Rep. 112.

That the issue of injunctions by other courts may also be considered, see *Schneider v. Missouri Glass Co.* (1888), 36 Fed. Rep. 582.

That the decision of a motion for an injunction does not settle the identity of two machines, though it may be an admission of the parties that there was an infringement, see *Florence Sewing Mach. Co. v. Singer Mfg. Co.* (1870), 4 Fisher, 329; 8 Blatch. 113.

That a refusal to grant an injunction against a vendor by one court, though with leave to renew the motion, is a reason for its refusal by another court against his vendee, see *Hicks v. Beardslley* (1887), 41 O. G. 235; 32 Fed. Rep. 281.

That the user may be enjoined in one circuit though the maker is being sued

law is a sufficient warrant for the grant of an injunction, but may be disregarded by the court even when not so clearly contrary to the evidence that a new trial would have been allowed.⁶ A pending bill of exceptions, or a writ of error, or

in another, see *Thompson v. American Bank Note Co.* (1888), 45 O. G. 347; 35 Fed. Rep. 203.

⁶ In *Wells v. Gill* (1872), 2 O. G. 590, Strong, J. : (591) "Ordinarily a verdict and judgment sustaining a patent are controlling over the discretion of a judge when he is asked to award a provisional injunction. They relieve him from the necessity of inquiring into the validity of the patent, and if he is satisfied there has been an infringement, the injunction may be said to be almost a thing of course." 6 Fisher, 89 (91).

In *Day v. Hartshorn* (1855), 3 Fisher, 32, Pitman, J. : (36) "It was argued before me that if I was not satisfied with the verdict, yet if I would not have set it aside if a motion had been made for a new trial, that then I ought to grant the injunction. If I have the right, in a court of equity, to examine the evidence in a cause which is tried before me at law, and to draw my own conclusions when I am asked to grant an injunction, and ought to refuse it if I am not satisfied with the verdict, then, though I might hesitate to set the verdict aside because I was not satisfied with the same, especially after the modern decisions on this subject, yet it would not follow that I ought to grant an injunction. The jury draw their own conclusions from the evidence, and it is their right so to do; and because I might not draw the same conclusions, this of itself is not sufficient to justify me in setting the verdict aside, if they have evidence to judge from. If I should do so, I should substitute myself as judge of the facts, in a trial at law, which the parties and

the law have submitted to the jury. But when I am applied to in equity, where I am judge of the facts as well as law, and required to perform an act which calls upon me to draw my own conclusions from the evidence which I heard upon the trial, there my own judgment upon the law and the evidence must determine my action, and not the judgment of the jury. I will not set aside a verdict because I differed from the jury upon the evidence, because the verdict is theirs, and they act upon their conscience. But when I have to act upon my own conscience, then I cannot suffer the jury to control me in my province, for the same reason that I should deem it improper for me to control them in their province. There are cases where, though I might be dissatisfied with the verdict, yet not so much so but that I might think it proper to suffer the verdict to be the basis for an injunction."

Contra, That when a judge disregards a former verdict his reasons for so doing should be sufficient to lead him to grant a new trial, see *Parker v. Brant* (1850), 1 Fisher, 58.

That the verdict of a jury is not conclusive on motion for injunction, but the court will examine the whole case, see *Sickels v. Youngs* (1855), 3 Blatch. 293; *Many v. Sizer* (1849), 1 Fisher, 31.

That a verdict in an uncontested case, without collusion, is of as great weight as one after a full trial, see *Potter v. Fuller* (1862), 2 Fisher, 251.

That a verdict on an issue out of chancery, and a trial for damages on an amended specification, are not the same matter, and the former is no bar

a petition for another trial impairs the force of such a verdict, and the court should not receive it as a ground for an injunction without a further inquiry into the merits of the case.⁶

§ 1183. Preliminary Injunction : Prior Judgment as Evidence of Validity : Judgments in the Patent Office.

A decision in the Patent Office, though not binding on the courts, has more or less weight according to the subject-matter of the judgment, and the violence of the contest by which it was preceded.¹ The award of a patent, without objection, is

to an injunction when no judgment was rendered on the verdict or on the merits of the bill, see *Allen v. Blunt* (1846), 2 W. & M. 121 ; 2 Robb, 530.

That on a motion for an injunction after a verdict at law, the facts found by the verdict will be considered as established for the purposes of the motion, see *Poppenhusen v. New York Gutta Percha Comb Co.* (1858), 2 Fisher, 74 ; 4 Blatch. 184.

⁶ That an injunction will be refused where the judgment, on the strength of which it has been asked, has been appealed from and seems doubtful, see *Many v. Sizer* (1849), 1 Fisher, 31.

That an injunction may be denied when the judgment at law was followed by a bill of exceptions, see *Furbush v. Bradford* (1858), 1 Fisher, 317.

That after a judgment at law and a bill of exceptions the court must exercise its own judgment on the questions involved in the bill of exceptions, and determine whether the title is clear enough to warrant an injunction, see *Furbush v. Bradford* (1858), 1 Fisher, 317.

That a judgment is not conclusive on a motion for an injunction, if a writ of error is pending, see *Wells v. Gill* (1872), 2 O. G. 590 ; 6 Fisher, 89.

That an injunction will generally be refused if the case has been tried at law and motion was made for a new trial, or a bill of exceptions and writ of error

have been filed, though even then the injunction may be ordered, see *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67 ; *Day v. Hartshorn* (1855), 3 Fisher, 32.

That when a new trial has been granted in a suit wherein the patent was held invalid, but on grounds not affecting validity, an injunction may be refused, see *Keyes v. Pueblo Smelting & Refining Co.* (1887), 31 Fed. Rep. 560.

§ 1183. ¹ That a decision in the Patent Office is not binding on the courts, see *Celluloid Mfg. Co. v. Chrolithian Collar & Cuff Co.* (1885), 32 O. G. 383 ; 24 Fed. Rep. 275 ; *Wilson v. Barnum* (1849), 2 Fisher, 635 ; 1 Wall. Jr. 347 ; 2 Robb, 749.

That a decision of the Patent Office does not bind the courts when steps are taken to contest its validity, see *Minneapolis Harvester Works v. McCormick Harvesting Mach. Co.* (1886), 28 Fed. Rep. 565 ; 37 O. G. 566.

That a decision of the Patent Office, after long contest and full examination of the art, is of weight on a motion for an injunction, see *Consolidated Bunting Apparatus Co. v. Peter Schoenhofen Brewing Co.* (1886), 28 Fed. Rep. 428 ; 37 O. G. 786.

That the construction given to a patent in the Patent Office, and on the strength of which it was granted, will be followed in the courts, see *Geis v. Kimber* (1888), 36 Fed. Rep. 105.

of some authority, yet it alone does not empower the court to interfere for the protection of its owner.² But a judgment in an interference, awarding priority to one rival claimant, is sufficient ground for an injunction in his favor against the other;³ a finding that the patented invention will accomplish

² In *Yuengling v. Johnson* (1877), 1 Hughes, 607, Hughes, J.: (613) "It is true that the issuing of patents is not conclusive upon the courts. Patents are subject to review by the courts. Suits in a very large proportion of patent cases are but means of appeal to the courts from the action of the Patent Office. Yet, while this is so, that action must always carry great weight with the courts. It is always very strongly persuasive with them. Patents are the results, generally, of contests between accomplished experts, and after such contests of the matured judgment of officers selected and appointed by the President for their extraordinary competency and skill, I think it is hardly going too far to say, following Mr. Justice Grier, in *N. E. Car Company v. Dunbar*, 1 Fisher, that the action of the Patent Office is sufficient to make such a *prima facie* case as to justify the action of a court on almost any motion for a preliminary injunction. If, indeed, in any case the general unanimous testimony of experts united in condemning the action of the Patent Office, in such case a court might well hesitate to treat that action as constituting a *prima facie* case for or against a preliminary injunction. But when, as in the present case, the weight of expert testimony is nearly evenly balanced, a court may safely presume that the action of the Patent Office, taken after a sharp contest between patent lawyers and experts, is *prima facie* correct." 3 Bann. & A. 99 (104).

That the grant of a patent is only an *ex parte* adjudication, see *Potter v. Stevens* (1861), 2 Fisher, 163.

That the decision of the Patent Office in issuing the patent has some weight but is not controlling, see *Jones v. Merrill* (1875), 8 O. G. 401. See also § 1016, and notes, *ante*.

