

certain duty to known infringers, which obliges him to give them notice of the wrongful character of their use of the invention, unless they are already conscious of their violation of his patent.<sup>6</sup> Having given this notice without avail, he may postpone his suit during the pendency of other actions, or during any reasonable time upon sufficient cause, provided no intentional encouragement is afforded to the infringers.<sup>7</sup> But

16 O. G. 215 ; 4 Bann. & A. 169 ; *Williams v. Boston & Albany R. R. Co.* (1878), 16 O. G. 906 ; 17 Blatch. 21 ; 4 Bann. & A. 441 ; *Jones v. Merrill* (1875), 8 O. G. 401.

That a bill alleging thirteen years of infringement is demurrable unless it gives satisfactory reasons for the delay in suing, see *McLaughlin v. People's R. R. Co.* (1884), 21 Fed. Rep. 574 ; 29 O. G. 277.

That delay in bringing suit is not abandonment, see *Williams v. Boston & Albany R. R. Co.* (1878), 16 O. G. 906 ; 17 Blatch. 21 ; 4 Bann. & A. 441.

That delay in suing, if satisfactorily accounted for, is not laches, see *Green v. French* (1879), 16 O. G. 215 ; 4 Bann. & A. 169.

That delay in seeking relief is no bar to an injunction unless it works an estoppel, see *N. Y. Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1883), 18 Fed. Rep. 638 ; 25 O. G. 1076 ; 21 Blatch. 519.

<sup>6</sup> That diligence is required of the plaintiff when the defendant is not conscious of his infringement, see *Merriam v. Smith* (1882), 11 Fed. Rep. 588.

That silence is not laches, unless the defendant was misled, see *Reay v. Raynor* (1884), 26 O. G. 1111 ; 22 Blatch. 13 ; 19 Fed. Rep. 308 ; *N. Y. Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1883), 25 O. G. 1076 ; 18 Fed. Rep. 638 ; 21 Blatch. 519.

That a known infringer should be early notified of the plaintiff's rights and of his intention to enforce them, see

*Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67.

That if the plaintiff gave such notice as he was able it is sufficient, see *Kittle v. Hall* (1887), 39 O. G. 707 ; 29 Fed. Rep. 508 ; 24 Blatch. 184.

That mere delay in suing when the defendant knows he is infringing is no bar to a suit for damages, see *Concord v. Norton* (1883), 16 Fed. Rep. 477.

That all persons are bound to take notice of a patent duly issued, see *National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co.* (1884), 28 O. G. 1007 ; 19 Fed. Rep. 514.

<sup>7</sup> That a mere forbearance to sue, after notice given, cannot affect the right to an injunction, unless affirmative encouragement to the infringer was also given, see *Collignon v. Hayes* (1881), 20 O. G. 447 ; 8 Fed. Rep. 912.

That the bringing and pendency of a suit is notice to all other infringers that the rights conferred by the patent are to be maintained, see *Colgate v. Gold & Stock Telegraph Co.* (1879), 16 O. G. 583 ; 16 Blatch. 503 ; 4 Bann. & A. 415.

That a plaintiff may delay suing other infringers, while the validity of his patent is in question in a pending suit, without being guilty of laches, see *Green v. Barney* (1884), 19 Fed. Rep. 420 ; *Green v. French* (1879), 16 O. G. 215 ; 4 Bann. & A. 169 ; *Van Hook v. Pendleton* (1846), 1 Blatch. 187.

That an injunction will be granted, though not prayed for till the patent is about to expire, if the plaintiff has de-

any laches, either in commencing or in prosecuting his suit, which evidences culpable indifference to his rights, is a sufficient reason for the denial of that interference, which, if really needed, would more promptly have been sought.<sup>8</sup> Where there has been no laches, the lapse of time since the infringement was discovered becomes unimportant, and an injunction may be granted though the patent has almost expired.<sup>9</sup>

**§ 1195. Preliminary Injunction : Grounds of Its Refusal : Estoppel.**

Where the laches or acquiescence of the plaintiff has misled the defendant into enterprises which would be destroyed by an injunction, the court will recognize the estoppel and refuse the desired relief.<sup>1</sup> An effectual estoppel also exists

laid only in order to establish his patent in the courts and has but just succeeded, see *Rumford Chemical Works v. Vice* (1877), 11 O. G. 600 ; 14 Blatch. 179 ; 2 Bann. & A. 584.

That acquiescence cannot be inferred from the fact that the plaintiff does not sue all infringers at once, for this is at his option, see *McWilliams Mfg. Co. v. Blundell* (1882), 11 Fed. Rep. 419 ; 22 O. G. 177.

<sup>8</sup> That an injunction will be issued though the plaintiff did not file his bill till three months after the infringement was ascertained, see *Union Paper Bag Mach. Co. v. Binney* (1871), 5 Fisher, 166.

That an injunction will be refused when the plaintiff has delayed his motion for it for eighteen months after receiving notice of the infringement, see *Hockholzer v. Fager* (1873), 2 Sawyer, 361.

That when the plaintiff permits a suit at law against the defendant to remain three years unprosecuted, and the defendant is responsible, no injunction will issue, see *United Nickel Co. v. New Home Sewing Mach. Co.* (1883),

17 Fed. Rep. 528 ; 24 O. G. 1177 ; 21 Blatch. 415.

That an injunction will not be granted after a suit has been pending for many months, and no new facts have been shown since it was brought, and there were as good reasons for an injunction then as now, see *Andrews v. Spear* (1877), 4 Dillon, 472.

That a motion for an injunction will be denied where it has been already refused and the plaintiff waits till the defendant's evidence is closed before renewing it, see *Wooster v. Howe Mach. Co.* (1879), 16 O. G. 314 ; 4 Bann. & A. 319.

<sup>9</sup> In *Green v. French* (1879), 4 Bann. & A. 169, Nixon, J.: (171) "A delay in bringing actions against infringers, when satisfactorily accounted for, is not to be treated as laches. It would be a great hardship to require patentees, who are generally poor, to institute legal proceedings as soon as an infringement was ascertained, or lose the right to the protection which an interlocutory injunction affords." 16 O. G. 215 (215).

§ 1195. <sup>1</sup> See § 1194 and notes, *ante*. That a plaintiff is not estopped by



where the plaintiff has violated his equitable obligations to the defendant, whether created by an express or implied contract, and has thereby placed the defendant in a situation where his self-preservation compelled him to infringe.<sup>2</sup> Thus if the defendant is a licensee and has been secretly under-sold by his licensor — the plaintiff, or if the value of his license has been impaired by the unwarrantable grant of licenses to others or their grant at lower royalties, or if any subsisting relation between the parties renders the interference of the court unjust, the application for an injunction will be denied.<sup>3</sup> Where the defendant, with the understanding that the only open question between the plaintiff and himself is one of compensation, enters in good faith into a contract with third par-

silence unless the defendant was misled by it, see *Reay v. Raynor* (1884), 26 O. G. 1111; 19 Fed. Rep. 308; 22 Blatch. 13; *N. Y. Grape Sugar Co. v. Buffalo Grape Sugar Co.* (1883), 25 O. G. 1076; 18 Fed. Rep. 638; 21 Blatch. 519.

That an injunction may issue on one patent although the suit has been abandoned as to another, unless the defendants have been misled, see *Atlantic Giant Powder Co. v. Rand* (1879), 16 O. G. 87; 16 Blatch. 250; 4 Bann. & A. 263.

That the release of an infringer from liability for the past is no bar to an injunction for the future, see *Babcock & Wilcox Co. v. Pioneer Iron Works* (1888), 43 O. G. 756.

That a defendant may be enjoined though he has been misled by the plaintiff into supposing that his present acts do not infringe, see *Sarven v. Hall* (1873), 6 Fisher, 495; 4 O. G. 666; 11 Blatch. 295.

<sup>2</sup> That an injunction will be refused if the plaintiff has violated his contract with the defendant, although the defendant has also broken the contract, see *Crowell v. Parmenter* (1878), 18 O. G. 360; 3 Bann. & A. 480.

That a breach of the license by the

licensor does not justify an infringement by the licensee, see *Willis v. McCollin* (1886), 38 O. G. 1017; 29 Fed. Rep. 641.

That one who knowingly permits another to take out a patent for a certain invention, and then himself patents a different invention, is estopped to claim that he is the inventor of the former invention, see *Fraim v. Keen* (1885), 34 O. G. 1048; 25 Fed. Rep. 820.

<sup>3</sup> That an injunction will be denied to one who has acted fraudulently toward the defendant, as where a licensor has secretly undersold his licensee, see *Washburn & Moen Mfg. Co. v. Scutt* (1884), 22 Fed. Rep. 710; *Hoffheins v. Brandt* (1867), 3 Fisher, 218.

That an injunction will be denied to a licensor who fraudulently licensed others, and thus hurt the defendant's trade, see *Washburn & Moen Mfg. Co. v. Cincinnati Barbed Wire Fence Co.* (1884), 22 Fed. Rep. 712.

That no injunction will be granted where new and difficult questions are to be decided, or where there is anything in the relations of the parties which could cause it to operate unjustly, see *Union Paper Bag Mach. Co. v. Binney* (1871), 5 Fisher, 166.

ties, the injunction, although general in reference to all other uses of the invention, may except this contract from its operation and permit him to fulfil it.<sup>4</sup> Acts of bad faith toward the public may also furnish reasons for denying an injunction to the plaintiff.<sup>5</sup>

**§ 1196. Preliminary Injunction: Grounds for its Refusal: Improper Purpose of Plaintiff in Requesting it.**

The improper purposes for which the plaintiff intends to employ the injunction, should it be allowed, are also a sufficient ground for its refusal. An injunction is designed to preserve existing rights, not to punish past injuries nor indirectly prejudice the defendant by placing him within the plaintiff's power.<sup>1</sup> Where the main object to be effected is a proper one the court does not concern itself with the ulterior advantages to be derived from its employment. But if as a protection against infringements it is of small importance to the plaintiff, and is desired by him chiefly to compel the defendant to act or to refrain from acting in other matters, or to enforce a recognition of the plaintiff's rights from third parties, the court will ordinarily decline to interfere.<sup>2</sup>

<sup>4</sup> That where the defendant had entered into a contract with third parties in good faith, and with the understanding that the only question between himself and the plaintiff was one of compensation, and did not deny the patent nor the infringement but offered to pay reasonable sums for the privilege of completing his contract, an injunction was refused as to such contract and granted as to all other uses, see *Smith v. Sharp's Rifle Mfg. Co.* (1857), 3 Blatch. 545.

<sup>5</sup> That no injunction will be granted where novelty is denied, and before taking out his patent the plaintiff sold the goods marked "imported from Paris," see *Booth v. Garely* (1847), 1 Blatch. 247.

That an injunction will be refused if the patentee has never used the invention, nor permitted others to use it, see

*Hoe v. Knap* (1886), 27 Fed. Rep. 204; 36 O. G. 1244.

§ 1196. <sup>1</sup> That an injunction issues to protect a clear right from unjust injury, see *Cook v. Ernest* (1872), 2 O. G. 89; 5 Fisher, 396.

That an injunction is a remedial writ in the nature of a prohibition, intended to prevent the commission of future injuries, not to punish past ones, see *Poppenhusen v. N. Y. Gutta Percha Comb Co.* (1858), 2 Fisher, 74; 4 Blatch. 184.

<sup>2</sup> That an injunction is for the purpose of preventing multiplicity of suits or repeated infringements, not to stop litigation or force a compromise in the suit in which it is granted, see *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67.

That the object of an injunction is to prevent mischief, not to cause it by



§ 1197. Preliminary Injunction: Grounds of its Refusal: Defendant's Good Faith.

The good faith of the defendant is a matter which, in connection with other circumstances, may exercise a powerful influence upon the decision of the court. Mere innocence in the infringement, or in preparations to infringe, constitutes no reason why it should be permitted or go unredressed. But where a defendant, in the honest belief that his device is essentially different from that of the plaintiff, or in ignorance of the existence of the plaintiff's patent, enters into important contracts, or invests large amounts of capital, entailing heavy losses if his business should be interrupted, and the plaintiff can be otherwise sufficiently protected, an injunction may be properly withheld.<sup>1</sup> Where the defendant, notwithstanding the presumptions of infringement and validity raised by the plaintiff's evidence, insists that on the full hearing he can maintain his defence, and the court cannot yet determine whether such defence would or would not be fatal to the

aiding the plaintiff to coerce the defendant into a compromise, see *Parker v. Sears* (1850), 1 Fisher, 93.

That whether an injunction should ever be issued to compel a party to perform his contract is doubtful, see *Smith v. Cummings* (1852), 1 Fisher, 152.

That a preliminary injunction cannot be resorted to in order to compel the defendant city to give a contract to the plaintiffs rather than to their competitors, if the latter are the lowest bidders, see *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 Fisher, 189.

That an injunction sought for the purpose of establishing an apparent title against all users, and thus induce them to pay tribute to the plaintiff, will be denied, see *Western Union Tel. Co. v. Balt. & Ohio Tel. Co.* (1885), 25 Fed. Rep. 30.

§ 1197. <sup>1</sup> That where the plaintiff can be otherwise protected, a defendant who has acted in good faith, and who would be seriously injured by an injunc-

tion, will not be enjoined, see *Batten v. Silliman* (1855), 3 Wall. Jr. 124.

That where the plaintiff's assignor has neglected to employ his invention in the State where the suit is pending during the extended term, and the defendant bought his machine in ignorance of the plaintiff's rights, and the same questions were never in issue in prior suits, an injunction will be refused unless the defendant is irresponsible, see *Gear v. Holmes* (1873), 6 Fisher, 595.

That an injunction will be refused where there has been no judgment sustaining the patent, unless there has been acquiescence equivalent to an admission of its validity or some other strong reason, if the defendant defends in good faith, see *Crowell v. Harlow* (1878), 18 O. G. 466; 3 Bann. & A. 478.

That all persons are bound to take notice of a patent duly issued, see *National Car Brake Shoe Co. v. Terre Haute Car & Mfg. Co.* (1884), 28 O. G. 1007; 19 Fed. Rep. 514.

action, the good faith of the defendant may also turn the balance in his favor.<sup>2</sup>

§ 1198. Preliminary Injunction: Grounds of its Refusal: Defendant's Patent.

Where the defendant owns or acts under a patent which on its face authorizes the use of the process or device now claimed to be an infringement, an injunction may be withheld until after a final hearing, although the plaintiff's application is supported by the usual proof.<sup>1</sup> The existence of the defendant's patent may raise a doubt upon the question of identity between the infringing and the patented inventions, or upon the question of priority between him and the plaintiff, and this doubt is increased by any evidence of negligence upon the part of the plaintiff in the enforcement of his

<sup>2</sup> That an injunction will not be granted if the defendant shows that he believes he has a just defence, and is not a wilful pirate of the invention, unless his defence is an evident mistake of law or fact, see *Goodyear v. Dunbar* (1860), 1 Fisher, 472; 3 Wall. Jr. 310.

That a defendant acting in an honest belief that a re-issue with expanded Claims is void, will not be enjoined, see *Western Union Tel. Co. v. Balt. & Ohio Tel. Co.* (1885), 25 Fed. Rep. 30.

That a defendant will not be enjoined from using an invention which he employed before the patent was granted, see *Dorlan v. Guie* (1885), 25 Fed. Rep. 816; 34 O. G. 702.

§ 1198. <sup>1</sup> That an injunction will be refused when the defendant has a patent for the same invention, which is *prima facie* valid, the court comparing the two specifications to determine whether they are the same, see *Sargent v. Carter* (1857), 1 Fisher, 277.

That an injunction will not issue if the defendant is acting under letters-patent which cover his machine, see

*Goodyear v. Dunbar* (1860), 1 Fisher, 472; 3 Wall. Jr. 310.

That an injunction will be granted though the defendant holds a patent for an improvement, since this patent cannot avail him beyond its proper scope, see *Goodyear Dental Vulcanite Co. v. Evans* (1868), 3 Fisher, 390; 6 Blatch. 121.

That an injunction will be granted though the defendant has a subsequent patent, if the infringement be clear, see *Morse Fountain Pen Co. v. Esterbrook Steel Pen Mfg. Co.* (1869), 3 Fisher, 515.

That an injunction will issue though the defendant has patented other improvements on the same subject, see *Cook v. Ernest* (1872), 5 Fisher, 396; 2 O. G. 89; *McComb v. Ernest* (1871), 1 Woods, 195; *Goodyear Dental Vulcanite Co. v. Evans* (1868), 3 Fisher, 390; 6 Blatch. 121.

That an injunction may issue though the defendant is suing to obtain a patent, see *Minneapolis Harvester Works v. McCormick Harvesting Mach. Co.* (1886), 37 O. G. 556; 28 Fed. Rep. 565.



rights.<sup>2</sup> The good faith of the defendant, the absence of concealment in reference to his operations, the extent of his enterprise, and the injury he would sustain from any prema-

<sup>2</sup> In *Goodyear Dental Vulcanite Co. v. Gardner* (1870), 4 Fisher, 224, Clifford, J. : (228) "Attempt is made to show that the rule does not apply in this case because letters-patent have also been granted to the respondent, but it is clear that the introduction of the respondent's patent does not change the burden of proof on the question of novelty. He must still prove the allegation of his answer that the original patentee was not the original and first inventor of his improvement. Serious doubts were formerly entertained whether the letters-patent of the respondent were admissible in any view of the case, and it is still the settled rule that the question of infringement cannot be controlled or materially affected by such consideration. (*Blanchard et al. v. Putman*, 8 Wall. 425 ; *Corning et al. v. Burden*, 15 How. 271). Since the decision of the case last named, the letters-patent of the defendant are admitted in evidence on the question of novelty, as entitled to some weight where the evidence is nicely balanced, but it is quite incorrect to suppose that a patent, subsequent in date, can have the effect as evidence to overcome the *prima facie* presumption otherwise afforded by the introduction of one of prior date, that the patentee was the original and first inventor of what is therein described as his improvement. Such a conclusion is without any foundation in principle, and finds no support in any analogy of the law or in any decided cases." 3 Clifford, 408 (413). The defendant's patent is proof that the experts in the Patent Office regarded his invention as substantially different from the one previously patented by the plaintiff (*Westlake v. Cartter*, 6 Fisher, 519),

and hence that the defendant does not infringe. This is its entire effect.

In *Blanchard v. Puttman* (1867), 3 Fisher, 186, Leavitt, J. : (192) "I may remark here that both these parties are patentees, and the presumption equally applies to both in relation to the novelty and utility of their inventions. There is a presumption from the issuance of a patent to Morris, years after the date of the Blanchard patent, that he had invented something different from the invention for which a patent had been previously granted to Blanchard ; for, if the Commissioner had come to a different conclusion, it would have been his duty to have rejected the application." 2 Bond, 84 (93).

In *Corning v. Burden* (1853), 15 How. 252, Grier, J. : (271) "It is evident that a patent, thus issued after an inquisition or examination made by skilful and sworn public officers, appointed for the purpose of protecting the public against false claims or useless inventions, is entitled to much more respect, as evidence of novelty and utility, than those formerly issued without any such investigation. Consequently such a patent may be, and generally is, received as *prima facie* evidence of the truth of the facts asserted in it. And in cases where the evidence is nicely balanced, it may have weight with a jury in making up their decision as to the plaintiff's right ; and if so, it is not easy to perceive why the defendant who uses a patented machine should not have the benefit of a like presumption in his favor, arising from a like investigation of the originality of his invention, and the judgment of the public officers that his machine is new, and not an infringement of the

ture decision against his patent, are all elements to be considered by the court, unless his patent is evidently void, or his acts are unwarranted by its provisions, and it thus constitutes no answer to the plaintiff's claims.<sup>3</sup>

patent previously granted to the plaintiff. It shows, at least, that the defendant has acted in good faith, and is not a wanton infringer of the plaintiff's rights, and ought not, therefore, to be subjected to the same stringent and harsh rule of damages which might be justly inflicted on a mere pirate. It is true the mere question of originality or infringement generally turns on the testimony of the witnesses produced on the trial; but if the plaintiff's patent in a doubtful case may have some weight in turning the scale in his favor, it is but just that the defendant should have the same benefit from his; *valcat quantum valcat*. The parties should contend on an equal field, and be allowed to use the same weapons."

That one patented article is presumed to differ from articles covered by other patents, see *Buerk v. Imhaeuser* (1876), 11 O. G. 112; 2 Bann. & A. 465.

That if the defendant has a patent it is evidence that the experts in the Patent Office did not consider his device identical with the plaintiff's, and this is entitled to consideration by the jury, see *Westlake v. Cartter* (1873), 4 O. G. 636; 6 Fisher, 519.

That where a defendant acts under another patent it is presumed that he does not infringe, and no injunction will issue unless the court can see from inspection that he does infringe, see *Sargent Mfg. Co. v. Woodruff* (1873), 5 Bissell, 444.

That an injunction will issue against the defeated party to an interference in favor of the successful party, if the former relies on his own prior patent, see *Greenwood v. Bracher* (1880), 17 O. G. 1151; 1 Fed. Rep. 856; 5 Bann. & A. 302.

That no injunction will issue where the defendants have manufactured under a patent of a date prior to the plaintiff's, which has expired without ever being tested by the plaintiff in a suit, see *Whitney v. Rollstone Machine Works* (1875), 8 O. G. 908; 2 Bann. & A. 170.

<sup>3</sup> That no injunction will be granted where the defendant is openly using a device made under other patents, in full competition with the plaintiff's and in good faith, unless the injury is irreparable or the defendant unable to respond in damages, see *Burleigh Rock Drill Co. v. Lobdell* (1875), 7 O. G. 836; Holmes, 450; 1 Bann. & A. 625.

That where the defendant claims to have acted under a patent and with the acquiescence of the plaintiff, and to have invested a large capital in the enterprise, no injunction will issue unless the case is clear, see *North v. Kershaw* (1857), 4 Blatch. 70.

That where the original patent has expired and a patent for improvements thereon, covering the same principle, has not been adjudicated, and it clearly appears that the latter patent has been infringed under a patent procured for that purpose, and the remedy is important to the plaintiff and there is no good reason to the contrary, an injunction will issue, see *Plimpton v. Winslow* (1880), 3 Fed. Rep. 333; 5 Bann. & A. 563.

That where the litigants claim under adverse titles, still undetermined in the Patent Office, an injunction will be refused, see *National Feather Duster Co. v. Dearborn Luster Co.* (1882), 24 O. G. 497.

That an injunction will be granted though the defendant operates under



**§ 1199. Preliminary Injunction : Grounds for its Refusal : Doubts of the Court as to the Existence of Proper Conditions.**

Where, notwithstanding the evidence offered by the plaintiff in support of his patent or his title or the allegation of infringement, the court is still in doubt upon either of these questions the injunction may be denied.<sup>1</sup> The keener scru-

a different patent with unlike Claims, if what he really does is an infringement, see *Collignon v. Hayes* (1881), 20 O. G. 447 ; 8 Fed. Rep. 912.

§ 1199. <sup>1</sup> In *Sickels v. Young* (1855), 3 Blatch. 293, Nelson, J. : (296) "As this is a motion simply for a preliminary injunction, and not a case upon pleadings and proofs for a final hearing, I shall not look further into the mass of papers before me, than to ascertain whether or not a case has been made which, upon established principles of equity, to prevent an irreparable injury requires the court to interfere pending the litigation, and restrain the defendants from the further use of the apparatus or machinery charged with infringement, until the right is finally determined. And, upon these principles, it is well settled that, unless the right is clear upon the papers and proofs presented, and upon which the motion is founded, in favor of the plaintiffs, the injunction will be withheld, and the rights of the parties be left unaffected and unchanged until the case is matured for the final hearing, and definitively disposed of."

In *Isaacs v. Cooper* (1821), 4 Wash. 259, Washington, J. : (260) "The practice of the court of equity, upon motions of this kind, is to grant an injunction upon the filing of the bill, and before a trial at law, if the bill state a clear right, and verify the same by affidavit. If the bill states an exclusive possession of the invention or discovery, for which the plaintiff has obtained a patent, an injunction is granted, although the court may feel doubts as to the

validity of the patent. But if the defects in the patent or specification are so glaring that the court can entertain no doubt as to that point, it would be most unjust to restrain the defendant from using a machine or other thing which he may have constructed, probably at great expense, until a decision at law can be had." 1 Robb, 332 (334).

Further, that unless upon the whole evidence the court is reasonably satisfied that an injunction should issue it should be refused, see *Norton Door Check & Spring Co. v. Hall* (1889), 37 Fed. Rep. 691 ; *Thompson v. Rand Avery Supply Co.* (1889), 38 Fed. Rep. 112 ; *Huber v. Myers Sanitary Depot* (1887), 34 Fed. Rep. 48 ; *Bradley & Hubbard Mfg. Co. v. Charles Parker Co.* (1883), 17 Fed. Rep. 240 ; 24 O. G. 995 ; *N. Y. Grape Sugar Co. v. American Grape Sugar Co.* (1882), 10 Fed. Rep. 835 ; 20 Blatch. 386 ; *Illingworth v. Spaulding* (1881), 9 Fed. Rep. 154 ; *Cross v. Livermore* (1881), 21 O. G. 139 ; 9 Fed. Rep. 607 ; *Wilson Packing Co. v. Clapp* (1878), 13 O. G. 368 ; 8 Bissell, 154 ; 3 Bann. & A. 243 ; *Burleigh Rock Drill Co. v. Lobdell* (1875), Holmes, 450 ; 7 O. G. 836 ; 1 Bann. & A. 625 ; *Wells v. Gill* (1872), 2 O. G. 590 ; 6 Fisher, 89 ; *Fales v. Wentworth* (1872), 5 Fisher, 302 ; Holmes, 96 ; 2 O. G. 58 ; *Jones v. Hodges* (1871), Holmes, 37 ; *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 Fisher, 189 ; *Muscan Hair Mfg. Co. v. American Hair Mfg. Co.* (1858), 1 Fisher, 320 ; 4 Blatch. 174 ; *Winans v. Eaton* (1854), 1 Fisher, 181 ; *Goodyear v. Railroad* (1853), 1 Fisher, 626 ; *Parker v.*

tiny of the present judge may detect infirmities in the patent hitherto not noticed or not fully appreciated, or may perceive substantial differences between the defendant's device and the patented invention which have previously escaped attention. In such a case he may decline to interfere, though prior judges have sustained the patent and determined the issue of infringement against the defendant. Where the construction of the patent is not inflexible, or where the monopoly is not invaded unless the interpretation claimed by the plaintiff is correct, and this interpretation can be questioned;<sup>2</sup> where the defendant offers counter-judgments in his favor, of sufficient number and authority to show that serious differences of opinion may exist on the same facts now submitted to the court;<sup>3</sup> where the respective assertions and denials of the parties disclose equities which cannot be examined and decided on a motion for an injunction, or terminate in issues of fact which the proof admissible on such a motion cannot properly elucidate;<sup>4</sup> where the patent is recent and no ade-

Sears (1850), 1 Fisher, 93; Brooks v. Bicknell (1845), 4 McLean, 70.

That an injunction will be refused where the question is one of fact only, and the affidavits are of equal weight, see Beane v. Orr (1875), 9 O. G. 255; 2 Bann. & A. 176.

That where validity is doubtful an injunction will be denied, see Fraim v. Sharon Valley Malleable & Gray Iron Co. (1886), 27 Fed. Rep. 457.

That where the validity of the patent is doubtful, and especially where it rests on the plaintiff's evidence and none is offered in opposition, an injunction will be refused, see Sullivan v. Redfield (1825), 1 Paine, 441; 1 Robb, 477.

<sup>2</sup> That no injunction will be granted when the novelty of the plaintiff's invention is doubtful, where his patent is not sustained by a judgment or acquiescence in the plaintiff's construction of his claim, and there is no infringement unless the plaintiff's construction of his claim is correct, see Mowry v. Grand

St. & Newtown R. R. Co. (1872), 5 Fisher, 586; 10 Blatch. 89.

That a construction by acquiescence cannot be established in a single year, and an injunction based on such construction is not warrantable, see Johnston Ruffler Co. v. Avery Mach. Co. (1886), 28 Fed. Rep. 193; 36 O. G. 1043.

<sup>3</sup> That where the novelty was denied, and the patent had been sustained in only one case out of three, an injunction was refused and an account and monthly report ordered, see Allen v. Sprague (1850), 1 Blatch. 567.

<sup>4</sup> In Potter v. Whitney (1866), 3 Fisher, 77, Lowell, J.: (78) "The principles which govern courts in granting or refusing preliminary injunctions in patent cases are well established. As a general rule, if the plaintiff has made out a clear title and the question of infringement presents no difficulty, an injunction will be granted. The hearing is had upon *ex parte* affidavits, and if



quate opportunity has been afforded for such an investigation of the patentability of the invention as renders the judgments sustaining it reliable;<sup>5</sup> where a re-issue has apparently attempted to extend the scope of the original, or the original has been judicially construed to be exclusive of the invention practised by the defendant,<sup>6</sup> — any of these conditions war-

the questions to be decided are difficult and complicated, especially if they involve disputed facts which have never been passed upon by a court or jury, then, although the court may be inclined to think the complainant is right, yet it will not interfere at this stage of the cause whether the questions relate to title or to infringement. And even when the title is clear, yet if there are peculiar circumstances which show that the defendant's interests would be very injuriously affected by an injunction, while those of the plaintiff would not be so affected by refusing it, it may be refused." 1 Lowell, 87 (88).

That if the plaintiff claims only an equitable title, and that is being contested in the local courts, no injunction will issue, see *Continental Store Service Co. v. New York Store Service Co.* (1885), 31 O. G. 1561.

That an injunction will be denied if there is a substantial controversy as to the equities of the parties, and the motion does not permit an inquiry into such equities, see *Smith v. Cummings* (1852), 1 Fisher, 152.

That no injunction will be granted after the patent has expired where the defendant has both a legal and an equitable defence, but the end of the suit at law will be awaited, see *Concord v. Norton* (1883), 16 Fed. Rep. 477.

<sup>5</sup> That an injunction will be refused if the patent is openly defective, see *Isaacs v. Cooper* (1821), 4 Wash. 259; 1 Robb, 332.

That no injunction will issue if the patent is recent and disputed, until

after a trial at law, see *Sullivan v. Redfield* (1825), 1 Paine, 441; 1 Robb, 477.

That when the patent has been issued only two months and no judgment or acquiescence sustains it, no injunction will be granted, see *Brown v. Hinkley* (1873), 3 O. G. 384; 6 Fisher, 370.

That where the patent is doubtful, the plaintiff sells licenses, and the defendant is responsible, no injunction will issue, see *National Hat Pouncing Mach. Co. v. Hedden* (1886), 29 Fed. Rep. 147; 38 O. G. 1129.

That no injunction will be granted where the plaintiff is guilty of laches and the defendant is responsible, or where novelty is denied and judgments against the patent are produced, though new trials have been granted on points not affecting validity, see *Keyes v. Pueblo Smelting & Refining Co.* (1887), 31 Fed. Rep. 560.

That an injunction will not issue where the patent is recent, the specification obscure, and the proof of infringement meagre, see *Muscan Hair Mfg. Co. v. American Hair Mfg. Co.* (1858), 1 Fisher, 320; 4 Blatch. 174.

<sup>6</sup> That an injunction on a re-issue will be denied where its Claims are evidently broader than those of the original, see *Brewster v. Parry* (1882), 14 Fed. Rep. 694.

That no injunction will be granted on a re-issue where the re-issue was delayed ten years, and its validity is disputed, and there has been no decision in its favor, no royalties or license-fees paid to the patentee, and no general

rants the court in overruling the presumption which the plaintiff's evidence may have created in his favor, and in refusing to allow a temporary injunction.

**§ 1200. Preliminary Injunction: Grounds of its Refusal: Disastrous Consequences if Granted.**

Reasons for withholding an injunction may also be found in its probable effect, if granted, either upon the interests of the plaintiff, or those of the defendant or the public.<sup>1</sup> Where an injunction would be useless to the plaintiff on account of the existence of another order of the same character or because no injury will result to him from its denial,

acquiescence by the public, and the defendant is not alleged to be irresponsible, see *Tillinghast v. Hicks* (1882), 13 Fed. Rep. 388; 23 O. G. 739.

That an injunction on a re-issue will be refused where it is doubtful whether the re-issue is broader than the original, until that question is settled, see *Steam Gauge & Lantern Co. v. Miller* (1882), 11 Fed. Rep. 718.

That no injunction will be granted on a re-issue to prevent the infringement of inventions previously disclaimed, see *Leggett v. Avery* (1879), 101 U. S. 256; 17 O. G. 445.

That an injunction will be granted when the valid Claims of a re-issue are infringed, see *Starrett v. Athol Mach. Co.* (1883), 14 Fed. Rep. 910; 23 O. G. 1729.

That an injunction will be granted though the Claims of the re-issue are expanded, see *Lorillard v. McDowell* (1877), 13 Phila. 461; 2 Bann. & A. 531; 11 O. G. 640.

That an injunction will issue on Claims reproduced from the original patent, though other Claims of the re-issue are invalid, see *Duff v. Calkins* (1883), 25 O. G. 601; *Starrett v. Athol Mach. Co.* (1883), 14 Fed. Rep. 910; 23 O. G. 1729.

That where the validity of the re-

issue is doubtful, no injunction will be granted, see *Arnheim v. Finster* (1885), 24 Fed. Rep. 276; 32 O. G. 256.

§ 1200. <sup>1</sup> That an injunction will issue where worse mischief would ensue from denying than from granting it, see *Hat Sweat Mfg. Co. v. Davis Sewing Mach. Co.* (1887), 41 O. G. 1273; 82 Fed. Rep. 401; *Covert v. Curtis* (1885), 25 Fed. Rep. 43; *Irwin v. Dane* (1871), 4 Fisher, 359; 2 Bissell, 442.

That the standing of the plaintiffs in their trade is matter of importance and may be considered as a reason for an injunction, see *Irwin v. Dane* (1871), 4 Fisher, 359; 2 Bissell, 442.

That on a motion for an injunction it is a material question whether the defendant makes and sells or only uses the plaintiff's invention, the former being an increasing wrong, see *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67.

That an injunction will issue more easily against a mere seller than a maker, see *Covert v. Curtis* (1885), 25 Fed. Rep. 43.

That an injunction ought to be refused against the mere user, not being the maker or seller of the invention, if the case is doubtful or the balance of inconvenience is on the side of the defendant, see *Howe v. Newton* (1865), 2 Fisher, 531.



or where it is apparent that, if now allowed, it must on final hearing be dissolved, the court will reject the application.<sup>2</sup> Where the injury to the defendant would be out of all proportion to the benefit accruing to the plaintiff, or where the invention is a part only of some wider process or device whose use is essential to the business of the defendant and whose abandonment must prove the ruin of his enterprise, the court may, if he is responsible or tenders compensation to the plaintiff, refuse to interrupt his operations until the necessity therefor is made apparent on the final hearing.<sup>3</sup> If the cessation of the alleged infringing acts

<sup>2</sup> That an injunction will not be granted while another to the same effect is already in force in a different suit, see *Gold & Stock Telegraph Co. v. Pearce* (1884), 19 Fed. Rep. 419; 22 Blatch. 62.

That no preliminary injunction will issue to compel an act, when on final hearing the duty to perform it may be doubtful, see *Westinghouse Air Brake Co. v. Carpenter* (1887), 32 Fed. Rep. 484; *International Tooth Crown Co. v. Mills Co.* (1884), 22 Fed. Rep. 659; 30 O. G. 662; *Parkhurst v. Kinsman* (1847), 2 Halst. Ch. (N. J.) 600.

<sup>3</sup> That an injunction will be refused where it will do the plaintiff little good and the defendant much harm, see *Hockholzer v. Eager* (1873), 2 Sawyer, 361.

That an injunction will be refused where its allowance would injure the defendant more than it would benefit the plaintiff, see *McCrary v. Pennsylvania Canal Co.* (1880), 5 Fed. Rep. 367; *Potter v. Whitney* (1866), 3 Fisher, 77; 1 Lowell, 87; *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67; *North v. Kershaw* (1857), 4 Blatch. 70; *Day v. Candee* (1853), 3 Fisher, 9.

That an injunction will be refused where it would do great injury to the defendants, see *Furbush v. Bradford* (1858), 1 Fisher, 317; *Barnard v. Gibson* (1849), 7 Howard, 650.

That no injunction will be issued where it would work great hardship and other remedies are equally available, see *Swift v. Jenks* (1884), 19 Fed. Rep. 641; 27 O. G. 615; *Guidet v. Palmer* (1872), 6 Fisher, 82; 10 Blatch. 217.

That no injunction will be granted where the plaintiff and defendant are rival manufacturers, and the patent covers only part of a larger machine which cannot be dispensed with except at great loss, a royalty being tendered, see *Hoe v. Boston Daily Advertiser Co.* (1883), 14 Fed. Rep. 914; 23 O. G. 1124.

That where a defendant has acted in good faith and would be seriously injured, and the plaintiff has an established license-fee, no injunction will issue unless in a very clear case, or where the patent has been sustained by judgments, see *Batten v. Silliman* (1855), 3 Wall. Jr. 124.

That an injunction will be granted though it injures the defendant, especially where he was not ignorant of the plaintiff's invention, see *Hussey v. Whitely* (1860), 2 Fisher, 120; 1 Bond, 407.

That if the defendant erects works to carry on the business after notice that he infringes, he has no claim to consideration in equity, see *Westinghouse Air Brake Co. v. Carpenter* (1887), 32 Fed. Rep. 545.

would prove injurious to the public, whose safety or convenience depend upon the use of the invention by the defendant, this likewise constitutes a sufficient reason for the denial of the application.<sup>1</sup>

**§ 1201. Preliminary Injunction : Granted without Reserve if the Plaintiff is Entitled to it.**

Where, however, the validity of the patent, the title of the plaintiff and the intention of the defendant to infringe are fully proved, and neither the foregoing nor other circumstances render the grant of an injunction inequitable, the court will issue it without reluctance or evasion.<sup>1</sup> Though it

<sup>1</sup> That an injunction will not be granted where the device is needed for public use and the plaintiff can be otherwise protected, see *Bliss v. City of Brooklyn* (1871), 4 Fisher, 596; 8 Blatch. 533.

That an injunction will not be granted where it would occasion great public injury, unless in a case of absolute right, see *Blake v. Greenwood Cemetery* (1877), 13 O. G. 1046; 14 Blatch. 342; 3 Bann. & A. 112.

That an injunction will be denied where it would injure the public and not benefit the plaintiff, see *Ballard v. City of Pittsburgh* (1882), 12 Fed. Rep. 783.

That where the injunction would merely prevent the defendant from purchasing and using any fresh infringing articles it will not be withheld on the ground that the public will be inconvenienced, see *Goodyear v. Railroad* (1853), 1 Fisher, 626.

§ 1201. <sup>1</sup> In *Poppenhusen v. N. Y. Gutta Percha Comb Co.* (1858), 2 Fisher, 74, *Ingersoll, J.*: (76) "The writ prayed for is to act as a remedy against a threatened wrong, by preventing the commission of such wrong. And it is not necessary, before a writ to prevent a wrong issue, that the wrong should have actually been committed. If it were, the

remedy by injunction would be a very inadequate one. When the rights of a party under a patent have been clearly and distinctly established, and an infringement of such rights is threatened, or when they have been infringed, and the party has good reason to believe they will continue to be infringed, an injunction will issue. It issues for the reason that there is good ground to believe that in future they will be infringed. And when a trial at law has been had, resulting in a verdict in favor of the patentee, in which the right to the improvement patented has been fully established to the satisfaction of the court, and the infringement of right made clear, such trial, resulting in such a verdict, is sufficient, without any other proof, to authorize the court to grant an injunction to prevent any future violation of right. Such trial, with such a result, affords sufficient proof that in future there will be an infringement unless such infringement is restrained by injunction." 4 Blatch. 184 (187).

Further, that where the validity of the patent is established, and the infringement by the defendant is clear, an injunction will be granted, see *Foster v. Crossin* (1885), 23 Fed. Rep. 400; *Odorless Excavating Co. v. Lauman* (1882), 12 Fed. Rep. 788; *McWilliams*



may work hardship to the defendant or to other parties, and though the defendant offers such security against future losses as the plaintiff may require, the infringement will not be permitted to continue to the manifest and injurious violation of the patent.<sup>2</sup> Nor can the defendant claim immunity

*Mfg. Co. v. Blundell* (1882), 22 O. G. 177; 11 Fed. Rep. 419; *White v. Heath* (1882), 22 O. G. 500; 10 Fed. Rep. 291; *New York Grape Sugar Co. v. American Grape Sugar Co.* (1882), 10 Fed. Rep. 835; 20 Blatch. 386; *Steam Gauge & Lantern Co. v. Miller* (1881), 8 Fed. Rep. 314; 20 O. G. 889; *Cross v. Livermore* (1881), 21 O. G. 139; 9 Fed. Rep. 607; *Weeks v. Buffalo Scale Co.* (1880), 11 Fed. Rep. 901; *Kirby Bung Mfg. Co. v. White* (1880), 17 O. G. 974; 1 Fed. Rep. 604; 1 *McCrary*, 155; 5 *Bann. & A.* 263; *American Middlings Purifier Co. v. Christian* (1877), 4 *Dillon*, 448; 3 *Bann. & A.* 42; *American Shoe Tip Co. v. National Shoe Toe Protector Co.* (1877), 11 O. G. 740; 2 *Bann. & A.* 551; *Weston v. White* (1876), 13 *Blatch.* 447; 2 *Bann. & A.* 364; *Brown v. Hinkley* (1873), 3 O. G. 384; 6 *Fisher*, 370; *Chase v. Wesson* (1873), 6 *Fisher*, 517; 4 O. G. 476; *Holmes*, 274; *Robertson v. Hill* (1873), 6 *Fisher*, 465; 4 O. G. 132; *Wells v. Gill* (1872), 2 O. G. 590; 6 *Fisher*, 89; *Miller v. Androscoggin Pulp Co.* (1872), 1 O. G. 409; 5 *Fisher*, 340; *Holmes*, 142; *Mowry v. Grand St. & Newtown R. R. Co.* (1872), 5 *Fisher*, 586; 10 *Blatch.* 89; *McComb v. Ernest* (1871), 1 *Woods*, 195; *Thayer v. Wales* (1871), 5 *Fisher*, 130; 9 *Blatch.* 170; *American Nicholson Pavement Co. v. City of Elizabeth* (1870), 4 *Fisher*, 189; *Shelly v. Brannan* (1870), 4 *Fisher*, 198; 2 *Bissell*, 315; *Conover v. Mers* (1868), 3 *Fisher*, 386; *Goodyear v. Rust* (1868), 3 *Fisher*, 456; 6 *Blatch.* 229; *Hodge v. Hudson River R. R. Co.* (1868), 6 *Blatch.* 165; *Potter v. Whitney* (1866), 3 *Fisher*, 77; 1 *Lowell*,

.87; *Goodyear v. Hills* (1866), 3 *Fisher*, 134; *Morris v. Lowell Mfg.* (1866), 3 *Fisher*, 67; *Doughty v. West* (1865), 2 *Fisher*, 553; *Potter v. Muller* (1864), 2 *Fisher*, 465; *Hussey v. Whitely* (1860), 2 *Fisher*, 120; 1 *Bond*, 407; *North v. Kershaw* (1857), 4 *Blatch.* 70; *Sickels v. Mitchell* (1857), 3 *Blatch.* 548; *Day v. N. E. Car Spring Co.* (1854), 3 *Blatch.* 154; *Goodyear v. Day* (1852), 2 *Wall. Jr.* 283; *Tracy v. Torrey* (1851), 2 *Blatch.* 275; *Gibson v. Van Dresar* (1850), 1 *Blatch.* 532; *Motte v. Bennett* (1849), 2 *Fisher*, 642; *Ogle v. Ege* (1826), 4 *Wash.* 584; 1 *Robb*, 516; *Isaacs v. Cooper* (1821), 4 *Wash.* 259; 1 *Robb*, 332.

That whenever the plaintiff is found to be legally entitled to an injunction it is the duty of the court to grant it without evasion, see *Blanchard v. Reeves* (1850), 1 *Fisher*, 103.

That the court has no discretion to refuse an injunction where the patent has been established by a judgment and the infringement is clear, see *Green v. French* (1879), 16 O. G. 215; 4 *Bann. & A.* 169.

<sup>2</sup> In *Morris v. Lowell Mfg. Co.* (1866), 3 *Fisher*, 67, *Lowell, J.*: (69) "In granting or refusing a preliminary injunction, the court will carefully consider the situation of the parties. Its important office is to preserve the rights of the patentee pending the litigation of his title. If the title has already been fully established, or is otherwise so clear that no reasonable doubt of its validity remains, a court of equity would, in many cases, grant such an injunction as it would a final injunction notwithstanding the injury which

on the ground that the plaintiff infringes other patents, nor that other persons are engaged with him in the infringement of the plaintiff's patent, nor that he is under obligations to others which the injunction will compel him to disregard, nor that he owns the articles whose use or sale is held to be forbidden by the patent.<sup>8</sup> These circumstances, indeed, like the

might result to the defendant. But where there is no danger of loss to the plaintiff, and great loss will result to the defendant, the case must be substantially free from doubt to require such action."

That an injunction will issue though the injury to the defendant may be great, if the right of the plaintiff and the infringement are clear, see *Hodge v. Hudson River R. R. Co.* (1868), 6 Blatch. 165.

That where the injury to the plaintiff from refusing an injunction would be great, it may be granted, see *Covert v. Curtis* (1885), 25 Fed. Rep. 43.

That an injunction will issue where the plaintiff's right is clear, though it works hardship to the defendant and a conditional injunction would protect the plaintiff, see *Ely v. Monson & Brimfield Mfg. Co.* (1860), 4 Fisher, 64.

That if the plaintiff's right is clear an injunction works no real hardship to the defendant, see *Potter v. Schenck* (1866), 3 Fisher, 82; 1 Bissell, 515.

That an injunction will be granted though it may cause injury to third parties, see *Rumford Chemical Works v. Vice* (1877), 11 O. G. 600; 14 Blatch. 179; 2 Bann. & A. 584.

That when the case is clear and the infringement proved the injunction will be granted without regard to private or public convenience, see *Sickels v. Tilston* (1857), 4 Blatch. 109.

That where the right is clear an injunction must issue whatever injury may result, see *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67; *Potter v. Fuller* (1862), 2 Fisher, 251.

That an injunction will issue where the plaintiff's loss by its refusal would far exceed the injury to the defendant by granting it, if the infringement is not disputed and acquiescence is proved, see *Hat-Sweat Mfg. Co. v. Davis Sewing Mach. Co.* (1887), 41 O. G. 1273; 32 Fed. Rep. 401.

That when the patent is valid and the infringement clear an injunction will be granted though bonds be offered, see *McWilliams Mfg. Co. v. Blundell* (1882), 22 O. G. 177; 11 Fed. Rep. 419; *Tracy v. Torrey* (1851), 2 Blatch. 275.

<sup>8</sup> That an injunction will not be refused on the ground that the plaintiff is violating some other patent, see *Young v. Lippman* (1872), 5 Fisher, 230; 2 O. G. 249; 9 Blatch. 277.

That an injunction will not be withheld in order to allow the defendant to fulfil a contract, since the contract is, in effect, only the apportioning of a license, which is not allowed, see *Consolidated Fruit Jar Co. v. Whitney* (1874), 10 Phila. 268; 1 Bann. & A. 356.

That when the defendant is a licensee, and is notified that the license was obtained by fraud, and asks the court to allow him to finish a contract, he must show that the contract was made before such notice was given, or an injunction will issue, see *Consolidated Fruit Jar Co. v. Whitney* (1874), 10 Phila. 268; 1 Bann. & A. 356.

That an injunction is not refused on the ground that the defendant owns the infringing articles, see *Porter Needle Co. v. National Needle Co.* (1883), 17 Fed. Rep. 536.

That an injunction will be more



preceding, may avail him where the principal questions are in doubt, or where the court, though disposed to allow the temporary injunction on the plaintiff's evidence, foresees that different conclusions may be reached upon the final hearing; but where the plaintiff's case is clear, and his injury is imminent, the court will never hesitate to grant the desired relief.<sup>4</sup>

**§ 1202. Preliminary Injunction : Bond and Account Ordered in Lieu thereof.**

Similar circumstances to those which lead the court to deny an injunction may induce it to modify the order, and require a bond and a continuing account from the defendant.<sup>1</sup>

readily granted against a merchant who merely sells the invention, than against a manufacturer who makes it, see *Covert v. Curtis* (1885), 25 Fed. Rep. 43.

<sup>4</sup> That an injunction will not be granted where final relief would on the same proofs be denied, see *International Tooth Crown Co. v. Mills* (1884), 22 Fed. Rep. 659; 30 C. G. 662; *Parkhurst v. Kinsman* (1847), 2 Halst. Ch. (N. J.) 600.

That an injunction will be refused if the patentee has never used the invention or permitted others to use it, see *Hoe v. Knapp* (1886), 27 Fed. Rep. 204; 36 O. G. 1244.

§ 1202. <sup>1</sup> That a bond may be ordered instead of an injunction, see *Wetherill v. Passaic Zinc Co.* (1872), 6 Fisher, 50; 2 O. G. 471; 9 Phila. 385; *Ely v. Monson & Brimfield Mfg. Co.* (1860), 4 Fisher, 64.

That an injunction will be granted where infringement is probable and the patent has been sustained by the Supreme Court of the United States, unless the defendant gives a bond and keeps an account, see *American Middlings Purifier Co. v. Christian* (1877), 4 Dillon, 448; 3 Bann. & A. 42.

That where the patent is in doubt, though the infringement is clearly

shown, an injunction may be refused and a bond ordered with an account to be taken at frequent periods, see *New York Belting & Packing Co. v. Magowan* (1884), 23 Fed. Rep. 596.

That a bond will be ordered instead of an injunction when the validity of the patent is in dispute, and has never been adjudged, and public acquiescence is denied and not proved, see *Morris v. Shelbourne* (1871), 4 Fisher, 377; 8 Blatch. 266.

That a bond will not be required of a defendant except in cases where an injunction would otherwise issue, see *American Middlings Purifier Co. v. Atlantic Milling Co.* (1877), 4 Dillon, 100; 3 Bann. & A. 168.

That a patentee, using the invention himself, has a right to an injunction, not merely a bond and account, see *Consolidated Fruit Jar Co. v. Whitney* (1874), 10 Phila. 268; 1 Bann. & A. 356.

That a motion to substitute a bond for an injunction in order that the defendant may fulfil his contracts will not be granted unless the plaintiff would be adequately protected thereby, see *Westinghouse Air Brake Co. v. Carpenter* (1887), 32 Fed. Rep. 545.

Thus where the patent is about to expire, or the plaintiff has been negligent in the assertion of his rights, or the legal remedy is adequate and the defendant responsible, or the invention has been so incorporated into the defendant's business that its extrication is impossible without causing him unwarrantable injury, or the defendant is a mere vendee whose manufacturer or vendor has not been attacked by the plaintiff, or facts and relations between the parties give rise to an equitable estoppel, or the practical effect of the injunction would be to destroy the value of other patents not in litigation, or an account and bond will afford temporary protection to the plaintiff, — in these cases, though his right cannot be questioned, the purposes of justice are accomplished when the payment of accruing damages and profits is secured.<sup>2</sup>

<sup>2</sup> That an injunction will be denied and a bond ordered where the patent has only six months to run, see *Howe v. Morton* (1860), 1 Fisher, 586.

That if a plaintiff has been negligent in enforcing his rights he is only entitled to compensation and future protection, and this can be secured by bond without an injunction, see *Jones v. Merrill* (1875), 8 O. G. 401; *Goodyear v. Honsinger* (1867), 3 Fisher, 147; 2 Bissell, 1.

That where the defendant's device is essential to his business, and is made under a later patent, an injunction will be refused and a bond ordered, though the plaintiff's patent is not disputed, if the defendant has acted in good faith, see *United States Annunciator & Bell Telegraph Mfg. Co. v. Sanderson* (1854), 3 Blatch. 184.

That an injunction will be refused and a bond ordered when the defendant has large capital invested and the plaintiff does not manufacture the invention, see *Dorsey Harvester Revolving Rake Co. v. Marsh* (1873), 6 Fisher, 387.

That a bond may be ordered where an injunction would do the defendant irreparable injury, see *Eastern Paper*

*Bag Co. v. Nixon* (1888), 45 O. G. 1571.

That an account will be ordered instead of an injunction when the injunction would injure the defendant more than it would benefit the plaintiff, see *McCreary v. Penn. Canal Co.* (1880), 14 Phila. 441; 5 Fed. Rep. 367.

That a patentee should sue the infringing makers rather than their vendees, and when he attacks the latter first, a bond will be ordered rather than an injunction, see *Irwin v. McRoberts* (1879), 16 O. G. 853; 4 Bann. & A. 411.

That if the patentee has never used his invention or permitted others to use it, a bond will be ordered instead of an injunction, see *Hoe v. Knapp* (1886), 36 O. G. 1244; 27 Fed. Rep. 204.

That a bond may be ordered instead of an injunction where the patentee grants licenses, or does not use the invention, or is guilty of laches misleading the defendant, see *Westinghouse Air Brake Co. v. Carpenter* (1887), 32 Fed. Rep. 545.

That no injunction will be ordered where the plaintiff grants licenses, though an infringement is claimed and



A bond, when substituted in this manner for an injunction, should be sufficient in amount to cover all probable losses to the plaintiff, and the account must so describe the articles sold or used by the defendant that any person acquainted with the business can fix their value and compute their profits.<sup>3</sup>

the patent has been sustained by the courts, but a bond may be required, see *McMillan v. Conrad* (1883), 5 *McCrary*, 140; 16 *Fed. Rep.* 128; *Greenwood v. Bracher* (1880), 1 *Fed. Rep.* 856; 17 *O. G.* 1151; 5 *Bann. & A.* 302.

That a bond may be ordered instead of an injunction where the defendant is responsible and intends to contest the suit, see *American Middlings Purifier Co. v. Christian* (1877), 4 *Dillon*, 448; 3 *Bann. & A.* 42.

That where priority is doubtful, the plaintiff grants licenses, and the defendant is responsible, a bond will be ordered, see *National Hat Pouncing Mach. Co. v. Hedden* (1886), 38 *O. G.* 1128; 29 *Fed. Rep.* 147.

That where novelty is doubtful, a bond and account may be ordered, or an injunction may issue if the plaintiff gives bond, see *Heysinger v. Dennison Mfg. Co.* (1882), 15 *Phila.* 509.

That a bond may be ordered where a late decision of the Supreme Court renders the law of the case questionable, see *Eastern Paper Bag Co. v. Nixon* (1888), 35 *Fed. Rep.* 752.

That an injunction will be refused and a bond ordered when a licensor has sold the device at lower rates in self-defence against his licensee, who refused to pay royalties and also cut the price, though the infringement may be clear, see *Washburn & Moen Mfg. Co. v. Scutt* (1884), 22 *Fed. Rep.* 710.

That an injunction will be refused and a bond ordered when there are two patents, one valid and the other doubtful, and an injunction on the valid patent would operate as an injunction on

the other, see *Goodyear v. Hills* (1866), 3 *Fisher*, 134.

That an injunction will be denied and a bond ordered where the defendant's machine embraces improvements which cannot be used without the original, see *Howe v. Morton* (1860), 1 *Fisher*, 586.

That an injunction will be denied and a bond ordered where the defendant's machine embraces valuable features not covered by the plaintiff's patent, see *Stainthorp v. Humiston* (1862), 2 *Fisher*, 311.

That a bond will be ordered and an injunction denied if the former answers the purpose as well, although the patent has been sustained by repeated judgments and the infringement is clear, see *Blake v. Robertson* (1873), 6 *Fisher*, 509; 11 *Blatch.* 237.

That an injunction will be refused and a bond ordered where there has been no adjudication, and no evidence is offered of the extent of public acquiescence, and no claim was made on the defendant for three years, but the patent is not denied and the infringement is clear, see *Sykes v. Manhattan Elevator & Grain Drying Co.* (1869), 6 *Blatch.* 496.

That a bond will be ordered rather than an injunction pending a writ of error in the Supreme Court, see *Wells v. Gill* (1872), 6 *Fisher*, 89; 2 *O. G.* 590.

<sup>3</sup> That the bond on an injunction should always be fixed at an amount sufficient to cover all possible damages, see *Brown v. Shannon* (1857), 20 *Howard*, 55.

That a monthly account ordered to

§ 1203. **Preliminary Injunction: Who may be Enjoined: Public Corporations: Private Corporations: Copartners.**

Any person, natural or artificial, who in the opinion of the court may be about to perpetrate or participate in an infringing act, or to derive a direct advantage from its performance, may be made defendant in an application for an injunction, and may be prohibited from committing or promoting the proposed infringement. A municipal corporation may be enjoined from practising the invention through its agents, or from permitting infringing contractors to violate the patent for its benefit.<sup>1</sup> Private corporations may be ordered to refrain from authorizing or accepting the results of an infringement; and the same prohibition may be extended to its stockholders or servants if they infringe jointly or aid in the infringement, although they are not liable for damages and profits.<sup>2</sup> The owner of a patent may enjoin his former partners after the dissolution of the firm, though during its continuance their right to use the invention was, by the partnership agreement, made equal to his own.<sup>3</sup>

be filed with the clerk need only so describe the articles that persons in the trade can determine their value in the market, and state the profits, see *Wilder v. Gayler* (1849), 1 Blatch. 511.

§ 1203. <sup>1</sup> That a city may be enjoined, see *Bliss v. City of Brooklyn* (1871), 4 Fisher, 596; 8 Blatch. 533.

That a city may be enjoined from permitting an infringing pavement to be laid by its contractors, see *Elizabeth v. Pavement Co.* (1877), 97 U. S. 126.

<sup>2</sup> That an injunction may restrain all persons, whether officers of a corporation or not, who are aiding in promoting the infringing sale or use, and whether they are liable for profits or damages or not, see *American Cotton Tie Supply Co. v. McCready* (1879), 17 O. G. 565; 17 Blatch. 291; 4 Bann. & A. 588.

That each stockholder of an infringing association is liable to be enjoined, and made a party to the suit, see *Tyler v. Galloway* (1882), 22 O. G. 1294; 13 Fed. Rep. 477; 21 Blatch. 66.

That officers of an infringing association are not liable to injunction unless they are stockholders, see *Tyler v. Galloway* (1882), 22 O. G. 1294; 13 Fed. Rep. 477; 21 Blatch. 66.

That defendants infringing in concert may be enjoined though they are stockholders and servants of a corporation, see *Poppenhusen v. Falke* (1861), 2 Fisher, 181; 4 Blatch. 493.

<sup>3</sup> That a patentee may enjoin his former partners after the firm is dissolved, see *Pentlarge v. Beeston* (1877), 14 Blatch. 352; 3 Bann. & A. 142.



§ 1204. Preliminary Injunction: Who may be Enjoined: Co-owners: Assignees: Licensees: Agents, etc.

An injunction may be granted at the instance of one owner of a patent against an infringing co-owner.<sup>1</sup> Where the patentee of an original invention and the inventor of an improvement obtain a joint re-issue, covering both inventions, each can restrain the other from using the improved invention except for their joint benefit.<sup>2</sup> The assignee of an enjoined infringer, taking his title with notice of the pending injunction, occupies toward the plaintiff the same position as his assignor, and is liable at once to be restrained, whatever injury he may thereby sustain.<sup>3</sup> Licensees who exceed the privileges conferred upon them by the license, or who practise the invention after repudiating their contract with the owner of the patent, may be enjoined from further wrongful acts;<sup>4</sup> though where a licensee transcends his rights through accident or mistake, and upon notice ceases to infringe, the court will ordinarily refuse to issue an injunction.<sup>5</sup> The licensee

§ 1204. <sup>1</sup> That an infringing co-owner is liable to the other owners like any other infringer, see *Duke v. Graham* (1884), 19 Fed. Rep. 647; *Herring v. Gas Consumer's Association* (1878), 9 Fed. Rep. 556; 13 O. G. 637; 3 McCrary, 206; 3 Bann. & A. 253; and §§ 797, 913, and notes, *ante*.

<sup>2</sup> That when the patentee of an original invention and the inventor of an improvement obtain a re-issue, covering the two inventions in their joint names, each can enjoin the other from using the invention except for their joint benefit, see *Duke v. Graham* (1884), 19 Fed. Rep. 647.

<sup>3</sup> That a new party, taking under an infringer after injunction with notice, has the same rights in reference to the plaintiff as his vendor, and is not an independent infringer, but is liable at once to be enjoined, however great his loss, and cannot give a bond instead, see *Parkhurst v. Kinsman* (1848), 2 Blatch. 78.

That a grantee cannot be enjoined from 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.

<sup>4</sup> That a vendee may use the article purchased though it infringes another patent of the vendor, if it cannot be otherwise used, see *Roosevelt v. Western Electric Co.* (1884), 28 O. G. 812; 20 Fed. Rep. 724.

That an injunction will be granted against a licensee unless his acts are in accordance with his license, see *Brooks v. Stolley* (1845), 3 McLean, 523; 2 Robb, 281.

That a licensee will be enjoined if he uses the patent without paying his license fees, whether the license is voidable or not, and if he will not pay he must not use, see *Day v. Hartshorn* (1855), 3 Fisher, 32.

<sup>5</sup> That a licensee, who transcends his rights, may be enjoined unless he

of one joint-owner of a patent cannot be interfered with by another, unless his acts are an invasion of the rights of his own licensor.<sup>6</sup> The partner of a licensee enjoys the immunity bestowed on his copartner by the license, and is not subject to an injunction while the firm fulfils its obligations to the licensor.<sup>7</sup> Though a defendant proclaims himself to be the agent of another, he will be treated as a principal if the infringing article bears his name, and the other evidence points to him as the party primarily responsible for the infringement, and as such he will be enjoined.<sup>8</sup> Actual agents who sell infringing articles on behalf of their maker or owner are also liable to an injunction, although they have no interest in the vended articles nor in the proceeds of the sale.<sup>9</sup> Whether those who contribute to the infringing act by furnishing tools and materials therefor, in the due course of business and without participation in the act or its direct results, can be enjoined, is doubted; on principle, their connection with the infringement appears too remote to warrant the proceeding.<sup>10</sup>

acted under a misapprehension, and has ceased to infringe, see *Wilson v. Sherman* (1850), 1 Blatch. 536.

That a licensee to make a certain number of articles will not be enjoined until the whole number are made, see *Aspinwall Mfg. Co. v. Gill* (1887), 32 Fed. Rep. 702.

<sup>6</sup> That a licensee under one co-owner of the patent will not be enjoined at the suit of the other co-owner, see *Clum v. Brewer* (1855), 2 Curtis, 506.

<sup>7</sup> That where a firm being licensee assigned to one member, who used the invention in conjunction with a new party, an injunction against the new party will be refused, see *Belding v. Turner* (1871), 4 Fisher, 446; 8 Blatch. 321.

<sup>8</sup> That when an infringing article bears the name of the defendant, and the evidence points to him as the principal person engaged in its manufacture, he will be enjoined though he holds

himself out as the agent of another, see *McWilliams Mfg. Co. v. Blundell* (1882), 22 O. G. 177; 11 Fed. Rep. 419.

<sup>9</sup> That a defendant who sells the device for its owner, and has no interest in it or in the sale, may be enjoined, see *Maltby v. Bobo* (1876), 14 Blatch. 53; 2 Bann. & A. 459.

That a salesman making a separate profit may be enjoined, though his employer is sued in another district, see *Steiger v. Heidelberger* (1880), 4 Fed. Rep. 455; 18 O. G. 1463; 18 Blatch. 426.

That defendants who sell as agents of a maker may be enjoined, and do not thereby sustain irreparable injury, see *Potter v. Fuller* (1862), 2 Fisher, 251.

<sup>10</sup> That whether a lessor can be enjoined from leasing his tools, etc., to an infringing lessee is doubted, see *Starrett v. Athol Mach. Co.* (1883), 14 Fed. Rep. 910; 23 O. G. 1729.



**§ 1205. Preliminary Injunction: Who may be Enjoined: Defendant Ceasing to Infringe.**

No injunction can be granted against a defendant whose interest in the infringing enterprise had expired before the filing of the application.<sup>1</sup> The presumption of an intention to infringe which arises from past infringements ceases when the defendant is no longer capable of violating the plaintiff's rights, and the probability of his regaining his former capacity is too slight to justify the issue of a prohibitory order. Where an infringer dies before or pending suit, there is no presumption that his personal representatives purpose to continue the infringement, and until they manifest that purpose they cannot be enjoined.<sup>2</sup>

**§ 1206. Preliminary Injunction: Form of Application.**

An application for a preliminary injunction pending a suit in equity may either be incorporated into the original bill or constitute a separate proceeding.<sup>1</sup> An injunction in aid of a suit at law must be applied for in an independent motion, as if it were the only equitable remedy required. In any case, however, the application must clearly state the plaintiff's right, and its intended violation by the defendant, and pray for the immediate interference of the court. In describing the right of the plaintiff the application must set forth the production of the invention by the patentee or his assignor, the issue of the patent, and the title of the plaintiff, in substantially the

§ 1205. <sup>1</sup> In *Potter v. Crowell* (1866), 3 Fisher, 112, Withey, J. : (115) "Where the injury is not only past, but cannot from the nature of the case be renewed or continued, no injunction would be granted; for the well-recognized principle should in such case prevail, that past injuries are not in themselves ground for injunction, and because the restraining power of a court of equity can only be evoked, not to remedy injuries already done, but to prevent injury." 1 Abbott 89 (91).

That an injunction will not issue against a defendant who, at the time of

filing the bill, had parted with his interest in the infringing device, see *Brammer v. Jones* (1867), 3 Fisher, 340; 2 Bond, 100.

<sup>2</sup> That an injunction will not issue against personal representatives of a deceased infringer, unless they manifest an intention to infringe, see *Draper v. Hudson* (1873), Holnes, 208; 6 Fisher, 327; 3 O. G. 354.

§ 1206. <sup>1</sup> That pending suit an injunction may be obtained by supplemental bill, see *Allis v. Stowell* (1883), 23 O. G. 1033; 15 Fed. Rep. 242.

same manner as in an original bill for the recovery of damages or profits. It must allege that the plaintiff has himself practised the invention, and is at present in the enjoyment of his exclusive privilege except so far as the defendant or other infringers are concerned; and must set forth the judgments, public acquiescence, or equivalent facts, on which the presumption of his right is based.<sup>2</sup> In describing the threatened infringement of the defendant the particular acts intended must be specified, in order that the court may judge whether they are invasions of the patent, and are of sufficient consequence to warrant summary relief.<sup>3</sup> If the patent has expired, it must be averred that the alleged infringing articles were made during the term of the patent and in violation of its provisions.<sup>4</sup> It must also appear whether the infringement has already commenced or is merely apprehended. The application must be supported by the oath of the plaintiff, who must also swear that he or his assignor is the original inventor of the art or instrument protected by the patent.<sup>5</sup> The prayer for an injunction may be separately expressed, or may be inferred from the assertion of those facts which show that the plaintiff needs and has a right to such relief.<sup>6</sup> Where the

<sup>2</sup> That on a bill or motion for an injunction the averments must show former judgments sustaining the patent, or public acquiescence, or equivalent acts, see *Gutta Percha & Rubber Mfg. Co. v. Goodyear Rubber Co.* (1875), 3 Sawyer, 542; 2 Bann. & A. 212.

That it is sufficient in a bill to allege that the patent has been sustained in another Circuit court, that the defendant has infringed generally, and that the plaintiff has a patent, with a profert, see *American Bell Telephone Co. v. Southern Telephone Co.* (1888), 34 Fed. Rep. 803.

<sup>3</sup> That a motion for a preliminary injunction should set out the acts constituting the infringement so that the court may see whether the injunction is needed, general allegations not being sufficient, see *Kirby Bung Mfg. Co. v. White* (1880), 17 O. G. 974; 1 Fed. Rep. 604; 1 McCrary, 155; 5 Bann. & A. 263.

<sup>4</sup> That a bill to enjoin the use of the device after the patent expires, must aver that the device was made before it expired, see *American Diamond Rock Boring Co. v. Rutland Marble Co.* (1880), 2 Fed. Rep. 355; 18 Blatch. 147; 5 Bann. & A. 346.

<sup>5</sup> That the plaintiff seeking an injunction must swear that he is the inventor, his oath to his patent not being enough, see *Sullivan v. Redfield* (1825), 1 Paine, 441; 1 Robb, 477; *Rogers v. Abbott* (1825), 4 Wash. 514; 1 Robb, 465.

That false swearing in an affidavit, made before the bill is filed to be used on motion for an injunction, is perjury, see *Baldwin v. Bernard* (1872), 2 O. G. 320; 5 Fisher, 442; 9 Blatch. 509, note.

<sup>6</sup> That the plaintiff need not specially pray for an injunction if the bill shows a *prima facie* case for one, see *Goodyear v. Mullee* (1868), 3 Fisher, 420.



application is incorporated into the original bill the averments of the bill are regarded as relating to the application also, and therefore should not be repeated.<sup>7</sup> But where the application is an independent proceeding it must be complete in itself, and disclose all the matters upon which the court must pass in order to grant or to deny the temporary injunction.<sup>8</sup> New forms of apprehended infringement, discovered after the filing of the application, may be made the subject of a supplemental bill, and may be covered by the same injunction.<sup>9</sup>

**§ 1207. Preliminary Injunction : Notice to Defendant of Application : Appearance : Answer.**

Until the act of 1874 the Federal courts had no authority to grant injunctions without previous notice to the defendant, and a hearing on the points at issue if he so desired.<sup>1</sup> In cases of great emergency the court had power, under the act of 1872, to issue a restraining order against the defendant, pending the application for a preliminary injunction, which served all the purposes of an *ex parte* injunction, but without prejudice to the defendant on the merits of the application.<sup>2</sup> The act of 1874, however, has been interpreted as an abrogation of the rule requiring notice, and as therefore conferring on the Federal courts the general authority of courts of equity in reference to *ex parte* injunctions.<sup>3</sup> Whether this

<sup>7</sup> That where a bill was filed one week before the application for an injunction was made, the plaintiff, in his affidavit accompanying such application, need not renew his allegation that he believed the patentee to be the first inventor, see *Young v. Lippman* (1872), 2 O. G. 249 ; 5 Fisher, 230 ; 9 Blatch. 277.

<sup>8</sup> That matters not alleged in the bill cannot be urged as grounds for the injunction, see *International Tooth Crown Co. v. Mills Co.* (1884), 30 O. G. 662 ; 22 Fed. Rep. 659.

<sup>9</sup> That where a supplemental bill alleges new transactions of the defendant the injunction may be extended to

them, see *Parkhurst v. Kinsman* (1848), 2 Blatch. 78.

§ 1207. <sup>1</sup> That no injunction will be granted without notice to the defendant and a chance to be heard on an answer, and proof and affidavits will be received on both sides, see *Wilson v. Stolley* (1847), 4 McLean, 272.

<sup>2</sup> Sec. 718, Rev. Stat.

<sup>3</sup> That since the act of June 22, 1874, no previous notice of a motion for an injunction is required, and the court may now grant an immediate restraining order to be in force till the motion is decided, see *Yuengling v. Johnson* (1877), 1 Hughes. 607 ; 3 Bann. & A. 99.

departure from principles so long established will be ultimately sustained is doubtful, — the evils resulting from *ex parte* injunctions, especially in cases of infringement, being out of all proportion to the benefits obtained by an abandonment of the ancient practice. If notice is required, it must be reasonable in view of all the circumstances of the parties, but may be waived by the appearance of the defendant.<sup>4</sup> When he appears, he may in his answer admit the truth of the averments contained in the application, or traverse or avoid them, wholly or in part. The answer to an application for an injunction is subject to the same general rules as an answer to an original bill.<sup>5</sup> It confesses whatever it does not deny, and where its denial relates to any point involving the validity of the patent it must set forth the particular facts on which the denial rests.<sup>6</sup> If the defendant does not appear, the hearing will proceed *ex parte* on the application and the evidence presented by the plaintiff.<sup>7</sup>

**§ 1208. Preliminary Injunction: Questions Arising on the Application.**

Among the material questions arising on the hearing are: the nature of the invention; the standing of the plaintiff in the trade; the character and extent of the infringement; whether the defendant makes and sells or only uses the invention, — the former being an increasing wrong; the responsibility of the defendant for the damages and profits, if recovered; and the inconvenience to the respective parties of denying or allowing the injunction.<sup>1</sup> Whether the plaintiff can enjoy his

<sup>4</sup> That an injunction will issue where the defendant has actual notice of the motion and appears, though the service of the subpoena on him was irregular, see *Thayer v. Wales* (1871), 5 Fisher, 130; 9 Blatch. 170.

<sup>5</sup> That on a motion to grant or continue an injunction an answer to the bill for injunction, though filed without a rule, will be treated as an answer, see *Brooks v. Bicknell* (1843), 3 McLean, 250; 2 Robb, 118.

<sup>6</sup> That the defendant cannot allege,

in reply to a motion for an injunction, a prior use in general on his knowledge and belief, but must set out particulars of the information on which his allegation rests, see *Young v. Lippman* (1872), 2 O. G. 249; 5 Fisher, 230; 9 Blatch. 277.

<sup>7</sup> That a motion for an injunction is an *ex parte* proceeding, see *Potter v. Whitney* (1866), 3 Fisher, 77; 1 Lowell, 87.

§ 1208. <sup>1</sup> In *Furbush v. Bradford* (1858), 1 Fisher, 317, Curtis, J. : (318)



own invention without invading other patents, and whether his conduct has misled the defendant where no fraud or estoppel can be claimed, are immaterial.<sup>2</sup>

§ 1209. Preliminary Injunction: Hearing: Production of Evidence.

The evidence on the hearing is presented by affidavits. Those of the plaintiff usually accompany the application; those of the defendant follow with his answer; and the plaintiff closes in rebuttal, no reply on behalf of the defendant being permitted.<sup>1</sup> Each party is allowed a reasonable

“In acting on applications for temporary injunctions to restrain the infringement of letters-patent, there is much latitude for discretion. The application may be granted or refused unconditionally, or terms may be imposed on either of the parties as conditions for making or refusing the order, and the state of litigation, where the plaintiff's title is denied, the nature of the improvement, the character and extent of the infringement complained of, and the comparative inconvenience which will be occasioned to the respective parties, by allowing or denying the motion, must all be considered in determining whether it should be allowed or refused, and if at all, whether absolutely or upon some and what conditions.”

See also § 1200, note 1, and § 1202 and notes, *ante*.

<sup>2</sup> That on a motion for an injunction the fact that the plaintiff cannot use his invention without infringing a prior patent is immaterial, the two questions being wholly distinct, see *Young v. Lippman* (1872), 2 O. G. 249; 5 Fisher, 280; 9 Blatch. 277.

That an injunction will be granted though not all the grants of right in a patent are infringed, see *Potter v. Holland* (1858), 1 Fisher, 382; 4 Blatch. 238.

That under Sec. 4921 an injunction issues irrespective of any right to prof-

its or damages, or other relief, see *Colgate v. International Ocean Telegraph Co.* (1879), 17 O. G. 194; 17 Blatch. 308; 4 Bann. & A. 609; *American Cotton Tie Supply Co. v. McCready* (1879), 17 O. G. 565; 17 Blatch. 291; 4 Bann. & A. 588.

That an injunction will be granted though the plaintiff has misled the defendant, unless there were fraud or estoppel, see *Sarven v. Hall* (1873), 6 Fisher, 495; 4 O. G. 666; 11 Blatch. 295.

See also § 1195 and notes, *ante*.

§ 1209. <sup>1</sup> That on a motion for an injunction affidavits may be read on both sides as to the matters in controversy in the bill, see *Brooks v. Bicknell* (1843), 3 McLean, 250; 2 Robb, 118.

That on a motion for an injunction, if the defendant's facts as set up are insufficient, it is immaterial whether their statement is called and received as an affidavit or an answer, see *Goodyear v. Mullee* (1868), 3 Fisher, 420.

That the practice of treating an answer to a motion for a preliminary injunction, when denying the bill, merely as an affidavit is a departure from the rules of courts of equity, see *Parker v. Sears* (1850), 1 Fisher, 93.

That on a motion for an injunction the plaintiff may rebut the defendant's affidavits by any proper evidence, see

time to inspect the affidavits of the other and to prepare his own, and evidence not thus submitted to inspection cannot be regarded by the court. The proper evidence in support of the patent is the patent itself, with its renewals and extensions, judgments sustaining it at law or equity, the acquiescence of the public in the exclusive possession of the plaintiff, and special injunctions against the defendant or other infringers.<sup>2</sup> The evidence of the plaintiff's title consists of the written instruments by which his legal interest was created, or the contracts or other circumstances which confer on him his equitable rights.<sup>3</sup> The evidence of intended infringement must cover both the acts of the defendant and the identity of his device or process with that protected by the patent, — the former being proved by his past conduct, threats, or preparations; the latter by judgments, expert testimony, or the personal inspection of the court.<sup>4</sup> The defendant's evidence may be drawn from judgments, records, or any matters of fact which controvert or weaken the presumptions raised by the proof offered by the plaintiff.<sup>5</sup>

*Goodyear v. Mullee* (1868), 3 Fisher, 420.

That where the defendant on a motion for an injunction sets up new matter, as license, etc., the plaintiff may reply with more proofs, but the defendant cannot put in additional evidence to rebut such proofs, see *Day v. New England Car Spring Co.* (1854), 3 Blatch. 154.