That the action of the Patent Office in allowing a re-issue is of weight on a motion for an injunction, see *Consolidated Bunting Apparatus Co. v. Peter Schoenhofen Brewing Co.* (1886), 37 O. G. 786; 28 Fed. Rep. 428.

That a re-issue granted to correct a mistake made by an attorney in accepting an amended Claim is of too doubtful validity to aid an injunction, see *Arnheim v. Finster* (1885), 32 O. G. 256; 24 Fed. Rep. 276.

³ That an interference judgment is *res adjudicata* between the parties, see *Shuter v. Davis* (1883), 24 O. G. 303; 16 Fed. Rep. 564.

That the action of the Commissioner of Patents on an interference makes a *prima facie* case for an injunction, see *Yuengling v. Johnson* (1877), 1 Hughes, 607; 3 Bann. & A. 99.

That an interference decision raises no presumption against any person except the defeated party and his privies, see *Edward Barr Co. v. N. Y. & N. H. Automatic Sprinkler Co.* (1887), 32 Fed. Rep. 79.

That an interference judgment, if appealed from, is not operative as a judgment, see *Minneapolis Harvester Works v. McCormick Harvesting Mach. Co.* (1886), 37 O. G. 566; 28 Fed. Rep. 565.

That a decision in interference, not appealed from, though not conclusive is strongly persuasive, see *Kirk v. Du Bois* (1887), 42 O. G. 297.

That an interference judgment will

practical results avails the plaintiff in his efforts to enjoin the party who denied it;⁴ a decision that patentable differences exist between the patented invention and another art or instrument is a sufficient answer to the latter when urged against the novelty of the invention;⁵ and an extension of

warrant an injunction against the defeated party, see *Celluloid Mfg. Co. v. Chrolithian Collar & Cuff Co.* (1885), 32 O. G. 383; 24 Fed. Rep. 275; *Holliday v. Pickhardt* (1882), 22 O. G. 420; 12 Fed. Rep. 147.

That a decision of the Patent Office on an interference is ground for an injunction, so far as the question of priority is concerned, see *Smith v. Halkyard* (1883), 16 Fed. Rep. 414; 23 O. G., 1833.

That an interference decision affects only the matter of priority and is not evidence of validity, see *Dickerson v. De la Vergne Refrigerating Mach. Co.* (1888), 35 Fed. Rep. 143.

That an injunction will be granted against the defeated party to an interference if he had knowledge of the state of the art at the date of his application, and is in bad faith, see *Smith v. Halkyard* (1883), 16 Fed. Rep. 414; 23 O. G. 1833.

That an injunction will be granted against the defeated party to an interference unless the want of novelty is clearly shown, see *Smith v. Halkyard* (1883), 16 Fed. Rep. 414; 23 O. G. 1833.

That an interference decision, though not conclusive on the parties, is sufficient to warrant an injunction, and any claim by defendant that both he and the plaintiff were anticipated by others will be disregarded if known at the time he was seeking a patent, unless now clearly established, see *Celluloid Mfg. Co. v. Chrolithian Collar & Cuff Co.* (1885), 24 Fed. Rep. 275; 32 O. G. 383; *Smith v. Halkyard* (1883), 16 Fed. Rep. 414; 23 O. G. 1833.

That a defendant who acquiesced in

an interference decision between himself and the plaintiff, and limited his own patent accordingly, is bound by it in the courts, and though he may set up priority in others against the plaintiff's patent, yet if this priority were known to him at the time of his application, the action of the Patent Office in allowing the plaintiff's patent is of great weight against him, see *Peck, Stow & Wilcox Co. v. Lindsay, Sterritt & Co.* (1880), 18 O. G. 63; 2 Fed. Rep. 688; 5 Bann. & A. 390.

That a judgment against a party in an interference is not conclusive upon him, see *Smith v. Halkyard* (1883), 16 Fed. Rep. 414; 23 O. G. 1833; *Perry v. Starrett* (1878), 14 O. G. 599; 3 Bann. & A. 485; *Union Paper Bag Mach. Co. v. Crane* (1874), Holmes, 429; 6 O. G. 801; 1 Bann. & A. 494.

That a party to an interference, not appealing, is bound by a decision on priority, for the purposes of an injunction, see *Greenwood v. Bracher* (1880), 1 Fed. Rep. 856; 17 O. G. 1151; 5 Bann. & A. 302.

⁴ That a decision of the Patent Office, on an issue there raised between the same parties, that the invention is practicable is sufficient ground for an injunction, see *Holliday v. Pickhardt* (1882), 22 O. G. 420; 12 Fed. Rep. 147.

⁵ That the court will consider the fact that the Patent Office found patentable differences between two devices, see *Putnam v. Weatherbee* (1875), 8 O. G. 320; Holmes, 497; 2 Bann. & A. 78.

That the decision of the Patent Office in an interference case, as to the identity of the inventions, is sufficient

the patent after persistent opposition is evidence of its validity which only strong counter-proof can overcome.⁶

§ 1104. Preliminary Injunction: Summation of Rules Concerning Prior Judgments as Evidence of Validity.

The foregoing doctrines concerning the effect of prior judgments sustaining the patent, as evidence on an application for an injunction, may be summed up as follows: A judgment of the Supreme Court, or of the Circuit court of the same circuit, upon the same issues and against the same defendant, is conclusive proof of the validity of the patent, unless new evidence has since been discovered or the judgment has been overruled or was originally obtained by fraud. A judgment in another circuit against the same defendant on the same issues is not conclusive, but is of high authority and can be overcome only by convincing evidence that the former tribunal was mistaken or insufficiently informed, — except where a decree was rendered by consent, which is without authority unless it also appears that no defence against the patent could have been maintained. A judgment in the Patent Office in a contested case, if well considered, is of great weight against the party there defeated, and in the absence of opposing testimony is sufficient proof of the validity of the successful patent. No judgment is conclusive against persons who were neither parties nor privies to the suit; but where in any of these tribunals certain questions of law relating to the existence, scope, or validity of the patent have been once decided, after full examination and careful scrutiny, these decisions command more or less respect in other courts and causes, although the defendant was not interested in the prior action. Such a decision rendered by the Supreme Court, or the same Circuit court, is not departed from without clear evidence of error. If emanating from the Circuit court of another circuit,

prima facie evidence that the makers of the defeated invention infringe, see *Holliday v. Pickhardt* (1882), 22 O. G. 420; 12 Fed. Rep. 147.

That a decision of the Commissioner is not conclusive as to novelty, utility, or inventive skill, see *Reckendorfer v.*

Fabor (1875), 92 U. S. 347; 10 O. G. 71.

⁶ That a special act of extension is conclusive on a motion for injunction, though alleged to have been procured by fraud, see *Gibson v. Gifford* (1850), 1 Blatch. 529.

except on decrees by consent, it has a value measured by the ability and experience of the judge, and the completeness of the presentation of the arguments against it. When it results from a contest in the Patent Office, it raises a presumption in favor of the patent on that question, which, in the absence of better reasons to the contrary, the courts will usually maintain. But in all cases where the prior judgment does not operate as an estoppel upon the defendant, the issue on the application for an injunction is open for fresh inquiry and determination, the judgment being merely evidence in favor of the plaintiff, and controlling the decision of the court only when not opposed by more convincing proof. Judgments against the patent are, for obvious reasons, of higher value and a wider influence, since a patent invalid upon any ground is invalid against all the world, and therefore any decision declaring it void, though in a different tribunal and between other parties, affords a presumption of its invalidity which the plaintiff can with difficulty overcome.¹ When conflicting judgments have been rendered, the court must follow those which, in view of all the tests of authority, appear to have the higher value, and if the question is still doubtful, and no other evidence is offered, it must decide in favor of the patent.² For though the patent, unsupported by a judgment, is

§ 1184. ¹ That where the same Claims have in a former suit been adjudged to have been anticipated the suit will be dismissed, see *Crandall v. Dare* (1881), 11 Fed. Rep. 902.

That a decree of invalidity in the Federal courts is conclusive on the parties, see *Hawks v. Swett* (1875), 4 Hun, 146; 6 Thomp. & C. 529.

That a decision in one circuit that a patent is void for want of novelty will be followed in others, see *Kidd v. Ransom* (1888), 35 Fed. Rep. 588.

That an injunction will not be granted after successive defeats at law, where the novelty and infringement are in dispute and no public acquiescence appears, unless the plaintiff makes out a clear case, but the defendant will be ordered to try the case at the next

term under penalty of an injunction, see *Serrell v. Collins* (1857), 4 Blatch. 61.

That an injunction will be refused when several suits were brought against several defendants, and were all defended by one party, and injunctions have already been denied in some of them, and the defendant's case is ready for trial, see *Wooster v. Howe Mach. Co.* (1879), 16 O. G. 314; 4 Bann. & A. 319.

² That an injunction may be granted where some judgments have sustained the patent though one has been adverse to its validity, see *United States Stamping Co. v. King* (1879), 17 Blatch. 55 4 Bann. & A. 469; 17 O. G. 1399; 7 Fed. Rep. 860.

That an injunction will be granted

not sufficient proof of its own validity for the purposes of an injunction, yet when sustained by judgments it outweighs all other judgments of an equal value.

§ 1185. Preliminary Injunction: Public Acquiescence as Evidence of Validity: Acquiescence Defined.

Where no judgment sustaining the patent upon the issues presented on the application for an injunction can be offered, or where if offered the judgment is of doubtful value, the deficiency may be supplied by proof of a public acquiescence in the claims of the patent of sufficient definiteness and duration to afford a reasonable presumption of its validity.¹

though the patent has been declared invalid in one suit, if it has been sustained in several others and new evidence in its favor is now at hand, see *United States Stamping Co. v. King* (1879), 17 O. G. 1399; 7 Fed. Rep. 860; 17 Blatch. 55; 4 Bann. & A. 469.

That an injunction will be granted when the patent has been sustained in a former trial in the same circuit though other suits are still pending in the courts of other circuits, see *Atlantic Giant Powder Co. v. Goodyear* (1877), 13 O. G. 45; 3 Bann. & A. 161.

That where there have been an arbitration and award the court will presume them correct till the contrary is shown, see *Reedy v. Scott* (1874), 23 Wall. 352; 7 O. G. 463.

See also as to former judgments in the Federal courts § 1017 and notes, *ante*.

That no regard will be paid to the decision of a State court concerning the contract relations of the parties, see *Oliver v. Rumford Chemical Works* (1883), 109 U. S. 75; 25 O. G. 784.

That the judgment of a Probate court of competent jurisdiction confirming a sale is conclusive as to the right of the vendee, see *May v. Mercer Co.* (1887), 41 O. G. 815; 30 Fed. Rep. 246.

§ 1185. ¹ In *Kirby Bung Mfg. Co. v. White* (1880), 5 Bann. & A. 263, Treat, J.: (265) "For the purposes of a provisional injunction under the Patent Law two things, or either of two things, may exist, — to wit, as in this case, a court, after full consideration of the matter, has rendered a final decree, upholding the validity of the patent. That is sufficient basis in itself for an injunction or some form of a restraining or accounting order, provided the party defendant in the particular case has infringed the patent. In other words, the court, on a motion for a provisional injunction, does not go into the merits to ascertain the validity of the patent. *Prima facie* the patent is valid. But under the uniform rulings of the courts of the United States for more than half a century, if there has been no decision as to the patent by a United States court on the merits, the party is driven to show that his patent went into use undisputed for a sufficient time to raise a *prima facie* case in his favor. But if the court, after a due consideration of the matter, has reached the conclusion that the patent is valid, on this provisional matter the inquiry is not open." 17 O. G. 974 (974); 1 Fed. Rep. 604 (606); 1 McCrary, 155 (157).

In *Hockholzer v. Eager* (1873), 2 Sawyer, 361, Hillyer, J.: (362) "Some-

Acquiescence, in reference to this subject, is a voluntary submission, against interest, to an asserted right. In the first

thing more than a grant of letters-patent must be shown; something which, in the absence of a trial at law, may take its place in establishing, or presumptively establishing, the validity of the patent. This may be done by showing an exclusive possession and exercise of the right granted. In proof of such possession it must appear that the patentee after the grant of his exclusive right has proceeded to exercise that right for some years without being disturbed. (*Orr v. Littlefield*, 1 W. & M. 13.) This he may prove by showing that he has manufactured and sold machines repeatedly, or has sold to others the right to make, vend, and use the thing patented, and if the public acquiesce in this exclusive exercise of his right, it affords some ground for presuming that the patent is valid."

In *Potter v. Muller* (1864), 2 Fisher, 465, Leavitt, J.: (467) "The rule as to granting or continuing injunctions in patent-right cases is now well settled by the modern usages of the courts of the United States. They are now granted without a previous trial at law in cases where the owner of the patent shows a clear case of infringement, and has been in the possession and enjoyment of the exclusive right for a term of years without any successful impeachment of its validity. Such possession and enjoyment, aided by the presumptions arising from the patent itself, are usually regarded as sufficient to warrant an injunction to restrain infringement."

In *Orr v. Littlefield* (1845), 1 W. & M. 13, Woodbury, J.: (16) "If the patentee, after the procurement of his patent conferring an exclusive right, proceeds to put that right into exercise or use for some years, without its being disturbed, that circumstance strength-

ens much the probability that the patent is good, and renders it so likely as alone often to justify the issue of an injunction in aid of it." 2 Robb, 323 (326).

See also *Brown v. Hinkley* (1873), 3 O. G. 384; 6 Fisher, 370; *Miller v. Androscoggin Pulp Co.* (1872), 1 O. G. 409; 5 Fisher, 340; Holmes, 142; *Guidet v. Palmer* (1872), 6 Fisher, 82; 10 Blatch. 217; *Sargent v. Carter* (1857), 1 Fisher, 277; *Sargent v. Seagrave* (1855), 2 Curtis, 553; *Brooks v. Norcross* (1851), 2 Fisher, 661; *Thomas v. Weeks* (1827), 2 Paine, 92 and notes; *Sullivan v. Redfield* (1825), 1 Paine, 441; 1 Robb, 477; *Isaacs v. Cooper* (1821), 4 Wash. 259; 1 Robb, 332.

That acceptance by the public is evidence of patentability, see *Strobridge v. Lindsay* (1880), 18 O. G. 62; 2 Fed. Rep. 692; 5 Bann. & A. 411.

That acquiescence must indicate a recognition of the validity of the plaintiff's patent, and this, in the absence of a judgment of validity, is important, see *Sargent v. Seagrave* (1855), 2 Curtis, 553.

That an injunction will issue when sufficient acquiescence is shown if the plaintiff's interest requires it, though some doubt as to the validity of the patent may remain, see *Sargent v. Seagrave* (1855), 2 Curtis, 553.

That an injunction will issue where the plaintiff has been for years in the undisputed use of his patents with the acquiescence of the public, unless special facts take the case out of the general rule, see *McKay v. Dibert* (1881), 5 Fed. Rep. 587; 19 O. G. 1351.

That the use and sale of the invention by the plaintiff before he applied for a patent, and the acquiescence of the public in his exclusive claims, is to be

place, the right must be asserted. The issue of a patent is not, of itself, such an assertion. Where the patentee alone employs the invention, in secret or on his own premises, without competition or attracting public notice, or where he neither exposes his monopoly to violation nor vindicates it when it is attacked, there is no right asserted in which the public or an individual can acquiesce.² Again, the asserted right must be antagonistic to the public interest, at least to the interest of that portion of the public who are generally benefited by the use of such inventions. If the invention is without utility, or if through some mistake as to its character the public are convinced that it is worthless, and there is no demand for or desire to use it, their passive indifference to the exclusive claim of the inventor indicates no public rec-

considered on a motion for an injunction, see *Sargent v. Seagrave* (1855), 2 Curtis, 553.

That previous user by the inventor and others is not necessary where the patent has been sustained by the courts, especially where the patent is for a process, see *American Middlings Purifier Co. v. Christian* (1877), 4 Dillon, 448; 3 Bann. & A. 42.