That affidavits filed after the stipulated date cannot be considered on a motion for an injunction, see *American Paper Barrel Co. v. Laraway* (1886), 28 Fed. Rep. 141; 37 O. G. 674.

<sup>2</sup> That a motion for an injunction may be supported by the following classes of evidence: (1) Letters-Patent; (2) Renewal of Patent; (3) Recovery in Equity; (4) Recovery at Law; (5) Possession and use; (6) Special injunc-

tions against other parties; (7) Special injunctions against the present defendant, see *Woodworth v. Rogers* (1847), 3 W. & M. 135; 2 Robb, 625.

<sup>3</sup> That where the right of a plaintiff to an injunction depends on a written instrument the court will construe it, and grant or refuse an injunction accordingly, see *Hodge v. Hudson River R. R. Co.* (1868), 6 Blatch. 165; *Clum v. Brewer* (1855), 2 Curtis, 506.

<sup>4</sup> See § 1191 and notes, *ante*.

<sup>5</sup> That where the plaintiff, on a motion for an injunction, offers extracts from certain documents to support his claims, the defendant may offer the whole documents in evidence upon the subsequent trial, see *Western Union Telegraph Co. v. Baltimore & Ohio Telegraph Co.* (1885), 23 Blatch. 419.



§ 1210. Preliminary Injunction: Ex Parte Hearings: Burden of Proof.

When the hearing proceeds *ex parte*, through the failure of the defendant to appear and answer, if the plaintiff's affidavits show the issue of the patent and a judgment in its favor or an acquiescence by the public, and a probable infringement by the defendant, an injunction will issue though the court may have some doubt concerning the validity of the patent;<sup>1</sup> but if the patent is defective on its face, or the title of the plaintiff is uncertain, an injunction will be refused.<sup>2</sup> When the application is heard upon opposing evidence, and the plaintiff's affidavits make a *prima facie* case for an injunction, the defendant must present testimony sufficient to overcome the presumptions thus created, or prove the existence of other circumstances rendering the allowance of an injunction inexpedient.<sup>3</sup> The application will be decided on broad views of the equitable rights of the parties. The court, from the nature of the proceeding, can examine only far enough to ascertain whether the plaintiff has or has not an apparent title to protection, and cannot, therefore, enter into inquiries concerning difficult questions of law or the

§ 1210 <sup>1</sup> That an injunction will be granted almost of course if the patent has been sustained by a judgment and infringement is shown, see *Wells v. Gill* (1872), 6 Fisher, 89; 2 O. G. 590; *Thayer v. Wales* (1871), 5 Fisher, 130; 9 Blatch. 170.

That where there has been long enjoyment under the patent an injunction will be granted although a trial at law has already been ordered, see *Brooks v. Norcross* (1851), 2 Fisher, 661.

<sup>2</sup> That an injunction will be denied if the patent is defective on its face, see *Isaacs v. Cooper* (1821), 4 Wash. 259; 1 Robb, 332.

That although on a prior suit the Claims of the patent were held to be too broad and invalid, yet disclaimer being filed, and an infringement now shown, an injunction and account will be ordered, see *Terry Clock Co. v. New Haven Clock*

*Co.* (1879), 17 O. G. 909; 4 Bann. & A. 121.

That where a patent has never been passed upon by the courts the first question on a motion for an injunction is whether there has been sufficient public acquiescence to raise a presumption in favor of the patent, see *Guidet v. Palmer* (1872), 6 Fisher, 82; 10 Blatch. 217.

That no injunction will issue to restrain a patentee, nor will equity otherwise interfere with him, unless the plaintiff has a patent, see *Hoeltge v. Hoeller* (1870), 2 Bond, 386.

<sup>3</sup> That an injunction will be granted where the defence of prior use is not established, see *Welling v. La Bau* (1882), 12 Fed. Rep. 875.

That no injunction will be granted where validity and infringement are denied under oath unless the patent is sustained by a judgment or by long ac-

weight and value of conflicting evidence.<sup>4</sup> In some cases the absence of any right in the plaintiff is so clear that no further litigation will be permitted; in others, the matter is so doubtful that its determination is postponed until the final hearing; in others, though not entirely satisfied of the justice of the plaintiff's claim, the court allows the injunction, as on the whole more consonant with equity than its denial.<sup>5</sup>

### § 1211. Preliminary Injunction : Form and Scope of Injunction.

A preliminary injunction may contain a general or a limited prohibition, and may issue either alone or in connection with other special orders for relief.<sup>1</sup> When certain Claims of the patent are disputed, the injunction may be confined to those which are unquestionably valid; and when certain infringing articles already used by the defendant cannot be equitably enjoined, he may be forbidden to procure others and employ them.<sup>2</sup> When an injunction issues after the expiration of

quiescence, see *Hovey v. Stevens* (1846), 1 W. & M. 290; 2 Robb, 479. See also § 1199 and notes, *ante*.

<sup>4</sup> See § 1173 and notes, *ante*.

<sup>5</sup> That some cases are so clear that equity will not permit further litigation, while in others the plaintiff's rights so largely preponderate that he is entitled to an injunction whatever may be its consequences, see *Morris v. Lowell Mfg. Co.* (1866), 3 Fisher, 67.

That an injunction will not be denied for the non-joinder of parties, if the defendant is using the infringing device for purposes belonging exclusively to the plaintiff, see *Bassett v. Malone* (1880), 11 Fed. Rep. 801.

That a motion for an injunction is addressed to the discretion of the court, and the court may order an issue to the jury, see *Ayling v. Hull* (1865), 2 Clifford, 494.

That if the evidence on a motion for an injunction is conflicting the issue will be sent to a jury or master, to examine the device of the defendant and take further evidence and report, see

*Parker v. Hatfield* (1845), 4 McLean, 61; *Brooks v. Bicknell* (1845), 4 McLean, 70.

Upon the entire matter of this paragraph, see §§ 1199, 1201, and notes, *ante*.

1211. <sup>1</sup> That an injunction is to protect the plaintiff without unnecessary injury to the defendant, and will be fitted to each case accordingly, see *Kirby Bung Mfg. Co. v. White* (1880), 1 Fed. Rep. 604; 17 O. G. 974; 1 McCrary, 155; 5 Bann. & A. 263.

That injunctions in the Federal courts vary with circumstances, and may be simple injunctions, or coupled with an order for a bond and account or for an account only, see *Kirby Bung Mfg. Co. v. White* (1880), 17 O. G. 974; 1 Fed. Rep. 604; 1 McCrary, 155; 5 Bann. & A. 263.

<sup>2</sup> That the defendant may be enjoined from infringing two Claims of the patent though other Claims are in dispute, see *Colt v. Young* (1852), 2 Blatch. 471.

That an injunction may issue on



the patent, it must be directed only against devices constructed while the patent was in force.<sup>3</sup> An injunction may be granted unconditionally, or upon such terms as the court may see fit to impose.<sup>4</sup> Where there is doubt in reference to its propriety, the plaintiff may be compelled to secure the defendant against the injury caused by the injunction by a bond of indemnity payable if the injunction should appear upon the final hearing to have been unwarranted.<sup>5</sup> In allow-

valid Claims though other Claims are not disclaimed, see *Duff v. Calkins* (1883), 25 O. G. 601.

That an injunction may be granted forbidding the employment of any other devices than those already in use, see *Colgate v. Gold & Stock Telegraph Co.* (1879), 16 O. G. 583 ; 16 Blatch. 503 ; 4 Bann. & A. 415.

<sup>3</sup> In *American Diamond Rock Boring Co. v. Rutland Marble Co.* (1880), 2 Fed. Rep. 356, Wheeler, J. : (356) "It is argued for the defendants that to continue the restraint upon such machines after the expiration of the term of the patent is in effect to extend the term of the patent. The grant to the patentee was of the exclusive right to make, use, and vend to others to be used, the invention during the term. The right to exclude others from making, using, and selling was the essential thing, and really all that was granted. He had the right to do all these himself, to any extent, without the grant. The exclusive right was his property. Any making for use during the term was taking from him what belonged to him. To permit any others to make or produce such machines during the term, and hold them till the expiration and then use them freely, as if made after, would be to permit them to make off with so much of his property that the law had guaranteed to him. To restrain the use after the term, without his consent, gives nothing to him that he was not entitled to, and takes nothing from them that they had any right to. It

gives him no right acquired beyond his term, and merely secures to him the full right he was entitled to during the term. The law would be open to reproach if it would not allow a court of equity, by its usual methods, in a case properly before it to accomplish a result so just." 18 Blatch. 146 (146) ; 5 Bann. & A. 345 (345).

That an injunction prohibiting the use of a combination of old elements does not prevent the making and use of such combination after the patent expires, see *Johnson v. Brooklyn & C. R. Co.* (1888), 37 Fed. Rep. 147.

<sup>4</sup> That the court has a wide latitude in granting preliminary injunctions, and may order or refuse them either unconditionally or on terms, see *Furbush v. Bradford* (1858), 1 Fisher, 317.

<sup>5</sup> That an injunction will not be ordered without a bond from the plaintiff when his right is vague and the defendant might be injured, see *Blake v. Boisselier* (1880), 16 O. G. 854 ; 5 Bann. & A. 352.

That if the defendant is also an inventor he may claim bonds from the plaintiff to secure him against loss in case the plaintiff's suit fails or the injunction proves to be improper, see *Consolidated Fruit Jar Co. v. Whitney* (1874), 10 Phila. 268 ; 1 Bann. & A. 356.

That where an injunction issues upon the filing of a bond by the plaintiff and the defendant prevails he can sue on the bond, see *Tobey Furniture Co. v. Colby* (1888), 35 Fed. Rep. 592.

ing an injunction by consent, after the withdrawal of the defendant's opposition, the court will not pass on any question connected with the merits of the controversy, for the purpose of influencing future litigation.<sup>6</sup>

**§ 1212. Preliminary Injunction: Effect of Injunction.**

An injunction takes effect according to its terms, and operates only upon the persons and the actions named therein.<sup>1</sup> It remains in force as long as the patent is capable of infringement, unless previously recalled by the court or superseded by some other judgment in the suit.<sup>2</sup> It has no authority over acts or individuals beyond the local jurisdiction

See this case also for a rule of damages on such a bond.

That pending a suit against an infringing seller the plaintiff may be enjoined from suing the defendant's vendees, see *Ide v. Ball Engine Co.* (1887), 31 Fed. Rep. 901 ; 41 O. G. 1271.

That when there is a pending suit against the maker of a device the defendant may enjoin the plaintiff from suing the defendant's vendees though the plaintiff is not in the district where the injunction issues, as the court has jurisdiction over him through the pending suit, but the defendant must give bonds to secure the plaintiff, see *Birdsell v. Hagerstown Agricultural Implement Mfg. Co.* (1877), 1 Hughes, 64 ; 11 O. G. 641.

That until damages are paid by the maker no injunction will issue to restrain the patentee from pursuing the vendee and user, see *Tuttle v. Matthews* (1886), 28 Fed. Rep. 98 ; 36 O. G. 694 ; *Fisher v. Consolidated Amador Mine Co.* (1885), 11 Sawyer, 190 ; 25 Fed. Rep. 201.

That a patentee will not be enjoined from suing at law if the bill for an injunction shows a good defence at law, see *Hapgood v. Hewitt* (1886), 119 U. S. 226 ; 37 O. G. 1247.

<sup>6</sup> That no decision will be rendered for the mere purpose of affecting other

cases, see *American Middlings Purifier Co. v. Vail* (1878), 15 Blatch. 315 ; 4 Bann. & A. 1.

§ 1212. <sup>1</sup> That an injunction must be restricted to the things named therein, see *Walling v. Rubber Coated Harness Trimming Co.* (1875), 7 O. G. 608 ; 2 Bann. & A. 1.

<sup>2</sup> That an injunction will remain in force as long as it may be needed, see *Singer Sewing Mach. Mfg. Co. v. Union Button-Hole & Embroidery Co.* (1873), 4 O. G. 553 ; 6 Fisher, 480 ; *Holmes*, 253.

That an injunction can run only during the life of the patent and should be so limited, see *Nathan v. New York Elevated R. R. Co.* (1880), 2 Fed. Rep. 225 ; 5 Bann. & A. 280.

That where the date of the expiration of the patent is in dispute the court will not limit the injunction, but the defendant can move for a dissolution when the date at which he claims the patent must expire has arrived, see *Westinghouse Air Brake Co. v. Carpenter* (1887), 32 Fed. Rep. 545.

That an injunction forbidding the use of an infringing machine does not expire with the patent, see *American Diamond Rock Boring Co. v. Rutland Marble Co.* (1880), 2 Fed. Rep. 356 ; 18 Blatch. 146 ; 5 Bann. & A. 345.



of the court, except when the defendant resides within the district and hence can there be held accountable for his infringements wherever they may be committed.<sup>3</sup> It may be modified from time to time, on application to the court, as the interests of the parties may require; and if it lapses through the surrender of the patent for re-issue, it may be continued under the re-issue by an order granted on a supplemental bill.<sup>4</sup> It may also be suspended temporarily in public emergencies, or when extraordinary necessity arises outside the private interests of the defendant.<sup>5</sup>

<sup>3</sup> That a defendant residing and infringing in one district cannot be enjoined by the court of another, such injunction being ineffective, see *Goodyear v. Chaffee* (1855), 3 Blatch. 268.

That process runs against the person, and the court will award it though it may give the plaintiff no effectual relief, and though the defendant may evade its operation, see *Thompson v. Mendelsohn* (1871), 5 Fisher, 187.

That a defendant who is within the jurisdiction may be enjoined though his acts are performed without it, see *Boyd v. McAlpine* (1844), 3 McLean, 427; 2 Robb, 277.

That a court can restrain the use of the invention in another district if it once obtains jurisdiction over the defendant's person; but if it is necessary to proceed against the infringing device the court can only act in the district where the device is located, see *Wilson v. Sherman* (1850), 1 Blatch. 536.

That where use in one district is shown the plaintiff is entitled to an account for all infringements by making, using, or selling in that district, and to an injunction against further infringements there, see *Locomotive Engine Safety Truck Co. v. Erie R. R. Co.* (1872), 3 O. G. 98; 10 Blatch. 292; 6 Fisher, 187.

That the citizenship of the infringer within the district where the suit is brought gives the right to proceed in

such district against him personally to prevent infringement elsewhere, see *Hatch v. Hall* (1884), 22 Fed. Rep. 438; 30 O. G. 1096.

That if a motion for an injunction is heard outside the district where the suit is pending the order will not issue until the court is sitting within the district, see *Putnam v. Weatherbee* (1875), 8 O. G. 320.

<sup>4</sup> That an injunction can be modified where the court deems it proper, see *De Florez v. Reynolds* (1880), 17 O. G. 503; 8 Fed. Rep. 434; 17 Blatch. 436; 5 Bann. & A. 140; *Goodyear v. Honsinger* (1867), 3 Fisher, 147; 2 Bissell, 1.

That an injunction may be continued under a re-issue by a supplemental bill, see § 1122, notes 8-10, *ante*.

<sup>5</sup> That a motion to suspend the issue of an injunction will be denied where it does not appear from the affidavits that the infringement will cease, see *Macaulay v. White Sewing Mach. Co.* (1881), 21 O. G. 204.

That neither the fact that the patent has but a year to run, nor the fact that the defendants have made contracts while aware of their liability to the plaintiff, is sufficient reason for suspending an injunction and allowing the infringement to continue, see *Brown v. Deere* (1881), 19 O. G. 1217; 6 Fed. Rep. 487; 2 McCrary, 425. See also § 1221 and note 2, *post*.

**§ 1213. Preliminary Injunction: Dissolution of Injunction.**

A preliminary injunction may be dissolved by the court whenever it appears that its continuance would no longer serve the purposes for which it was originally granted. Where the evidence taken on the merits before the jury or the master shows that the patent is invalid, or the plaintiff without title, or the acts of the defendant justifiable, and, therefore, that upon the final hearing defeat awaits the plaintiff, the court will recall the order and deliver the defendant from its prohibitions.<sup>1</sup> Upon the application for a dissolution the defendant has the burden of proof, and if the injunction were granted on the oath of the plaintiff that he was the first inventor, fortified by the patent, judgments, acquiescence, and the issue of former injunctions, only the most conclusive evidence can prevail upon the court to reverse its former decree.<sup>2</sup>

§ 1213. <sup>1</sup> That a temporary injunction will not be dissolved after the evidence is in unless the defendant has made out a defence, see *Union Paper Bag Mach. Co. v. Newell* (1874), 5 O. G. 459; 11 Blatch. 549; 1 Bann. & A. 113.

That an injunction will be dissolved on evidence showing that the device was known in the United States before the patent, and on the production of the device itself, see *Young v. Lippman* (1872), 5 Fisher, 230; 2 O. G. 249; 9 Blatch. 277.

That where it appears that the defendant acts under a license from the plaintiff the injunction will be dissolved, see *Goodyear v. Bourn* (1855), 3 Blatch. 266.

That if the evidence shows that on the final hearing the plaintiff's patent will not be defeated, a motion to dissolve an injunction will be denied, see *Richardson v. Croft* (1880), 11 Fed. Rep. 800.

That evidence which would prevent the issue of an injunction should be sufficient to dissolve it, see *Cary v. Domestic Spring Bed Co.* (1886), 26 Fed. Rep. 38; 34 O. G. 1158.

That an injunction will be dissolved on new evidence raising grave doubts as to the validity of the patent, see *Cary v. Domestic Spring Bed Co.* (1886), 26 Fed. Rep. 38; 34 O. G. 1158.

<sup>2</sup> That on a motion to dissolve the injunction the defendant must overcome the equity of the bill and the evidence in its support, see *Hussey v. Whitely* (1860), 2 Fisher, 120; 1 Bond, 407; *Sparkman v. Higgins* (1846), 1 Blatch. 205.

That on a motion to dissolve the court must weigh the evidence, and if the balance is in favor of the plaintiff continue the injunction and allow an action at law to be brought, see *Woodworth v. Rogers* (1847), 3 W. & M. 135; 2 Robb, 625.

That where the defendants in equity dispute the validity of the patent, a suit at law must be brought at the next term, or the pending injunction will be dissolved, and on such suit the trial will be confined to the objections set up in the answer and affidavit, see *Woodworth v. Edwards* (1847), 3 W. & M. 120; 2 Robb, 610.

That an injunction ordered upon the



An injunction will not be dissolved on the ground of hardship to the defendant when he knowingly infringed, nor on account of a conditional license granted to him by the plaintiff, nor for informality in the notice if the defendant actually appeared, nor on doubts as to the powers of officials in the Patent Office when legislation is pending to remove them, nor on the same evidence which induced the court to grant it, nor on new evidence improperly omitted in the former hearing or which would have been rejected for want of proper allegations in the answer.<sup>3</sup> A dissolution may be ordered on the filing

oath of the patentee that he was the original inventor, the grant of the patent, an undisturbed enjoyment of exclusive rights, judgments sustaining the patent, and the issue of former injunctions, will not be dissolved unless the patent is impeached by most conclusive evidence, see *Hussey v. Whitely* (1860), 2 Fisher, 120 ; 1 Bond, 407.

That if the defendant's motion leaves no doubt that the patent is invalid, an injunction will be dissolved, see *Hussey v. Whitely* (1860), 2 Fisher, 120 ; 1 Bond, 407.

<sup>3</sup> That an injunction will not be dissolved on the ground that it is a hardship to the defendant, when he was not ignorant of the plaintiff's invention, see *Hussey v. Whitely* (1860), 2 Fisher, 120 ; 1 Bond, 407.

That an injunction by consent is not invalidated by granting a conditional license, see *Pentlarge v. Beeston* (1880), 1 Fed. Rep. 862 ; 13 Blatch. 38 ; 5 Bann. & A. 323.

That on a motion to dissolve an injunction, for informality in serving notice of the motion for injunction, the informality is considered as cured by the appearance of the defendant, see *Brammer v. Jones* (1867), 3 Fisher, 340 ; 2 Bond, 100.

That an injunction will not be dissolved on doubts as to the powers of officers in the Patent Office when legislation is pending to remove them, see

*Woodworth v. Hall* (1846), 1 W. & M. 389 ; 2 Robb, 517.

That an injunction will not be dissolved on the same facts which induced another judge to grant it, see *Hussey v. Whitely* (1860), 2 Fisher, 120 ; 1 Bond, 407 ; *Woodworth v. Rogers* (1847), 3 W. & M. 135 ; 2 Robb, 625.

That the defendant cannot offer, on a motion to dissolve, the facts which he neglected to present on the motion for an injunction, unless his excuses are very satisfactory, see *National School Furniture Co. v. Paton* (1879), 16 Blatch. 563 ; 4 Bann. & A. 432 ; *Woodworth v. Rogers* (1847), 3 W. & M. 135 ; 2 Robb, 625.

That an injunction will not be dissolved after long delay on the ground that the patented invention is described in a prior patent to the plaintiff, see *Holmes Electric Protective Co. v. Metropolitan Burglar Alarm Co.* (1887), 31 Fed. Rep. 562 ; 40 O. G. 1242.

That where an answer alleges no names or residences of persons having prior knowledge, and no abandonment, but mere prior use generally, and the plaintiff having taken proofs and the defendant having taken none a preliminary injunction is granted, and the defendant without asking leave to amend his answer and after the time for taking proof has expired moves to dissolve the injunction on affidavits of prior use and abandonment, the motion will be denied

of the answer if its denial of validity or infringement is supported by sufficient *prima facie* evidence and no rebutting testimony is offered by the plaintiff.<sup>4</sup>

**§ 1214. Preliminary Injunction: Obligation of Defendant to Obey.**

An injunction, whether granted on an *ex parte* or a contested hearing, or by consent, is binding on the defendant, and must be obeyed until rescinded by the court.<sup>1</sup> The defendant has no right to construe it for himself, ceasing to use what he imagines is forbidden and continuing to employ the residue, but must desist wholly from the practice of the invention, and if he needs further instructions must make application for them to the court.<sup>2</sup> He cannot be permitted to experiment with other arts or instruments to see how nearly he can imitate the plaintiff's yet still escape infringement; and though he acts under the advice of counsel his liability to punishment for disobedience to the injunction will not be

because the defendant cannot avail himself of these facts at the final hearing, see *Union Paper Bag Mach. Co. v. Newell* (1874), 11 Blatch. 549; 1 Bann. & A. 113; 5 O. G. 459.

<sup>4</sup> That if the answer denies the validity of the patent and is supported by evidence, the injunction will be dissolved unless counter evidence is filed, see *Woodworth v. Rogers* (1847), 3 W. & M. 135; 2 Robb, 625.

That an injunction will not be dissolved upon a mere answer denying validity, if it were granted on proof of long possession and former judgments, but will be continued and a suit at law ordered, see *Orr v. Merrill* (1846), 1 W. & M. 376; 2 Robb, 331; *Orr v. Littlefield* (1845), 1 W. & M. 13; 2 Robb, 323.

That an injunction vacated on the ground that the patent being limited by a foreign patent had expired therewith, and then restored upon such foreign patent being declared void, may be again vacated if the judgment repealing

the patent is reversed, see *Bate Refrigerating Co. v. Gillett* (1887), 31 Fed. Rep. 809; 40 O. G. 1029.

§ 1214. <sup>1</sup> That a preliminary injunction is not to be violated though the patent is invalid or the injunction was improperly granted, but must be obeyed until dissolved, see *Phillips v. City of Detroit* (1877), 16 O. G. 627; 2 Flip-pin, 92; 3 Bann. & A. 150.

<sup>2</sup> That after an injunction issues the defendant has no right to stop using what he considers an infringement and use the rest, but must obey the order as it is granted and ask the court for further instructions if he needs them, see *Hamilton v. Simons* (1869), 5 Bissell, 77.

That where an injunction was broader than was intended the defendant, on being served with notice thereof, should take immediate measures to have it set aside, and not wait to object until a motion for attachment, see *Sickels v. Borden* (1857), 4 Blatch. 14.



diminished.<sup>3</sup> His own good faith affords him no protection, and while the court may consider it in affixing the penalty for his contempt, his violation of the injunction is complete if he intends to do and actually does the act which it prohibits, however fully he may have believed his conduct to have been consistent with submission to its terms.<sup>4</sup>

### § 1215. Preliminary Injunction : How Violated.

An injunction is violated by the participation of the defendant in any manufacture, use, or sale of the invention, contrary to the language or the spirit of the prohibition. No cover or subterfuge affords immunity, if the effect resulting from his acts is that which the injunction is intended to prevent. An injunction forbidding the defendant to make the invention is disobeyed whether he manufactures it as principal or agent or mere workman, and whether he completes it or, having par-

<sup>3</sup> That an injunction is to be obeyed whether the court is right or not, and the defendant cannot experiment to see how near he can come to an infringement and still escape, see *Craig v. Fisher* (1873), 2 Sawyer, 345.

That the advice of counsel is no excuse for contempt, for counsel have no right to advise, it being the duty of the court alone to construe the injunction, see *Bate Refrigerating Co. v. Gillett* (1887), 30 Fed. Rep. 683; *Burr v. Kimbark* (1887), 29 Fed. Rep. 428; 40 O. G. 246; *Matthews v. Spangenberg* (1883), 23 O. G. 1624; 15 Fed. Rep. 813; *Hamilton v. Simons* (1869), 5 Bissell, 77; *Goodyear v. Mullee* (1867), 3 Fisher, 209; 5 Blatch. 429.

That mistake in construing his license will not excuse the violation of an injunction by the licensee, see *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.* (1887), 40 O. G. 578; 30 Fed. Rep. 615.

<sup>4</sup> In *Atlantic Giant Powder Co. v. Dittmar Powder Mfg. Co.* (1881), 20 O. G. 1380, Blatchford, J.: (1380) "The injunction in this case forbade the mak-

ing, using, or selling certain powders described in it, and any powder substantially like any of said designated powders, and any infringement of said patent. What the defendants did, they did not do accidentally or unintentionally, but knowing fully what they did. They were therefore guilty of contempt. What they did is not the less legally a contempt because they did not think they were infringing or were advised that they were not. Any question of *animus* can bear only on the extent of punishment." 9 Fed. Rep. 316 (317).

That good faith, ignorance of law, and advice of counsel may affect the penalty, though they cannot excuse the violation of the injunction, see *Morss v. Domestic Sewing Mach. Co.* (1889), 38 Fed. Rep. 482; *Bate Refrigerating Co. v. Gillett* (1887), 30 Fed. Rep. 683; *Matthews v. Spangenberg* (1883), 23 O. G. 1624; 15 Fed. Rep. 813.

That a mistake as to the legal effect of a contract may affect the penalty, see *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.* (1887), 30 Fed. Rep. 615; 40 O. G. 578.

tially constructed it, sends it to other persons to be finished.<sup>1</sup> An injunction not to use is violated by the practice of an evasive process, by employing colorable variations though the defendant believed the difference to be essential, or by operating under another patent whose owner had, within the knowledge of the defendant, already been enjoined.<sup>2</sup> The use of articles covered by different patents and not obviously identical with the enjoined invention, if in good faith, is not a contempt of the injunction, nor is the employment of devices made after the plaintiff's patent had expired.<sup>3</sup> An injunction

§ 1215. <sup>1</sup> That an injunction is violated if the defendant works as an employee in a factory where the infringing articles are made, see *Goodyear v. Mullee* (1867), 3 Fisher, 209; 5 Blatch. 429.

That parties enjoined are guilty of contempt, if they combine with others to encourage and defend infringers in their infringing acts, and in their denial of the validity of the patent, see *Bate Refrigerating Co. v. Gillett* (1887), 30 Fed. Rep. 683.

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

That an injunction against making an invention is violated by partially making it and sending it to others to be completed, see *Knowles v. Peck* (1875), 42 Conn. 386.

<sup>2</sup> That a defendant violates an injunction by practising an evasive process, see *Wetherell v. New Jersey Zinc Co.* (1874), 5 O. G. 460; 1 Bann. & A. 105.

That an injunction is violated by the use of colorable variations though the defendant supposes the variations are substantial, see *Atlantic Giant Powder Co. v. Dittmar Powder Mfg. Co.* (1881), 20 O. G. 1380; 9 Fed. Rep. 316.

That a party under injunction is guilty of contempt if he uses another patent similar in principle, whose author had also been enjoined, and he can purge himself only by showing that he did not know of the injunction against its author, see *Woodworth v. Rogers* (1847), 3 W. & M. 135; 2 Robb, 625.

That it is a violation of the injunction to make articles embodying the same principle though varying in form, see *Burr v. Kimbark* (1887), 40 O. G. 246; 29 Fed. Rep. 428.

<sup>3</sup> That an injunction is not violated by the use of articles covered by different patents unless the articles are obviously the same, see *Buerk v. Imhaeuser* (1876), 11 O. G. 112; 2 Bann. & A. 465.

That to use a separately claimed part of the invention is a contempt, see *Matthews v. Spangenberg* (1883), 23 O. G. 1624; 15 Fed. Rep. 813.

That an injunction forbidding the use of devices made during the patent is not violated by the use of those made after the patent has expired, see *American Diamond Rock Boring Co. v. Sutherland Falls Marble Co.* (1880), 2 Fed. Rep. 353; 5 Bann. & A. 347; 18 Blatch. 148.

That the injunction is not violated unless the thing used is the patented invention, see *Fetter v. Newhall* (1884), 28 O. G. 285; 20 Fed. Rep. 113.



not to sell is disobeyed by any act which has the legal import of a sale. An agreement to sell, without delivery or an intention to deliver, is not contempt.<sup>4</sup> But any transaction which passes the ownership of the forbidden articles from the defendant to another person, whether alone or incorporated into other articles, whether under the form of a sale, a barter, a mortgage, or a judgment, whether the defendant acts as principal or agent, and whether the articles were made or procured before or after the grant of the injunction, if voluntarily entered into and performed by the defendant, is a defiance of the prohibition.<sup>5</sup> It is also a contempt of the injunction for the defendant to permit others to make or use or sell, contrary to its terms, on his behalf, or to confirm or recognize an agreement made before the allowance of the order, but whose execution the injunction now forbids.<sup>6</sup>

#### § 1216. Preliminary Injunction : By Whom Violated.

An injunction may be violated, not only by the acts of the defendant himself, but by those of other persons who are rep-

<sup>4</sup> That a preliminary injunction is not violated by an agreement to sell without delivery or intent to deliver, see *McKay v. Scott Sole Sewing Mach. Co.* (1881), 20 O. G. 372.

<sup>5</sup> That where after the injunction the defendant took old devices, which were sold under the patent, and put them into his machines and sold the whole together, it was a contempt, see *Craig v. Fisher* (1873), 2 Sawyer, 345.

That where infringing devices were sold before the injunction, and were afterward returned to the defendant and again sold by him, there was probably a technical violation of the injunction unless the devices were included in the accounting, or had been paid for, see *Allis v. Stowell* (1881), 19 O. G. 727.

That a defendant, appearing and being enjoined against making and selling, violates the injunction by selling outside the jurisdiction of the court, whether the articles sold were ever in its jurisdiction or not, see *Macaulay v.*

*White Sewing Mach. Co.* (1881), 9 Fed. Rep. 698 ; 21 O. G. 496.

That where a defendant who has been enjoined continues to sell either in his own name or as agent he is guilty of contempt, see *Potter v. Muller* (1865), 2 Fisher, 631 ; 1 Bond, 601.

That an injunction is violated by an agreement to furnish and the actual furnishing of an infringing device, though it was made before the injunction was issued, see *Colgate v. Gold & Stock Telegraph Co.* (1879), 17 O. G. 193 ; 4 Bann. & A. 559.

<sup>6</sup> That an injunction may be violated by confirming or recognizing an agreement existing before the injunction, see *Colgate v. Western Union Telegraph Co.* (1879), 17 O. G. 194 ; 4 Bann. & A. 562.

That an enjoined defendant, carelessly omitting to notify his agents of the injunction, becomes guilty of a technical contempt if they still infringe, see *Mundy v. Lidgerwood Mfg. Co.* (1888), 34 Fed. Rep. 541.

resenting him or are under his control.<sup>1</sup> An injunction against a city binds its public boards if they have notice, though no service has been made on them as parties; and their conduct in contempt of the injunction renders both the corporation and themselves amenable to punishment.<sup>2</sup> If the officers of a private corporation continue the infringement after the grant of an injunction, or a son or servant practises the invention while the father or the master is enjoined, all are alike guilty of contempt, though the subordinates acted in obedience to orders.<sup>3</sup>

**§ 1217. Preliminary Injunction : Application for Attachment for Contempt.**

The remedy of the plaintiff for the violation of an injunction is by an application to the court for an order of attach-

§ 1216. <sup>1</sup> That an injunction is violated by allowing persons, over whom the defendants have official authority, to infringe, see *Phillips v. City of Detroit* (1877), 16 O. G. 627; 2 *Flippin*, 92; 3 *Bann. & A.* 150.

<sup>2</sup> That an injunction against a city binds its boards of public works, if they have notice, though no service is made on them as parties, see *Phillips v. City of Detroit* (1877), 16 O. G. 627; 2 *Flippin*, 92; 3 *Bann. & A.* 150.

<sup>3</sup> That officers of an infringing corporation, if personally enjoined, are liable for contempt, see *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.* (1887), 30 *Fed. Rep.* 123; 40 O. G. 577.

That officers of a corporation, having been individually enjoined, are guilty of contempt if they afterwards infringe as managers of a different corporation, see *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.* (1887), 30 *Fed. Rep.* 123; 40 O. G. 577.

That where the defendant was a corporation, and the managing president was the contriver of the infringing process, he was held liable for the contempt, see *Wetherell v. New Jersey*

*Zinc Co.* (1874), 5 O. G. 460; 1 *Bann. & A.* 105.

That it is no defence to a motion for an attachment that the defendant was the servant of a corporation and obeyed orders, see *Sickels v. Borden* (1857), 4 *Blatch.* 14.

That where a father was enjoined, and his son, living with him and under his control, violated the injunction, the father was held for contempt though the son received and spent his own wages, but the son filing an agreement not to violate further, the father was not punished but compelled to pay the master's fee, see *Dunks v. Grey* (1880), 3 *Fed. Rep.* 862; 5 *Bann. & A.* 634.

That a servant or agent, separately sued, is not bound by a judgment against his principal, see *Hayes v. Bickelhaupt* (1885), 32 O. G. 136; 24 *Fed. Rep.* 806.

That the vendee of the defendant's infringing business, pending suit, is not bound by an injunction afterwards obtained, unless he were made a party to the suit, see *Bate Refrigerating Co. v. Gillett* (1887), 30 *Fed. Rep.* 685; 39 O. G. 833.



ment against the defendant, upon which, if found guilty, he may be subjected to fine or imprisonment. This application is collateral to the proceeding in which the preliminary injunction was granted, and may be made at any time when the misconduct of the defendant renders it necessary.<sup>1</sup> The affidavits accompanying the application must state the specific acts or omissions which constitute the alleged contempt, and any interrogatories addressed to the defendant must be confined to these particular offences.<sup>2</sup> The defendant is not obliged to answer to matters charged on information and belief, but may demur to improper interrogatories and recover costs. Upon the hearing on the application no new evidence can be received to vary the construction already given to the patent, nor can the defendant attack the validity of the injunction, nor the correctness of its interpretation by the court.<sup>3</sup> The only point at issue is the performance by the defendant of the forbidden acts, and these may be examined either by the court in person or through the aid of experts or other proper witnesses.<sup>4</sup> When the alleged violation of the

§ 1217. <sup>1</sup> That a motion for attachment for contempt will be granted without a new suit if an injunction is violated, see *Wetherell v. New Jersey Zinc Co.* (1874), 5 O. G. 460; 1 Bann. & A. 105.

That where a patent is fully discussed and understood on the trial, and the case is not closed, but an account is being taken, a motion for attachment for contempt may be made, see *Higby v. Columbia Rubber Co.* (1883), 18 Fed. Rep. 601.

<sup>2</sup> That the affidavits accompanying a motion for attachment must state the specific acts or omissions which constitute the contempt, and the interrogatories addressed to the defendant must be confined to these specific offences, but the defendant need not answer to matters charged on information and belief, and if he demurs to improper interrogatories he can recover his costs, see *Parkhurst v. Kinsman* (1848), 2 Blatch. 76.

<sup>3</sup> That on a motion for attachment for contempt no evidence can be admitted to vary the construction already given to the patent by the court, see *Burdett v. Estey* (1879), 16 Blatch. 105; 4 Bann. & A. 141.

That a party in contempt will not be heard on the injunction till he has purged himself of the contempt, see *Ready Roofing Co. v. Taylor* (1878), 15 Blatch. 94; 3 Bann. & A. 368.

That a defendant consenting to a decree and an injunction must obey the injunction until it is dissolved, and cannot attack it on proceedings for contempt, see *Roemer v. Neumann* (1883), 19 Fed. Rep. 98.

<sup>4</sup> That on a motion for an attachment the court may, at its discretion, examine the fact of infringement by itself or may have experts, but its decision on this question does not prejudice the parties on the accounting, see *Burdett v. Estey* (1879), 16 Blatch. 105; 4 Bann. & A. 141.

injunction consists in acts in some respects dissimilar to those described in the injunction, and a new question of identity between the defendant's art or instrument and the patented invention is thus presented, the matter cannot be investigated on the application for attachment, but requires new pleadings and new evidence in a supplemental bill or in a separate action.<sup>5</sup> A like necessity exists where the defendant acts under a new patent, or under a contract whose validity is contested in another court, or where the defendant's justification demands a re-examination of the scope and meaning of the plaintiff's patent.<sup>6</sup> An attachment is intended only for summary relief in cases where the single issue raised relates to the commission by the defendant of the prohibited acts of manufacture, use, and sale, and is not a proceeding in which collateral or fundamental questions can be considered and

<sup>5</sup> That where the infringement is in dispute that question cannot be tried on a motion for attachment for contempt, but only on pleadings and evidence in a new suit, see *Temple Pump Co. v. Goss Pump & Rubber Bucket Mfg. Co.* (1887), 31 Fed. Rep. 292; *Putnam v. Hollender* (1882), 11 Fed. Rep. 75; *Bate Refrigerating Co. v. Eastman* (1881), 11 Fed. Rep. 902; *Liddle v. Cory* (1865), 7 Blatch. 1.

That after a decree has been rendered in a pending suit the court will not determine on contempt proceedings whether an infringement actually exists, and if the infringement is in dispute a supplemental bill or a new one must be filed, see *Allis v. Stowell* (1883), 15 Fed. Rep. 242; 23 O. G. 1033.

That no attachment will issue where the defendant denies that he is using the plaintiff's process and the court below is divided on that point, see *California Artificial Stone Paving Co. v. Molitor* (1885), 113 U. S. 609; 31 O. G. 1044.