² In *Tappan v. National Bank Note Co.* (1861), 2 Fisher, 195, Shipman, J.: (198) "The principle that exclusive possession for a time strengthens the title of a patentee is founded on the idea that as it is a claim of right adverse to the public, and the public acquiesce in that claim, such acquiescence raises a presumption that the claim is good. But no such presumption can be raised in this case. There is no evidence that the public, or that small portion of it who would be likely to avail themselves of this invention knew even of its existence, much less of the existence of an exclusive grant to this patentee or to any one else. Nor, in this view of the case, can I take into account the possession of the right and the use of the invention *before* the ap-

plication or grant of the patent. This is sometimes done on the principle laid down in *Sargent v. Seagrave*, 2 Curtis, 555. But, of course, the use, in such a case, must be a *public* one under an avowed claim of a right to a patent; otherwise, there is no exclusive possession as against the public, and no claim in which the public can acquiesce." 4 Blatch. 509 (512).

That proof showing that the plaintiff, while manufacturing under his own patent in his own shop, met with no competition does not establish acquiescence, see *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133.

That on motion for injunction it is important that the invention has never been put in the market, nor the patent litigated, nor its validity accepted, see *Irwin v. McRoberts* (1879), 16 O. G. 853; 4 Bann. & A. 411.

That an injunction will be denied unless the scope of the patent has been defined by the courts, or by the acquiescence of that part of the public who are cognizant of the monopoly, see *Steam Gauge & Lantern Co. v. Miller* (1881), 8 Fed. Rep. 314; 20 O. G. 889.

ognition of its validity.³ Moreover, the submission must be voluntary. There is no acquiescence where the monopoly is constantly invaded or the rights of its owner are respected only under the compulsion of adverse judgments or continual injunctions.⁴ Submission after a single contest, which serves to define the limits of the patented invention, is stronger evidence of the validity of the patent as defined than if its scope were still undetermined, but the general resistance of the public to the patentee's demands, though provoking numerous actions in all of which he is successful, is inconsistent with the idea that they regard his patent as valid. His judgments may be evidence to prove the existence and the lawfulness of his monopoly; but the conduct of the infringing public is its perpetual denial.

³ In *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133, Sprague, J.: (136) "Acquiescence is taken as evidence of the plaintiff's right, and may in some cases in a great degree strengthen the presumption created by the patent itself. If a party set up an exclusive right to the manufacture and use of an article which others are desirous of manufacturing or using, and it would manifestly be for their interest to do so, and they would do so did they not think themselves prohibited by the patent-right of another, then their acquiescence, their abstaining from making that which it is morally certain they would do but for such patent, shows the conviction of those who are interested adversely to it, and who, from being interested in it, may be presumed to have knowledge on the subject,—shows that they are convinced of the patentee's right, and that they have sacrificed their interest to their conviction. But if there be no adverse interest, no person who would be desirous of using it, whether it were patented or not, then their not using it

cannot afford a presumption of the right and would not strengthen it. . . . (138) But it would not necessarily follow, because there were certain persons carrying on an art or manufacture at their own manufacturing establishment, and others did not enter into competition with them, that that abstaining from competition was owing to the belief that they had the exclusive right. It may be so, and it may not be. Persons set up the manufacture of a new article; others may not enter into competition because they do not believe it for their interest; they may not believe it to be profitable, and in that case there would be no evidence that they believed they were excluded from it by a monopoly in possession of those persons."

⁴ That no injunction will issue where the patent has not been sustained by the courts, and there has been only a limited acquiescence, and the defendants have for years openly denied its validity, see *Fish v. Domestic Sewing Mach. Co.* (1882), 12 Fed. Rep. 495; 22 O. G. 1207.

§ 1186. Preliminary Injunction: Public Acquiescence as Evidence of Validity: Weight of such Evidence, how Measured.

As the fact of acquiescence depends on the assertion of the right, on the restriction which it places on the public interest, and on the willingness of their submission, so its value, as proof of the validity of the patent, is measured by the degree and the duration of such submission and restraint.¹ That a patent covering an invention of slight utility, or desirable by but a small fraction of the public, remains inviolate, affords little proof that the right of the inventor to its exclusive use was recognized; while if the invention were of great importance, affecting the whole course and practice of the art, the absence of infringement can be attributed only to a compliance with the prohibitions of the patent.² The significance of the duration of the acquiescence is not estimated by the mere lapse of time.³ No period can be specified within which such submission shall be insufficient to establish the validity of the patent.⁴ The public must have had an opportunity to

§ 1186. ¹ In *Potter v. Whitney* (1866), 3 Fisher, 77, Lowell, J.: (79) "These cases being tried, as I have said, on *ex parte* evidence, must be decided on broad views of the rights of the parties. It is usual to present proof either of long and general acquiescence in the plaintiff's exclusive rights, or of their having been sustained by the courts. The ground on which acquiescence is important is that it shows exclusive possession, which, if it has been of long standing, open, and notorious, is a clear foundation of a presumption of title. It is not always, however, so satisfactory as positive adjudications, because it may have arisen from the comparatively small commercial value of the invention, and in that case shows only that no one has thought it worth infringing." 1 Lowell, 87 (89).

² That an injunction is seldom refused where there has been exclusive possession for some time, though not

for a long period, and where large and numerous sales were had without dispute, and the defendant does not deny the validity of the patent, see *White v. Heath* (1882), 22 O. G. 500; 10 Fed. Rep. 291.

³ That mere lapse of time shows no acquiescence, but facts must appear which indicate that the public would not have acquiesced had they not considered the patent valid, and the nature of the invention and all attendant circumstances must be regarded, see *Guidet v. Palmer* (1872), 6 Fisher, 82; 10 Blatch. 217.

⁴ In *Foster v. Moore* (1852), 1 Curtis, 279, Curtis, J.: (286) "It is not possible to fix any precise term of years during which the exclusive possession must have continued. The reason for the presumption in favor of the validity of the grant is the acquiescence of the public in the exclusive right of the patentee, which, it may reasonably be

become acquainted with the merits of the invention, and to be informed of the asserted rights of the patentee, and must have voluntarily refrained, against their manifest interest, from appropriating the invention for such a time as makes it evident that their forbearance is the result of knowledge and deliberation.⁶ All circumstances which tend to show the value of the invention to the public and their consequent motive to inquire into the validity of the patent which protects it are here important, — a short period of voluntary submission in reference to some inventions being of greater weight upon this question than years of acquiescence in regard to others.

§ 1187. Preliminary Injunction: Public Acquiescence as Evidence of Validity: Acquiescence, how Manifested.

The acquiescence of the public in the monopoly created by a patent may be manifested in different modes, corresponding to those which the patentee adopts for its enjoyment. Where he makes and uses the invention in his own business, or manufactures it for sale, the omission of infringing acts is a sufficient recognition of his patent.¹ When he grants li-

assumed, would not exist unless the right was well founded. And it is obvious that this public acquiescence is entitled to more or less weight according to the degree of utility of the machine, and the number of persons whose trade or business are affected by it."

That though the duration of enjoyment necessary to constitute possession and acquiescence cannot be fixed by rule, it must be long enough to raise a presumption that the patent is valid, see *Potter v. Muller* (1864), 2 Fisher, 465.

⁶ That the length of time necessary for acquiescence depends on the duration and extent of the use and sale by the patentee, or the degree of utility, or the number of persons whose interest it is to infringe the patent, and the completeness of the acquiescence, see *Sargent v. Seagrave* (1855) 2 Curtis, 553.

That the exclusive possession for eight years of a device affecting the business of a large class of persons is enough to make an injunction proper, see *Foster v. Moore* (1852), 1 Curtis, 279.

That no injunction will be granted a few months only after the issue of the patent, when its validity is denied, the infringement is disputed, and the defendant is responsible, see *McGuire v. Eames* (1878), 15 Blatch. 312; 3 Bann. & A. 499; *Jones v. Field* (1875), 12 Blatch. 494; 2 Bann. & A. 39.

That a year is too short a period for a patent to acquire a construction by acquiescence, and an injunction based on any given construction will not be warranted thereby, see *Johnston Ruffler Co. v. Avery Mach. Co.* (1886), 28 Fed. Rep. 193; 36 O. G. 1043.

§ 1187. ¹ That an omission to infringe, when the invention is of public

censes to others, the general acceptance of his licenses and the payment of substantial fees constitutes the requisite submission.² Licenses issued and received on nominal royalties, or without consideration, afford no indication of public acquiescence. The acknowledgment of his exclusive right to an article or process which embodies several inventions, each the subject of a different patent, does not admit the validity of either patent nor that all the patents are of equal force.³ The departure of the defendant from the universal acquiescence of the public does not tend to weaken the presumption of validity, but rather adds to its importance, since it shows their knowledge of the value of the invention and the advantage they might gain by its infringement.⁴ Acquiescence in an original patent avails the plaintiff on a re-issue for the same precise invention, but not where new claims are inserted of which the public could have had no previous notice.⁵

value, indicates acquiescence, see *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133.

That acquiescence may be shown by extensive manufacture, many licenses, the settlement of prior suits, and general recognition by the trade, see *Hat Sweat Mfg. Co. v. Davis Sewing Mach. Co.* (1887), 41 O. G. 1273; 32 Fed. Rep. 401.

² In *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133, Sprague, J.: (138) "If they [the public] had paid for licenses, that would be a palpable and manifest sacrifice of their interests to their conviction of the plaintiffs' right, because it shows a desire to make the machine and abstaining from it, paying the plaintiffs and thus making a pecuniary sacrifice for the sake of getting the right from the plaintiffs."

That an acquiescence by infringers, as shown by their taking licenses rather than contest the patent, is as strong evidence as voluntary submission, see *Hat Sweat Mfg. Co. v. Davis Sewing Mach. Co.* (1887), 32 Fed. Rep. 401; 41 O. G. 1273.

³ That acquiescence in a manufacture protected by several patents does not show that all the patents were supposed by the public to be equally valid, or that any particular one was conceded to be valid, especially if any one of them had been sustained by the courts, see *Upton v. Wayland* (1888), 36 Fed. Rep. 691; *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133.

⁴ That an unsuccessful attempt to interrupt the patentee's possession strengthens the presumption in his favor, see *Sargent v. Seagrave* (1855), 2 Curtis, 553.

That an injunction will be granted where the plaintiffs enjoyed the patent ten years, and were never interfered with except by the defendant, whom they promptly notified, see *Collignon v. Hayes* (1881), 20 O. G. 447; 8 Fed. Rep. 912.

⁵ In *Grover & Baker Sewing Mach. Co. v. Williams* (1860), 2 Fisher, 133, Sprague, J.: (144) "Undoubtedly there may be cases in which the original patent relates to and covers probably the same

§ 1188. Preliminary Injunction: Comparative Weight of Prior Judgments and Public Acquiescence as Evidence of Validity.

The acquiescence of the public in the exclusive privilege of the patentee is of less weight, although usually of wider application, than a judgment.¹ Judgments, except in extraordinary cases, are confined to certain issues, and when they sustain a patent sustain it only on the grounds which have been made the subject of dispute. Acquiescence, on the other hand, is an admission of the validity of the patent as against all conceivable objections, and in its scope is therefore equal to a judgment upon all the issues which the law permits to be presented. Its weight, however, is by far inferior, since in the absence of all litigation it never can be known what causes might be shown for the avoidance of the patent, nor whether each defence might not be successfully maintained. It is received as evidence on applications for injunctions on account of its general nature and comparative facility of proof, and because, though not equal to a judgment, it may rank next to judgments as a basis for presumptions. Where it can be strengthened by a judgment, even in a coordinate or lower court, its value as evidence of validity is much increased.²

thing that is in the re-issued patent ; and if it does, and the public have acquiesced in the claim made in the original patent for the same thing that is claimed in the re-issued patent, it is evidence to show that they believe that the patentee had an exclusive right to it. But if the original patent did not claim the same thing, and, therefore, the public had no notice that it was the patentee's invention, and, if it was his invention, had no notice that he claimed it, — or, at all events, that he had any exclusive right to it, — then the acquiescence in the original patent cannot be construed as acquiescence in that which he did not then claim, but which sometime afterward he did."

That on a motion for an injunction,

a re-issue containing claims not in the original patent is treated as a new patent so far as the questions of acquiescence and public acceptance are concerned, see *Irwin v. McRoberts* (1879), 16 O. G. 853 ; 4 Bann. & A. 411.

§ 1188. ¹ That public acquiescence is only important to show exclusive possession and create a presumption of title, and is of less weight than a prior adjudication, see *McWilliams Mfg. Co. v. Blundell* (1882), 11 Fed. Rep. 419 ; 22 O. G. 177 ; *Potter v. Whitney* (1866), 3 Fisher, 77 ; 1 Lowell, 87.

² That the presumption from acquiescence is aided by judgments either at law or in equity, see *Potter v. Muller* (1864), 2 Fisher, 465.

That where the plaintiff produced his patent, proved an uninterrupted use

§ 1189. Preliminary Injunction: Admissions of Defendant as Evidence of Validity.

Where neither judgments nor public acquiescence can be offered to support the patent, the conduct of the defendant may still furnish sufficient evidence to authorize the court to find this point in favor of the plaintiff. The failure of the defendant to deny the validity of the patent, in his answer to the application, is an admission which serves all the ends of proof.¹ Although he does deny it, his past acts may contradict his pleadings, and practically estop him from insisting upon his denial. The compromise of a previous action after expensive litigation, in which he has admitted his infringement of the patent; his express contract, unrescinded, obliging him to acknowledge its validity; his covenant on due consideration binding him not to urge his only possible defence; his former union with the plaintiff in the enjoyment

without infringement for eleven years, and had recovered a judgment in a trial at law, during which every defence known to the law could have been set up, and had also received an extension in spite of opposition, an injunction will issue, see *McComb v. Ernest* (1871), 1 Woods, 195.

That an injunction may be refused, though acquiescence be shown, if there is reasonable doubt as to validity, see *Bradley & Hubbard Mfg. Co. v. Charles Parker Co.* (1883), 24 O. G. 995; 17 Fed. Rep. 240.

§ 1189. ¹ That an injunction will be granted when the defendant's answers are equivocal and evasive, or disclose facts which show that the conclusions from them are erroneous and founded on a mistake of law, see *Parker v. Sears* (1850), 1 Fisher, 93.

That an injunction will issue if the questions as stated admit the facts and their solution depends on the construction of the patent, see *Goodyear v. Railroad* (1853), 1 Fisher, 626.

That an injunction will be granted where the validity of the original patent

is not disputed by the defendant, where capital is invested in the manufacture and a successful business has been established, and where large and numerous sales have taken place without dispute, and exclusive possession has for some time existed, see *White v. Heath* (1882), 10 Fed. Rep. 291; 22 O. G. 500.

That where an injunction has been granted against one defendant, and upon a new motion for an injunction against another the latter does not deny, either by his own affidavit or that of any expert, that his device is identical with that of the former defendant or that he infringes, and his counsel makes affidavit merely that his client and experts tell him there is no infringement, and asks time to show it, the injunction will be granted and the defendant's device be presumed to infringe, see *Conover v. Mers* (1868), 3 Fisher, 386.

That where a defendant abandons his case and confesses judgment, the judgment is sufficient unless collusive, see *Goodyear v. Railroad* (1853), 1 Fisher, 626.

of the monopoly and in enforcing it against all others, — such are some examples of the conduct which on an application for an injunction may be treated by the court as proof sufficient to sustain the patent.²

² That a compromise and admission of infringement after expensive litigation, coupled with the opinion of a circuit judge in another case giving a broad construction to the patent, goes far to answer the purposes of a prior adjudication on the question of a preliminary injunction, see *Steam Gauge & Lantern Co. v. Miller* (1881), 20 O. G. 889; 8 Fed. Rep. 314.

That a verbal admission of infringement and a promise to desist is a strong circumstance against the defendant on a motion for a preliminary injunction, see *Morse Fountain Pen Co. v. Esterbrook Steel Pen Mfg. Co.* (1869), 3 Fisher, 515.

That where a defendant in a suit at law agreed for a valuable consideration to cease making the device, and suffered judgment to be entered against him, but continued to sell a different and still infringing device, and upon a bill in equity being brought against him it appeared that all the defences set up were known to him at the time of the former suit, he was held bound by his agreement, and estopped from denying the validity of the patent, see *Brooks v. Moorhouse* (1878), 13 O. G. 499; 3 Bann. & A. 229.

That a defendant will be enjoined if he has covenanted not to further infringe, unless he can show reasons for a release from his covenants, see *Sargent v. Larned* (1855), 2 Curtis, 340.

That an injunction will be granted where the defendant is estopped by express contract from setting up the only defence he could make, see *McKay v. McKnight* (1881), 5 Fed. Rep. 593.

That where a firm is composed of the defeated and the successful applicants

for a patent, and the firm sold and advertised the articles under the patent, and after the dissolution of the firm the defeated parties still made and sold the articles, their former acquiescence was held sufficient to warrant an injunction, see *Pentlargo v. Beeston* (1877), 14 Blatch. 352; 3 Bann. & A. 142.