That equity will never proceed for contempt unless the violation of the injunction is clear and proven, and

the question whether the device used actually infringes is always open for evidence, see *Birdsell v. Hagerstown Agricultural Implement Mfg. Co.* (1877) 11 O. G. 420; 1 Hughes, 59; 2 Bann. & A. 519.

That a motion for attachment for contempt will not be granted if the claim that the injunction has been violated raises a new question as to the construction of the patent, for on that question the defendant has a right to be heard, see *Poppenhusen v. New York Gutta Percha Comb Co.* (1859), 2 Fisher, 80; 4 Blatch. 253.

<sup>6</sup> That where the defendant is acting under a new patent granted since the injunction issued there can be no attachment for contempt but a new hearing must be had, see *Wirt v. Brown* (1887), 30 Fed. Rep. 187; *Onderdonk v. Fanning* (1880), 2 Fed. Rep. 568; 5 Bann. & A. 431.

That no attachment will be ordered while the validity of an agreement under which the injunction was obtained is disputed in a State court, see *Pentlarge v. Beeston* (1880), 1 Fed. Rep. 862; 18 Blatch. 38; 5 Bann. & A. 326.



decided. When these arise the court is forced to deny the application, and leave the plaintiff to pursue his remedy against the defendant by a supplemental or an independent action.

**§ 1218. Preliminary Injunction: Order of Attachment: when Issued.**

An order for attachment will not issue unless the violation of the injunction is clear, nor even then if the injunction was procured by strategy, and its violation was induced by the fraud of the plaintiff for the purpose of entrapping and punishing the defendant.<sup>1</sup> Where the plaintiff believes that the

§ 1218. <sup>1</sup> That no attachment will be granted for contempt when there is reasonable ground to doubt the wrongfulness of the defendant's conduct, see *Bate Refrigerating Co. v. Gillett* (1887), 30 Fed. Rep. 685; 39 O. G. 833; *California Artificial Stone Paving Co. v. Molitor* (1885), 113 U. S. 609; 31 O. G. 1044.

That a clear case must be made out in proceedings for contempt or the court will not punish, and the court must have no substantial doubt that the defendant intended to violate the injunction, see *Allis v. Stowell* (1881), 19 O. G. 727.

That no attachment will be granted for contempt unless it is proved indisputably that the infringement still continues, see *Celluloid Mfg. Co. v. Chrolithian Collar & Cuff Co.* (1885), 24 Fed. Rep. 585; *Smith v. Halkyard* (1884), 19 Fed. Rep. 602; 26 O. G. 1020.

That a bond given by the defendant to the plaintiff four months before the injunction, acknowledging the validity of the patent and the plaintiff's right to all that was covered by it, is not evidence of a breach of the injunction except so far as it admitted that the defendant had infringed and it might thence be presumed that he still did so, a presumption that could be removed

by proof, see *Byam v. Eddy* (1853), 2 Blatch. 521; 24 Vt. 666.

That no attachment will be ordered against one who was not a party to the suit with notice of the injunction, see *Sickels v. Borden* (1857), 4 Blatch. 14.

That an attachment for contempt will not be granted unless notice of the motion has been served on the defendant, and the infringement complained of is committed either by him or by persons under his control, see *Bate Refrigerating Co. v. Gillett* (1885), 24 Fed. Rep. 696; 32 O. G. 1466.

That after an injunction is ordered upon condition that the plaintiff file a bond, the defendant, if present in court when such order was made, must take notice at his peril that the condition has been fulfilled, see *Burr v. Kimbark* (1887), 29 Fed. Rep. 428; 40 O. G. 246.

That knowledge that an injunction is ordered is equivalent to service as a ground for an attachment for contempt, see *United Telephone Co. v. Dale* (1884), L. R. 25 Ch. D. 778.

That where the plaintiff, having obtained an injunction, by strategy procures its violation by the defendant, and the defendant was innocent, no attachment will be ordered, see *Sparkman v. Higgins* (1846), 2 Blatch. 29.

That after an injunction has been

defendant is defying the prohibition of the court, he may obtain evidence against him by employing others to deal with him in the infringing enterprise, provided he resorts to no artifice or falsehood to secure the commission of the infringing acts; but where his conduct leads to the infringement he is estopped from urging it against the defendant as a contempt of court.

**§ 1219. Preliminary Injunction: Penalty for Contempt.**

A defendant, having been found guilty of contempt in violating an injunction, may be punished by fine or imprisonment, in the discretion of the court.<sup>1</sup> The amount of the fine is measured in ordinary cases by the damage which the plaintiff has sustained through the defendant's disobedience,<sup>2</sup> to which the costs and legal expenses incurred by the plaintiff on the application for attachment may be added.<sup>3</sup> The amount

granted, the patentee may send persons to buy of the defendant in order to see if he is violating the injunction, and such sending is not an implied license to the defendant to sell, see *Knowles v. Peck* (1875), 42 Conn. 386.

That the plaintiff may show that he believed the defendant was violating the injunction, and took this method to find out, see *Knowles v. Peck* (1875), 42 Conn. 386.

That the report of a person sent by the plaintiff for this purpose is privileged and is no ground for an action of slander, see *Knowles v. Peck* (1875), 42 Conn. 386.

§ 1219. <sup>1</sup> That the order adjudging the contempt need not aver that the injunction was lawful, nor recite the offence where the affidavits and reports filed do so and the order refers thereto, see *Fischer v. Hayes* (1881), 20 O. G. 601; 6 Fed. Rep. 63; 19 Blatch. 13.

<sup>2</sup> That where a preliminary injunction is violated the defendants are not obliged to pay a royalty, if they were acting in good faith and in an official capacity and were deriving no personal

benefit from the violation, see *Phillips v. City of Detroit* (1877), 16 O. G. 627; 2 Flippin, 92; 3 Bann. & A. 150.

<sup>3</sup> In *Doubleday v. Sherman* (1870), 4 Fisher, 253, Blatchford, J.: (254) "The question in these cases is as to the extent of punishment to be awarded against the defendant, Boas, for his contempt of court in violating the injunction issued by the court. It is not contended that he ought not to pay the taxed costs, which are nine hundred and seventy-nine dollars and eleven cents, but opposition is made to the item of two thousand seven hundred and twenty-three dollars and seventy cents for solicitors and counsel fees, and disbursements, as ascertained and adjusted by the clerk under the order of the court. The incurring of such fees and disbursements was made necessary by the resistance which the defendant, Boas, made to the application for the attachment, and in the course of the proceedings before the master on the reference to take testimony as to the violation of the injunctions. The fact of the violation is established and that it



of these may be determined by the court, or by agreement, or by reference to a master for evidence and computation.<sup>4</sup> Where the defendant has acted in bad faith or contumaciously, the penalty may be increased according to his ill deserts.<sup>5</sup> In mitigation, on the other hand, the court may consider his pecuniary situation, or domestic difficulties, or the motive of the plaintiff in praying for the order.<sup>6</sup> A committal for non-payment is incidental to the judgment for a fine, and is entirely distinct from imprisonment as a specific

was wilful, although the master reports that the extent of the violation was not shown by the proofs offered before him. The fact that the extent of the violation is not shown, — that is, the extent to which the plaintiffs were injured by the violation, is not a good reason for withholding the allowance of counsel fees and disbursements, which were made necessary to establish the violation itself, although it is a good reason for not imposing on the defendant a further pecuniary fine by way of indemnity to the plaintiff." 8 Blatch. 45 (46).

<sup>4</sup> That in proceedings in equity for contempt, the fine may be imposed by an order made in the original suit, see *Fischer v. Hayes* (1881), 20 O. G. 601; 6 Fed. Rep. 63; 19 Blatch. 13.

That an order adjudging the contempt, and directing the amount of the penalty to be ascertained, does not exhaust the power of the court and may be followed by an order fixing the fine, see *Fischer v. Hayes* (1881), 20 O. G. 601; 6 Fed. Rep. 63; 19 Blatch. 13.

That a defendant being in custody under attachment for contempt, the case may be referred to the master as to the intention of the defendant, in order to aid the court in fixing the penalty, see *Goodyear v. Mullee* (1867), 3 Fisher, 259; 5 Blatch. 463.

<sup>5</sup> That where the defendant acts in bad faith the penalty for contempt will

be severe, see *Craig v. Fisher* (1873), 2 Sawyer, 345.

That the penalty is measured in part by the perseverance of the defendant in his wrongful conduct, see *Potter v. Muller* (1865), 2 Fisher, 631; 1 Bond, 601.

<sup>6</sup> That in fixing the penalty for contempt the situation of the defendant pecuniarily and domestically may be considered, see *Goodyear v. Mullee* (1867), 3 Fisher, 259; 5 Blatch. 463.

That the defendant, to mitigate the penalty for contempt, may show his inability to pay, but it must be clearly proved, see *Doubleday v. Sherman* (1870), 4 Fisher, 253; 8 Blatch. 45.

That where the violation of an injunction is not wilful and the object of the motion for attachment is to find out whether the defendant really infringes, he is liable only for the profits or damages and the costs of the motion, see *Ready Roofing Co. v. Taylor* (1878), 15 Blatch. 94; 3 Bann. & A. 368; *Schillinger v. Gunther* (1877), 14 Blatch. 152; 11 O. G. 831; 2 Bann. & A. 544.

That where the defendant has acted in good faith the penalty should be confined to the injury sustained by the plaintiff and costs, or to costs only, see *Iowa Barb Steel Wire Co. v. Southern Barbed Wire Co.* (1887), 30 Fed. Rep. 615; 40 O. G. 578; *Matthews v. Spangenberg* (1883), 23 O. G. 1624; 15 Fed. Rep. 813.

penalty.<sup>7</sup> When the fine is paid there can be no commitment, or if paid after commitment the defendant is entitled to be released. Over the penalty itself the court has no authority after the term at which the judgment was rendered has expired, but it may at any time discharge a defendant whose confinement is contingent on his payment or ability to pay a fine.<sup>8</sup> The order for commitment may be suspended for appeal on giving bonds with surety to pay the fine whenever the court may vacate the suspension, and reasonable time to file the bond will be allowed.<sup>9</sup>

<sup>7</sup> In *Fischer v. Hayes* (1881), 20 O. G. 601, Blatchford, J. : (603) "It is suggested that section 725 provides for the punishment of a contempt by fine or imprisonment, and that therefore a commitment for non-payment of the fine is unlawful, because such commitment is imprisonment. There is, however, no commitment or imprisonment if the fine be paid. There is not commitment and fine. The punishment by a fine is fully inflicted under the terms of the order, if the fine be paid as the order directs, and in such case there can be no commitment. So, if there be a commitment for non-payment of the fine there must be a discharge as soon as the fine is paid. The payment of the fine is the punishment. The awarding or infliction of the fine is no punishment. The commitment is an incident of the fine. It is not in any manner the "imprisonment" allowed by the statute. The payment of the fine and a commitment for not paying it cannot co-exist. The commitment is not a separate punishment of imprisonment added to the payment of a fine. It is in this view that it has always been held that where a statute authorizes or prescribes the infliction of a fine as a punishment either for a contempt of court or for a defined offence it is lawful for the court inflicting the fine to direct that the party stand committed until the fine be paid, although there be no specific affirmative

grant of power in the statute to make such direction." 19 Blatch. 13 (21); 6 Fed. Rep. 63 (71).

<sup>8</sup> That a contempt of court is a specific criminal offence and a fine is a judgment, see *Fischer v. Hayes* (1881), 20 O. G. 601; 6 Fed. Rep. 63; 19 Blatch. 13.

That the court has no power to vary the judgment for contempt after the term has expired, see *Fischer v. Hayes* (1881), 20 O. G. 601; 6 Fed. Rep. 63; 19 Blatch. 13.

That an order for commitment for contempt by failing to pay money is a civil order, not a criminal sentence, and may be revoked by the court if the defendant is unable to comply, see *Hendryx v. Fitzpatrick* (1884), 19 Fed. Rep. 810.

<sup>9</sup> That an order of commitment for non-payment of a fine on contempt may be suspended for appeal, on giving bond with surety to pay the fine whenever the court may vacate the suspension, and reasonable time to file such bond may be allowed, see *Fischer v. Hayes* (1881), 7 Fed. Rep. 96; 20 O. G. 672; 19 Blatch. 184. For a form for carrying the above order into effect, see the case cited.

That no appeal lies to the Supreme court on a contempt proceeding, see *Hayes v. Fischer* (1881), 102 U. S. 121.

That when a judgment in contempt



§ 1220. Perpetual Injunction : when Granted.

A perpetual injunction issues, as a matter of course, at the conclusion of a suit in equity, whenever the plaintiff has sustained the allegations of his bill, provided the patent has not then expired.<sup>1</sup> It is granted irrespective of his right to profits or damages or any other form of relief, and though the infringement ceased at the allowance of the preliminary injunction and has not been since renewed, unless the court is satisfied that no further violation of the patent can be committed by the defendant.<sup>2</sup> When one of several patents which are joined in the same action, or one Claim of the patent, is found valid and the others void, an injunction on the valid Claim or patent will be ordered.<sup>3</sup> Even although the patent has expired, if the infringing acts consist in the employment of articles made in defiance of the patent during its existence, an injunction against the use of these specific articles will be decreed.<sup>4</sup> If the patent terminates between the interlocutory and the final decree, the subsequent extension of the patent entitles its owner to the exercise of these preventive powers.<sup>5</sup> An assignee of the patent and of the damages for past infringements can also be protected by this equitable

involves a decision on the validity of the patent, the proceeding is reviewable in the Supreme court, and if reversed the interlocutory order in contempt may be reversed also, without prejudice to future proceedings, see *Worden v. Searls* (1887), 121 U. S. 14 ; 39 O. G. 359.

§ 1220. <sup>1</sup> That if a decree finds an infringement a perpetual injunction will be ordered, see *Potter v. Mack* (1868), 3 Fisher, 428 ; *Goodyear v. Berry* (1868), 3 Fisher, 439 ; 2 Bond, 189.

<sup>2</sup> That the right to an injunction is independent of the right to profits or damages, see *Colgate v. International Ocean Tel. Co.* (1879), 17 O. G. 194 ; 17 Blatch, 308 ; 4 Bann. & A. 609 ; *American Cotton Tie Supply Co. v. McCready* (1879), 17 O. G. 565 ; 17 Blatch. 291 ; 4 Bann. & A. 588.

That although the infringement

stopped when the injunction issued the court will decree a perpetual injunction and account, there being no disclaimer of the right to use the invention by the defendant, and it not appearing that there were no damages or profits, see *Bullock Printing Press Co. v. Jones* (1878), 13 O. G. 124 ; 3 Bann. & A. 195. See also §§ 1191, 1205, and notes, *ante*.

<sup>3</sup> See § 1211, note 2, *ante*.

<sup>4</sup> See § 1211, note 3, *ante*.

<sup>5</sup> That where a patent expires after the interlocutory decree, and hence no injunction is ordered on the final decree, the extension of the patent afterwards is a good ground for an injunction to be ordered, see *Bliss v. City of Brooklyn* (1871), 8 Blatch. 533 ; *Tilghman v. Mitchell* (1871), 4 Fisher, 615 ; 9 Blatch. 18.

means, however adequate may be the compensation which a court of law is able to afford.<sup>6</sup> Thus in all cases the remedy is measured by and fitted to the threatened wrong, and whatever the defendant is adjudged to have done or attempted in the past, contrary to the plaintiff's demonstrated rights, he will be prohibited from undertaking or performing in the future, during the continuance of the monopoly.

**§ 1221. Perpetual Injunction : Duration : Suspension.**

A perpetual injunction is operative only during the life of the patent, and should be expressly limited thereto, except in reference to infringing articles constructed while the patent was in force and capable of use after it has expired.<sup>1</sup> Where it would cause no special harm to the defendant it may be granted after the hearing on the merits, but may be suspended till the acceptance of the master's report in order to allow time for an appeal.<sup>2</sup> It will not be suspended on the ground

<sup>6</sup> That the rule as to injunctions applies to a bill by an assignee as well as to one by an inventor, see *Motte v. Bennett* (1849), 2 Fisher, 642.

That an injunction may be granted in favor of an assignee of the patent and of past damages, though for the latter he may be compelled to seek redress at law, see *Merriam v. Smith* (1882), 11 Fed. Rep. 588.

That an injunction will be granted in one State though the plaintiff's title in another State was derived from an assignor who had lost his rights by neglect, see *Gear v. Holmes* (1873), 6 Fisher, 595.

§ 1221. <sup>1</sup> In *Nathan v. Elevated R. R. Co.* (1880), 2 Fed. Rep. 225, Wheeler, J.: (229) "An injunction issued in pursuance of a final decree should, by its terms, be limited to the time it may properly remain in force; and an injunction to restrain infringement of a patent can, of course, properly continue only during the term of the patent." 5 Bann. & A. 280 (284). See also *De Florez v.*

*Raynolds* (1880), 17 O. G. 503; 8 Fed. Rep. 484; 17 Blatch. 436; 5 Bann. & A. 140.

<sup>2</sup> In *Potter v. Mack* (1868), 3 Fisher, 428, Swayne, J.: (429) "The court decreed a perpetual injunction, and also a decree that the account should be taken. The case was referred to a master for that purpose, with a view to ascertain the amount of damages which were finally to be allowed to the plaintiff. An application is made that this final decree shall be suspended, as it regards the injunction, until the account shall be determined upon and the decree shall be finally made upon that account, and when the defendant, for the first time, will have the right to appeal. He cannot appeal from the decree as it at present stands, because, although the decision is final as to the merits of the case, it is in form an interlocutory decree only, and the rule established by the Supreme court is that an appeal can be taken only from a final decree. It has been held in this class of cases



that the patent is about to expire, nor that the defendant is bound by contracts with third parties if his obligations were assumed with knowledge of the plaintiff's claims, nor where the defendant has denied the usefulness of the invention and thus prevented the recovery of substantial damages.<sup>3</sup> A suspension after final decree rests in the discretion of the court which granted the injunction, and on allowing it the court must protect the interests of all parties and secure the immediate cessation of the infringement.<sup>4</sup> After a perpetual injunction has been ordered an appeal to the Supreme Court does not, of itself, suspend or supersede it.<sup>5</sup>

### § 1222. Perpetual Injunction by Consent.

The court may issue a perpetual injunction by consent of the defendant, as well as upon final hearing, unless the action or decree are evidently collusive; but in such cases it will not pass upon the patentability of the invention nor the validity of the patent in order to influence the course of future

that a decree is not to be considered final for the purposes of appeal until after the coming in of the master's report."

That an injunction is not to be suspended till final decree unless it would work some special hardship to the defendant, see *Potter v. Mack* (1868), 3 *Fisher*, 428.

<sup>3</sup> That an injunction will not be suspended on the ground that the patent is about to expire, see *Brown v. Deere* (1881), 6 *Fed. Rep.* 487; 19 *O. G.* 1217; 2 *McCrary*, 425.

That an injunction will not be suspended to enable the defendant to perform contracts entered into with knowledge of the patent, see *Brown v. Deere* (1881), 6 *Fed. Rep.* 487; 19 *O. G.* 1217; 2 *McCrary*, 425.

That a final injunction will not be suspended while the decree is unreversed, except in case of some public necessity or other extraordinary interest outside the parties, and the defendant

cannot urge such reasons if he has denied utility and prevented the recovery of substantial damages, see *Munson v. Mayor of New York* (1884), 19 *Fed. Rep.* 313; 22 *Blatch.* 45.

<sup>4</sup> That the suspension of an injunction after final decree rests with the court which granted it, and in so doing the court must protect all interests and pay due regard to the difference between royalties, licenses, and monopolies, see *Brown v. Deere* (1881), 6 *Fed. Rep.* 487; 19 *O. G.* 1287; 2 *McCrary*, 425. See also § 1212 and note 5, *ante*.

That a decree and injunction will be issued before a reference for an account unless the defendant shows that equity requires otherwise, see *Rumford Chemical Works v. Hecker* (1877), 11 *O. G.* 330; 2 *Bann. & A.* 386.

<sup>5</sup> That a bond on an appeal after the final decree does not act as a *supersedes* on the injunction but only on the money judgment and costs, see *Whitney v. Mowry* (1867), 3 *Fisher*, 157; 2 *Bond*, 45.

litigation.<sup>1</sup> Where the terms of the consent are afterward disputed the injunction will be recalled, and the entire action be re-opened for a final hearing.<sup>2</sup> An injunction by consent is not dissolved by the granting and acceptance of a conditional license.<sup>3</sup> When it appears, at any stage of the proceedings, that the action is collusive the case will be summarily dismissed.<sup>4</sup>

### § 1223. Perpetual Injunction: Violation: Dissolution.

A perpetual injunction may be violated by any of the acts which, under a preliminary injunction to the same effect, would be regarded as a contempt of court. The mode in which the plaintiff then obtains redress, and the measure of the penalty inflicted on the defendant, follow the rules already stated in reference to this offence. The dissolution of a perpetual injunction rests also on the principles before described, and may be ordered upon suitable application at any time within two years after the entering of the decree.<sup>1</sup>

§ 1222. <sup>1</sup> That a final injunction may issue upon a decree by consent, see *Tomkinson v. Willetts Mfg. Co.* (1884), 31 O. G. 918; 32 O. G. 382; 23 Fed. Rep. 895; *McWilliams Mfg. Co. v. Blundell* (1882), 22 O. G. 177; 11 Fed. Rep. 419.

That in granting a decree by consent no question upon the merits will be decided, see *American Middlings Purifier Co. v. Vail* (1878), 15 Blatch. 315; 4 Bann. & A. 1.

<sup>2</sup> That if on a motion for attachment for contempt of a decree by consent the terms of the consent are in dispute, the whole case will be opened and a final hearing had, see *Roemer v. Neumann* (1883), 19 Fed. Rep. 98.

That a decree by consent is not such a general decree as allows an attachment for contempt upon mere motion, but a bill must be filed and issues raised, see *Higby v. Columbia Rubber Co.* (1883), 18 Fed. Rep. 601.

<sup>3</sup> That a conditional license is not ground for dissolving an injunction by consent, see *Pentlarge v. Beeston* (1880), 1 Fed. Rep. 862; 18 Blatch. 38; 5 Bann. & A. 326.

<sup>4</sup> That a decree by collusion will be annulled and the case dismissed on the petition of strangers to it, see *Barker v. Todd* (1882), 15 Fed. Rep. 265; 23 O. G. 438.

That collusive suits are not entertained and proceedings thereon will be set aside, see *Gardner v. Goodyear Dental Vulcanite Co.* (1873), 3 O. G. 295; 6 Fisher, 329.

That suits are not to be prosecuted by agreement of both parties to carry out a compromise, one party paying all the expenses, see *Gardner v. Goodyear Dental Vulcanite Co.* (1873), 3 O. G. 295; 6 Fisher, 329.

§ 1223. <sup>1</sup> See §§ 1213-1219, and notes, *ante*.



## CHAPTER IV.

OF WRONGS BETWEEN CONTRACTING PARTIES: AND THEIR  
REMEDIES.

## § 1224. Rights of Parties to Contracts concerning Patented Inventions Rest on the General Law of Contracts.

The reciprocal rights of Assignors and Assignees, of Grantors and Grantees, and of Licensors and Licensees, rest upon express or implied contracts between the parties. The law no otherwise creates them than as it permits the parties to enter into the agreements out of which they spring, and it protects them on the same grounds that it enforces other obligations. The subject-matter of these contracts being the patent privilege, or some immunity derived therefrom, the principles of patent jurisprudence form an important element in that body of law by which the contracts are interpreted and the relations and duties of the parties are determined. Apart from this element, however, the general law of contracts furnishes the measure by which their rights are ascertained, and the methods by which their wrongs may be redressed.<sup>1</sup>

§ 1224. <sup>1</sup> The collation and discussion of cases concerning these contract relations is rendered somewhat difficult by the failure of the courts to recognize and point out the similarities and differences which exist between the agreements of assignors and assignees, or grantors and grantees, on the one hand, and those of licensors and licensees on the other. As mere contracts relating to an interest in a patented invention all stand on the same footing, and the rules regarding their enforcement, or rescission, are practically the same. But in the nature of the rights which they

confer they are essentially distinct, and hence the obligations they impose and the estoppels to which they give rise are very different. An assignment or grant conveys the whole or a part of the monopoly, creates or purports to create a property in the transferee in consideration of which he pays or promises to pay the purchase money, and is governed by the same rules as to warranty, fraud, failure of consideration, &c., as any other sale of personal or real estate. A license, on the contrary, conveys and creates nothing, but is in itself a simple agreement not to enforce

§ 1225. Wrongs against the Rights of the Parties to a Contract concerning Patented Inventions are Breaches of Contract, even where they Infringe the Patent.

Wrongs committed by these parties against each other, whatever else they may involve, therefore embrace a breach of contract. The infringement of a patent, contrary to the terms of an agreement with its owner, is not less the violation of a covenant because it is the invasion of a patented monopoly. While the same person may occupy a two-fold relation toward the owner of a patent, one as his assignee or licensee within the scope of the conveyance, the other as a stranger outside the conveyance, and in the latter capacity may commit wrongful acts for which no contract suit would lie, yet when as a contracting party he has bound himself to respect the reserved rights of his grantor, and then infringes, his liability rests on a double basis and he may be pursued either upon his broken contract or for his tortious interference with the property of his grantor.<sup>1</sup> So far as any wrong committed by the parties interested in a patented invention constitutes or includes an infringement of the patent, the nature of that wrong and of its remedy has been sufficiently discussed in the preceding chapter. It remains, in the present, to consider those injuries which simply violate the agreements of the parties, and the redress which courts of equity or law afford.

the prohibitions of the monopoly against the licensee. Every user of the invention has the option to practise it in defiance of the patent, at the risk of a suit for infringement, or to exempt himself from liability to suit by submitting to the patent and paying the license fee, and having exercised this option and having enjoyed the exemption, in consideration of the royalty paid or to be paid, occupies toward his licensor, on all questions of estoppel, payment, &c., an attitude entirely different from that of a mere vendee of property. In the discussion of the subject in the text, these distinctions are preserved and the cases

are arranged in the notes, as far as was possible, to support and illustrate the doctrines thus formulated. But the real value of any case for either purpose cannot be estimated unless the classifications and principles given in the text are kept in mind, and these should, therefore, be examined in advance of any study of the notes.

§ 1225. <sup>1</sup> That a licensee exceeding the privileges conferred by his license both violates the contract and infringes the patent, see *Pope Mfg. Co. v. Owsley* (1886), 37 O. G. 781; 27 Fed. Rep. 100.



§ 1226. **As Contracting Parties, Assignors and Assignees and Grantors and Grantees Enjoy the same Rights and are Subject to the same Wrongs.**

In reference to the nature and obligations of their contracts, grantors and grantees occupy the same relations toward each other as assignors and assignees. The grant is an assignment of the patent within an area less than the entire territory of the United States, and in the district granted the rights and duties of the grantee are identical with those of assignees. Being subject to the same wrongs and entitled to the same remedies as those whose contracts cover the whole area within which the monopoly prevails, they require no separate attention, and the rules hereafter stated in reference to assignors and assignees may be regarded as equally applied to them.

## SECTION I.

### OF THE WRONGS COMMITTED BY ASSIGNORS AGAINST ASSIGNEES : AND THEIR REMEDIES.

§ 1227. **Contract Rights of the Assignee against the Assignor.**

Under his contract with the assignor, an assignee is entitled to the conveyance of a perfect legal title to a valid patent, without fraud or imposition and with an exact fulfilment of the express and implied warranties which the contract contains. The violation of his rights by the assignor, therefore, consists either: (1) In a neglect or refusal to convey the patent; or (2) In the conveyance of a defective title; or (3) In the conveyance of an invalid patent; or (4) In deceit or artifice inducing the assignee to enter into the transaction; or (5) In breach of warranty. For each of these wrongs an adequate remedy exists, either in law or equity.

§ 1228. **Remedy of the Assignee when the Assignor Refuses to Convey the Patent.**

The neglect or refusal of the assignor to convey the patent to the assignee may be voluntary or involuntary. If involuntary, the only remedy of the assignee is by an action at law

upon the breach of contract. If voluntary, the assignee may sue at law for damages or obtain specific performance in a court of equity. A contract for the assignment of a patent, or an undivided interest therein, belongs to that peculiar class of contracts which equity will compel the parties to perform according to its terms, on the ground that otherwise irreparable injury may be inflicted.<sup>1</sup> An oral contract to convey a future patent, collateral to a contract for a partnership between the inventor and the assignee, will thus be enforced after the patent has been granted, although the inventor has repudiated the partnership agreement.<sup>2</sup> But the performance of an agreement whose fulfilment would be inequitable, or contrary to public policy, or ineffective on account of the previous conveyance or expiration of the patent, will not be decreed.<sup>3</sup> Where the established principles of equity do not

§ 1228. <sup>1</sup> That an agreement concerning a patent can be specifically enforced, see *Adams v. Messinger* (1883), 147 Mass. 185; *Fuller Co. v. Bartlett* (1887), 68 Wis. 73; *Hapgood v. Rosenstock* (1885), 23 Blatch. 95; 23 Fed. Rep. 86.

That equity will decree specific performance of a contract to assign a patent or an interest therein, see *Somerby v. Buntin* (1875), 118 Mass. 279; *Satterthwaite v. Marshall* (1872), 4 Del. Ch. 337.

That an oral agreement to convey a patent will be enforced, see *Searle v. Hill* (1887), 73 Iowa, 367.

That an agreement to assign all future inventions relating to a certain art may be defined and enforced in equity, see *Reese's Appeal* (1888), 122 Pa. St. 392.

<sup>2</sup> That an oral agreement of one person to give his interest in a future patent, and of the other to put in funds, and of both to render their services, is a partnership agreement, and the patent will be partnership property, and specific performance by the inventor will be decreed, see *Somerby v. Buntin* (1875), 118 Mass. 279.

<sup>3</sup> That specific performance will not be decreed in favor of a party who has repeatedly broken the contract, though the other party was the first to break it, see *Ohio Steel Barb Fence Co. v. Washburn & Moen Mfg. Co.* (1886), 26 Fed. Rep. 702; 35 O. G. 1337; *Foster v. Goldschmidt* (1884), 28 O. G. 915; 22 Blatch. 287; 21 Fed. Rep. 70.

That if a party who has broken the contract has any remedy against the other, it is at law not in equity, see *Ohio Steel Barb Fence Co. v. Washburn & Moen Mfg. Co.* (1886), 26 Fed. Rep. 702; 35 O. G. 1337; *Werden v. Graham* (1883), 24 O. G. 101; 107 Ill. 169.

That equity will not decree specific performance where the order would be futile or afford imperfect relief, see *Wollensak v. Briggs* (1886), 37 O. G. 339; 20 Brad. (Ill.) 50; *Werden v. Graham* (1883), 24 O. G. 101; 107 Ill. 169.

That equity will not decree performance where the patent does not exist or defendant has no title, see *Kennedy v. Hazelton* (1888), 128 U. S. 687; *Kennedy v. Hazelton* (1888), 33 Fed. Rep. 293; 46 O. G. 973.

That specific performance of a contract to assign a patent may be decreed



permit the court to order a performance of the contract an indirect coercion may be exercised upon the assignor by an injunction, forbidding any transfer or enjoyment of the patent contrary to his agreement with the assignee.<sup>4</sup> A voluntary refusal of the assignor to convey the legal title after the equitable interest has been transferred, or to remove a cloud upon the legal title already vested in the assignee, also demands the interference of a court of equity, which may compel the

when the rights of *bona fide* purchasers have not intervened, see *Whitney v. Burr* (1885), 115 Ill. 289.

That equity will not decree specific performance of a contract on one part to assign a patent, and on the other to manufacture the invention, after long delay and where the plaintiff has not kept his own agreements, see *Werden v. Graham* (1888), 24 O. G. 101 ; 107 Ill. 169.

That specific performance of a contract to assign will not be decreed if the plaintiff has been guilty of laches unless the defendant has acquiesced in the delay, and where a subsequent assignment has occurred the plaintiff must show tender or performance on his part and notice to the assignee, see *N. Y. Paper Bag Mach. Co. v. Union Paper Bag Mach. Co.* (1887), 32 Fed. Rep. 783.

That equity will not decree specific performance of a contract to render personal services requiring skill and judgment, nor where the exact thing to be done cannot be described, nor where it would involve the disclosure of an inventor's secret, see *Wollensak v. Briggs* (1886), 37 O. G. 339 ; 20 Brad. (Ill.) 50.

That a contract which is unconscionable and in a measure against public policy will not be enforced, see *Pope Mfg. Co. v. Gormully* (1888), 34 Fed. Rep. 877.

That an assignee before patent, having notice of a prior unrecorded assignment, and with such notice procuring the patent to himself, holds it in trust for the former assignee and may be com-

pelled to convey it to him, see *Pontiac Knit Boot Co. v. Merino Shoe Co.* (1887), 31 Fed. Rep. 286.

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

<sup>4</sup> In *Singer Mfg. Co. v. Union Button Hole & Embroidery Co.* (1873), 4 O. G. 553, Lowell, J. : (555) "I think the fair result of the later cases may be thus expressed : If the case is one in which the negative remedy of injunction will do substantial justice between the parties by obliging the defendant either to carry out his contract or lose all benefit of the breach, and the remedy at law is inadequate, and there is no reason of policy against it, the court will interfere to restrain conduct which is contrary to the contract, although it may be unable to enforce a specific performance of it. It seems to me that this case comes easily within this rule. The court cannot, perhaps, superintend the performance of a contract to manufacture machines, but it can restrain the defendants from selling in violation of their agreement." Holmes, 253 (258) ; 6 Fisher, 480 (485).

That the owner of a patent, who has contracted to sell it to the plaintiff, may be enjoined from selling it to any one else, though no specific performance may be decreed, see *Adams v. Messenger* (1888), 147 Mass. 185 ; *Goddard v. Wilde* (1883), 17 Fed. Rep. 845.

That courts of equity will not inter-

assignor to execute the necessary instruments unless the assignee prefers the remedy of damages at law.<sup>5</sup>

§ 1229. **Remedy of Assignee when the Title Derived by him from the Assignor Proves Defective.**

Where the title proves defective after the contract is completed, and the assignee has fulfilled his part of the agreement, equity may compel the assignor to make it perfect, if it is in his power to do so; if not, the contract may either be rescinded and the parties placed in their original position, or the assignee may seek redress at law.<sup>1</sup> Equity will set aside the contract when the consideration of the assignment consisted of specific articles of property which ought to be returned to the assignee, or of the assumption of personal obligations from which he ought to be released. It will also rescind the contract when the failure of title is partial, and adequate compensation for the injury thereby inflicted on the assignee cannot be obtained at law. In ordering a rescission, the court protects the rights of all parties; and where the title is not totally defective the assignee must reconvey the patent to the assignor and must account for the benefits received from its enjoyment during his period of ownership,

pret contracts for ordinary parties, no trust relation existing, see *Florence Sewing Mach. Co. v. Singer Mfg. Co.* (1870), 4 Fisher, 329; 8 Blatch. 113.

<sup>5</sup> That equity will compel one having the record title to convey to the true owner, see *Annie v. Wren* (1887), 51 Hun (N. Y.), 352; *Berolzheimer v. Strauss* (1884), 51 Sup. Ct. N. Y. 96.

That where a licensee conspired to acquire a prior patent and have it re-issued to cover the licensor's invention it is a fraud on the licensor, and equity may compel the licensee to assign to him the re-issued patent, see *Hale & Kilburn Mfg. Co.'s Appeal* (1883), 3 Pennypacker (Pa.), 378; *Everitt v. Hale* (1882), 15 Phila. 305.

That a cloud on the title to a patent may be removed in equity, see *Goodyear v. Day* (1856), 6 Duer, 154.

That a covenant to convey an extension is valid and enforceable in equity, see *Goodyear v. Day* (1856), 6 Duer, 154.

That equity will protect one to whom the patentee promises to assign the extended term, if after the extension he refuses or is unable to do so, see *Day v. Candee* (1853), 3 Fisher, 9.

§ 1229. <sup>1</sup> That equity may compel the perfecting of an incomplete title, see *Goodyear v. Day* (1856), 6 Duer, 154. See also § 1228 and notes, *ante*.

That if the defective title can be made perfect by the assignor, the assignee cannot rescind, see *Marsh v. Scott* (1888), 125 Ill. 114.

That the assignee cannot claim both an enforcement and a rescission but must elect between them, see *Creighton v. Haggerty* (1884), 50 Hun (N. Y.), 9.



unless the loss exceeded the advantage or the assignor originally acted in bad faith.<sup>2</sup> Where the consideration for the assignment was a specific sum of money which has been already paid, and the title to the patent wholly fails, the assignee may sue at law for the recovery of the price, after a tender of the patent to the assignor.<sup>3</sup> In all cases, whatever the consideration may have been, and whether the title is partially or entirely void, or the defect is curable or incurable by further conveyances from the assignor, an action for damages may be sustained upon the broken contract, their measure being determined by the loss which the defect of title has occasioned.

§ 1230. **Remedy of the Assignee when the Patent Proves to be Invalid.**

The conveyance of an invalid patent forms no consideration for a contract, and when an assignee has, in good faith and with due caution, parted with any property or assumed any obligation relying upon its validity, he is entitled on discovering the failure of consideration to a return of the property or a release from the obligation.<sup>1</sup> The ground of invalidity is immaterial. A patent void for want of novelty or practical utility in the invention affords as little consideration for a contract as one void for want of priority in the inventor, provided the assignee has exercised reasonable care in the exami-

<sup>2</sup> That the conveyance cannot be repudiated so as to free the vendee from the duty of paying the purchase money unless the invention be restored to the assignor, see *Sherman v. Champlain Transportation Co.* (1858), 31 Vt. 162.

<sup>3</sup> That if the vendor had no title there is no consideration for the sale, see *Hardesty v. Smith* (1851), 3 Ind. 39; *Edwards v. Richards* (1834), Wright, (Ohio), 596.

That if the assignor creates a legal title which defeats the equitable title of his prior assignee he must refund the purchase money, see *Bellis v. Henwood* (1838), 6 Pa. Co. (Pa.) 78.

That if the title to the patent fails,

the vendee may recover the purchase money, see *Holden v. Curtis* (1819), 2 N. H. 61.

That the consideration expressed in the conveyance of a patent is not conclusive, and the true consideration may be shown, see *Wheeler v. Billings* (1868), 7 Transcript Ap. (N. Y.) 121.

§ 1230. <sup>1</sup> That the assignment of a worthless patent-right is no consideration for a contract, see *Bierce v. Stocking* (1858), 11 Gray, 174.

That an assignee cannot rescind the contract on the ground that a defect exists in the patent if the defect can be remedied by the assignor, see *Marsh v. Scott* (1838), 125 Ill. 114.

nation of the invention before the purchase.<sup>2</sup> But the absence of pecuniary value in the invention does not avoid the patent, nor can the assignee complain of any defect which must have been apparent to him at the time of purchase, since the law does not undertake to prohibit the transfer of invalid patents, nor to assist an intelligent and voluntary purchaser in his repudiation of the sale.<sup>3</sup> The remedy of the assignee of a void patent may be sought either in equity or at law. If the price paid was in money, the amount may be recovered in a suit at law, upon an offer to reconvey the patent to the assignor.<sup>4</sup> When specific property is to be returned, or an obli-

<sup>2</sup> That where the patent is void on account of a defective specification, there will be no consideration for a note given for the purchase money, see *Keith v. Hobbs* (1878), 69 Mo. 84.

That if the patent is void because the invention is useless, the note given for it is without consideration, see *Rowe v. Blanchard* (1864), 18 Wis. 441; *Jolliffe v. Collins* (1855), 21 Mo. 388; *Fallis v. Griffith* (1833), Wright (Ohio), 308.

That if the invention will not answer its purpose without alterations, the patent will be void, and the vendee may repudiate the sale for failure of consideration, see *Cowan v. Dodd* (1866), 3 Cold. (Tenn.) 278.

That a useless invention is no consideration for a note, though both parties believed it to be useful, see *Lester v. Palmer* (1862), 4 Allen, 145.

That if the invention can be improved and made operative without introducing a new principle, the contract will not be avoided, see *Cowan v. Dodd* (1866), 3 Cold. (Tenn.) 278.

That if the invention is useful when sold, there is no failure of consideration, though subsequent ones supersede it, see *Harmon v. Bird* (1839), 22 Wend. 113.

That uselessness is no defence where the vendee bought on his own judg-

ment and without fraud, see *Hardesty v. Smith* (1851), 3 Ind. 39.

<sup>3</sup> That "want of value" and "want of utility" are not the same thing, see *Burns v. Barnes* (1877), 58 Ind. 436.

That an interest in or license under a valid patent is a good consideration for a note or other contract, whether the interest has any pecuniary value or not, see *Nash v. Lull* (1869), 102 Mass. 60; *Howe v. Richards* (1869), 102 Mass. 64, note.

<sup>4</sup> That money paid for a void patent can be recovered back, see *Darst v. Brockway* (1842), 11 Ohio, 462.

That when the vendee pays the purchase money, with full knowledge of all the facts, he cannot recover it, see *Stevens v. Head* (1837), 9 Vt. 174.

That if the vendee has derived benefit from the sale he cannot recover back the price paid, though the patent is void, see *Holden v. Curtis* (1819), 2 N. H. 61.

That in an action to recover back the price on the ground that the patent is invalid the patent must be re-assigned or tendered to the seller, see *Dillman v. Nadelhoffer* (1885), 19 Brad. (Ill.) 375.

That if the patent is void because the invention is not new and useful the note given therefor is void, and the vendee need not offer to re-assign, see



gation released, the contract must be set aside in equity, and the parties restored to their former condition. Where general damages will compensate the assignee, an action at law for these may be maintained. The conveyance of a patent for a different invention from that which forms the subject-matter of the contract is equivalent, in its effect, to the conveyance of an invalid patent. The assignee is not bound to accept it, but may rescind the contract and recover back the price, or have such other relief as the case requires. If he accepts the conveyance, however, and avails himself of the advantages of the invention therein described, he is estopped from setting up the departure from the contract, either as a cause of action or a defence against the assignor.<sup>5</sup>

§ 1231. Remedy of the Assignee when the Assignor Procured the Assignment through Deceit.

Where the assignor has by deceit or artifice induced the assignee to enter into the contract it may be set aside in equity, or the assignee may have his remedy for damages at law.<sup>1</sup> The distinction, which elsewhere prevails between the

National Bank v. Peck (1871), 8 Kan. 660.

That where benefits have been received the contract cannot be rescinded, but only an action for damages will lie, see Moore v. Bare (1860), 11 Iowa, 198.

<sup>5</sup> That the vendee of a patent-right may recover back his money if the patent-right was not what he agreed to buy, unless he has accepted a deed describing it, and if he has he cannot recover unless there was fraud or a warranty, see Foss v. Richardson (1860), 15 Gray, 303.

That if the right agreed to be assigned differs from that covered by the patent, the sale is void, and the purchase money, if paid, is recoverable, see Burrall v. Jewett (1830), 2 Paige, 133.

That if the patent is referred to by its date in the assignment it will be presumed that the vendor examined it,

and the doctrine of *caveat emptor* will apply, see Myers v. Turner (1855), 17 Ill. 179.

That an assignment by the vendee to other persons does not estop him from claiming invalidity, see Hawks v. Swett (1875), 4 Hun (N. Y.), 146; 6 Thomp. & C. 529.

§ 1231. <sup>1</sup> That the assignee of a patent may have the assignment rescinded for fraud in the representations of the assignor as to the patented invention, see Hall v. Orvis (1872), 35 Iowa, 366; and cases cited in other notes under this paragraph.

That a corporation purchasing the right to sell an invention may rely on the statements of the vendors and is not bound by the rule *caveat emptor*, and may sue for fraudulent representations though they were made to the persons forming such corporation before it was

expression of an unfounded opinion and the averment of a falsehood, is equally applicable to the vendor of a patent. Extravagant recommendations are to be expected from the owner of any commodity which he desires to sell, and buyers must be on their guard in order not to be misled. Thus representations of the assignor concerning the probable value of the invention to the assignee, though false, are not such fraud as warrants a rescission of the contract unless the vendor knew that the vendee was ignorant and was relying upon his opinion.<sup>2</sup> But statements affirming the validity of the patent, or the novelty or utility or salability or cost of the invention, if made with an intention to deceive the assignee and acted on by him, constitute a sufficient ground for the avoidance of the assignment in equity, or the recovery of damages at law.<sup>3</sup> These fraudulent assertions furnish the same occa-

organized, see *Iowa Economic Heater Co. v. American Economic Heater Co.* (1887), 32 Fed. Rep. 735.

That the assignee may rescind the assignment for fraud and recover the price paid or the property conveyed as the consideration, see *Marsh v. Scott* (1888), 125 Ill. 114.

That the assignee may sue the assignor for fraudulent statements which induced him to purchase the patent, see *Bull v. Pratt* (1815), 1 Conn. 342; and other cases cited in the notes to this paragraph.

<sup>2</sup> That false representations as to the amount already offered for the right are not such warranties of value as will avoid the contract of sale, or sustain an action for deceit, see *Dillman v. Nadelhoffer* (1885), 19 Brad. (Ill.) 375.

That a statement by the vendor that the invention would be useful to the vendee is a mere expression of opinion, not a fraud, see *Louden v. Birt* (1853), 4 Ind. 566.

That representations as to value are mere opinions, and cannot avoid the sale, since only falsehoods as to matters of fact can do that, see *Neidefer v. Chastain* (1880), 71 Ind. 363.

That a contract of sale will be rescinded for false representations of the vendor as to the value of the patent, the vendee being ignorant and relying on the vendor, see *Page v. Dickerson* (1871), 28 Wis. 694.

<sup>3</sup> That in an action for fraud the plaintiff may show that the patent is invalid on account of a prior patent, see *Bull v. Pratt* (1815), 1 Conn. 342.

That a sale may be avoided on account of false representations of the vendor that the invention was never before patented, and was never used except under the patent sold, see *Morrow v. Brown* (1869), 31 Ind. 378.

That a sale procured by false representations of the vendor as to the novelty and usefulness of the invention is void, see *Johnson v. McCabe* (1871), 37 Ind. 535.

That a vendee has a right to rely on the vendor's representations as to the salability of the invention, see *Hull v. Fields* (1882), 76 Va. 594.

That wilful falsehoods of the vendor as to the cost of making the invention are fraud, see *Peffley v. Noland* (1881), 80 Ind. 164.

That a vendor is not bound by his



sion for relief whether made in words or by the exhibition of false devices purporting to be the patented invention, and whether proceeding from the assignor himself or from his agents.<sup>4</sup> The consequences of the fraud are not averted by the ability of the assignee to have discovered the deceit by resorting to the records of the Patent Office, or by an inquiry of persons skilled in the art.<sup>5</sup> If the assertions of the assignor relate to matters of existing fact, and are intended to influence the action of the assignee, his reliance upon them without further investigation is not, as between the parties, evidence of undue credulity, unless the assertions were manifestly untrue or absurd, or the assignee has neglected such precautions as every prudent man would have observed.<sup>6</sup> A rescission of the contract on the ground of fraud must be made promptly after its discovery. The subsequent exercise of ownership over the patent, and the enjoyment of its benefits, will affirm the sale and deprive the assignee of his equitable remedy.<sup>7</sup> Nor can the advantages derived from the invention

representations as to the validity of the patent, or the novelty or priority of the invention, unless he was guilty of fraud, see *Rawson v. Harger* (1878), 48 Iowa, 269.

<sup>4</sup> That the vendee of a patent-right may rely on the representations of the vendor as to what the patent covers, and if the part shown to the vendee is not covered it is a fraud, see *Rose v. Hurley* (1872), 39 Ind. 77.

That a sale will be set aside for fraud of the vendor by falsehoods concerning the value and utility of the invention, and the employment of false devices in exhibiting it, see *Gardner v. Trenary* (1885), 65 Iowa, 646.

That statements as to utility, made in the presence of the vendor by one who travelled with him in selling the patent-right, are binding on the vendor, see *Foster v. Trenary* (1885), 65 Iowa, 620.

<sup>5</sup> That a vendee may sue the vendor for false representations as to what was

covered by the patent, or not covered by an earlier patent, though by searching the records in the Patent Office he could have discovered the error, see *David v. Park* (1870), 103 Mass. 501.

That if the patent is void on account of a prior patent for the same invention, and the vendee was induced to purchase by the fraudulent statements of the vendor that it was valid, he may re-assign the patent and rescind the sale, though by searching the records of the Patent Office he might have discovered the fraud, see *McKee v. Eaton* (1881), 26 Kan. 226.

<sup>6</sup> That where both vendor and vendee have equal knowledge, or means of knowledge, equity will not relieve, if both parties were in good faith, see *Rawson v. Harger* (1878), 48 Iowa, 269.

<sup>7</sup> That if the vendee exercises ownership over the patent after he discovers the fraud, it will affirm the sale, see *Dunks v. Fuller* (1875), 32 Mich. 242.

That where a vendee, after he dis-

before the fraud was discovered be retained by the rescinding assignee. The contract becomes void from its beginning, and the mutual restoration of all its results, on either side, must follow.<sup>8</sup> A bill in equity to set aside the assignment, therefore, must allege that no benefits have been received since the discovery of the fraud, and must offer to return those which had previously accrued.<sup>9</sup> When the patented invention is entirely worthless, and the assignee has been induced to purchase it by the fraudulent representations of the assignor as to its value, the price may be recovered in a suit at law without a prior rescission of the contract or an offer to return the patent to the assignor.<sup>10</sup> But where the parties were of equal knowledge or in equal fault, or where the purchase money has been paid after a full acquaintance with the facts, no action to recover it will lie. A suit for damages, leaving the contract still in force so far as the ownership of the patent is concerned, can always be sustained when actual fraud has been committed by the assignor.<sup>11</sup> In proof of his guilty

covers the fraud, acquiesces in it and takes the benefit of the sale, other parties not interested in the sale cannot avoid it, that power being confined to him and those who share his rights, see *Edmunds v. Hildreth* (1854), 16 Ill. 214.

<sup>8</sup> That where the vendee has benefited by the assignment he cannot have it rescinded, and recover back the purchase money on the ground of fraud, unless he accounts for the benefits received, see *Edmunds v. Myers* (1854), 16 Ill. 207; *Edmunds v. Hildreth* (1854), 16 Ill. 214.

<sup>9</sup> That a bill to rescind an assignment on the ground of fraud must aver that the benefits were received before the fraud was discovered, and must offer to return the profits received, see *Edmunds v. Myers* (1854), 16 Ill. 207; *Edmunds v. Hildreth* (1854), 16 Ill. 214.

<sup>10</sup> That the purchase money may be recovered on the ground of the vendor's fraudulent representations as to the

value of the patent, and if the patent is entirely worthless no tender to return it is necessary, see *Hess v. Young* (1877), 59 Ind. 379.

That where the vendor agrees to return the purchase money if the vendee fails to realize a certain sum within a given time, the vendee is bound to make reasonable efforts to sell, considering his ability and means, though if he has no means and does not speak English, he is not bound to embark in the manufacture of the invention, see *Berger v. Peterson* (1875), 78 Ill. 633.

That if the vendee, with a right to rescind if the enterprise is unsuccessful, makes reasonable efforts, and the vendor prevents sales from being made, the vendor must pay back the price with interest, though before the time was up the vendee had refused to reconvey, see *Berger v. Peterson* (1875), 78 Ill. 633.

<sup>11</sup> That a vendee of territory, some of which the vendor did not own, may sue for damages without offering to re-



knowledge, similar false assertions in other transactions relating to the same invention may be shown.<sup>12</sup>

§ 1232. Remedy of Assignee for Breach of Warranty.

An assignment of a patent raises an implied warranty of title, but not of the validity of the patent nor of the practical value of the patented invention.<sup>1</sup> An action for breach of warranty will, therefore, lie only where the title proves defective, unless the instrument of conveyance contains express covenants which have been broken by the assignor. Such covenants may relate directly to the patent or by necessary implication warrant its validity. In either case they create rights which can be vindicated by an action at law for damages. Where the assignor of the patent is himself an assignee, and both parties are in equal ignorance concerning the patentability of the invention, no question as to an implied warranty of validity can arise.<sup>2</sup>

assign, and will be allowed damages in proportion to the value of such unsold territory to the whole area, as shown by the price paid, see *Moorehead v. Davis* (1883), 92 Ind. 303.

<sup>12</sup> That fraud in effecting sales to others may be proved to show guilty knowledge in the same acts toward the vendee, see *Foster v. Trenary* (1885), 65 Iowa, 620.

§ 1232. <sup>1</sup> That the assignment of a patent carries an implied warranty of title, see § 783 and notes, *ante*.

That a vendee in an action against the vendor on an implied warranty must show that he has been disturbed in the enjoyment of the right, or that the vendor had no right which he could convey, see *Stevens v. Head* (1837), 9 Vt. 174.

That a warranty of the exclusive right within a given territory extends only to the specific inventions conveyed to the vendee, see *Kingman v. Martin* (1887), 24 Ill. Ap. 435.

That a covenant not to make, use or sell any device for the same purpose is

too broad and against public policy, see *Berlin Mach. Works v. Perry* (1888), 71 Wis. 495.

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

That if the title to the patent passes to the vendee the consideration paid cannot be recovered back unless the contract has been rescinded, or was tainted with fraud, or there was an express warranty which has been broken, see *Case v. Morey* (1818), 1 N. H. 347.

<sup>2</sup> In *Johnson v. Willimantic Linen Co.* (1866), 33 Conn. 436, Butler, J. : (442) "It is not material to enquire whether or not generally, on the sale of a patent-right, there is an implied warranty of its validity. There is undoubtedly a strong current of authority in that direction. And the cases in this country where in actions for the price of a patent-right or patented machine the defendant has prevailed on the ground of a failure of consideration, are quite numerous. Where there was an ex-

## SECTION II.

## OF WRONGS COMMITTED BY ASSIGNEES AGAINST ASSIGNORS: AND THEIR REMEDIES.

## § 1233. Rights of Assignor against Assignee.

An assignor, under his contract with the assignee, acquires a right to an acceptance of the conveyance of the patent, to the performance of the conditions embraced in the assignment, and to the payment of the stipulated price. He also has the right, implied in every contract, to honesty and fair dealing on the part of the assignee. His rights are, therefore, violated when the assignee refuses to execute the contract, or to fulfil his obligations under it, or to pay the purchase money according to the terms of the agreement, or when he takes undue advantage of the ignorance or credulity of the assignor.

## § 1234. Remedy of Assignor when the Assignee Refuses to Accept the Assignment.

The wrong committed by the refusal of the assignee to accept the conveyance of the patent, when duly tendered by the assignor, can generally be redressed only in a suit at law for

press warranty, or the vendor by representation expressly professed to sell the patent as a valid one, and the purchaser relied on that profession, or where the vendor knew that there was a defect in the patent and that it was invalid and concealed the fact (although he made no express representation whatever), and in such concealment was guilty of fraud, the correctness of the decisions cannot be questioned. And one or another of these elements existed in a majority of the cases collected by Mr. Law in his Digest, many of which have been cited on this trial. But it is questionable whether as between two assignees of a patent-right, neither of whom has any opportunity to know whether it is invalid for want of novelty or not, especially since the re-organization of

the Patent Office and a provision for a determination of that question by examiners before the patent is granted, and a series of Federal decisions holding such a patent *prima facie* evidence of novelty, the vendor who acts in good faith, in the absence of fraud, express warranty, or any representation or fact other than the mere fact of sale indicating that he sold the patent as valid, the vendor should be holden to an implied warranty and failure of consideration on that ground, if in fact invalid, or the vendor be permitted to defend upon the ground of a mutual misconception of a fact. The English courts would not now so hold on either ground; and I am inclined to think that, upon principle, a discrimination should be made here."



damages. The injury inflicted on the assignor by such refusal is not irreparable to a degree which calls for equitable interference, when it merely leaves the patent in his hands and withholds the service or the money which was to form the consideration for its transfer. There are, however, cases in which the obligations imposed by the contract on the assignee are of such a character that justice cannot be done to the assignor except by a specific performance of the agreement, and in these cases equity will compel its execution, not because the transaction related to a patent privilege, but on account of the peculiar circumstances of the parties and the necessity for this extreme relief.<sup>1</sup> Thus where the consideration to be given for the patent was the conveyance of real property, or the surrender of some right essential to the assignor, the terms of the agreement may be explicitly enforced, and the assignee may be obliged to transfer or release the stipulated property or claim.<sup>2</sup>

**§ 1235. Remedy of Assignor for Breach of the Conditions in the Assignment.**

For the injury inflicted on the assignor by the non-fulfilment of conditions imposed by the assignment on the assignee, a remedy in damages may be obtained at law. Where the conditions are made essential to the title of the assignee, or are in their nature necessary to the enjoyment of the reserved rights of the assignor, the failure to perform them forfeits the interest of the assignee in the patent, and on a proper application equity will decree a reconveyance.<sup>1</sup> Conditions embraced in the assignment, but which the assignee does not expressly or impliedly promise to perform, though working a forfeiture of his interest in the patent, can neither be enforced in equity nor made the basis of a suit at law.<sup>2</sup>

§ 1234. <sup>1</sup> See § 788 and notes, *ante*.

<sup>2</sup> See § 1229, *ante*.

§ 1235. <sup>1</sup> See § 788 and notes, *ante*.

That if the assignor rescinds for breach of contract he must return the purchase money or other consideration already paid, see *Bellis v. Henwood* (1888), 6 Pa. Co. (Pa.) 78.

<sup>2</sup> That an assignment on conditions, not containing any express agreement to perform the conditions, may be forfeited by not performing, but cannot be enforced, nor is the party liable in damages for non-performance, see *Newell v. Wheeler* (1866), 4 Rob. (N. Y.) 247; *Newell v. Wheeler* (1866), 2 Abb. Pr. 134.

§ 1236. **Remedy of the Assignor when the Assignee has Procured the Assignment by Fraud.**

The wrong committed by the fraud or unfair dealing of the assignee, in obtaining the conveyance of the patent, may be redressed either at law or equity. If the assignor prefers to treat the conveyance as effective and permit the assignee to retain the patent, he may have his remedy in damages commensurate with the value of the patent of which he has been deprived. But when he desires to rescind the sale equity will afford him this relief on his return of the consideration, and in addition will compel the assignee to account for the benefits which he has received. Where the assignee has not been guilty of actual fraud, but has obtained the patent for an inadequate price through the ignorance of the assignor as to its true value, the contract will be set aside upon the restoration of the purchase money and the payment of a reasonable compensation for the services and expenses of the assignee.<sup>1</sup>

§ 1237. **Remedy of Assignor when the Assignee Refuses to Pay the Purchase Money.**

Upon the neglect or refusal of the assignee to pay the purchase money for the patent, the assignor may recover the amount in assumpsit, debt, or covenant, according to the form of the contract.<sup>1</sup> To such an action several defences may be urged in addition to a general denial of the obligation, among which are the failure of the title conferred upon the assignee, the invalidity of the patent, and fraud or breach of warranty on the part of the assignor. Concerning each of these defences certain questions have arisen, and been decided, which demand especial mention.

§ 1236. <sup>1</sup> That where a vendor is ignorant of the value of the patent, and a vendee knowing its value purchases it at an inadequate price, and under suspicious circumstances, the sale will be set aside on payment to the vendee of his expenses and a reasonable compensation for his services, see *Leonard v. Barnum* (1874), 34 Wis. 105.

§ 1237. <sup>1</sup> That equity will not set aside the assignment of a patent on the

ground that the purchase money has not been paid, see *Perkins v. United States Electric Light Co.* (1883), 24 O. G. 204; 21 Blatch. 308; 16 Fed. Rep. 513.

That the vendee, being bound to pay \$1000 within a year or to re-assign the patent, may re-assign on a demand of the money a few days after the year expires, and must then either re-assign or pay, see *Manvel v. Holdredge* (1871), 45 N. Y. 151.



§ 1238. Defences of the Assignee against the Assignor's Action for the Purchase Money : Defective Title.

An assignor whose title, at the time of his conveyance, was defective, or who has failed for any other cause to confer upon the assignee a complete right to the patent, has not performed his own part of the contract and therefore cannot claim the stipulated price.<sup>1</sup> Thus where he is himself an assignee and his assignment is imperfect or remains unrecorded at the risk that a superior title may be gained by others, or where the instrument delivered to the assignee is insufficient to transfer the legal title to the patent, or where a cloud rests on the title affecting its validity or rendering its extent uncertain, the assignee may properly withhold the purchase money till these difficulties are removed, and meanwhile may employ them as a defence against an action brought for its recovery.<sup>2</sup> In this defence the burden of proof lies on the assignee, unless he has been actually disturbed in the enjoyment of the patent by the assertion of a superior title.<sup>3</sup>

§ 1238. <sup>1</sup> That want of title in the assignor is a good defence against his action for the purchase money, see *Nye v. Raymond* (1854), 16 Ill. 153.

That the vendee may show in his defence that there is no such patent as the one assigned to him, see *Brown v. Wright* (1856), 17 Ark. 9; *Nye v. Raymond* (1854), 16 Ill. 153.

That an agreement to procure and assign a patent never executed, and incapable of being executed because the invention is not patentable, is no consideration for a promise to pay money, and no price can be recovered, see *Westervelt v. Fuller Mfg. Co.* (1885), 13 Daly, 352.

<sup>2</sup> That an unrecorded assignment gives a vendor no such title as enables him to maintain an action against his vendee for the price, see *Higgins v. Strong* (1836), 4 Blackf. (Ind.) 182. This case assumes, however, that a record is essential to validity of title, which is untrue.

That where an assignee re-assigned to the inventor in order that the inventor might take out a patent in his own name, and the inventor gave the assignee his note therefor, and afterward the assignee obtained a patent for part of the former invention as his own, and the inventor was refused a patent on the ground of the assignee's prior patent, the note of the inventor to the assignee is still collectible, it being presumed that the assignee had a right to the patent he obtained and that the inventor had no right to the patent for which he applied, see *Clark v. Smith* (1875), 21 Minn. 539.

<sup>3</sup> That a vendee when sued for the price has the burden on him to show that the vendor had no title, unless he has been disturbed in his use of the invention, see *Stevens v. Head* (1837), 9 Vt. 174.

§ 1239. Defences of the Assignee against the Assignor's Action for the Purchase Money: Patent Invalid.

An assignee may defend against an action for the purchase money by showing that no patent answering the description of the assignment ever issued, or that the one described is void, either for want of novelty or utility in the invention or on account of its abandonment before the application, or by reason of a defective specification or excessive Claims, or for substantial variations in a re-issue, or any other cause which would defeat the patent in an action for infringement.<sup>1</sup> Under but one of these objections does any serious question of law arise. It has been urged in many cases that the art or instrument protected by the patent must possess pecuniary value in order to entitle the assignor to recover the price of the patent

§ 1239. <sup>1</sup> That the vendee may defend on the ground that there is no such patent as the one sold, see *Brown v. Wright* (1856), 17 Ark. 9; *Nye v. Raymond* (1854), 16 Ill. 153.

That the defence against an action for the price and a suit to recover back the purchase money stand on different grounds, see *Stevens v. Head* (1837), 9 Vt. 174.

That the invalidity of the patent is a defence on the ground of a failure of consideration, see *Marston v. Swett* (1876), 66 N. Y. 206; *Nye v. Raymond* (1854), 16 Ill. 153. See also § 1230 and notes, *ante*.

That notes given for a void patent are not collectible by the vendor, and their collection may be enjoined, see *Darst v. Brockway* (1842), 11 Ohio, 462.

That if a patent is found void on the ground of prior public use and abandonment, a note given for an interest therein is also void, see *Earl v. Page* (1834), 6 N. H. 477.

That no recovery of purchase money can be had where the patent is void for a defective specification, see *Keith v. Hobbs* (1878), 69 Mo. 84.

That if a patent for an improvement

does not so describe the original that the improvement can be known, the patent is defective and the vendee is not liable for the price, see *Cross v. Huntley* (1835), 13 Wend. 385.

That the vendee of a patent void for excessive Claims is bound by the sale unless he repudiates it before the defect is cured by disclaimer, see *Hotchkiss v. Oliver* (1848), 5 Denio, 314.

That no rights of estoppel arise on a *nudum pactum*, and if the patent is void a note based thereon is *nudum pactum*, see *Saxton v. Dodge* (1870), 57 Barb. 84.

That in defending against an action on a note, on the ground that the patent is void, the patent is attacked only collaterally, by way of evidence, see *Saxton v. Dodge* (1870), 57 Barb. 84.

That where the vendor of the patent is himself an assignee, and both he and his vendee are on equal ground as to knowledge of the validity of the patent, and he is guilty of no fraud or concealment, he may recover the purchase money though the patent be invalid, see *Johnson v. Willimantic Linen Co.* (1866), 33 Conn., 436.



from the assignee. But the courts have drawn a broad and clear line of distinction between that uselessness of the invention which avoids the patent and that worthlessness in the market which makes its ownership unprofitable to the assignee. A want of pecuniary value in the invention is no defence to an action for the purchase money, in the absence of fraud or warranty on the part of the assignor.<sup>2</sup> That the patented article has been superseded in the market, or cannot be employed in certain territory, or is universally unsalable, does not prove nor tend to prove that the patent is invalid or that the assignee has not received the property for which the price was to be paid.<sup>3</sup> A want of utility in the invention itself, on the other hand, is a good defence to an action for the purchase money, since the patent being invalid there is no consideration for its payment.<sup>4</sup> Thus where the invention has not been or cannot be reduced to practice, or will not answer its intended purpose without such alterations as require inventive skill, the contract is not binding, although both parties acted in good faith, believing that the invention was available in its appropriate art.<sup>5</sup> But even here the as-

<sup>2</sup> That pecuniary worthlessness is no defence, see *Miller v. Finley* (1872), 26 Mich. 240.

That a note for the price is good, if the patent is valid, though the invention is of no great utility, see *Green v. Stuart* (1874), 7 Baxter (Tenn.), 418.

That if any value exists, however small, the notes given for the patent will be valid, see *Myers v. Turner* (1855), 17 Ill. 179.

<sup>3</sup> That the invention has been superseded is no defence, if it were useful when sold, see *Harmon v. Bird* (1839), 22 Wend. 118.

That the vendee cannot defend on the ground that there is no use for the invention in the territory sold to him, if it is *per se* useful, see *Pottle v. Thomas* (1838), 12 Conn. 565.

That when the specification calls for "water" simply, any water must answer the purpose, and if the water found

in the territory sold will not answer the patent is void, see *Keith v. Hobbs* (1878), 69 Mo. 84.

That unsalability is no evidence of inutility, see *Jolliffe v. Collins* (1855), 21 Mo. 338.

<sup>4</sup> That the vendee in an action for the price can defend on the ground that the invention was neither new nor useful, though both parties were in good faith, see *Jones v. Burnham* (1877), 67 Me. 93; *Midkiff v. Boggess* (1860), 15 Ind. 210; *McClure v. Jeffrey* (1856), 8 Ind. 79; *Geiger v. Cook* (1842), 3 Watts & Serg. 266. See also § 1230 and notes, *ante*.

That "useful" means "lawfully useful," at least as far as the consideration for a note is concerned, see *Pacific Iron Works v. Newhall* (1867), 34 Conn. 67.

<sup>5</sup> That if the invention cannot be made practically operative without a

signee who buys on his own judgment, and who without fraud or misconduct by the assignor assumes the entire risk of the utility of the invention, must abide by his agreement and complete the purchase.<sup>6</sup> The utility necessary to sustain the patent is presumed from the existence of the patent, though it may be disproved by the assignee.<sup>7</sup> When this defence is set up by the assignee he should offer to return the patent and account for the profits made in its enjoyment, but when the patent is found void no actual return is necessary.<sup>8</sup> This

further exercise of inventive skill, the patent is void, and the price cannot be recovered, see *Cowan v. Dodd* (1866), 3 Cold. (Tenn.) 278.

That in an action to recover an amount agreed to be paid for future inventions of the plaintiff, the defendant may show that they are worthless, have not been reduced to practice, and were known as worthless before the plaintiff invented them, see *McDougall v. Fogg* (1858), 2 Bosw. (N. Y.) 387.

That uselessness is a defence only when the patent would be void for want of utility, see *Wilson v. Hentges* (1879), 26 Minn. 288.

That the entire uselessness of the invention is a full defence to an action for the price though the patent may be authentic, see *Smith v. Hightower* (1886), 76 Ga. 629; *Clough v. Patrick* (1865), 37 Vt. 421.

That a note given for a patent-right, if negotiable, can be collected by a *bona fide* holder, though the patent is worthless, see *Woolen v. Ulrich* (1878), 64 Ind. 120.

<sup>6</sup> That a vendee who buys on his own judgment cannot defend on the ground of inutility, see *Hardesty v. Smith* (1851), 3 Ind. 39.

<sup>7</sup> That the jury are to judge of utility, see *Rowe v. Blanchard* (1864), 18 Wis. 441.

That on an issue as to the validity of a patent, in a suit between the vendor and vendee, the court must instruct the

jury though not all the points are argued before the court, see *Bollas v. Hays* (1819), 5 S. & R. 427.

That it is presumed that an invention is valuable until the contrary is shown, see *Gerrish v. Bragg* (1883), 55 Vt. 329.

That in an action on a note given for a patent-right the patent is not conclusive evidence of the utility of the invention, see *Bierce v. Stocking* (1858), 11 Gray, 174.

<sup>8</sup> That in an action against the vendee for the price, the record of a report of an examiner in the Patent Office, on an application for an extension, is not competent evidence against the patentee to show that the patent was originally invalid, see *McMahon v. Tyng* (1867), 14 Allen, 167.

That evidence of the invalidity of the patent is not admissible in an action for the price unless the Federal courts have declared the patent invalid, see *Elmer v. Pennel* (1855), 40 Me. 430; *contra*, *Nash v. Lull* (1869), 102 Mass. 60.

<sup>8</sup> That unless the vendee offers to return the patent, and account for the profits made by it, or avers that it had no value, he cannot defend an action for the purchase money on the ground of failure of consideration, see *Burns v. Barnes* (1877), 58 Ind. 436.

That where an assignment is made before the invention is tested, and there is no warranty of utility and no fraud, the vendees must pay the purchase money if they use it either in part or as a



defence is complete even when the assignor, besides conveying the patent, has also furnished materials to the assignee for the invention and given him instructions how to use them.<sup>9</sup> The assignee must, however, spread the facts which prove the invalidity upon the record, though the judgment of the court upon them is only collateral and introductory to that on the main question as to the existence of the debt.<sup>10</sup> Where the patent is found void as to a portion of its Claims and valid as to others, if the price can be apportioned the assignor can recover the amount which may be due for the conveyance of the valid Claims.<sup>11</sup> An assignee, who has transferred his interest in the patent to third parties, cannot avail himself of this defence unless his assignees rescind their contract with him, or refuse to pay, or have subjected him to other loss on this account; and if he does defend, he must return the patent to the assignor except perhaps in cases where its irremediable invalidity is fully proved.<sup>12</sup> The right

whole, though they cannot use it if it be useless, see *Palmer's Appeal* (1880), 96 Pa. St. 106.

That if the vendee has derived any benefit from the patent the plaintiff can recover the price unless there was a warranty or fraud, and evidence that the patent was of little value is not admissible, see *Vaughan v. Porter* (1844), 16 Vt. 266.

That a vendee cannot take the benefit of the transaction and refuse to pay the price, see *Union Mfg. Co. v. Lounsbury* (1864), 42 Barb. 125.

That it is doubted whether when a void patent is sold, and the purchaser has enjoyed the monopoly and there has been no fraud in the vendor and no liability exists toward others, the vendee can defend against an action for the price, see *Marston v. Swett* (1876), 66 N. Y. 206.

That an assignment or license grants only the right not to be sued or to sue others, which is a right resting wholly on the patent, and hence if the patent fails the right is gone, the sale has no

consideration, and though the vendee has used or made the invention, it was only what all had a right to do, and the vendor cannot recover, see *Hawks v. Swett* (1875), 4 Hun (N. Y.), 146; 6 *Thomp. & C.* 529; *Marston v. Swett* (1875), 4 Hun (N. Y.), 153; 6 *Thomp. & C.* 534; overruled in *Marston v. Swett* (1876), 66 N. Y. 206.

<sup>9</sup> That the receipt of materials or instructions with the void patent does not impair this defence, see *Bliss v. Negus* (1811), 8 Mass. 46.

<sup>10</sup> That a vendee is not bound by the sale where the patent is void, but if he would defend against an action for the price on that ground, he must spread his equity on the record, see *Bellas v. Hays* (1819), 5 S. & R. 427.

<sup>11</sup> That the vendee must pay *pro tanto* if the patent is partly void, and the subject-matter is divisible, see *Nye v. Raymond* (1854), 16 Ill. 153.

<sup>12</sup> That a vendee who has sold his interest to another cannot defend against his vendor's action for the price on the ground of invalidity or uselessness, un-

to defend against an action for the purchase money, on the ground that the patent is void, may be waived by the parties in their contract, and where they have expressly provided in another manner for its possible invalidity, the assignee cannot allege it as an answer to the suit.<sup>13</sup> That the invention covered by the patent is an infringement upon earlier patents has been declared to be a defence, if the assignee was ignorant of this fact at the time of purchase, but the existence of a later patent for the same invention offers no bar to a recovery by the assignor.<sup>14</sup>

§ 1240. Defences of the Assignee against the Assignor's Action for the Purchase Money: Fraud in the Sale.

That the assignee was led to purchase the monopoly by the fraudulent representations of the assignor is another defence which may be urged successfully against an action for the price.<sup>1</sup> Such representations must have been averments of existing facts, as distinguished from mere expressions of opinion or exaggerated recommendations of the invention, but may relate either to the title of the assignor, the validity of the patent, or the utility and value of the patented process or device. An assignee, defending upon this ground, must offer

less there was a warranty or a fraud, nor can he restore the patent and rescind the sale, and he is also estopped by his own assignment based on that of the vendor, see *Thomas v. Quintard* (1855), 5 Duer, 80.

<sup>13</sup> That if both parties provide in the conveyance for the possible invalidity of the patent, the vendee cannot defend, in an action for the price, on the ground of want of consideration, see *Johnson v. Willimantic Linen Co.* (1866), 33 Conn. 436.

<sup>14</sup> That in a suit on a note given for a patent-right, evidence that the patent was void as being an infringement of a prior patent is not admissible unless that fact has been found by a competent Federal court, see *Elmer v. Pennel*

(1855), 40 Me. 430. *Contra*, *Nash v. Lull* (1869), 102 Mass. 60.

That another patent has been granted to a later patentee for the same invention is no defence to a note for a prior patent, see *Crow v. Eichinger* (1870), 34 Ind. 65.

§ 1240. <sup>1</sup> That fraudulent representations by the vendor that the invention was never before patented, and never used except under the patent sold, will be a good defence to a note given therefor, see *Morrow v. Brown* (1869), 31 Ind. 378.

That a note for a patent, fraudulently obtained and void, is invalid though some materials were furnished and instructions given to the vendee, see *Bliss v. Negus* (1811), 8 Mass. 46.



to return the patent, and show that he derived no benefits therefrom, or render an account of those which he received.<sup>2</sup>

§ 1241. Defences of the Assignee against the Assignor's Action for the Purchase Money: Breach of Warranty.

A breach of warranty may constitute an entire or partial defence to an action for the purchase money, according to the nature of the broken covenant.<sup>1</sup> The implied warranty of title, and the express warranty of validity, are of the essence of the contract, and a breach of these relieves the assignee from all his obligations. Other covenants may have the same or a more limited effect, to be determined by the extent to which their non-fulfilment impairs the value of the patent to the assignee. If their infraction is equivalent to a total failure of the consideration for the promise of the assignee to pay the price, or if the price cannot be apportioned between the advantage he receives from the conveyance and that of which he is deprived by the breach of warranty, the action of the assignor must fail. But when he has derived and still retains a partial and separable benefit from the assignment, he may be compelled to pay a corresponding portion of the purchase money.

§ 1242. Defences of the Assignee against the Assignor's Action for the Purchase Money: Special Statutory Defences.

To guard against the perpetration of fraud upon assignees by the sale of invalid patents several of the States have

<sup>2</sup> That where a vendee defends an action for the price on the ground of fraud in the sale, he should aver that he made no profits and offer to reconvey, see *Rose v. Hurley* (1872), 39 Ind. 77.

That a vendee when sued for the price of a patent may show fraudulent representations of the plaintiff as to the usefulness of the invention, although he did not offer to return it after discovering its want of utility, see *Groff v. Hansasel* (1878), 33 Md. 161.

§ 1241. <sup>1</sup> That a breach of warranty

by the vendor is a defence against the notes given by the vendee, see *Hawes v. Twogood* (1861), 12 Iowa, 582.