That a defendant corporation whose officers until recently were occupying positions of trust under the plaintiff, asserting the validity of his patent and enjoying its benefits, may be held to stricter accountability than an ordinary infringer, see *Steam Gauge & Lantern Co. v. Ham Mfg. Co.* (1886), 28 Fed. Rep. 618.

That a former part-owner of a patent is estopped from denying its validity on a motion for an injunction against a firm of which he is now a member, if he assigned his interest in the patent to the plaintiff for value, see *Parker v. McKee* (1885), 24 Fed. Rep. 808; 32 O. G. 137.

That on a motion for an injunction the defendant cannot deny validity if he has been a licensee and owner of the patent, and has dealt extensively in the articles as patented under it, see *Burr v. Kimbark* (1886), 28 Fed. Rep. 574; 37 O. G. 1480.

That an inventor and assignor is estopped to deny that he was the true inventor, when defendant on a motion for an injunction, see *American Paper Barrel Co. v. Laraway* (1886), 28 Fed. Rep. 141; 37 O. G. 674.

That a defendant, by taking a license and acting under it, admits the validity of the patent for the purpose of an injunction, though no judgment exists, if the patent is not challenged, see

§ 1190. Preliminary Injunction : Proof of Plaintiff's Title.

The second point to be established by the applicant for an injunction is his ownership of a legal or equitable interest in the patent alleged to be infringed.¹ As this is a matter capable of direct proof and usually without extensive investigation, the courts require a higher degree of certainty in the evidence presented than is necessary in regard to the validity of the patent. If the plaintiff holds the legal title as patentee or assignee or grantee, the instruments themselves, or certified copies, must be offered, disclosing the precise condition of the ownership. When the interest of the plaintiff is merely equitable, it must be proved by the production of the written contract upon which it rests, or by parol testimony of the facts and circumstances out of which it grows.

§ 1191. Preliminary Injunction : Proof of Intended Infringement.

Upon the third point the plaintiff must satisfy the court that the defendant intends to make, use, or sell, or to authorize or directly profit by the manufacture, use, or sale, of some

Brown v. Lapham (1886), 27 Fed. Rep. 77 ; 23 Blatch. 475 ; 37 O. G. 676.

That a licensee openly repudiating his license and denying validity, cannot afterwards be enjoined on the ground of his former acquiescence in the patent, see *Brown v. Lapham* (1886), 23 Blatch. 475 ; 27 Fed. Rep. 77 ; 37 O. G. 676.

That a patentee cannot deny the validity of the patent or its re-issues in a suit against him by his assignee, though the re-issues were granted after the assignment, and the assignee ought to have known that they were void, see *Burdsall v. Curran* (1887), 31 Fed. Rep. 918 ; 42 O. G. 1167.

That a person who induced a plaintiff to acquire a patent and commence business under it is estopped to deny its validity on a motion for an injunction, see *Time Telegraph Co. v. Carey* (1884), 26 O. G. 826 ; 22 Blatch. 34 ; 19 Fed. Rep. 322.

That one who knowingly permits another to take out a patent for an

invention, and then himself obtains a patent for a different invention, cannot claim that he is the inventor of the prior invention, see *Fraim v. Keen* (1885), 34 O. G. 1048 ; 25 Fed. Rep. 820.

That a defendant who has profited by an infringement cannot deny the utility of the invention, see *La Rue v. Western Electric Co.* (1887), 31 Fed. Rep. 80 ; 40 O. G. 576.

That a patentee cannot aver against his assignee that the invention was worthless or abandoned, see *Many v. Jagger* (1848), 1 Blatch. 372.

§ 1190. ¹ That an injunction may issue notwithstanding a denial of the plaintiff's title, see *Clum v. Brewer* (1855), 2 Curtis, 506.

That an injunction will be refused where the plaintiff has only a doubtful equitable title and that is being contested in the local courts, see *Continental Store Service Co. v. New York Store Service Co.* (1885), 31 O. G. 1561.

art or instrument identical with that covered by his patent.¹ Where the identity has already been established in prior actions, the judgments therein rendered may be offered in the same manner as upon the issue of validity.² If the invention is an instrument, and the defendant has in his possession or under his control the alleged infringing articles, the court may personally inspect and compare them, and without further proof determine their substantial agreement or dissimilarity.³ When these modes of investigation are unavailable, such evidence must be introduced as the plaintiff is able to obtain.⁴ The intention of the defendant to practise the in-

§ 1191. ¹ That no injunction will issue unless infringement clearly appears, see *Brooks v. Miller* (1886), 28 Fed. Rep. 615; *Steam Gauge & Lantern Co. v. St. Louis Railway Supplies Mfg. Co.* (1885), 25 Fed. Rep. 491; 33 O. G. 889; *Allis v. Stowell* (1883), 15 Fed. Rep. 242; 23 O. G. 1033; *Coburn v. Clark* (1883), 15 Fed. Rep. 804; 24 O. G. 899; 5 *McCrary*, 99; *Hardy v. Marble* (1882), 10 Fed. Rep. 752; 23 O. G. 438; *Marks v. Corn* (1881), 11 Fed. Rep. 900; 23 O. G. 94; *Pullman v. Balt. & Ohio R. R. Co.* (1881), 19 O. G. 224; 5 Fed. Rep. 72; 4 *Hughes*, 236; *White v. Harris & Sons Mfg. Co.* (1880), 3 Fed. Rep. 161; 5 *Bann. & A.* 571; *American Middlings Purifier Co. v. Atlantic Milling Co.* (1877), 4 *Dillon*, 100; 3 *Bann. & A.* 168; *Burleigh Rock Drill Co. v. Lobdell* (1875), 7 O. G. 836; *Holmes*, 450; 1 *Bann. & A.* 625; *Dodge v. Card* (1860), 2 *Fisher*, 116; 1 *Bond*, 393.

That no injunction will issue unless it has been shown that the defendant has used the invention, or employed others to use it, or has profited by its use, see *Woodworth v. Hall* (1846), 1 *W. & M.* 248; 2 *Robb*, 495.

That an injunction may be granted though infringement is not proved beyond reasonable doubt, see *Doughty v. West* (1865), 2 *Fisher*, 553.

That the question of infringement

must be determined anew upon each motion for an injunction, though the validity of the patent be sustained by prior judgments, see *Hammerschlag Mfg. Co. v. Judd* (1886), 28 Fed. Rep. 621.

² That on a motion for an injunction all questions adjudicated in previous cases are regarded as settled, see *Good-year Dental Vulcanite Co. v. Evans* (1868), 3 *Fisher*, 390; 6 *Blatch.* 121.

³ That disputed infringement may be settled by inspecting the two devices without any prior adjudication, see *Crowell v. Harlow* (1878), 18 O. G. 466; 3 *Bann. & A.* 478.

That in case of a simple mechanism a bare inspection of the two machines is often enough to show an infringement for the purposes of a preliminary injunction, see *Morse Fountain Pen Co. v. Esterbrook Steel Pen Mfg. Co.* (1869), 3 *Fisher*, 515.

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; *Union Paper Bag Mach. Co. v. Binney* (1871), 5 *Fisher*, 166.

⁴ That on a motion for an injunction the fact of a difference of expert opinions will be regarded, see *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 *Fisher*, 189.

That affidavits of the makers of a

vention, in violation of the plaintiff's rights, may be shown from his past acts of infringement in reference to the same invention, or from his threats or preparations to infringe.⁵ Where the defendant has once knowingly invaded the exclusive domain of the plaintiff, there is a strong presumption that the wrong will be repeated, although he may have since desisted and promised to refrain, or even sworn that it is his purpose no further to infringe.⁶ This presumption arises,

composition outweigh those of mere dealers on the question of infringement, see *Gutta Percha & Rubber Mfg. Co. v. Goodyear Rubber Co.* (1875), 8 Sawyer, 542; 2 Bann. & A. 212.

⁵ That an injunction will be granted before a wrong is committed when the right is clear and the wrong is threatened, or when the wrong has once been committed and there is good reason to fear its repetition, see *Sherman v. Nutt* (1888), 35 Fed. Rep. 149; *Poppenhusen v. New York Gutta Percha Comb Co.* (1858), 2 Fisher, 74; 4 Blatch. 184.