That a vendee, who purchases an invention with an agreement from the vendor to pay any license fee which the vendee may be compelled to pay for the use of the invention, may defend against an action for the price *pro tanto*, on the ground that he has paid such license fee on demand of the agent of the patentee, see *Orr v. Burwell* (1849), 15 Ala. 378. See also § 783 and notes, *ante*.

enacted special laws, imposing certain restrictions on the sale, or prescribing certain forms for the expression of the contract. Statutes limiting the right to sell the patent privilege itself have been uniformly held unconstitutional, because impairing franchises conferred by Congress under the Constitution of the United States.<sup>1</sup> But the power of individual States to regulate the use or sale of patented articles, and to compel compliance with specific forms of contract, is unquestionable.<sup>2</sup> Those to which reference is here particularly made relate to negotiable paper given in payment by the assignee. Under the law-merchant such paper in the hands of a *bona fide* holder, who took it in the usual course of business before maturity, is good against the maker irrespective of any equities or possible defences between him and the assignor. The vendor of an invalid patent, or defective title, was thus enabled to deprive the assignee of all defence against an action for the price, by obtaining a negotiable note for the purchase money and negotiating it before the fraud or want of consideration was discovered.<sup>3</sup> To prevent this evil, statutes were enacted in a number of the States, requiring every note given for a patent to recite that fact upon its face and thus put every subsequent holder upon inquiry as to the existence of an adequate consideration. These statutes have been sustained by the courts of last resort, and under them an assignee whose note contains this information can set up any defence

§ 1242. <sup>1</sup> That a State has no power to enact laws impairing the value or affecting the mode of transfer of letters-patent, see *People v. Russell* (1883), 49 Mich. 617; 25 O. G. 504; *Wilch v. Phelps* (1883), 14 Brown (Neb.), 134; *Crittenden v. White* (1876), 23 Minn. 24; *Patterson v. Com.* (1875), 11 Bush (Ky.), 311; *Hollida v. Hunt* (1873), 70 Ill. 109; and other cases cited in § 46, note 4, *ante*.

That a State may require the vendor of patent-rights to file with the county clerk copies of the letters-patent, and an affidavit that the letters are genuine and unrevoked and that he has authority to sell, see *Hankey v. Downey* (1888), 116

Ind. 118; *Pape v. Wright* (1888), 116 Ind. 502; *New v. Walker* (1886), 108 Ind. 365.

<sup>2</sup> That the use or sale of patented articles may be regulated by State laws, see *Hackett v. State* (1885), 105 Ind. 250; *Patterson v. Com.* (1875), 11 Bush (Ky.), 311; and § 46, note 4, *ante*.

<sup>3</sup> That a note given for a patent is good in the hands of a *bona fide* holder though the patent were invalid, see *Woolen v. Ulrich* (1878), 64 Ind. 120.

That the note was procured by fraud is no defence against a *bona fide* holder, see *Hereth v. Merchants National Bank* (1870), 34 Ind. 380.



against the holder which could have been advanced against the assignor.<sup>4</sup> But a note given for a patent, in the usual form and making no disclosure as to its consideration, is not changed in legal character by these statutes. In some States it has, indeed, been decided that, by virtue of these statutes, negotiable paper which omits this notice is open to all defences, in the hands of a holder having knowledge of its consideration, that might have been made if the notice had been properly inserted.<sup>5</sup> But at the same time it is asserted that an innocent holder may rely upon the note when in the ordinary form, whatever may have been the actual consideration.<sup>6</sup>

<sup>4</sup> That a State has power to prescribe the terms of a note given for a patent, see *Herdie v. Roessler* (1888), 109 N. Y. 127; *Haukey v. Downoy* (1888), 116 Ind. 118; *Pape v. Wright* (1888), 116 Ind. 502; *Herdie v. Roessler* (1886), 39 Hun (N. Y.), 195; *New v. Walker* (1886), 108 Ind. 365; *Tod v. Wick Bros.* (1881), 36 Ohio St. 370; *Haskell v. Jones* (1878), 86 Pa. St. 173; *Domestic Sewing Mach. Co. v. Hatfield* (1877), 58 Ind. 187; and § 46, note 4, *ante. Contra*: *Castle v. Hutchinson* (1885), 25 Fed. Rep. 394; *Wilch v. Phelps* (1883), 14 Brown (Neb.), 134.

That a State may fix a maximum charge for the use of an invention, see *Central Union Tel. Co. v. Bradbury* (1885), 106 Ind. 1.

That the buyer of a note with notice that it was given for a patent is not, as matter of law, chargeable with knowledge that it was obtained by fraud or without consideration, but if he bought it with notice of the fraud he cannot estop the maker from setting up such defences against him, see *Sackett v. Kellar* (1872), 22 Ohio St. 554.

That where it is a penal offence under State laws to take a negotiable note for a patent not containing a statement that it was given for a patent, it is not such offence to take a non-negotiable note, see *State v. Brower* (1876), 30 Ohio St. 101.

That in a suit on a non-negotiable note by the assignee against the maker, the want of consideration is a good defence, see *Johnson v. McCabe* (1871), 37 Ind. 535.

That notes given for the product of an invention, or for the patented article, need not state that fact, though the law requires such statement when the note is given for the patent-right itself, see *State v. Peck* (1874), 25 Ohio St. 26.

<sup>5</sup> That where a State law requires that a note given for a patent shall state that fact on the note itself, a note without it is open, in the hands of one having notice of its consideration, to all defences which could be made if it contained it, see *De Long v. Barnes* (1887), 45 Ohio St. 237; *New v. Walker* (1886), 108 Ind. 365; *Weaver v. Frantz* (1881), 1 Pennypacker (Pa.) 153; *Tod v. Wick Bros.* (1881), 36 Ohio St. 370.

That where a statute requires the note to give notice of its consideration, and it fails to do so, a holder of a note with notice that it was given for a patent is affected by the fraud if there were any, see *Hunter v. Henninger* (1880), 93 Pa. St. 373.

<sup>6</sup> That where a note is given for a patent without the notice required by statute, an innocent *bona fide* holder before maturity is not bound by the equities, see *Tescher v. Merea* (1888),

Where there are no such statutes, the knowledge of a holder that the note was given for a patent does not charge him with any notice of fraud or secret equities, nor does the statement of its consideration alter its effect as negotiable paper under the general law.<sup>7</sup>

### SECTION III.

#### OF THE WRONGS COMMITTED BY LICENSORS AGAINST LICENSEES: AND THEIR REMEDIES.

##### § 1243. Rights of the Licensee against the Licensor.

The only universal right of licensees against their licensors consists in the enjoyment of the privileges conferred by the license, without the assertion against them of the prohibitory powers of the monopoly. Their other rights grow out of the peculiar contracts into which they enter, and are incapable of complete classification. The most common among them have, however, from time to time been submitted to adjudication, and the appropriate remedies for their violation have thus been determined. As these remedies are few in number and distinct in character, the subject can be treated more conveniently and clearly by making them the principal topics of discussion and grouping under each the wrongs which can be thereby redressed. These remedies are four: (1) A specific performance of the contract; (2) A rescission of the contract; (3) An action for damages; and (4) An action to recover back money improperly paid to the licensor.

118 Ind. 586; *Hunter v. Henninger* (1880), 93 Pa. St. 373; *Haskell v. Jones* (1878), 86 Pa. St. 173.

<sup>7</sup> That it is presumed that a note given for a patent-right is on good consideration, and a purchaser before maturity is not put on inquiry, see *Gerrish v. Bragg* (1883), 55 Vt. 329.

That the knowledge that a note was given for a patent-right raises no suspicion as to its validity, see *Borden v. Clark* (1873), 26 Mich. 410; *Miller v. Finley* (1872), 26 Mich. 249.

That the words "given for a patent-

right," in a note, do not import that there was fraud or give notice to the holder of any equities, see *Hereth v. Merchants National Bank* (1870), 34 Ind. 380.

That writing on a note "given for a patent-right" does not affect the character of the note under the law-merchant, and the maker cannot set up his equities against a *bona fide* holder, see *Hereth v. Meyer* (1870), 33 Ind. 511. *Contra*: *Herdic v. Roessler* (1888), 109 N. Y. 127; *Herdic v. Roessler* (1886), 39 Hun (N. Y.), 195.



§ 1244. Remedies of the Licensee against the Licensor: Specific Performance.

In certain cases equity will decree a specific performance of the contracts embraced in or collateral to the license; in others, it will afford an equivalent remedy by enjoining against conduct contrary to the rights thereby conferred. Where the licensor refuses to execute essential instruments, or where his contract binds him to reduce the license fees if subsequent licenses are granted at a lower rate, these obligations can be specifically enforced.<sup>1</sup> When he endeavors to invade the rights created by the license, as by improperly declaring it forfeited and warning the public against dealing with the licensee, or by licensing others contrary to the terms of an exclusive license; or where having agreed to supply the licensee with the patented articles for sale, he threatens to retire from business and assign the patent, to the destruction of the value of the license, — an injunction may be granted to restrain him from his contemplated wrong.<sup>2</sup> In all cases,

§ 1244. <sup>1</sup> That a parol contract for a license can be specifically enforced, see *Nichols v. Marsh* (1886), 61 Mich. 509.

That an implied contract can be specifically enforced, see *Fuller Co. v. Bartlett* (1887), 68 Wis. 73.

That a contract to reduce royalties if others are licensed at a less sum is enforceable in equity, see *Washburn & Moen Mfg. Co. v. Chicago Galvanized Wire Fence Co.* (1884), 109 Ill. 71.

That in a suit by a licensee against one of three joint licensors, to obtain a change of terms in the license, all must be made parties or there can be no decree, see *Florence Sewing Mach. Co. v. Singer Mfg. Co.* (1870), 4 Fisher, 329; 8 Blatch. 113.

That where the licensor agreed with the licensee not to license others at a less royalty without reducing his, and does so license, this *ipso facto* reduces his, see *Florence Sewing Mach. Co. v. Grover & Baker Sewing Mach. Co.* (1872), 110 Mass. 70.

<sup>2</sup> In *Baker Mfg. Co. v. Washburn & Moen Mfg. Co.* (1883), 5 McCrary, 504, McCrary, J. : (507) "We think that so much of the injunction as restrains the defendant from declaring a forfeiture of the complainant's license for non-payment of royalty at the rate originally fixed therein should remain in force. A public declaration of such a revocation might greatly injure the business of the complainant, and the damages could not readily be ascertained and compensated in money. It would destroy, in a great measure, confidence in the right and title of complainant, and thus disable it from making sales. Persons dealing in patented articles must be able to assure the public that they have a clear right to do so, in order to secure patronage, since both seller and buyer may be liable in damages if the article is sold in violation of the rights of the owner of the patent-right." 18 Fed. Rep. 172 (174).

That the licensor of an exclusive

however, the circumstances of the parties and the consequences of the wrongful act must govern. The license contract is eminently a personal one, and therefore if no ground for equitable interference exists, either in the subject-matter of the agreement or the irreparable injury which its violation will entail, the licensee must seek his remedy at law.<sup>8</sup>

§ 1245. Remedies of the Licensee against the Licensor: Rescission of the License.

The license, with its dependent contracts, may be rescinded by a court of equity on account of fraudulent representations of the licensor inducing the acceptance of the license by the licensee, or on account of flagrant breaches of the contract.<sup>1</sup> Where the licensor forbids the licensee to practise the invention, and especially where in an action for infringement he prevents him by an injunction from enjoying the privileges bestowed upon him by the license, the licensee is absolved from its obligations, and may obtain from equity its formal and final cancellation.<sup>2</sup> Whether a licensee can, under any

licensee to sell, having agreed to supply the licensee with articles for sale, may be enjoined from giving up his business and assigning his patents and so destroying the value of the license, see *Singer Sewing Mach. Co. v. Union Button Hole and Embroidery Co.* (1873), Holmes, 253; 6 Fisher, 480; 4 O. G. 553.

<sup>8</sup> That equity will not define the conditions in a license, nor save the licensee from the consequences of his mistakes of fact or construction, see *Florence Sewing Mach. Co. v. Singer Mfg. Co.* (1870), 4 Fisher, 329; 8 Blatch. 113.

That equity will not interfere to prevent the licensor from denying the licensee's right, or the licensor from revoking the license, see *Florence Sewing Mach. Co. v. Singer Mfg. Co.* (1870), 4 Fisher, 329; 8 Blatch. 113.

That on a deposit of a license fee, pending a motion to enjoin the licensor from interfering with the licensee, and the dismissal of the bill, the fee will be

ordered paid to the licensor or be retained by the court till the whole case is decided, see *Florence Sewing Mach. Co. v. Singer Mfg. Co.* (1871), 4 Fisher, 348; 8 Blatch. 177.

That a party receiving a benefit from a contract may be restrained from violating it, though the other party be not bound, see *Singer Mfg. Co. v. Union Button Hole & Embroidery Co.* (1873), 4 O. G. 553; 6 Fisher, 480; Holmes, 253.

§ 1245. <sup>1</sup> That a license may be annulled on the ground of fraudulent misrepresentations of the licensor as to the salableness of the invention, see *Hull v. Fields* (1882), 76 Va. 594.

<sup>2</sup> That a licensor does not *ipso facto* dissolve the contract by prohibiting the licensee from using the patented article, see *Union Mfg. Co. v. Lounsbury* (1864), 42 Barb. 125.

That suing out and serving an injunction is a breach of the contract of license, see *Sullings v. Goodyear Dental Vulcanite Co.* (1877), 36 Mich. 313.



circumstances, so repudiate the license as to escape all liability for breach of its conditions may be doubted; but its rescission in a court of equity determines the relation between him and the licensor, and makes him thenceforward a stranger to the patent.<sup>3</sup>

§ 1246. Remedies of the Licensee against the Licensor: Action for Breach of Contract.

An action for damages may be maintained at law by the licensee for any breach of the license contract on the part of the licensor. Where an exclusive license has been granted, or a license containing stipulations not to license others in the future, a violation of these stipulations renders the licensor liable for all resulting injuries.<sup>1</sup> Such an exclusive right is invaded by every concession, by suit or otherwise, which operates as a recognition of the privilege in others, whether they are later patentees or not, and whether the invention which they practise is identical with or different in name and formal attributes from that covered by the license.<sup>2</sup> An agreement of the licensor to sue infringers, and to use due diligence in the protection of the licensee, subjects him to an action if he neglects this duty, though such agreements do not oblige him to attack those whose claims are based on adverse patents, or estop him from averring that his efforts would be fruitless on account of the invalidity of his own patent.<sup>3</sup>

<sup>3</sup> See §§ 819, 820, 822, and notes, *ante*.

§ 1246. <sup>1</sup> That a new license granted to others, in violation of the rights of an existing licensee, makes the licensor liable for all resulting damage, see *Pitts v. Jameson* (1853), 15 Barb. 310.

That where a royalty is based on the number of articles sold, if the licensee ceases to make and sell he abandons his license; and the licensor may then license to other parties, see *Pitts v. Jameson* (1853), 15 Barb. 310.

<sup>2</sup> That an agreement by the licensor not to license any other person is broken by every concession, by suit or otherwise, which operates as a recognition of

the rights of others to make and use, whether they are later patentees or not, see *Jackson v. Allen* (1876), 120 Mass. 64.

That a licensor granting an exclusive territorial license excludes himself and all others from using any device, though different in name, which is substantially the same, see *Ferree v. Smith* (1877), 29 La. An. 811.

<sup>3</sup> That if a licensor who has agreed to prosecute infringers stops the infringement in any way, it complies with the agreement, see *Foster v. Goldschmidt* (1884), 21 Fed. Rep. 70; 28 O. G. 915; 22 Blatch. 287.

That a license with a covenant to sue

Acts of infringement by the licensor, within the territory of his licensee, may be treated as breaches of contract and the basis of an action for damages, or as infringements calling for an equitable remedy, at the option of the licensee.

§ 1247. Remedies of the Licensee against the Licensor: Action to Recover Back the Moneys already Paid.

An action will lie to recover license fees paid by mistake or on a contract procured by the fraud of the licensor. Where several patents are covered by one license, and the amount due to each can be apportioned, if the gross sum is paid in good faith after some of the patents have expired, the part received for the expired patents must be refunded.<sup>1</sup> Mistakes in computation, followed by erroneous payments, may be rectified in the same manner. Where license fees have been obtained by fraud, and no benefit whatever has resulted to the licensee, an action to enforce repayment may be maintained. But when the licensee has derived from the license advantages equivalent to the sum expended, although he may recover nominal damages in an action for the fraud, a restoration of the license fee cannot be claimed.<sup>2</sup> That the patent is adjudged invalid after license fees have been paid affords no ground for their recovery from the licensor.<sup>3</sup>

infringers, and not to license others, and to use diligence in securing the licensee's rights, does not bind the licensor to protect the licensee against persons claiming under adverse patents, or warrant against them, or estop the licensor from denying the validity of the patent in a suit for damages for not suing or for licensing others, see *Jackson v. Allen* (1876), 120 Mass. 64.

§ 1247. <sup>1</sup> That where licensees under several patents continue to pay royalties on all after some have expired, without knowledge on their part or notice from the licensor, they can recover back what they should not have paid in assumpsit, if they are without fault and acting under a mistake of fact, believing that all the patents are still in force, see

*Stanley Rule & Level Co. v. Bailey* (1878), 45 Conn. 464.

That where a receiver by agreement for three owners of a patent recovers the royalties for them and pays them over, and the licensee sues to recover them back as paid by mistake, the owners must be the defendants though no demand was made on the receiver, before distribution, by the licensees, see *Florence Sewing Mach. Co. v. Grover & Baker Sewing Mach. Co.* (1872), 110 Mass. 70.

<sup>2</sup> That a settlement made under threat of a suit is not void for fraud or intimidation, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100; 37 O. G. 781.

<sup>3</sup> That money paid for license fees cannot be recovered back after the pat-



## SECTION IV.

OF THE WRONGS COMMITTED BY LICENSEES AGAINST LICENSORS:  
AND THEIR REMEDIES.

## § 1248. Rights of Licensor against Licensee.

The rights of a licensor against his licensee are wholly governed by their private contracts, and can therefore assume any form the parties may desire. In few, if any, cases are these rights enforceable in equity, except by a rescission of the contract for their violation, — actions for damages and for unpaid license fees affording usually an ample remedy.

## § 1249. Remedies of Licensor against Licensee: Rescission of License.

A license may be rescinded in equity, on the application of the licensor, whenever the misconduct of the licensee renders its continuance prejudicial to the contract rights of the licensor. Thus where the licensee refuses to comply with the terms of the license, and thereby causes injury to the licensor, a bill in equity will lie to revoke it and to recover damages.<sup>1</sup> The same remedy exists when the licensee assigns to others a mere personal license, or when, having agreed to pay a license fee based on the number of patented devices which he makes and sells, he neglects to manufacture them in reasonable quantities and put them on the market.<sup>2</sup> A breach of covenant

ent is declared invalid, see *Schwargenbach v. Odorless Excavating Apparatus Co.* (1885), 35 O. G. 1339.

That a settlement under fear of suit cannot be rescinded on the ground that the patent has subsequently been held invalid in a suit by other parties, see *Pope Mfg. Co. v. Owsley* (1886), 27 Fed. Rep. 100; 37 O. G. 781.

It would seem that the doctrine of these cases should be so modified as to conform to that governing the right of the licensor to recover license fees, as set forth in § 1251 and notes, *post*.

§ 1249. <sup>1</sup> That where a licensee re-

fuses to comply with the terms of his license a bill will lie to revoke his license and for damages, see *Adams v. Meyrose* (1882), 10 Fed. Rep. 671.

<sup>2</sup> That the assignment of a personal license is invalid, see § 823 and notes, *ante*.

That the failure of the licensee to manufacture and sell the articles on which royalties are payable is an abandonment of the license, see *Pitts v. Jameson* (1853), 15 Barb. 310.

That an agreement to pay the inventor a royalty until \$5,000 has been paid, and then a lower one, is an agree-

does not, however, *ipso facto* annul the license, nor can this be accomplished by notice to the licensee to cease his use of the invention, though such notice must be given by the licensor if the terms of the agreement so require.<sup>3</sup> The licensee has a right to be heard by a competent tribunal before his privileges can be withdrawn, and if the licensor attempts to declare the license void, and in this manner interfere with the business of the licensee, he may be enjoined, on proper conditions, until the right to forfeiture can be determined.<sup>4</sup> Equity will not aid a licensor in enforcing his rights unless he has substantially fulfilled his own obligations, and the licensee in his defence may set up the same matters which would avail him if the suit were one at law for an infringement.<sup>5</sup>

§ 1250. Remedies of Licensor against Licensee: Action for Breach of Contract.

A licensee who violates the provisions of his license may be sued on the contract for damages. When his wrongful acts constitute also an infringement of the patent the licensor

ment to continue the business as long as it is reasonably profitable, see *Wilson v. Marlow* (1872), 66 Ill. 385.

<sup>3</sup> That a license is not forfeited by non-payment of royalties, unless the license so provides, and the licensor can sue only in the local courts for royalties, not in the Federal courts for infringement, see *Consolidated Midclings Purifier Co. v. Wolf* (1886), 37 O. G. 567 ; 28 Fed. Rep. 814.

That a license cannot be annulled by a mere notice to the licensee, see *Union Mfg. Co. v. Lounsbury* (1864), 42 Barb. 125.

<sup>4</sup> That a license can be rescinded only by mutual agreement of the parties or by a court of equity, see § 822 and notes, *ante*.

That an agreement that on failure of the licensee to perform his covenants the licensor may rescind the license by a written notice is valid, and if the license is so rescinded future uses will

be infringements, see *Hammacher v. Wilson* (1886), 36 O. G. 233 ; 26 Fed. Rep. 239.

That where a licensor attempts to revoke the license and notifies the public of such revocation he may be enjoined, see *Baker Mfg. Co. v. Washburn & Moen Mfg. Co.* (1883), 5 McCrary, 504 ; 18 Fed. Rep. 172.

<sup>5</sup> That equity will not aid a licensor who has not kept his own covenants with the licensee, see *Foster v. Goldschmidt* (1884), 22 Blatch. 287 ; 21 Fed. Rep. 70 ; 28 O. G. 915.

That a licensee cannot justify his infringements by the licensor's breach of contract, see *Willis v. McCollin* (1886), 38 O. G. 1017 ; 29 Fed. Rep. 641.

That a licensor who has misrepresented his rights to his licensees and fails to protect them is not entitled to a specific performance of their contract, see *Brewster v. Tutthill Spring Co.* (1888), 34 Fed. Rep. 769.



may have his remedy either for the breach of contract or for the invasion of the monopoly; and if he adopts the former the measure of his damages will be the injury caused by the infringement.<sup>1</sup> When his violation of the agreement consists

§ 1250. <sup>1</sup> In *Magic Ruff Co. v. Elm City Co.* (1875), 8 O. G. 773, Shipman, J.: (774) "If the licensee 'uses the patented invention beyond the limits of the license or grant, or in any way not authorized by the license or grant, then there has been a violation of a right secured to the patentee under a law of the United States, giving to him the exclusive right to use the thing patented, although such licensee performs, according to their terms, all the covenants entered into by him.' (Goodyear *v.* Union India Rubber Co., 4 Blatchf. C. C. R. 65; Wood *v.* Wells, Crittenden & Co., 6 Fisher's Patent Cases, 382.) And if the licensees have also expressly covenanted in their agreement of license that they will do, or will not do, a particular act, or will not use the invention for a particular purpose, a violation of such covenant is also a breach of contract, not arising under the laws of the United States but for which remedy may be sought in the Circuit court of the United States, provided the citizenship of the parties gives jurisdiction to such courts. (Goodyear *v.* Union India Rubber Co., cited, *supra*; Goodyear *v.* Congress Rubber Co., 3 Blatchf. C. C. R. 455; Wilson *v.* Sanford, 10 Howard, 99.) In this case it was competent for the complainants to take either one of the two remedies for the alleged injury which have been mentioned. They could bring a bill alleging an injury to their exclusive rights under the laws of the United States, or, as the residence of the party gave this court jurisdiction, could bring a proper suit setting up the breach of the contract as the gravamen of their action. The averments of their bill are

sufficient to justify a court in holding it necessary that it is a bill for an injury to their patent-rights, but it is manifest from an examination of the stating part of the bill that the pleader intended to make the alleged breach of agreement the foundation of the action, and that he is seeking to recover damages for an injury to the complainants arising out of the violation of the contract. But the defendants insist that a bill in equity, based upon the contract, cannot be sustained, because for a breach of the contract there is complete and adequate remedy at law. There is undoubtedly a remedy at law for the alleged injury. The only question is whether it is complete and adequate. If the complainants were seeking to recover royalties which the defendants had agreed to pay, inasmuch as the account is particularly within the knowledge of the defendants, or if the patent was still in existence and the prevention remedy by injunction against future injuries could be administered, there would be no question that a bill in equity would be a proper remedy. (*Eureka Co. v. Bailey*, 11 Wall. 488; Goodyear *v.* Congress Rubber Co., 3 Blatchf. C. C. R. 449; *Rich et al. v. Atwater*, 16 Conn. 409.) In this case the defendants had not agreed to pay royalties, and an injunction cannot be granted inasmuch as the patent has expired. It is alleged that the defendants have violated the contract of license by manufacturing and selling a ruffle which they were not authorized to make, and which they had agreed not to make. By this violation the complainants say that they have been injured, and the redress which they ultimately seek is the payment of dam-

in mere omissions, — as where he fails to practise the invention and thus realize the stipulated royalties for the licensor, — the suit must be for damages alone.<sup>2</sup> The licensee, when sued for the breach of a covenant concerning his mode of using the invention, is not estopped by the covenant from averring that the patent of the licensor is void.<sup>3</sup>

ages. Although the suit is upon the contract the damage to the complainants, if any, is the damage which they have sustained from the injury to their patent-rights. The ascertainment of the facts from which such damages can be estimated is, in cases of injury to property in letters-patent, peculiarly within the province of a court of equity, because the facts from which damages are to be computed can only be ascertained by an account and a discovery of the number and amount of articles which have been sold by the defendants, facts which are exclusively within their knowledge. They alone have the evidence which can enable the complainants to recover either at law or in equity." 13 Blatch. 151 (156); 2 Bann. & A. 152 (157).

That a licensee, exceeding his license, may be sued either under the contract or as an infringer, see *Pope Mfg. Co. v. Owsley* (1886), 37 O. G. 781; 27 Fed. Rep. 100.

That in such cases the damages for the breach of contract are measured by the loss caused by the infringement, see *Magic Ruffle Co. v. Elm City Co.* (1875), 13 Blatch. 151; 2 Bann. & A. 152; 8 O. G. 773.

That after recovery in assumpsit or account no further damages for the infringement can be claimed, see *Steam Stone Cutter Co. v. Sheldons* (1883), 24 O. G. 703; 15 Fed. Rep. 608; 21 Blatch. 260.

<sup>2</sup> That mere non-payment of royalties does not make the licensee an infringer, see *Consolidated Middlings Pur-*

*ifier Co. v. Wolf* (1886), 37 O. G. 567; 28 Fed. Rep. 814.

That a contract to pay royalties *per* thing done obliges the licensee only to pay for what is actually done not on what might have been done, see *Newell v. Wheeler* (1867), 2 Trans. Ap. (N. Y.) 160.

That an agreement to pay a certain sum for each of the first four hundred machines made is not a contract to make that number, see *Babcock v. Northern Pacific R. R. Co.* (1886), 26 Fed. Rep. 756; 36 O. G. 942.

<sup>3</sup> That a covenant by the licensee as to the mode of use of the invention does not estop him from showing that the patent is void when he is sued thereon, see *Bliss v. Negus* (1811), 8 Mass. 46; *Hayne v. Maltby* (1789), 3 D. & E. 438.

That a covenant to aid in suppressing infringements is binding on the licensee personally, see *Washburn & Moen Mfg. Co. v. Southern Wire Co.* (1889), 37 Fed. Rep. 428.

That the covenants in a license cannot deprive the licensee of the right to show that his acts do not infringe the patent, see *White v. Lee* (1882), 23 O. G. 1621; 14 Fed. Rep. 789.

That a breach of the license by the licensor does not justify the licensee in infringing, see *Willis v. McCollin* (1886), 38 O. G. 1017; 29 Fed. Rep. 641.

That the revocation of a license before the alleged infringement leaves the former licensee to urge any defence open to ordinary infringers, see *Wooster*



§ 1251. Remedies of the Licensor against the Licensee: Action for License Fees for the Use of the Invention.

The refusal or neglect of a licensee to pay the stipulated license fees subjects him to an action at law for their recovery.<sup>1</sup> The obligation to recompense the licensor for the use of the invention is somewhat different in its nature and its consequences from the obligation to pay royalties on actual sales, and these two obligations must be, therefore, separately considered. The obligation to pay the license fee for the use of the invention arises on the acceptance of the license by the licensee.<sup>2</sup> It is immaterial whether he actually practises the invention or not, the consideration for his contract being his immunity against the prohibitions of the patent. It is also of no importance whether the invention has pecuniary value in the market, or eventually proves beneficial to the

*v. Singer Mfg. Co.* (1883), 23 O. G. 2513.

That equity may compel a discovery of the number of articles made under a license, if the licensee has covenanted to make such disclosures and fails to do so, see *Pope Mfg. Co. v. Owsley* (1886), 37 O. G. 781; 27 Fed. Rep. 100.

That a contract to arbitrate before suit is binding, and the plaintiff must show that he has made all reasonable efforts in that direction, see *Perkins v. United States Electric Light Co.* (1883), 24 O. G. 204; 21 Blatch. 308.

§ 1251. <sup>1</sup> That the remedy for a breach of contract to pay license fees is an action at law unless discovery or other equitable relief is needed, see *Ball Glove Fastening Co. v. Ball & Socket Fastener Co.* (1888), 36 Fed. Rep. 309; *McKay v. Mace* (1884), 23 Fed. Rep. 76; 17 Phila. 573; *McMillan v. St. Louis & Miss. Valley Trans. Co.* (1883), 18 Fed. Rep. 260; 5 McCrary, 561; *Blanchard v. Sprague* (1859), 1 Clifford, 288.

That equity has no jurisdiction of a suit to recover a license fee, see *McMillin v. St. Louis & Miss. Valley Transportation Co.* (1883), 18 Fed. Rep. 260; 5

*McCrary*, 561; *Blanchard v. Sprague* (1859), 1 Clifford, 288.

That equity has jurisdiction over a bill for discovery and account under a license for royalties, if the parties are of different citizenship, see *McKay v. Mace* (1884), 23 Fed. Rep. 76; 17 Phila. 573.

That equity has jurisdiction over a bill for an injunction, discovery, and account against licensees who fail to comply with continuing obligations, see *McKay v. Smith* (1886), 29 Fed. Rep. 295; 39 O. G. 959.

That a license may run after an extension and the royalty will be collectible, see *Union Mfg. Co. v. Lounsbury* (1869), 41 N. Y. 363; *Union Mfg. Co. v. Lounsbury* (1864), 42 Barb. 125.

That a use by the vendees of a licensee is a use by him and he is liable to pay license fees for such use, see *Sherman v. Champlain Transportation Co.* (1858), 31 Vt. 162.

<sup>2</sup> That the obligation to pay the license fee is implied from the acceptance of the license, see *Paper Stock Disinfecting Co. v. Boston Disinfecting Co.* (1888), 147 Mass. 318.

licensee. Until the license is repudiated, or the contract is rescinded, his liability continues and the payments must be made. When sued for license fees, however, he may defend on any ground which is equivalent to a failure of the consideration for his contract.<sup>3</sup> Thus he may set up a want of title in his licensor, and show that other parties own the same or a superior patent to whom he may be held responsible for its enjoyment, unless he knew of the defect of title when he accepted the license.<sup>4</sup> But where he is the owner of the rival patent, and took the license to quiet the dispute between himself and the licensor, and has received the benefit desired, he cannot in an action for the license fee attack the title which his conduct has admitted.<sup>5</sup> Nor can a title under a subsequent patent be urged by him in his defence, unless his recognition of the title of the licensor was fraudulently obtained.<sup>6</sup> It has sometimes been said that if the patent of the licensor is void there can be no consideration for the contract since a void patent creates no monopoly, and where there is no monopoly there can be no actual immunity.<sup>7</sup> This position

<sup>3</sup> That where the consideration for the license fees has wholly failed they cannot be collected, see *Jenkins v. Abbotts* (1874), 54 N. H. 447.

That a licensee cannot defend a suit for royalties on the ground that the licensor grants licenses to others at a less rate unless there was an express covenant that he would not do so, see *McKay v. Smith* (1889), 39 Fed. Rep. 556.

<sup>4</sup> That a licensee cannot show want of title in his licensor as a defence to an action for license fees, if he had due notice of the facts when the license was given, see *Jones v. Burnham* (1877), 67 Me. 93.

That a licensee taking his license with a full knowledge of the adverse claims against the patent, and enjoying the benefit of his license, cannot then attack the licensor's patent, see *Parkhurst v. Kinsman* (1849), 1 Blatch. 488.

<sup>5</sup> That a rival patentee, taking a license to quiet a dispute and receiving its

benefits, cannot defend a suit for license fees by denying the right of the licensor, see *Hall Mfg. Co. v. American Railway Supply Co.* (1882), 48 Mich. 331.

<sup>6</sup> That a licensee when sued on the license cannot defend by setting up rights under a subsequent patent to justify his non-performance of duty, or question the validity of the plaintiff's patent, unless he alleges fraud in the plaintiff, see *Fornecrook Mfg. Co. v. Barnum Wire & Iron Works* (1884), 54 Mich. 552.

<sup>7</sup> That the price for a license to use the invention is not recoverable if the patent is void or the licensor has no title, see *Pacific Iron Works v. Newhall* (1867), 34 Conn. 67.

That on a license to practise the invention, the royalty is not collectible if the patent is worthless, see *Jenkins v. Abbotts* (1874), 54 N. H. 447.

That in a suit by payees or endorsees with notice on a note for license fees,



is, however, incorrect, for while the patent remains unimpugned by a decree of invalidity the ability of the patentee to enforce it, and consequently the immunity from its prohibitions enjoyed by the licensee, are presumed to be legitimate and real. Hence it has been held, in other and better considered cases, that if the patent is apparently valid the licensee, under its assumed protection, has enjoyed advantages of which, without the license, he would have been deprived, and that his obligations under the license continue until he is disturbed in his enjoyment by a superior patent, or until the patent under which he acts has been declared invalid or annulled.<sup>8</sup> Upon

the defendant has the same rights as if the suit were for license fees direct, and if the patent is void the note is without consideration, see *Saxton v. Dodge* (1870), 57 Barb. 84.

That an exclusive license to make, with an agreement to assign after the license expires, is without consideration if the patent is invalid, and the license fee cannot be recovered, the licensee enjoying no rights which he did not already have, see *Harlow v. Putnam* (1878), 124 Mass. 553.

<sup>8</sup> That an assignment and a license stand on different ground as to the defence of want of consideration, since if the patent is invalid the assignee gets nothing, while the licensee may still have received benefits, see *Jones v. Burnham* (1877), 67 Me. 93.

That a licensee, receiving benefits under a license covenanting not to deny validity, is estopped from making such denial in a suit for license fees, see *Magic Ruffle Co. v. Elm City Co.* (1875), 8 O. G., 773; 13 Blatch. 151; 2 Bann. & A. 152.

That a licensee, after long delay and having enjoyed all possible benefits of the patent, cannot deny the consideration of the license, see *Davis v. Gray* (1867), 17 Ohio St. 330.

That a licensee who has had the benefit of exclusive rights under a patent

cannot deny its validity, see *Rogers v. Reissner* (1887), 41 O. G. 351; 30 Fed. Rep. 525.

That where a licensee derives any benefit from the license, though it be not an exclusive one, there is no failure of consideration, see *Laver v. Dennett* (1883), 109 U. S. 90; 25 O. G. 882.

That a licensee may dispute a patent when he has repudiated it with full knowledge of the licensor, see *Brown v. Lapham* (1886), 37 O. G. 676; 23 Blatch. 475; 27 Fed. Rep. 77.

That a licensee covenanting not to dispute the patent, or the licensor's title, is estopped while the license remains in force, see *Pope Mfg. Co. v. Owsley* (1886), 37 O. G. 781; 27 Fed. Rep. 100.

That the vendor of a machine, sold with a right to use a patented article therewith, can recover the price of the machine without proving his right under the patent, unless it appears that the vendee has been interfered with by one whose rights are *prima facie* violated by its use, see *Buss v. Putney* (1859), 38 N. H. 44.

That until the patent is annulled, or adjudged invalid, a licensee receiving its benefit must pay the license fees, see *White v. Lee* (1882), 23 O. G. 1621; 14 Fed. Rep. 789; *Marston v. Swett*

his eviction or the overthrow of the patent his liability to pay for the further use of the invention ceases, and whether his license fees were payable at intervals, or in a gross sum which is yet unpaid, the licensor can collect only an amount sufficient to cover the period of liability. And when the license fees have been paid for the whole term of the patent by a gross sum in advance it would seem that the licensee should recover from the licensor such a proportion of the amount as the remainder of the term bears to the period of liability, since as to that part of the license fee the consideration must have wholly failed. The obligations of licensees, under licenses to use implied from the relations of the parties, are in most respects identical with those created by express licenses, though they are not bound by the same estoppels.<sup>9</sup> A licensee, under an implied license arising from the lawful purchase of a patented device, acquires a right to use it as long as its identity can be preserved. Into the price of the device, in such cases, the license fee also enters, and when sued for the price the vendee may defend by showing that the article is an infringement of a prior patent and is therefore practically useless, or may set off against the price a license fee which he

(1880), 82 N. Y. 526; *Hilsen v. Libby*, (1878), 44 Sup. Ct. N. Y. 12.

That where the licensee is estopped by his agreement the license is not affected by the fact that in a suit between other parties the patent has been held invalid, see *Pope Mfg. Co. v. Owsley* (1886), 37 O. G. 781; 27 Fed. Rep. 100.

That the vendee of a right to use cannot enjoin the vendor from suing for the price on the ground of a prior patent, unless there has been warranty or fraud, see *Cansler v. Eaton* (1856), 2 Jones Eq. (N. C.), 499.

<sup>9</sup> That assumpsit will lie to recover for use under an implied license, see *Deane v. Hodge* (1886), 35 Minn. 146.

That where an inventor was an officer of a corporation which used his invention with his consent, he can recover in assumpsit a reasonable compensation for

such use unless it was implied to be without compensation, see *Deane v. Hodge* (1886), 35 Minn. 146.

That where two patents cover improvements on the same invention, and an action in assumpsit is brought on both, recovery may be had on the second as to so much of the invention as is not covered by the first, see *Deane v. Hodge* (1886), 35 Minn. 146.

That one who uses under an implied license cannot deny utility when sued for compensation, see *Palmer v. U. S.* (1885), 20 Ct. of Claims, 432.

That in an action to recover a royalty on an implied contract where the question of priority is raised, the patentee may show his efforts and achievements in the art in order to prove that he was the first inventor, see *Hubbell v. U. S.* (1885), 20 Ct. of Claims, 354.



has been compelled to pay in order to enjoy it.<sup>10</sup> A vendee, who has purchased with an option to return the article or pay the price inclusive of the license fee, must exercise his option within the stipulated or a reasonable time, or the sale will become absolute and the price can be recovered.<sup>11</sup>

§ 1252. Remedies of the Licensor against the Licensee: Action for Royalties on Sales.

The obligation to pay royalties on sales arises only when the sale is completed and the price received. Every voluntary act of the licensee which places the article beyond his own control has the legal effect of a sale, and is sufficient to create a liability for royalties.<sup>1</sup> Thus where he recovers dam-

<sup>10</sup> That a note for a device which the vendor represented to be covered by his patent, but which is in fact an infringement of the patent of another inventor, and has been enjoined as such, is void, see *Pacific Iron Works v. Newhall* (1867), 34 Conn. 67.

That the price of a patented machine cannot be recovered when the machine is an infringement on a prior patent and worthless, though its separate parts may be valuable, see *Peck v. Farrington* (1832), 9 Wend. 44.

That a vendee of a patented article cannot defend an action for the purchase money on the ground that he has been sued as an infringer and incurred expense thereby, though the vendor agreed to give him an indemnity bond and has failed to do so, but the failure to give the bond might be a complete defence by itself, see *Horne v. Hoyle* (1886), 27 Fed. Rep. 216; 36 O. G. 1248.

That a vendee may defend an action for the price on the ground that the invention infringes other patents, see *Croninger v. Paige* (1879), 48 Wis. 229.

<sup>11</sup> That if the vendee was to pay or return the device, he must return or tender a return within reasonable time

or he will be liable to the payment, see *Pottle v. Thomas* (1838), 12 Conn. 565.

That the agreement by the licensee to deliver up the licensed article at the end of a year is not fulfilled by his leaving it on the licensor's desk in his office, but in his absence and in the absence of any one acting for him, and without waiting a reasonable time to see him, although a delivery may be made at his place of business as well as at his residence, see *Wooster v. Sandman* (1879), 8 Daly (N. Y.), 218.

That the attempt to exercise an option, in cases where it does not exist, does not affect the general remedies for breach of contract, see *Weed v. Draper* (1870), 104 Mass. 28.

§ 1252. <sup>1</sup> That any act which has the effect of a sale is a sale for the purpose of estimating royalties, see *Wilder v. Adams* (1860), 16 Gray, 478.

That where an article passes beyond the control of the licensee by his own act it is equivalent to a sale for the purposes of a royalty, see *Wilder v. Stearns* (1871), 48 N. Y. 656.

That where one licensee, who is bound to pay a royalty on each article sold by him, buys articles of another licensee whose liability is the same, and

ages against infringers and in this mode legitimates their sales, these become practically sales of his, and royalties on them are payable to the licensor.<sup>2</sup> This liability he cannot avoid by varying the form or name of the article while its substantial attributes remain, nor by disposing of it in an incomplete condition to another licensee, nor is it terminated by a revocation of the license.<sup>3</sup> Upon an action for the recovery of royalties, sales may be proved by evidence of the manufacture and shipment of the articles, and if the licensee refuses to disclose their number and amount it will be presumed that these have not decreased since the last account was rendered.<sup>4</sup>

then sells them, he is not bound to pay a royalty on them though the other licensee fails to pay his royalty on them, see *Howe v. Wooldredge* (1866), 12 Allen, 18.

That where a certain sum is to be paid for every article sold or caused to be sold by the promisor he must account for every transfer of the right to use the article, and for all settlements made with those who use it without right, these being, in effect, sales also, see *Rodgers v. Torrant* (1880), 43 Mich. 113.

<sup>2</sup> That where a licensee, in pursuance of an agreement to sue infringers, recovers damages against them and thus legitimates their sales, he must pay a royalty on these articles also, it being in effect a sale, see *Wilder v. Adams* (1860), 16 Gray, 478.

<sup>3</sup> That a royalty must be paid on devices which employ equivalent elements, as well as on those which conform to the letter of the specification, see *Wilder v. Adams* (1860), 16 Gray, 478.

That a royalty on each article made and sold or disposed of covers unfinished articles sold to a new company succeeding the licensee, see *Marsh v. Dodge* (1875), 4 Hun (N. Y.), 278; 6 *Thomp. & C.* 568.

That although a licensee has been 300.

notified by the licensor that the license is terminated for breach of condition, the licensor can recover his royalty for the articles made and sold as well after as before the service of such notice, see *Union Mfg. Co. v. Lounsbury* (1869), 41 N. Y. 363.

That where a licensor, having been notified of the licensee's intention to terminate his license to use certain machines after three months, permits the licensee to sell the machines to a third party, and knowingly acquiesces in such sale for two years, he cannot then demand royalties from the licensee, see *Wilde v. Smith* (1879), 8 Daly, 196.

<sup>4</sup> That in a suit for royalties on sales, manufacture and shipment are *prima facie* evidence of sale, see *Marsh v. Dodge* (1872), 5 Lans. (N. Y.) 541.

That where the defendant in an action for royalties on sales refuses to account and show his books, it may be presumed that he sold as many as the last account showed, see *Smith v. Standard Laundry Co.* (1882), 11 Daly (N. Y.), 154.

That where a yearly royalty is payable, and the licensee has exercised his option to terminate the license in the middle of a year, he is obliged to pay a *pro rata* portion of the annual royalty, see *Gale v. Nourse* (1860), 15 Gray,



The licensee, in his defence, cannot attack the patent or the title of his licensor. In the price which he has charged and received for the articles sold the royalty has been computed and collected from the purchaser, and having derived this advantage from the license, he cannot be permitted to deny its obligations.<sup>5</sup> If the patent be in fact invalid his benefit is none the less on that account, and the apparent monopoly which it creates has at least served him in securing a market for his products and the profit on his sales.<sup>6</sup> But when the

<sup>5</sup> That a licensee in defence to an action for accrued royalties on sales cannot deny the validity of the patent, see *Hyatt v. Ingalls* (1883), 49 Sup. Ct. N. Y. 375; *Jones v. Burnham* (1877), 67 Me. 93; *Marston v. Swett* (1876), 66 N. Y. 206; *Marsh v. Dodge* (1875), 4 Hun (N. Y.), 278; 6 Thomp. & C. 568.

That an exclusive licensee to sell, having received the full benefit of his license, cannot in an action thereon deny the power of the licensor to license, nor question the validity of his patent, though he himself owns a rival patent and took a license to quiet disputes, see *Hall Mfg. Co. v. American Railway Supply Co.* (1882), 48 Mich. 331.

That on a suit for license fees for machines actually sold by the defendant, it is not a defence that the plaintiff is not the true inventor or that he has broken the contract, since if damages could be recouped against him, this would be no plea in bar, see *Birdsell v. Perego* (1865), 5 Blatch. 251.

That a licensee while receiving benefits under an apparently valid patent is obliged to pay his royalties, and the invalidity of the patent is no defence, see *McKay v. Smith* (1889), 39 Fed. Rep. 556; *Covell v. Bostwick* (1889), 39 Fed. Rep. 421; *Marsh v. Harris Mfg. Co.* (1885), 62 Wis. 276; *Hyatt v. Ingalls* (1883), 49 Sup. Ct. N. Y. 375; *Patterson's Appeal* (1882), 99 Pa. St. 521; *Angier v. Eaton, Cole, & Burnham Co.* (1881), 98 Pa. St. 594.

That the licensee is estopped to deny the validity of the patent only as to acts done while the license was in force, see *Tibbo Mfg. Co. v. Heineker* (1889), 37 Fed. Rep. 686.

That a licensee, knowing the patent to be of doubtful validity, is obliged to pay the royalties as long as he receives the benefit, and cannot deny the validity of the patent, nor the title of the patentee, while he is not interfered with, see *Jones v. Burnham* (1877), 67 Me. 93.

That it is doubtful whether a licensee under a re-issue, when sued for royalties, can show that the re-issue is void, see *Washburn & Moen Mfg. Co. v. Wilson* (1882), 48 Sup. Ct. N. Y. 159.

That where no fraud is practised, one who agrees with full knowledge to pay a royalty under a patent cannot afterwards deny its validity, see *Eureka Co. v. Bailey Co.* (1870), 11 Wall. 488.

That an agreement in a license that the licensee is estopped to deny the validity of the patent will bind him in a suit for royalties, see *Marsh v. Harris Mfg. Co.* (1885), 63 Wis. 276; *Evory v. Candee* (1879), 17 Blatch. 200; 4 Bann. & A. 545.

That the liability of the licensee for royalties continues until he rescinds the license and gives notice thereof to the licensor, see *Marston v. Swett* (1880), 82 N. Y. 526.

<sup>6</sup> That royalties on sales are due and collectible although the patent is actually invalid, since benefit therefrom has

patent is repealed, or priority is awarded to other parties, or a superior title is asserted resulting either in the interruption of his business or in the creation of new liabilities to the paramount owner, he can repudiate the license, and refuse to pay the stipulated royalties.<sup>7</sup> Thenceforward if he practises the

accrued to the licensee, see *Smith v. Standard Laundry Co.* (1882), 11 Daly (N. Y.), 154; *Marston v. Swett* (1880), 82 N. Y. 526. *Contra*: *Hawks v. Swett* (1875), 4 Hun (N. Y.), 146; 6 *Thomp. & C.* 529. But see *Marston v. Swett* (1876), 66 N. Y. 206; and *Wilson v. Hentges* (1879), 26 Minn. 290, — a case which evidently misapprehends the nature of the benefits received by the licensee under a license to sell.

That although a patent may not be good for all it claims, a licensee having the benefit of it cannot take advantage of its invalidity in a suit for royalties, see *Milligan v. Lalance & Grosjean Mfg. Co.* (1884), 21 Fed. Rep. 570; 29 O. G. 367.

That a note given for the right to sell in certain places a machine which is practically valueless is without consideration, the availability of the machine for use being always warranted, see *Smith v. Hightower* (1886), 76 Ga. 629.

<sup>7</sup> In *White v. Lee* (1882), 14 Fed. Rep. 789, Lowell, J.: (790) "The question has been argued whether the defendant can resist an action for license fees, under a contract, by proving that the patent is void. In his very thorough brief the defendant cites all the important cases; and they in a cursory examination seem to present a difference of opinion, which on a more careful study will be found to disappear. Many of the decisions treat a licensor as a landlord, and a licensee as his tenant, who cannot dispute the title so long as he has the occupancy of the premises. Many of the cases, such as *Bowman v. Taylor*, 2 Adol. & E. 278; *Smith v. Scott*, 6 C. B. (N. S.) 771; *Wilder v.*

*Adams*, 2 Wood. & M. 320, are actions at law, and turn upon the effect of a recital or covenant in a sealed instrument. The agreement in this case is not under seal, and this is not an action at law. Other cases state the general doctrine in a somewhat absolute and general way, hardly admitting exceptions. (See *Crossley v. Dixon*, 10 H. L. Cas. 293; *Clark v. Adie*, 2 App. Cas. 423.) On the other hand there are cases in the United States which seem to hold that the invalidity of the patent may always be proved, such as *Harlow v. Putnam*, 124 Mass. 553. But these were cases on either side which required no nice distinctions. The law is, I think, that a plea or answer that the patent is void is not of itself a sufficient defence, but that evidence of what may be called an eviction is such defence. The difficulty is to ascertain what amounts to an eviction in a patent case. It is easily discovered whether a tenant of a certain parcel of land has or has not been evicted; but if a patent is void, still the licensee may have had all the benefit of a valid patent, because his exclusive title may never have been disputed. In *Lawes v. Purser*, 6 El. & Bl. 930, 932, the counsel for the plaintiff admitted that if every one had publicly used the patented invention, that might be equivalent to an eviction; but contended that a simple plea that the patent was void might mean merely that the pleader, when he began to draw his plea, had discovered a technical flaw which no one else had thought of; and the judgment pursued this exact line of reasoning. In a case in Massachusetts, the defendants, who were licensees and



invention, the remedy of the licensor is by a suit for damages for breach of contract, or by an action for infringement. An assignment of the license does not relieve the licensee from his obligation to pay the proper royalties, the assignee being regarded as his agent and the sales made on his account.<sup>8</sup> A

had used the patent to keep off competition, were said by Thomas, J., to have had all the benefit of a valid patent. (*Bartlett v. Holbrook*, 1 Gray, 114.) In New York in a case which was twice brought before the Court of Appeals, it was held, — first, that mere invalidity of the patent was not a defence; and second, that a repeal of the patent was a defence. (*Marston v. Swett*, 66 N. Y. 206; s. c. 82 N. Y. 526.) These cases point to the true distinction, however difficult its application may sometimes be, that something corresponding to eviction must be proved if a licensee would defend against an action for royalties." 23 O. G. 1621 (1621).

In *Marston v. Swett* (1880), 82 N. Y. 526, Finch, J.: (533) "We think the true rule to be deduced from the authorities is this: Where the patent is apparently valid and in force the party using it, receiving the benefit of its supposed validity, is liable for royalties agreed to be paid and cannot set up as a defence the actual invalidity of the patent. The reasons for the rule are that the party has got what he bargained for; that he cannot be allowed at the same time to affirm and disaffirm the patent; and that he cannot in this way force the patentee into a defence of his right and compel him to try it in a collateral action. While the manufacture goes on under such an apparently valid patent it is presumed to be under and in accordance with the agreement to pay royalties. If the manufacturer does not so intend, and chooses to make the patented article, not under the patent, but in hostility to it, he must give notice of that intention, in order that the

presumption may not attach or the patentee be misled. But if the patent is annulled or destroyed by due and effective legal proceedings, and priority of invention and a patent is awarded to another, no notice is necessary, for there is no presumption or inference of manufacture under a patent judicially avoided and annulled. It ceases to exist. The manufacture is either absolutely free, or an infringement upon the rights of the prior inventor, or in submission to his claims."

That a licensee must repudiate his license before he can defend against a claim for royalties by denying the validity of the patent, see *Hyatt v. Ingalls* (1883), 49 Sup. Ct. N. Y. 375.

That where a licensor sues the licensee for fees, the licensee cannot attack the patent unless he can prove eviction, see *Rogers v. Reissner* (1887), 30 Fed. Rep. 525; 41 O. G. 351.

That an exclusive licensee, in defence to an action for royalties on sales, may show that a prior patentee is in the market asserting his superior rights and supplying the market, and that the licensee is thus deprived of his exclusive use, and may be accountable for his use to the prior patentee, see *Angier v. Eaton, Cole, & Burnham Co.* (1881), 98 Pa. St. 594.

That the mere claim by third parties that the licensee infringes is no defence to an action for royalties on sales, see *Davis v. Gray* (1867), 17 Ohio St. 330.

<sup>8</sup> That an assignment of his license does not relieve the licensee from his obligation to pay royalties, see *Wilde v. Smith* (1879), 8 Daly (N. Y.), 196.

licensor will not be enjoined from suing to recover royalties although his claims exceed the fees named in the contract, since this as well as other elements of the controversy are capable of determination in a court of law; nor, on the other hand, can he prevent the licensee by an injunction from exercising his rights under the license, on the ground that license fees remain unpaid.<sup>9</sup>

## SECTION V.

### OF THE WRONGS COMMITTED BY JOINT-OWNERS AND OTHER CONTRACTING PARTIES AGAINST EACH OTHER: AND THEIR REMEDIES.

#### § 1253. Rights of Co-owners against Each Other.

No relation is created between joint-owners of a patent by the mere fact of their common interest in the invention. Each is entitled, under the present condition of our law, to practise the invention and to license others, without accountability to his co-owner. If he exceeds the privilege conferred upon him by the patent, and employs an infringing art or instrument, he is to his co-owners like a stranger to the patent, and may be sued for the infringement in the usual mode.<sup>1</sup> To establish between joint-owners such relations as involve mutual responsibility within the limits of the patent special contracts are necessary, and these are construed and enforced in the same manner as between parties who are not co-owners.<sup>2</sup> In certain cases contracts are implied from the circumstances under which their joint interest has arisen.

<sup>9</sup> That a licensor will not be enjoined from suing for his license fees on the ground that he charges the plaintiff more than he agreed to, his true defence being at law, but he may be enjoined from declaring the license void and thus putting the licensee to great loss, see *Baker Mfg. Co. v. Washburn & Moen Mfg. Co.* (1883), 18 Fed. Rep. 172; 5 McCrary, 504.

That a failure to pay royalties does not make the licensee an infringer, see *Consolidated Middlings Purifier Co. v. Wolf* (1886), 37 O. G. 567; 28 Fed. Rep. 814.

§ 1253. <sup>1</sup> See §§ 797, 913, and notes, *ante*.

<sup>2</sup> See § 798 and notes, *ante*.



Thus where the patentee of an original invention and the inventor of an improvement united in a re-issue of the patent, covering the improved invention, and were therein named as joint patentees, their rights were held to have become inseparable, and either could restrain the other from employing the invention except for their joint benefit.<sup>3</sup>

§ 1254. Reciprocal Rights of Co-owners who are also Partners.

The principal relation formed by express contract between joint-owners of a patent is that of partnership in the business in which the patented invention is to be employed. While this relation subsists their rights as patentees are subordinated to their rights as partners. Neither is at liberty to use the invention, nor to license others to use it, contrary to the welfare of the common enterprise, and any attempt to do so may be met by an injunction.<sup>1</sup> At the same time their power under the Patent Laws to grant such licenses is not impaired, and parties purchasing from either, in good faith and without a knowledge of the partnership agreement, can exercise their privileges, leaving the other owner to his remedy for damages against their licensor for his breach of the contract. Where the articles of partnership require one of the owners to give his time to the joint enterprise, he is entitled to a rea-

<sup>3</sup> That where two patentees obtain separate patents for the same invention, and afterward a joint patent for it, they are estopped under the latter from asserting their title under the former, see *Barrett v. Hall* (1818), 1 Mason, 447 ; 1 Robb, 207.

That where the patentee of an original invention and the inventor of an improvement unite in a re-issue covering both, each can restrain the other from using it except for their joint benefit, see *Duke v. Graham* (1884), 19 Fed. Rep. 647.

§ 1254. <sup>1</sup> That a patent may be contributed to the capital stock of a partnership, see *Rehuss v. Moore* (1889), 6 Pa. Co. (Pa.) 245 ; *Farr v. Morrill* (1889) 53 Hun (N. Y.), 30.

That the representative of a deceased partner may maintain a bill in equity to compel the surviving partner to sell letters-patent belonging to the firm, and to account for the use of the patent since the death of the deceased partner, see *Freeman v. Freeman* (1883), 136 Mass. 260.

That co-owners, being partners, are liable for acts in violation of the partnership agreement, see § 798 and notes, *ante*.

That a co-owner, not named as licensor, is entitled to his share of the royalties if the co-owners were partners when the license was granted, see *Rogers v. Reissner* (1887), 41 O. G. 351 ; 30 Fed. Rep. 525.

sonable compensation for his services, and if by their agreement his wages are to be deducted from the profits of the business and no profits are realized, he may assert them as a debt against the partnership.<sup>2</sup> Such partnership agreements are, however, void if the patent is invalid, and either, in a suit against him by the other on the contract, may set up invalidity in his defence.<sup>3</sup> Their violation of the partnership agreement subjects them to the same actions, whether at law or equity, which are available to other partners.

§ 1255. **Reciprocal Rights of Joint Licensees: Third Parties.**

Joint licensees also sustain relations to each other, through their express or implied contracts, from which arise peculiar rights whose violation demands a legal remedy. The most common form of these relations is that of partnership, in which the members of a licensed firm become jointly and severally liable to the licensor for the performance of the contract and the payment of the stipulated fees. Their relation as copartners is governed by the ordinary rules of partnerships, and their remedies against each other follow the usual course of partnership litigation. But as joint licensees each is a surety for the collective body to which all belong, and may be held responsible for the fulfilment of the obligations which it has assumed.<sup>1</sup> Each likewise has his remedy against the firm for payments made or conditions performed on its account, and in an action to enforce these rights the liability of the surety or the firm to the licensor is not open to inquiry, the fact that the surety has been damnified entitling him to a recovery.<sup>2</sup> Other relations between licensees,

<sup>2</sup> That under an agreement between the inventor and his co-owner of the patent that the time given to the invention by the inventor shall be paid for by a deduction from the royalties received on account of the other, wages may be claimed if no royalties are due, see *Rice v. Garnhart* (1874), 34 Wis. 453.

<sup>3</sup> That an agreement providing that the co-owner shall pay the inventor for devoting his time and skill to practising

the invention is invalid if the patent is void, see *Rice v. Garnhart* (1874), 34 Wis. 453.

§ 1255. <sup>1</sup> That each member of a licensed firm is liable for the license fees and is surety for any assignee of the firm, see *Sizer v. Ray* (1881), 87 N. Y. 220.

<sup>2</sup> That a former member of a licensed firm, suing as surety for license fees paid by him on its account, cannot be defeated



of various character and obligation, may subsist, for wrongs against which actions lie in equity or at law. The rights and duties of third parties in reference to the different owners of the privileges created by letters-patent, with the single exception of the duty to respect the monopoly, rest upon the same principles and are enforced by the same methods as those arising out of ordinary contracts, express or implied.<sup>3</sup>

## SECTION VI.

### OF THE COURTS HAVING JURISDICTION OVER WRONGS BETWEEN CONTRACTING PARTIES.

#### § 1256. Jurisdiction of Federal Courts over Contract Actions.

In actions upon contracts the jurisdiction of the Federal courts depends upon the citizenship of the parties, although the subject-matter of the contract is a right arising under the Patent Laws. When, therefore, the plaintiff and defendant reside in different States, any of the foregoing actions may be instituted in the Federal courts, and there pursued to a complete recovery. But when the parties are citizens of the same State the local tribunals alone have jurisdiction of the controversy. A State court, however, cannot decree an assignment of a patent on the ground that the petitioner is the true inventor, for this is indirectly an adjudication on the priority

by proof that the firm was not liable to the licensor, see *Sizer v. Ray* (1881), 87 N. Y. 220.

<sup>3</sup> That any person may make a contract to supply a patented article, taking his own risk of obtaining a license, see *Hobart v. Detroit* (1868), 17 Mich. 246.

That it is doubtful whether a city can reject the lowest bid on a contract, on the ground that the bidder has no rights under the patent, if he is willing to give proper bonds to carry out his contract, see *Atty. Gen. v. Detroit* (1872), 26 Mich. 263.

That where a patentee is the only bidder on a city contract, to be awarded,

by law, to the lowest bidder, he will be the lowest bidder since others could have bid, see *Hobart v. Detroit* (1868), 17 Mich. 246.

That an injunction to refrain from trespassing on an exclusive license to sell a device may issue against parties who are not bound by and who do not have any notice of the contract, see *Singer Mfg. Co. v. Union Button-Hole & Embroidery Co.* (1873), 4 O. G. 553; 6 Fisher, 480; Holmes, 253.

That a contract not to make certain articles during the life of a patent is not in restraint of trade, see *Billings v. Ames* (1862), 32 Mo. 265.

of invention and the validity of an existing patent; nor can it entertain any suit by which the patentability of the invention or the fact of an infringement is to be determined.<sup>1</sup>

§ 1257. Jurisdiction of State Courts over Contract Actions.

Over all questions of pure contract a State court has undoubted jurisdiction.<sup>1</sup> It can compel specific performance, or set aside agreements.<sup>2</sup> It can protect the various parties by injunction against the invasion of their contract rights.<sup>3</sup> It can award damages for breach of warranty, for non-fulfilment of conditions, and for fraud.<sup>4</sup> It can enforce the payment of

§ 1256. <sup>1</sup> That a State court cannot enjoin infringements, see *Kayser v. Arnold* (1886), 41 Hun (N. Y.), 275; *Continental Store Service Co. v. Clark* (1885), 100 N. Y. 365; 7 N. Y. Code Pr. 183.

That a State court cannot decree the assignment of a patent on the ground that the petitioner is the real inventor, see *Slemmer's Appeal* (1868), 58 Pa. St. 155. See also as to this entire Section §§ 854-866, *ante*.

§ 1257. <sup>1</sup> That a State court has jurisdiction over actions on contracts though the validity of a patent, or fraud, may be in question, see *Page v. Dickerson* (1871), 28 Wis. 694.

That a State court can enforce a contract though the patent is contested by the same parties in the Federal courts, see *Nichols v. Marsh* (1886), 61 Mich. 509.

<sup>2</sup> That a State court has jurisdiction over the subject-matter of the patent, though not over its validity, see *Maurice v. Devol* (1883), 23 W. Va. 247.

That a State court can enforce a contract for a patent, and may collaterally pass on its validity, see *Continental Store Service Co. v. Clark* (1885), 100 N. Y. 365; 7 N. Y. Code Pr. 183; *Slemmer's Appeal* (1868), 58 Pa. St. 155.

That a State court has jurisdiction over an action to compel an inventor to

assign the patent in pursuance of a former agreement, see *Wrinn v. Annin* (1888), 84 Fed. Rep. 435; *Fuller Co. v. Bartlett* (1887), 68 Wis. 73; *Binney v. Annan* (1871), 107 Mass. 94.

That a State court has jurisdiction to set aside a sale of the title and interest in a patent and extension on the ground of fraud on the part of the vendee, see *Leonard v. Barnum* (1874), 34 Wis. 105.

That a State court cannot rescind a contract to purchase a patent on the ground that the patent is invalid, that being a question for the Federal authority alone, see *Cowan v. Mitchell* (1872), 11 Heisk. (Tenn.) 87.

<sup>3</sup> That a State court has complete jurisdiction over an action on an express contract in regard to the use of the patent, though its validity is in question, see *Williams v. Star Sand Co.* (1888), 35 Fed. Rep. 369; *Creighton v. Haggarty* (1884), 50 Sup. Ct. N. Y. 9.

That in an action in a State court, for breach of a covenant that the patent is for a new invention and on a new principle, the plaintiff may attack the patent and show the contrary, see *Wright v. Wilson* (1857), 11 Rich. Law (S. C.), 144.

<sup>4</sup> That a State court has jurisdiction over an action for breach of warranty and of a covenant that the invention is



purchase money, license fees, or royalties.<sup>5</sup> It can enjoin against such torts and violations of agreement as would not find an adequate remedy at law.<sup>6</sup> These powers are ample for all actions, except those which involve the existence of the patent as a franchise granted by the general government, or seek direct redress for an infringement of the patented invention.<sup>7</sup>

### § 1258. Jurisdiction of the Court of Claims.

The Court of Claims occupies toward the United States, in some respects, the position of a State court toward its citizens. On this court Congress has conferred jurisdiction over all contract claims of individuals against the United States, and here the owner of a patent must seek his remedy when the govern-

new and on a new principle, see *Wright v. Wilson* (1857), 11 Rich. Law (S. C.), 144.

That a State court may inquire into the validity of a patent in a suit on a contract, when its invalidity will show a failure of consideration, see *Rice v. Garnhart* (1874), 34 Wis. 453.

That a State court has jurisdiction over an action for fraud in selling a patent-right, see *Hunt v. Hoover* (1868), 24 Iowa, 231; *Lindsay v. Roraback* (1858), 4 Jones. Eq. (N. C.) 124.

That a State court has jurisdiction over an action for fraud in the sale of a patent-right though the validity and construction of the patent are collaterally involved, see *David v. Park* (1870), 103 Mass. 501.

<sup>5</sup> That a State court has jurisdiction of a suit to recover the price agreed to be paid for an assignment, with a request for the issue of the patent to the assignee, see *Lockwood v. Lockwood* (1871), 33 Iowa, 509.

That State courts have exclusive jurisdiction over actions for royalties, see *Hubbard v. Allen* (1888), 123 Pa. St. 198; *Dale Tile Mfg. Co. v. Hiatt* (1888), 125 U. S. 46.

That a State court has jurisdiction over actions for royalties though the validity of the patent may be disputed by the defendant, see *Hyatt v. Ingalls* (1883), 49 Sup. Ct. N. Y. 375.

<sup>6</sup> That a State court may enjoin against the publication of a libel on a patent-right, see *Emack v. Kane* (1888), 36 Fed. Rep. 46; *Bell v. Singer Mfg. Co.* (1880), 65 Ga. 452.

<sup>7</sup> That where judgment on the issue will affect the right conferred by the patent, a State court has no jurisdiction, see *Saxton v. Dodge* (1870), 57 Barb. 84.

That a question as to the effect of an assignment of one third of an invention upon three divisional patents issued for such invention, is solely for the Federal courts, see *Puetz v. Bransford* (1887), 32 Fed. Rep. 318.

That a State court cannot enjoin a patentee from circulating notices warning people not to buy the patented article except from him, if the questions of validity and infringement are in issue, see *Hovey v. Rubber Tip Pencil Co.* (1871), 33 Sup. Ct. N. Y. 522.

ment has made use of his invention.<sup>1</sup> A wrongful invasion of his rights on the part of the sovereign who created and protects them cannot be contemplated by the law as possible, and therefore it is presumed that every appropriation of a patented invention for the use and by the authority of the United States is under a contract, express or implied, to pay

§ 1258. <sup>1</sup> In *James v. Campbell* (1832), 104 U. S. 356, Bradley, J: (358) "But the mode of obtaining compensation from the United States for the use of an invention where such use has not been by the consent of the patentee has never been specifically provided for by any statute. The most proper forum for such a claim is the Court of Claims, if that court has the requisite jurisdiction. As its jurisdiction does not extend to torts, there might be some difficulty, as the law now stands, in prosecuting in that court a claim for the unauthorized use of a patented invention, although, where the tort is waived and the claim is placed upon the footing of an implied contract, we understand that the court has in several instances entertained the jurisdiction. It is true it overruled such a claim on the original patent in this case, presented in 1867; but, according to more recent holdings, it would properly now take cognizance of the case. The question of its jurisdiction has never been presented for the consideration of this court, and it would be premature for us to determine it now. If the jurisdiction of the Court of Claims should not be finally sustained, the only remedy against the United States, until Congress enlarges the jurisdiction of that court, would be to apply to Congress itself. The course adopted in the present case of instituting an action against a public officer, who acts only for and in behalf of the Government, is open to serious objections. We doubt very much whether such an action can be sustained. It is substantially a suit

against the United States itself, which cannot be maintained under the guise of a suit against its officers and agents except in the manner provided by law." 21 O. G. 337 (338).

That the Court of Claims has jurisdiction of a suit against the United States on a special contract with a patentee for the use of his invention at an agreed price, see *Burns v. U. S.* (1868), 4 Ct. of Claims, 113.

That the United States may be sued in the Court of Claims to recover for the use of an invention by its employees even when the right of the patentee is denied, the recovery being under the right of eminent domain for compensation, see *Hollister v. Benedict & Burnham Mfg. Co.* (1885), 113 U. S. 59.

That the use of an invention by the United States is not a "caption of property" and is not within the jurisdiction of the Court of Claims, see *Pitcher v. U. S.* (1863), 1 Ct. of Claims, 7.

That an official of the government, known to the patentee to have no authority to purchase the patent on behalf of the United States, cannot bind it by his contract to pay for the use of the invention, see *Shavor v. U. S.* (1868), 4 Ct. of Claims, 440.

That a contract between a patentee and the government for the use of his invention can be determined by the government only when it ceases to use the invention and it must pay while it uses, see *Burns v. U. S.* (1868), 4 Ct. of Claims, 113.

That whether a patentee can waive an infringement by the government and sue on the implied contract, *quere*, see



the established or a reasonable compensation.<sup>2</sup> This compensation may be recovered by a proceeding instituted in the Court of Claims, in form and nature similar to a suit in equity.

*United States v. Palmer* (1888), 128 U. S. 262.

That the United States has a right to use, without compensation, an invention made by its agent under its direction and at its expense, see *Solomons v. United States* (1886), 21 Ct. of Claims, 479; *s. c.* (1887), 22 Ct. of Claims, 335.

That an officer of the United States cannot claim a royalty for his use of his own invention in the public service, see *Davis v. United States* (1888), 23 Ct. of Claims, 329.

<sup>2</sup> That the Court of Claims has no jurisdiction of infringement suits, see *Forehand v. United States* (1888), 23 Ct. of Claims, 477; *Fletcher v. United States* (1875), 11 Ct. of Claims, 748.

That the Court of Claims has jurisdiction over actions against the United States for royalties, see *United States v. Palmer* (1888), 128 U. S. 262; *McKeever v. United States* (1878), 14 Ct. of Claims, 396; 23 O. G. 1525; 18 Ct. of Claims, 757.

That if the United States practises the invention without license it is liable to make compensation, and no provision of the Constitution exempts it from such liability, see *Palmer v. United States* (1885), 20 Ct. of Claims, 432; *McKeever v. United States* (1878), 14 Ct. of Claims, 396; 23 O. G. 1525.

That no contract can be implied from the mere use of the invention, see *Forehand v. United States* (1888), 23 Ct. of Claims, 477.

That when the government advertises for inventions for a certain purpose, and two similar but distinct inventions are submitted by different inventors, one of which is adopted, there is no implied contract in favor of

the other inventor, see *Fletcher v. United States* (1875), 11 Ct. of Claims, 748.

That Congress may by special act direct the Court of Claims to ascertain what compensation should be paid to a patentee for the use of his invention by the government, see *Dahlgren v. U. S.* (1880), 16 Ct. of Claims, 30.

That the liability of the United States for the use of the invention is the same when the court inquires in pursuance of a reference by Congress, though the damages are limited by an amount named in the act of reference, see *Hubbell v. United States* (1869), 5 Ct. of Claims, 1.

That the validity of the patent may be denied in a suit against the United States for compensation on an implied contract, see *Hubbell v. United States* (1885), 20 Ct. of Claims, 354; *Morse Arms Mfg. Co. v. United States* (1880), 16 Ct. of Claims, 296.

That the claim of the inventor against the United States may be barred by the Statute of Limitations, see *Butler v. United States* (1888), 23 Ct. of Claims, 335.

That where the government has made and used an invention, but has not dealt in it nor made a commercial profit from it, damages are to be measured by the value of the invention to the government over other devices which it had a right to employ, see *Dahlgren v. United States* (1880), 16 Ct. of Claims, 30.

That the United States is not liable in damages for the unlawful issue of a patent to a rival inventor, see *Thistle v. United States* (1856), *Devereux*, Ct. of Claims, 130.

# A P P E N D I X.

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THIS appendix contains a digest of those cases decided and published since the body of the work went to press, which either state or illustrate propositions of law. Cases turning wholly upon questions of fact are not cited. A number of these cases have been added to the notes in the correction of the proof-sheets, but do not appear in all the paragraphs to which they are pertinent, and are therefore here repeated. Taken together with the notes, this appendix is intended to present a complete digest of all the cases, involving questions of Patent Law, in the Federal or State reports down to and including the following volumes, viz.: 133 U. S.; 40 Fed. Rep.; 49 O. G.; 24 Ct. of Claims; 24 Blatch.; 13 Sawyer; 11 Bissell; 5 McCrary; 6 Mackey; 87 Ala.; 51 Ark.; 81 Cal.; 12 Col.; 59 Conn.; 5 Dak.; 5 Del.; 5 Del. Ch.; 24 Fla.; 82 Ga.; 1 Idaho; 128 Ill.; 29 Ill. App.; 120 Ind.; 77 Iowa; 42 Kan.; 87 Ky.; 40 La.; 81 Me.; 70 Md.; 149 Mass.; 75 Mich.; 40 Minn.; 66 Miss.; 98 Mo.; 36 Mo. App.; 8 Mont.; 28 Neb.; 19 Nev.; 66 N. H.; 118 N. Y.; 56 N. Y. Sup. Ct.; 17 N. Y. Civ. Proc.; 14 Daly (N. Y.); 62 Hun (N. Y.); 67 How. Pr. (N. Y.); 23 Abb. (N. Y.); 5 Denio (N. Y.); 51 N. J.; 45 N. J. Eq.; 2 New Mex.; 104 N. C.; 46 Ohio St.; 17 Oregon; 129 Pa. St.; 3 Grant (Pa.); 2 Woodw. (Pa.); 6 Pa. Co. (Pa.); 4 Pennypacker (Pa.); 17 Phila. (Pa.); 15 R. I.; 30 S. C.; 87 Tenn.; 74 Tex.; 27 Tex. App.; 3 Utah; 61 Vt.; 84 Va.; 3 Wash.; 32 W. Va.; 74 Wis.; 2 Wy.; 5 Bann. & A.; 6 Fisher; 2 Robb. The English cases are also brought down to 14 L. R. App.; 42 L. R. Ch. D.; 23 L. R. Q. B.

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## **ABANDONMENT OF APPLICATION.**

See APPLICATION.

## **ABANDONMENT TO THE PUBLIC.**

**Invention must be Complete.**

That a mere mental conception can be abandoned as to rival inventors, but only a completed invention can be

abandoned to the public, see *Webster v. Sanford* (1888), 44 O. G. 567.

**By Delay before Application.**

That delay in applying for a patent is not *ipso facto* abandonment, see *United States Electric Lighting Co. v. Consolidated Electric Light Co.* (1888), 33 Fed. Rep. 869.



That laches in applying for a patent will defeat the first inventor in favor of a diligent later inventor, see *Hubel v. Dick* (1886), 24 Blatch. 59; 28 Fed. Rep. 132; 36 O. G. 939.

**By Public Use or Sale.**

That experimental sale and use is not public use, see *Campbell v. City of New York* (1888), 35 Fed. Rep. 504; 44 O. G. 1185.

That an experimental use by an inventor is not public use, though a profit is derived from such use, but if the use is mainly for profit and the experiment is only incidental, and the use is public and for more than two years before the application for a patent, it is an abandonment, see *Smith & Griggs Mfg. Co. v. Sprague*, (1887), 123 U. S. 249; 41 O. G. 1037.

That where an invention is put into public use without reserving rights in it or exercising control over it, or examining it to test its efficiency, the use is not experimental, see *Root v. Third Ave. R. R. Co.* (1889), 37 Fed. Rep. 673; 46 O. G. 1393.

That the burden rests on the patentee to show that a public use more than two years before the application was experimental, see *Root v. Third Ave. R. R. Co.* (1889), 37 Fed. Rep. 673; 46 O. G. 1393.

That a use in public being proved more than two years before application, the plaintiff has the burden to show that it was experimental, see *Smith & Griggs Mfg. Co. v. Sprague* (1887), 123 U. S. 249; 41 O. G. 1037.

That "two years before the application" means before the application is filed in the Patent Office, see *Campbell v. City of New York* (1888), 35 Fed. Rep. 504; 44 O. G. 1185.

That the assignment of a patent covering an invention is not a sale of

the invention, nor can it be regarded as public use or sale upon the question of abandonment, see *United States Electric Lighting Co. v. Consolidated Electric Light Co.* (1888), 33 Fed. Rep. 869.

That to an abandonment by public use the knowledge and consent of the inventor is not necessary under the Acts of 1836 and 1839, see *Andrews v. Hovey* (1888) 124 U. S. 694; 42 O. G. 1285; *Blessing v. Trageser Steam Copper Works* (1888) 34 Fed. Rep. 753; *Andrews v. Hovey* (1887), 123 U. S. 267; 41 O. G. 1162.

That public use or sale need not be with the "knowledge, acquiescence, or consent of the inventor," and an allegation to that effect is surplusage, see *Campbell v. City of New York* (1888), 35 Fed. Rep. 504; 44 O. G. 1185.