That an injunction will be granted where there have been no actual sales but only prospective ones, see *White v. Heath* (1882), 22 O. G. 500; 10 Fed. Rep. 291.

That where an injunction has been denied on the ground that the defendant before suit abandoned the infringement, and he since makes a different infringing device, a new injunction will be granted covering all the devices, see *Odell v. Stout* (1884), 22 Fed. Rep. 159; 29 O. G. 862.

⁶ In *Potter v. Crowell* (1866), 3 Fisher, 112, Withey, J.: (115) "Perhaps as safe a criterion of what is to be apprehended from defendants as can be obtained is to look at that which they have done, and in their answer justify the right to do, rather than to look to the fact of their having discontinued the alleged injury, and their declaration of want of intention of renewing the same. The court is not prepared to say that no

occasion for the exercise of its restraining power is shown in this case, when it is apparent that there was such occasion when the suit was commenced; that it has but recently ceased; that it may, if defendants feel disposed, be renewed at any time; and that the complainants claim that they apprehend a continuance of the wrong." 1 Abbott, 89 (91).

In *Jenkins v. Greenwald* (1857), 2 Fisher, 37, Leavitt, J.: (43) "These authorities seem decisive on the point referred to. They establish the position that if the party proceeded against as an infringer of the exclusive right of the person having the title to the patent admits the infringement, but asserts that after notice or service of the injunction he had refrained from the use of the thing patented, and asserts that he will not afterward infringe, it is no reason why an injunction should not issue, and be made perpetual. The complainant in such a case is not obliged to rest his interests on the mere asseveration of the party that he will not repeat the act of infringement. Having once been a wrong-doer, the law supposes the possibility of his being so again, and will impose the proper restraint to prevent the repetition of the wrongful act." 1 Bond, 126 (133).

See also *Facer v. Midvale Steel-Work Co.* (1888), 38 Fed. Rep. 231; *Celluloid Mfg. Co. v. Arlington Mfg. Co.* (1888), 34 Fed. Rep. 324; 42 O. G. 828; *North American Iron Works v.*

whatever may have been the extent of the infringement or the damage thence resulting to the plaintiff.⁷ An innocent infringement, abandoned upon notice of the patent, is of comparatively little weight as evidence of this intention, though not wholly disregarded by the court. Assertions of his right to practise the invention, the possession of infringing machines capable of operation or of marketable articles covered by the patent, or other indications of ability and readiness to enter into unlawful competition with the plaintiff, are also competent evidence of such intention.⁸

§ 1192. Preliminary Injunction: May be Granted on other Proof or Withheld though the Foregoing Proof is Presented.

The requirement of the foregoing modes of proof is not designed to exclude all others, or to prohibit the court from granting an injunction though none of these may be pre-

Fiske (1887), 39 O. G. 1086; 30 Fed. Rep. 622; *Wollensak v. Reiher* (1886), 38 O. G. 108; 28 Fed. Rep. 427.

That ceasing to use the device is no reason for denying an injunction, since the plaintiff is entitled to future protection, see *Goodyear v. Berry* (1868), 3 Fisher, 439; 2 Bond, 189; *Sickels v. Mitchell* (1857), 3 Blatch. 548.

That an injunction is not withheld on account of an assertion under oath by the defendant that he does not intend to infringe during the suit, see *White v. Heath* (1882), 22 O. G. 500; 10 Fed. Rep. 291.

⁷ That for the purposes of a preliminary injunction the extent of the defendant's infringement is immaterial, see *Brickill v. Mayor of New York* (1880), 7 Fed. Rep. 479; 18 O. G. 463; 18 Blatch. 273; 5 Bann. & A. 544.

⁸ That an injunction will issue where the defendants were owners of the device but had obtained no right to use it, see *Porter Needle Co. v. National Needle Co.* (1883), 17 Fed. Rep. 536.

That the possession and advertising

of infringing devices warrant an injunction, though no actual infringement has been committed, see *American Bell Telephone Co. v. Globe Telephone Co.* (1887), 31 Fed. Rep. 729; 24 Blatch. 522.

That the use of an invention involving a patented process is a continuing infringement, see *Beedle v. Bennett* (1887), 122 U. S. 71; 39 O. G. 1326.

That a territorial grantee cannot be enjoined from advertising and selling within his territory, on the ground that his vendees take the articles elsewhere, see *Hatch v. Hall* (1884), 30 O. G. 1096; 22 Fed. Rep. 438.

That a vendee will not be enjoined from using the article purchased, on the ground that it infringes another patent of the vendor, if it could be used in no other way, see *Roosevelt v. Western Electric Co.* (1884), 28 O. G. 812; 20 Fed. Rep. 724.

That a defendant will not be enjoined from using an invention which he had in use when the patent was granted, see *Dorlan v. Guie* (1885), 25 Fed. Rep. 816; 34 O. G. 702.

sented. Whenever, upon such investigation as the court has opportunity or is disposed to make, it is apparent that the plaintiff has a right which the defendant threatens to invade, an injunction may be issued, — the rules which govern the discretion of the court being intended for the furtherance of justice, not for its denial. But where one or all of these three forms of proof are offered, it is still within the same discretion to withhold relief, for reasons which indicate that its application in the present instance would be inequitable. These reasons relate to the situation and conduct of the plaintiff or defendant, to the substance of the patent, or to the consequences which would follow from the grant of an injunction.

§ 1193. Preliminary Injunction: Grounds of its Refusal: No Irreparable Injury.

Among the reasons relating to the plaintiff which may induce the court to refuse an injunction is the fact that no irreparable injury would result from the infringement.¹ Thus where the patent is about to expire, or an established license fee exists and has been tendered by the defendant, or the damages resulting from the infringement could be easily computed and the defendant is pecuniarily responsible, or where the bill claims damages and profits only to some date already past, or an adequate remedy can be obtained at law, — the court may either deny the application of the plaintiff or grant it in such a modified form as will secure him the exact protection to which he is entitled.²

§ 1193. ¹ In *Pullman Car Co. v. Baltimore & Ohio R. R. Co.* (1881), 19 O. G. 224, *Bond & Morris, J.J.*: (224) "It is not a matter of course, upon the presentation of a patent which *prima facie* establishes the right of the patentee to the thing patented, accompanied by an allegation that the defendant is violating it, that a preliminary injunction will issue; but it must appear likewise that if the writ of injunction does not now issue the complainants will be irreparably injured, and

that no subsequent decree of the court can sufficiently ascertain and make good their damages." 5 Fed. Rep. 72 (73); 4 Hughes, 236 (237).

See also *Westinghouse Air Brake Co. v. Carpenter* (1887), 32 Fed. Rep. 484; *Keyes v. Pueblo Smelting & Refining Co.* (1887), 31 Fed. Rep. 560; *Zinsser v. Cooledge* (1883), 17 Fed. Rep. 538; *Earth Closet Co. v. Fenner* (1871), 5 Fisher, 15.

² That an injunction will not be issued in the last weeks of the term of

§ 1194. Preliminary Injunction: Grounds of Its Refusal: Plaintiff's Laches or Acquiescence.

Another reason is found in the plaintiff's acquiescence in the infringement, or his laches in the enforcement of his

the patent, when the plaintiff can be compensated in damages, except in peculiar cases, see *Parker v. Sears* (1850), 1 Fisher, 93.

That an injunction will issue after the patent has expired to prevent the use or sale of articles made without authority for that purpose while the patent was in force, see *New York Belting & Packing Co. v. Magowan* (1886), 27 Fed. Rep. 111; 34 O. G. 1278; *American Diamond Rock Boring Co. v. Sheldon* (1880), 1 Fed. Rep. 870; 5 Bann. & A. 292; 18 Blatch. 50.

That if a party knows that the articles being made by him during a patent are infringements, he will be enjoined against selling them after the patent expires, see *New York Belting & Packing Co. v. Magowan* (1886), 27 Fed. Rep. 111; 34 O. G. 1278.

That the sale of an article made under the patent with the consent of the patentee cannot be enjoined after the patent expires, see *Reay v. Rau* (1883), 23 O. G. 1928; 15 Fed. Rep. 749.

That the patent having expired an injunction may be refused, see *Clark v. Wilson* (1886), 26 O. G. 456; 28 Fed. Rep. 95; 24 Blatch. 38.

That where the plaintiff grants licenses the injunction may be refused and a license fee ordered, see *Smith v. Sands* (1885), 24 Fed. Rep. 470; 32 O. G. 1467; *Hodge v. Hudson River R. R. Co.* (1868), 6 Blatch. 165.

That where a license fee exists and is tendered, an injunction will be denied, see *Blake v. Greenwood Cemetery* (1877), 13 O. G. 1046; 14 Blatch. 342; 3 Bann. & A. 112.

That an injunction may be refused

when the defendant will take a license, and this is the plaintiff's usual mode of profit, see *Baldwin v. Bernard* (1872), 5 Fisher, 442; 2 O. G. 320; 9 Blatch. 509, note.

That no injunction will issue where there is adequate remedy at law, as where a licensee refuses to pay his license-fee, see *Blanchard v. Sprague* (1859), 1 Clifford, 288.

That an injunction may be granted though the defendant is a mere user and the plaintiff grants licenses at a fixed price, see *Howe v. Newton* (1865), 2 Fisher, 531.

That where the damages would be measured by a license-fee no injunction will issue, see *Smith v. Sands* (1885), 24 Fed. Rep. 470; 32 O. G. 1467; *Hoe v. Boston Daily Advertiser Co.* (1883), 23 O. G. 1123; 14 Fed. Rep. 914.

That an injunction will be granted though the defendant offers to take a license, if the granting of a license would injure the plaintiff's business, see *Baldwin v. Bernard* (1872), 2 O. G. 320; 5 Fisher, 442; 9 Blatch. 509, note.

That where a bill claims profits and damages only up to a specified past date no injunction should be ordered, see *Spring v. Domestic Sewing Mach. Co.* (1882), 13 Fed. Rep. 446; 22 O. G. 1445.

That on a motion for an injunction it is a material question whether the defendant is responsible for profits and damages if any are recovered, see *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67.

That when the defendants are fully responsible, and the plaintiff can be adequately compensated, irreparable damage must be shown to warrant an in-

rights.¹ The unwilling submission of the plaintiff to injuries which he could not resist does not prejudice him in a court of equity.² But an intelligent and voluntary consent, even though manifested only by inaction, for any considerable period, if unexplained, is a fault that may deprive him of a remedy which otherwise he would have obtained. Thus, where he has abandoned the practice of the invention, and seen it go into general unlicensed use without attempting to restrain or punish the infringers, the court will not assist him, after a long interval, in the endeavor to reclaim his monopoly and interrupt the enjoyment of the public, except upon a full and final hearing of the cause.³ The acquiescence of any

junction, see *New York Grape Sugar Co. v. American Grape Sugar Co.* (1882), 10 Fed. Rep. 835; 20 Blatch. 386; *Pullman Car Co. v. Balt. & Ohio R. R. Co.* (1880), 5 Fed. Rep. 72; 19 O. G. 224; 4 Hughes, 236.

§ 1194. ¹ That acquiescence in an infringement may forfeit the right to relief in equity, see *Kittle v. Hall* (1887), 24 Blatch. 184; 29 Fed. Rep. 508; 39 O. G. 707; *Magic Ruffle Co. v. Elm City Co.* (1877), 11 O. G. 501; 14 Blatch. 109; 2 Bann. & A. 506; *Union Mfg. Co. v. Lounsbury* (1863), 2 Fisher, 389.

That laches in obtaining a re-issue may prevent relief in equity, see *Wolensak v. Reiher* (1885), 115 U. S. 96; 31 O. G. 1301; *Tillinghast v. Hicks* (1882), 23 O. G. 739; 13 Fed. Rep. 388.

That no injunction will issue where the plaintiff has been negligent in asserting his rights, see *Keyes v. Pueblo Smelting & Refining Co.* (1887), 31 Fed. Rep. 560; *McLaughlin v. People's R. R. Co.* (1884), 21 Fed. Rep. 574; 29 O. G. 277; *Union Mfg. Co. v. Lounsbury* (1863), 2 Fisher, 389.

That delay may or may not defeat the right to an injunction, see *American Middlings Purifier Co. v. Christian* (1877), 4 Dillon, 448; 3 Bann. & A. 42.

² That if the defendant infringes when the plaintiff is powerless to prevent it, that does not take away his right to protect his interest when he becomes able, see *McMillin v. Barclay* (1871), 5 Fisher, 189; 4 Brews. (Pa.) 275.

That a patentee is not guilty of laches while ignorant of the infringement, see *Kilbourn v. Sunderland* (1889), 130 U. S. 505; *Adams v. Howard* (1884), 26 O. G. 825; 19 Fed. Rep. 317; *N. Y. Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1883), 25 O. G. 1076; 18 Fed. Rep. 638; 21 Blatch. 519.

That a delay in suing infringers caused by the bankruptcy of the patentee and the vesting of the patent in his assignee, accompanied with fruitless efforts of the patentee to regain it until shortly before suit was brought, is not such laches as forfeits the right to sue, if timely notice were given to infringers, see *Kittle v. Hall* (1887), 29 Fed. Rep. 508; 39 O. G. 707; 24 Blatch. 184.

³ In *Green v. French* (1879), 4 Bann. & A. 169, Nixon, J.: (170) "The general principle of equity jurisprudence which underlies applications of this sort is that the court will not lend its help by way of preliminary injunction in those cases where it appears that the complainant has acquiesced in

owner of the patent has the same effect upon the rights of his assignees and grantees as upon his own.⁴ A similar result follows from the unreasonable delay of the plaintiff in instituting actions, though he has never intentionally submitted to an infringement.⁵ The owner of a patented invention owes a

the infringement and unreasonably delayed suit against the infringers. When patentees sleep over their rights, without an excuse, they must not rely upon the extraordinary aid of the court when they awake from their slumbers, but must be satisfied with such relief as may be afforded by the ordinary course of practice after final hearing." 16 O. G. 215 (215). See also *Jones v. Merrill* (1875), 8 O. G. 401; *Wyeth v. Stone* (1840), 1 Story, 273; 2 Robb, 23.

That an injunction will be refused if the plaintiff has acquiesced for two years in the infringement, see *Spring v. Domestic Sewing Mach. Co.* (1879), 16 O. G. 721; 4 Bann. & A. 427.

That no injunction will be granted where the plaintiff has long acquiesced in the infringement unless his acquiescence be explained, see *Mundy v. Kendall* (1885), 23 Fed. Rep. 591; 32 O. G. 1237.

That no injunction will issue if the plaintiff abandoned the invention, or abandoned his rights under the patent, see *Wyeth v. Stone* (1840), 1 Story, 273; 2 Robb, 23.

That the plaintiff can be prejudiced only by such acquiescence in the infringement as to induce the reasonable belief that he intended to dedicate the invention to public use, see *Williams v. Boston & Albany R. R. Co.* (1878), 16 O. G. 906; 17 Blatch. 21; 4 Bann. & A. 441.

⁴ That the plaintiffs are chargeable with the laches of former owners of the patent, see *Spring v. Domestic Sewing Mach. Co.* (1879), 16 O. G. 721; 4 Bann. & A. 427. See also § 1220, note 6, *post*.

That an assignee of claims for past infringements is bound by the laches of his assignor, see *N. Y. Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1885), 32 O. G. 1356; 24 Fed. Rep. 604.

⁵ In *McLaughlin v. People's R. R. Co.* (1884) 21 Fed. Rep. 574, Brewer, J.: (574) "Under these circumstances, whatever action at law he may have for damages, I think his own laches such as prevents a court of equity from interfering by injunction. That the general principles of equity jurisprudence control in patent cases cannot be doubted. Rev. St. § 629, par. 9; also, section 4921, which last section contains these words: 'The several courts vested with jurisdiction of cases arising under the Patent Laws shall have power to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any rights secured by a patent, upon such terms as the court may deem reasonable.' Now, generally speaking, the laches of complainant is sufficient ground for non-interference on the part of a court of equity. Nearly all the lifetime of this patent the complainant has remained silent, by his silence consenting to, or at least acquiescing in, the acts of the defendant. To interfere now by injunction would seem manifestly inequitable. That this question of laches can be raised by demurrer, and that it is a good defence to a bill in equity, is abundantly sustained by the authorities." 29 O. G. 277 (277).

Further, that an injunction may be denied where suit is unreasonably delayed, see *Ladd v. Cameron* (1885), 25 Fed. Rep. 37; *Green v. French* (1879),