For a discussion and interpretation of Sec. 7, Act of 1839, see *Andrews v. Hovey* (1888) 124 U. S. 694; 42 O. G. 1285; *Andrews v. Hovey* (1887), 123 U. S. 267; 41 O. G. 1162.

That public use under a joint patent is a bar to a sole patent to one of the former joint patentees, see *Ex parte MacLay* (1889), 49 O. G. 1043.

**By Application.**

That when a patentee has full knowledge of all the facts, a failure to claim may be an abandonment to the public, see *Huber v. N. O. Nelson Mfg. Co.* (1889), 38 Fed. Rep. 830; 47 O. G. 1732.

That a failure to claim described matter is abandonment unless steps are taken to protect it by timely application, see *Brush Electric Co. v. Fort Wayne Electric Light Co.* (1889), 40 Fed. Rep. 826.

That to fully describe and not claim

is abandonment unless the right to a future patent is reserved, see *Holmes Electric Protective Co. v. Metropolitan Burglar Alarm Co.* (1887), 33 Fed. Rep. 254.

That the reservation in an application of matter to be covered by future patents is improper, the inventor's right to his invention and a patent for it being independent of any such precaution, see *Ex parte Blair* (1888), 43 O. G. 113.

That a described invention essentially distinct from the one claimed in the application, and which ought not to have been mentioned therein, is not dedicated to the public, see *Ex parte Johnston* (1889), 46 O. G. 1641.

That the description of an art in a patent for the apparatus does not dedicate the art to the public if a patent therefor is applied for within two years from the date of the other patent, see *Eastern Paper Bag Co. v. Nixon* (1888), 35 Fed. Rep. 752; 45 O. G. 1571.

#### After Application.

That an invention is not abandoned by abandoning the application, and does not become the property of the public until after two years' public use or sale, and hence abandoned applications are not open to the public, see *Ex parte Fowler* (1889), 49 O. G. 562.

### ACTION IN EQUITY.

#### Parties.

That a person having an interest in the proceeds of the suit but not in the patent need not be a party to a bill in equity for infringement, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That the grantee of the exclusive right to make, use, and sell, throughout the United States on payment of

royalties, must be joined as plaintiff with his grantor in a suit to enjoin an infringement, see *Clement Mfg. Co. v. Upson & Hall Co.* (1889), 40 Fed. Rep. 471.

That the sole owner of one patent may join with the licensor and exclusive licensee of another patent in a suit for an act which infringes both patents, see *Huber v. Myers Sanitary Depot* (1888), 34 Fed. Rep. 752.

#### Bill.

That the court must determine, in its discretion, whether a bill is multifarious, see *Singer Mfg. Co. v. Springfield Foundry Co.* (1888), 34 Fed. Rep. 393.

That an averment in the bill that the plaintiff became interested in the patent before bringing the suit, by means of certain assignments of which profert is made, is sufficient, see *Clement Mfg. Co. v. Upson and Hall Co.* (1889), 40 Fed. Rep. 471.

That a bill describing the invention without sufficient certainty is demurrable, see *Wise v. Grand Avenue R. R. Co.* (1888), 33 Fed. Rep. 277.

That after decree for defendants the bill may be amended to count on an additional patent and further hearing and evidence be had thereon, see *Underwood v. Gerber* (1889), 37 Fed. Rep. 796; 48 O. G. 675.

That a bill counting on an original may be amended to count on the re-issue, see *Reay v. Berlin & Jones Envelope Co.* (1887), 24 Blatch. 278.

#### Plea.

That matter of substantive defence cannot be urged on a plea, and if so set up the plea will be ordered to stand as part of the answer, see *Edison Electric Light Co. v. Westinghouse* (1889), 40 Fed. Rep. 666.



That a plea in equity cannot raise the issue of infringement, see *Korn v. Wiebusch* (1887), 33 Fed. Rep. 50.

That the question whether the term of the patent has expired may be raised by plea in equity, see *Edison Electric Light Co. v. U. S. Electric Lighting Co.* (1888), 35 Fed. Rep. 134; 43 O. G. 1456.

#### Answer.

That the defence of non-patentability for want of inventive skill need not be set up in the answer, see *Hendy v. Golden State & Miners' Iron Works* (1888), 127 U. S. 370; 43 O. G. 1117.

That an amendment of the answer will be allowed to cover evidence of prior patents which have been treated as regularly in the case for that purpose on the arguments, see *Babcock & Wilcox Co. v. Pioneer Iron Works* (1888), 34 Fed. Rep. 338; 43 O. G. 756.

#### Laches of Plaintiff.

That laches of the plaintiff in equity may be fatal to his claims, see *Kittle v. Hall* (1887), 24 Blatch. 184; 29 Fed. Rep. 508; 39 O. G. 707.

That a plaintiff is not guilty of laches while enforcing his claims against infringers in general in the courts, see *American Bell Telephone Co. v. Southern Telephone Co.* (1888), 34 Fed. Rep. 795.

#### Cross-Bill.

That the defendant cannot file a cross-bill to enjoin the plaintiff from infringing the defendant's patent, see *McCormick Harvesting Mach. Co. v. Deering* (1889), 47 O. G. 1222.

#### Evidence.

That an extension of time for taking new testimony will not be granted on a motion which does not set out the

character of the testimony, see *Streat v. Steinam* (1889), 38 Fed. Rep. 548.

#### Rehearing.

That counsel are bound to anticipate and be prepared for every point that can be made on the evidence, see *Timken v. Olin* (1888), 37 Fed. Rep. 205.

That a rehearing will not be allowed on evidence already before the court and passed on adversely by another judge unless there is manifest error, see *Rogers v. Reissner* (1888), 34 Fed. Rep. 270.

That a rehearing will not be granted to enable defendants to take more evidence against the plaintiff's right to file a disclaimer, if notice had been given that one might be filed, or to offer cumulative and controverted proof as to the comparative utility of the patented invention and other devices, see *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 39 Fed. Rep. 490.

That a hearing may be opened and new evidence taken on the ground of a recent decision of the Supreme Court, giving new views of the law, see *Campbell v. Mayor of New York* (1888), 36 Fed. Rep. 260; 45 O. G. 344.

That a rehearing in equity is at the discretion of the court and no appeal lies from its decision, see *Roemer v. Bernheim* (1889), 132 U. S. 103; 49 O. G. 1535.

That a court will not reverse its decision, after a full hearing on pleadings and proof, unless it is perfectly clear that an error has been committed, see *Coupe v. Weatherhead* (1889), 37 Fed. Rep. 16.

That the interlocutory decree and other proceedings are subject to revision until the final decree is passed,

see *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (1889), 40 Fed. Rep. 476.

#### Accounting.

That an accounting of profits can be had only when the infringement took place before the suit was commenced, see *Marsh v. Nichols* (1888), 128 U. S. 605; 46 O. G. 239.

That the accounting must be limited to the time fixed by the plaintiff as the period of infringement, see *Creamer v. Bowers* (1888), 35 Fed. Rep. 206.

That the validity of the Claims of the patent cannot be considered on the accounting, see *Skinner v. Vulcan Iron Works* (1889), 39 Fed. Rep. 870.

That where the master errs by rejecting evidence a motion should be made to the court at once to compel him to receive it, see *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (1889), 40 Fed. Rep. 476.

That an accounting will not be opened to receive evidence that might previously have been offered where all important testimony was actually presented, see *Morss v. Union Form Co.* (1889), 39 Fed. Rep. 468.

That evidence taken on an accounting at great expense may be saved for future use if the decree is opened on rehearing, see *Campbell v. City of New York* (1888), 35 Fed. Rep. 504; 44 O. G. 1185.

#### Draft Report.

That no objections to the final report will be considered unless they were urged against the draft report, see *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (1889), 40 Fed. Rep. 476.

That where objections to the draft report have been accidentally overlooked they may be sometimes made to the final report, see *Celluloid Mfg.*

*Co. v. Cellonite Mfg. Co.* (1889), 40 Fed. Rep. 476.

#### Final Report.

That a master's report is to be set aside with almost as much reluctance as the verdict of a jury, see *Welling v. La Bau* (1888), 34 Fed. Rep. 40; 43 O. G. 117.

That objections to the master's report on matters of law may be made at any time, see *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (1889), 40 Fed. Rep. 476.

That the conclusions of the master on matters of fact are not departed from unless error or mistake is clearly shown, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That the findings of fact by the master will not be reviewed when there was a fair conflict of testimony, see *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (1889), 40 Fed. Rep. 476.

That the master's report, made out as best he could from the evidence of the plaintiff, will not be disturbed where the defendant was a wanton infringer and could have shown the exact extent of his profits, see *Creamer v. Bowers* (1888), 35 Fed. Rep. 206.

That when the master's report is objected to because the infringement was not wilful and the reduction in plaintiff's prices was not due wholly to the infringement, the court can consider the entire subject of the computation of damages, see *Boesch v. Gräff* (1890), 133 U. S. 697.

**Profits and Damages,** See **DAMAGES, PROFITS,** *post.*

#### Bill of Review.

That a bill of review for errors on the face of the decree must be filed within two years from the date of the decree, see *McDonald v. Whitney* (1889), 39 Fed. Rep. 466.



**Costs.**

That a complainant who sues in equity on two patents and recovers on only one is entitled to costs, see *Schmid v. Scovill Mfg. Co.* (1889), 37 Fed. Rep. 345.

That the defendant will not be compelled to deliver up the infringing articles to be destroyed when he was in good faith and no further infringement is probable, see *American Bell Telephone Co. v. Kitsell* (1888) 35 Fed. Rep. 521. See also brief of counsel citing authorities *pro* and *con*, in above case.

**ACTION AT LAW.****When forbidden.**

That a suit at law cannot be brought without leave of the court, pending an accounting, for infringements since the decree, as the accounting may cover them, see *Morss v. Knapp* (1888), 35 Fed. Rep. 218.

**Parties.**

That an exclusive license to make and sell throughout the United States on payment of royalties on sales leaves the legal title in the licensor, and he may sue third parties for infringement, see *Freese v. Swartchild* (1888), 35 Fed. Rep. 141.

**Declaration.**

That the declaration must allege that the invention has not been in public use for more than two years before the application, and it is not sufficient to deny a public use "with consent of the inventor," see *Blessing v. Trageser Steam Copper Works* (1888), 34 Fed. Rep. 753.

**Demurrer.**

That a demurrer for non-patentability will be sustained if the court can see that the patent is void, see *West v. Rae* (1887), 33 Fed. Rep. 45.

That a demurrer for non-patentability will be sustained only when the matter is so clear that no question of fact can arise upon it, see *Blessing v. Trageser Steam Copper Works* (1888), 34 Fed. Rep. 753.

That a demurrer for want of novelty will be sustained only when the court, from its own knowledge, has no doubt that the device is well-known and in common use, see *Eclipse Mfg. Co. v. Adkins* (1888), 36 Fed. Rep. 554.

**Pleadings.**

That pleadings in patent cases follow the forms employed in the local courts, see *Celluloid Mfg. Co. v. American Zylonite Co.* (1888), 34 Fed. Rep. 744.

That the notice of special defences is not a pleading and cannot be demurred to, see *Henry v. United States* (1887), 22 Ct. of Claims, 75.

**Evidence.**

That the court may take judicial notice of want of novelty in clear cases, see *Ligowski Clay Pigeon Co. v. American Clay Bird Co.* (1888), 34 Fed. Rep. 328.

That lack of invention must fairly appear or the patent will prevail, see *Marvin v. Gotschall* (1888), 36 Fed. Rep. 314.

That the defendant's patent is *prima facie* evidence of the novelty and utility of his invention, see *Worswick Mfg. Co. v. City of Kansas* (1889), 38 Fed. Rep. 239; *Deane v. Hodge* (1886), 35 Minn. 146.

That the patent throws upon the defendant the burden of proof on the question of novelty, and if the evidence leaves it doubtful the patent will be sustained, see *Frankfort Whiskey Process Co. v. Mill Creek Distilling Co.* (1889), 37 Fed. Rep. 533.

That the patent is *prima facie* evidence of utility, and must be overcome by sufficient proof, see *Kirk v. Du-Bois* (1887), 33 Fed. Rep. 252; 42 O. G. 297.

That the original application and its amendments are admissible to show the character of the actual invention, see *Consolidated Electric Light Co. v. McKeesport Light Co.* (1889), 40 Fed. Rep. 21; 49 O. G. 1536.

That where two opposing experts conflict, one stating facts within his knowledge, and the other asserting a theory, the former will be followed, see *Bèné v. Jeantet* (1889), 129 U. S. 683; 47 O. G. 402.

That positive testimony will not be disregarded on account of the improbability that the same idea, even as to minute details, should have occurred to two persons on different continents at about the same time, see *Bliss v. Merrill* (1887), 33 Fed. Rep. 39; 42 O. G. 97.

That an infringement carried on secretly must be proved by the plaintiff, and he cannot rely on making out a case by examining the defendant or his workmen, or inspecting their devices, see *Dobson v. Graham* (1889), 48 O. G. 976.

That other devices adjudged to be infringements of the patent may be offered in evidence to show that defendant's device is an infringement, see *Reed v. Smith* (1890), 40 Fed. Rep. 882.

#### ALIEN.

That alien and citizen patentees are now on the same footing under our law, except as to fees and caveats, see *Edison Electric Light Co. v. U. S. Electric Lighting Co.* (1888), 35 Fed. Rep. 134; 43 O. G. 1456.

#### APPLICATION FOR PATENT.

##### Petition.

That the petition of the applicant must identify the specification, the oath concerning foreign patents must be specific, and the rules generally carefully observed, see *Ex parte Mason* (1888), 43 O. G. 627.

##### Oath.

That the application-oath is evidence against the patentee and may limit the construction of his patent, see *Worswick Mfg. Co. v. City of Kansas* (1889), 38 Fed. Rep. 239.

That an innocent false oath as to citizenship does not avoid the patent, see *Tondeur v. Chambers* (1889), 37 Fed. Rep. 333; 46 O. G. 1110.

##### Signatures.

That the full Christian name must be signed to the specification, see *Ex parte Gentry* (1888), 44 O. G. 822.

##### Subject-Matter.

That after one patent has issued, a second patent to the same person, either alone or with others, for the same invention though with broader Claims is unlawful, see *Consolidated Roller-Mill Co. v. Coombs* (1889), 39 Fed. Rep. 25; 48 O. G. 255.

That the grant of a subsequent patent to the same inventor raises a presumption that the later patent covers at least a patentable improvement on the former, see *Putnam v. Keystone Bottle Stopper Co.* (1889) 38 Fed. Rep. 234; 48 O. G. 113.

That a foreign patent with narrow Claims does not prevent the applicant from obtaining a domestic patent for a broader invention, see *Faure v. Bradley* (1888), 44 O. G. 945.

That an article which is the necessary product of a machine already patented is not the subject-matter of



a patent, see *Dubois' Appeal* (1887), 6 Mackey, 140. This position is correct if the article can be made in no other way, — being thus fully protected by the patent for the machine. But if it could be produced by other methods, known or yet to be discovered, how can it lose its patentable character by being described in the machine patent, without some act of abandonment on the part of its inventor?

That a patent cannot be obtained for the process of making an article after a patent has been granted for the article as made by that process, see *Mosler Safe and Lock Co. v. Mosler* (1888) 127 U. S. 254; 43 O. G. 1115.

That a patent may be granted on an earlier application, though since it was filed other patents have been granted on subsequent applications for improvements on the subject-matter of the earlier application, see *Ex parte Edison* (1889), 49 O. G. 1591.

That several applications for the same indivisible subject-matter cannot be entertained, but each application must be clearly distinguishable from the others, see *Ex parte Smith* (1888), 44 O. G. 1183.

#### Joinder.

That division of an application should not be required unless there is such a total want of interdependence as would render the inventions absolutely independent and distinct, see *Ex parte McMahan* (1889), 48 O. G. 255.

That a combination and its elements, a combination and improvements on its parts affecting its result as a whole, and a machine and such parts as are not recognized in the arts as distinct devices, may be joined in

one application unless opposed to the Office classification, see *Ex parte Willcox* (1888), 45 O. G. 455.

That a separable element already in general use cannot be joined with the combination, see *Ex parte La Bordo* (1888), 44 O. G. 700.

That mere improvements on the old elements of a combination, not affecting the essence of the element, cannot be joined with the combination, see *Ex parte Willcox* (1888), 45 O. G. 455.

That two or more elements of a machine may be joined where one depends on and acts with the other to produce a single result, see *Ex parte Coe* (1889), 48 O. G. 1119.

That where the apparatus cannot operate without performing the process, and the process requires apparatus substantially identical with that in question, no division should be required, see *Ex parte McMahan* (1889), 48 O. G. 255.

That where a process and its product or apparatus can separately exist they require separate applications, see *Ex parte Simonds* (1888), 44 O. G. 445.

That a design patent can cover but one invention, see *Ex parte Gerard* (1888), 43 O. G. 1235, 1240.

**Specification,** see CLAIM, DESCRIPTION, *post*.

#### Drawings.

That drawings cannot make the patent cover a different invention from that described in the specification, either on an application for a re-issue or by a disclaimer, see *Hailes v. Albany Stove Co.* (1887), 123 U. S. 582; 42 O. G. 95.

That new figures cannot be added to the drawings after filing, without express permission from the Office,

see *Ex parte* Burt (1889), 49 O. G. 1986.

That the lettering of the drawings and specification must correspond, see *Ex parte* Borgfeldt (1889), 49 O. G. 132.

That where none of the elements of a combination are new or claimed separately, and other similar combinations are in use, the patentee is limited to the form of the elements shown by his drawings, see *Heine Safety Boiler Co. v. Smith F. W. H. & P. Co.* (1889), 47 O. G. 1634.

#### Examination of Application.

That the applicant must satisfy the Patent Office that his invention is operative and useful as well as new, see *Ex parte* De Baussett (1888), 43 O. G. 1583.

That it is the duty of the Patent Office to see that the applicant obtains a patent for whatever patentable subject-matter his application covers, and in all stages of the application to act as his friend and not his opponent, see *Ex parte* Donovan (1888), 44 O. G. 698.

That an examiner must advise the applicant how to so meet objections as to secure his real invention, see *Ex parte* Donovan (1888), 44 O. G. 698.

That an examiner should give to an applicant any information as to objections which will enable him to amend or appeal, see *Ex parte* Burt (1889), 49 O. G. 1986.

That the examiner can require the applicant to make the Claims definite and intelligible, but cannot in any manner hinder him from obtaining his full rights on appeal, see *Ex parte* Rogers (1889), 49 O. G. 1361.

#### Amendment.

That an amendment cannot introduce matter not substantially disclosed

in the application as filed, see *Steward v. Ellis* (1889), 49 O. G. 1983.

That an amendment covering a distinct invention cannot be received, see *Ex parte* Zabel (1888), 43 O. G. 627.

That an amendment proposing a Claim not identical with the invention already disclosed or with a part thereof, should be admitted and rejected that an appeal may be taken; but if it covers an essentially distinct invention, so that if admitted a division must be ordered, it should not be received, see *Ex parte* Regan (1888), 45 O. G. 589.

That the oath of the applicant that the matter claimed by an amendment was part of the original invention is not conclusive, but the Office may determine the question by inspecting the whole application, see *Ex parte* Regan (1888), 45 O. G. 589.

That a Claim once erased should not be restored by amendment, see *Ex parte* Gillette (1888), 44 O. G. 819.

That a figure added in good faith to a drawing on file, without the permission of the Office will be erased, see *Ex parte* Cordrey (1889), 48 O. G. 397.

That after a second rejection the applicant cannot amend as a matter of right, see *Ex parte* Donovan (1888), 44 O. G. 698.

That an amendment presented nearly two years after rejection will not be received unless the delay is explained, see *Ex parte* Cordrey (1889), 48 O. G. 397.

That an application cannot be withdrawn from issue for purposes of amendment unless irreparable injury would otherwise result, see *Ex parte* Page (1888), 43 O. G. 1455.

That an allowed application may be withdrawn from issue for purposes of



amendment if irreparable injury would otherwise result, as where the matter of the amendment could not be inserted in a subsequent patent, see *Ex parte Myers* (1889), 49 O. G. 131.

That when an applicant, refusing to adopt an amendment suggested by the examiner, is defeated, and years afterward applies for leave to make such amendment, he is bound by the refusal, see *Ex parte Gray* (1889), 46 O. G. 1277.

#### Appeal in Uncontested Cases.

That a rejection, to be the subject of an appeal, must be a full and positive rejection, not a mere objection, see *Ex parte Baker* (1889), 49 O. G. 1363.

That all questions relating to patentability should be acted on before appeal, see *Ex parte Burt* (1889), 49 O. G. 1986.

That the appeal from a rejection for want of a proper oath lies to the examiners-in-chief, see *Ex parte Boyer* (1889), 49 O. G. 1985.

That an objection to a Claim as functional is not a rejection, nor does appeal lie to the examiners-in-chief, see *Ex parte Barrett* (1888), 45 O. G. 125.

That a functional Claim is necessarily indefinite, and is therefore objectionable in point of form, see *Ex parte Barrett* (1888), 45 O. G. 125.

That a rejection on the merits must be followed by an appeal to the examiners-in-chief, not by a petition to the Commissioner for a review, see *Ex parte Edison* (1889), 49 O. G. 1691.

That whether a device is a combination or an aggregation is a question of substance, and an appeal lies to the examiners-in-chief, see *Ex parte Baker* (1889), 49 O. G. 1363; *Ex parte Gillette* (1888), 48 O. G. 819.

That a Claim for an aggregation

should be rejected and an appeal allowed instead of ordering a division, see *Ex parte Willcox* (1888), 45 O. G. 455; *Ex parte Bullard* (1888), 45 O. G. 1567; *Ex parte Gillette* (1888), 44 O. G. 819.

That the question of division does not fall within the cognizance of the examiners-in-chief, and their recommendation as to it is unwarranted, they having no concern with questions not before them on appeal or within their jurisdiction, see *Ex parte Gillette* (1888), 44 O. G. 819.

That where an application claims an aggregation and its distinct elements, a question of merits as well as form is raised, and appeal lies to the examiners-in-chief, see *Ex parte Carter* (1889), 46 O. G. 1391.

#### Division of Application.

That in ordering a division between process and product the examiner must give the applicant all the information on which he bases his judgment, see *Ex parte Pastor* (1887), 42 O. G. 95.

That an examiner may waive his requirement for cross-references between pending applications, see *Ex parte Donovan* (1888), 44 O. G. 698.

That divisional applications are treated as the same proceeding with reference to prior use, see *Frankfort Whiskey Process Co. v. Mill Creek Distilling Co.* (1889), 37 Fed. Rep. 533.

#### Abandonment of Application.

That unavoidable delay in prosecuting an application does not abandon it, see *Ligowski Clay Pigeon Co. v. American Clay Bird Co.* (1888), 34 Fed. Rep. 328.

That an application cannot be suspended at the request of the applicant for more than two years without aban-

doing it, see *Ex parte* Norton (1888), 42 O. G. 296.

That the "last action" of the Patent Office must be some regular and legal action for the preservation or obtaining of the right, not an irregular and illegal step taken by the applicant and a refusal of the Office to recognize it, see *Kirk v. Commissioner* (1886), 5 Mackey, 229; 37 O. G. 451.

That amendments filed in good faith but not important in character are such prosecution of the application as saves it from abandonment, see *Ex parte* Todd (1889), 49 O. G. 731.

That an informal amendment may be received by the Office to save the application from abandonment, upon condition that the amendment be subsequently made to comply with the rules, see *Ex parte* Sullivan (1888), 45 O. G. 709.

That amendments not removing objections nor changing the status of the application in the Office are not such prosecution as prevents its abandonment, see *Ex parte* Edison (1888), 45 O. G. 461.

That a second original application for the same invention can be filed after the first is abandoned by two years' neglect to renew after forfeiture, see *Ex parte* Barnitz (1888), 42 O. G. 1061.

That an abandoned application is no bar to a subsequent patent, see *Beach v. Fowler* (1889), 48 O. G. 821.

That an abandoned or rejected application cannot be cited as a reference, see *Webster v. Sanford* (1888), 44 O. G. 567.

That copies of abandoned cases in the Patent Office must be furnished on application if needed for purposes of evidence, but a motion to inspect

such cases generally will be denied, see *Ex parte* Fowler (1889), 49 O. G. 562; *United States v. Hall* (1889), 48 O. G. 1263.

That an attorney at law may obtain a mandamus against the Commissioner in his own name to procure copies of abandoned applications from the Office, see *United States v. Hall* (1889), 48 O. G. 1263.

#### **Continuous Applications.**

That applications are not continuous unless they cover the same invention, see *Green v. Hall* (1889), 46 O. G. 1515.

That a new application filed at the suggestion of the Patent Office is a continuation of the old, see *International Tooth Crown Co. v. Richmond* (1887), 24 Blatch. 223; 30 Fed. Rep. 775; 39 O. G. 1550.

That a new application filed by the executor of a deceased applicant is a continuation of the former application and has the same status in the Patent Office, see *Ex parte* Smith (1888), 43 O. G. 504.

#### **Forfeited Applications.**

That an applicant has no right to forfeit an application and file a renewal at his option, see *Ex parte* Manny (1888), 44 O. G. 700.

#### **Allowed Applications.**

That an allowed application cannot be withheld when neither reference, publication, public use, nor interference can be urged against it, see *Ex parte* Atwood (1888), 44 O. G. 341.

#### **Bill in Equity for Patent.**

That in an *ex parte* case in the Patent Office the remedies by appeal must be exhausted before a bill in equity to obtain the patent can be filed, see *Kirk v. Commissioner* (1886), 5 Mackey, 229; 37 O. G. 451.



That the Secretary should not be made a party to a bill to obtain a patent, see *Kirk v. Commissioner* (1886), 5 Mackey, 229; 37 O. G. 451.

That on an appeal from a decree in equity granting a patent to one of two rival inventors on the sole ground of his priority, the defeated party may raise the question of the patentability of the invention and the Supreme Court may decide it, see *Hill v. Wooster* (1890), 132 U. S. 693.

#### ART.

That an art is as truly the subject of a patent as a machine or composition of matter, see *The Telephone Cases* (1888), 126 U. S. 1; 43 O. G. 377.

That a process consisting in the production and use of a change in the condition of an electrical current is patentable, see *The Telephone Cases* (1888), 126 U. S. 1; 43 O. G. 377.

That an art is new if the final step is new, though the other steps and the apparatus are old, see *Frankfort Whiskey Process Co. v. Mill Creek Distilling Co.* (1889), 37 Fed. Rep. 533.

That a new art may be produced by omitting one of the steps regarded as necessary in an old one, see *Lawther v. Hamilton* (1888), 124 U. S. 1; 42 O. G. 487.

That a process which is the mere function of a machine is not separately patentable, see *Ex parte Simonds* (1888), 44 O. G. 445.

That a mechanical process capable of being performed by other apparatus than the machine devised by its inventor for the purpose is separately patentable, unless dedicated to the public by the use of the machine, see *Ex parte Young* (1888), 46 O. G.

1635. See this case for a discussion of the relation of processes to machines.

#### ASSIGNMENT.

That the title to the patent, to whomsoever granted, vests on its issue in the ultimate assignee of record, see *Consolidated Electric Light Co. v. McKeesport Light Co.* (1888), 34 Fed. Rep. 335; 44 O. G. 110.

That a single Claim of a patent may be assigned, see *Pope Mfg. Co. v. Gormully & Jeffrey Mfg. Co.* (1888), 34 Fed. Rep. 893.

That an assignment of all the patentee's interest in the patent for the whole term, with all re-issues, renewals, and extensions, for one fourth of the future proceeds, transfers the entire title to the assignee, see *Rude v. Westcott* (1889), 130 U. S. 152; 48 O. G. 399.

That the transfer of an exclusive right to make, use, and sell, upon the payment of certain royalties, leaves an interest in the transferor and is not an absolute assignment, see *Clement Mfg. Co. v. Upson & Hall Co.* (1889), 40 Fed. Rep. 471.

That the transferee of an undivided interest in the invention for a certain part of the United States is not an assignee, and cannot join in prosecuting an application for a patent, see *Ex parte Funston* (1889), 49 O. G. 1044.

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

That an assignment of rights of action must be clearly expressed, and if procured pending suit by an assignee of the patent cannot be set up by sup-

plemental bill, see *Emerson v. Hubbard* (1888), 34 Fed. Rep. 327; 46 O. G. 976.

#### ATTORNEYS.

That patent attorneys and solicitors are not expected to be learned lawyers, and indulgence should be shown to applicants on that account, see *Osgood v. Badger* (1888), 44 O. G. 1065.

That the attorney of the inventor will be recognized by the Patent Office until the assignee asserts his rights, see *Ex parte Baker* (1889), 49 O. G. 1363.

#### CAVEAT.

That as a design cannot be incomplete no caveat for it is allowable, see *Ex parte Carty* (1888), 44 O. G. 570.

That when an application apparently conflicts with a pending caveat notice should be sent at once to the caveator without waiting to determine the patentability of the invention, see *Ex parte Ward* (1889), 46 O. G. 1513.

That a caveator after notice is not bound to file any application, nor can he excuse himself for lack of diligence in filing it, nor will an applicant be delayed to wait for an application from a caveator, see *Ex parte Ward* (1889), 46 O. G. 1513; *Elges v. Miller* (1889), 46 O. G. 1514.

#### CLAIM.

That matter not claimed is not covered by the patent, see *Dickinson v. Parker* (1889) 38 Fed. Rep. 411; *Van Camp v. Maryland Pavement Co.* (1888), 34 Fed. Rep. 740; 43 O. G. 884.

That the patentee is bound by his Claim, see *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117.

That the Claim should leave it to

the Description to enumerate details of construction not essential to the invention, and the Claim cannot be limited to these details, see *Ex parte Laskey* (1889), 48 O. G. 539.

That a feature not alluded to in the Description cannot be covered by the Claim, though it appears in the drawings, see *Gunn v. Savage* (1887), 24 Blatch. 247; 30 Fed. Rep. 366.

That any perfectly clear expression of what the inventor intends to secure to himself in immediate connection with the Claim is virtually part of the Claim, see *La Rue v. Western Electric Co.* (1886), 24 Blatch. 18; 28 Fed. Rep. 85; 36 O. G. 453.

That the file-wrapper and contents may interpret the Claim, see *Royer v. Coupe* (1889), 38 Fed. Rep. 113.

That the inventor of an improvement only cannot claim the entire means, see *Ex parte Miller* (1888), 43 O. G. 1346.

That a patentee who has accepted a patent with Claims restricted by the Patent Office is not limited to the letter of his Claims, nor deprived of the right to equivalents, see *Consolidated Roller-Mill Co. v. Coombs* (1889), 39 Fed. Rep. 25; 48 O. G. 255.

That "as shown and described" will be implied by the courts in all Claims, but is usually required by the Patent Office, especially in design patents, see *Ex parte Gerard* (1888), 43 O. G. 1235.

That the words "means," "mechanism," "connections," are sometimes proper, see *Ex parte Stoughton* (1888), 43 O. G. 1345; *Ex parte Stanbridge* (1888), 43 O. G. 1345.

#### COMBINATION.

That the effecting a new result as distinguished from an aggregation of



old results is one test of a combination, see *Shipman Engine Co. v. Rochester Tool Works* (1888), 44 O. G. 1067.

That where no result is attained by grouping elements beyond their separate or collective result, the grouping is an aggregation, not a combination, see *Richards v. Michigan Cent. R. R. Co.* (1889), 40 Fed. Rep. 165.

That where the elements do not co-act to produce a new result, there is no patentable combination, see *Brinkerhoff v. Aloe* (1888), 37 Fed. Rep. 92; 46 O. G. 338.

That a combination must perform a function beyond that which is the sum of the functions of its separated elements, see *Ide v. Ball Engine Co.* (1889) 39 Fed. Rep. 548; 49 O. G. 283; *Jones v. Clow* (1889), 39 Fed. Rep. 785.

That a series of identical devices is not a combination, but each device is a complete thing by itself, see *Morrison v. Canton Surgical and Dental Chair Co.* (1889), 49 O. G. 733.

That the omission from a patented combination of one element, leaving the other elements to co-act just as they did before, is not a new invention, see *McClain v. Ortmayer* (1887), 33 Fed. Rep. 284; 42 O. G. 724.

That all claimed elements of a combination are thereby made essential, see *Thompson v. Gildersleeve* (1888), 34 Fed. Rep. 43; 43 O. G. 886.

#### COMMISSIONER OF PATENTS.

That the duties of the Commissioner are partly ministerial, partly judicial, see *Daniel v. Morgan* (1889), 47 O. G. 811.

That the Commissioner has no jurisdiction over conflicts as to title, nor can he recognize equitable or contract

rights, see *McDonough v. Gray* (1889), 46 O. G. 1245.

#### CONCEPTION.

That conception is proved by description only when the description shows that the conceiver had not merely perceived the desirability of a result, but the way and means of effecting it, so that a listener to the description, if skilled in the art, could produce it, see *Wherry v. Heck* (1889), 49 O. G. 559.

That drawings and models are much higher evidence of conception than oral descriptions, see *Wherry v. Heck* (1889), 49 O. G. 559.

That an abandoned application may show conception, see *Beach v. Fowler* (1889), 48 O. G. 821.

#### CONSTRUCTION OF PATENTS.

That patents are to be construed in the light of common knowledge as to what was in use before, see *Fornbrook Mfg. Co. v. Iron Works* (1886), 63 Mich. 195.

That a patent is to be construed in view of the state of the art and so as to protect the actual invention, if its language will permit, see *Consolidated Roller Mill Co. v. Coombs* (1889), 39 Fed. Rep. 25; 48 O. G. 255.

That a patent cannot be construed to cover parts not described or claimed, see *Ball & Socket Fastener Co. v. Kraetzer* (1889), 39 Fed. Rep. 700.

That a narrow Claim must be enlarged by re-issue, if at all, not by construction, see *Becker v. Hastings* (1884), 17 Phila. 580.

That a construction not contemplated when the Claim was drawn cannot be afterwards given to it, see *Ladd v. Mooney* (1884), 17 Phila. 571.

That the Claim of a patent defines what the Patent Office has determined to be the scope of the invention, and it cannot be enlarged by construction, see *Day v. Fair Haven & Westville R. R. Co.* (1889), 132 U. S. 98; 49 O. G. 1364.

That after the Claim has been modified in obedience to the Patent Office it cannot be enlarged by construction to cover the relinquished matter, see *Phoenix Caster Co. v. Spiegel* (1890), 133 U. S. 360; *Roemer v. Peddie* (1889), 132 U. S. 313; 49 O. G. 2151.

That the court in construing the Claims may examine the file-wrapper and contents, see *Consolidated Roller-Mill Co. v. Coombs* (1889), 39 Fed. Rep. 25; 48 O. G. 255.

That the construction put upon a Claim by the Patent Office in allowing it, as shown by the correspondence, will be followed, see *Royer v. Schultz Belting Co.* (1889), 40 Fed. Rep. 158; *Geis v. Kimber* (1888), 36 Fed. Rep. 105; 44 O. G. 108.

That where the Claim is clear the drawings need not be considered in construing it, see *Kidd v. Horry* (1888), 33 Fed. Rep. 712.

### CONTRACTS.

#### Express or Implied.

That the right to use a patented invention may be the subject of a contract express or implied, and assumpsit will lie to recover reasonable compensation for its use, see *Deane v. Hodge* (1886), 35 Minn. 146.

That under an implied contract for the use of an invention the measure of recovery is a reasonable royalty, as custom or expert evidence as to utility and value may indicate, see *Deane v. Hodge* (1886), 35 Minn. 146.

#### Partnership.

That patents may be contributed to the capital of a partnership, see *Rehfus v. Moore* (1889), 6 Pa. Co. (Pa.) 245.

That where a patentee assigns a half-interest in the patent to a capitalist, and they unite in making and selling the invention, they are partners, and at the death of one the business should be settled up, the assets sold and proceeds divided, and a bill in equity may be brought by the executor of the deceased partner against the survivor for that purpose, see *Farr v. Morrill* (1889), 53 Hun (N. Y.), 31.

#### Warranty.

That a warranty guaranteeing the exclusive sale of one machine within certain territory is not broken by the sale of a different machine in the same territory under the same patent, see *Pratt v. Marean* (1888), 25 Ill. App. 516.

#### For Royalties.

That the acceptance of a license on condition of royalties is an agreement to pay the royalties, see *Paper Stock Disinfecting Co. v. Boston Disinfecting Co.* (1888), 147 Mass. 318.

That a licensee under a patent covering several inventions is liable for the stipulated royalty, whether he uses one or all of them, see *Hubbard v. Allen* (1889), 123 Pa. St. 198.

#### In Restraint of Trade.

That a contract regulating the mutual enjoyment of patent-rights is not "in restraint of trade," see *Bowling v. Taylor* (1889), 40 Fed. Rep. 404.

That a restriction in a transfer of rights under a patent being greater than is reasonably necessary to protect the purchaser is void as against public policy, see *Berlin Mach. Works v. Perry* (1888), 71 Wis. 495.



**Failure of Consideration.**

That an agreement to procure and assign a patent fails if the patent is not procured or procurable, and the purchase money may be recovered by the promisee, see *Westervelt v. Fuller Mfg. Co.* (1885), 13 Daly (N. Y.) 352.

**Specific Performance.**

That equity may compel the assignment of a patent by the legal owner to those equitably entitled to it, see *Berolzheimer v. Strauss* (1884), 51 Sup. Ct. (N. Y.) 96.

That State courts of equity will compel specific performance of contracts for assignment or license, see *Fuller & Johnson Mfg. Co. v. Bartlett* (1887), 68 Wis. 73.

That a parol agreement to assign a patent may be enforced in equity, and the court may direct the execution of the necessary papers, see *Scarle v. Hill* (1887), 73 Iowa, 367.

That an oral contract for a license to use an invention may be enforced in equity, see *Nichols v. Marsh* (1886), 61 Mich. 509.

That an agreement to apply for and assign foreign patents will be enforced, see *Adams v. Messinger* (1888), 147 Mass. 185.

That an agreement by the owner of a patent to make and deliver the patented article will be enforced in equity, where no special skill is required to make it, see *Adams v. Messinger* (1888), 147 Mass. 185.

That specific performance of an agreement to convey a patent will not be decreed where the defendant has no title or the patent is void, see *Kennedy v. Hazelton* (1888), 128 U. S. 667; 46 O. G. 973.

That the specific performance of a

void patent will not be decreed, see *Kennedy v. Hazelton* (1888), 33 Fed. Rep. 293.

That an unconscionable contract will not be enforced in equity, see *Pope Mfg. Co. v. Gormully* (1888), 34 Fed. Rep. 877.

That the owner of a patent may be enjoined against alienating or encumbering his title thereto, see *Adams v. Messinger* (1888), 147 Mass. 185.

**Rescission.**

That a contract to purchase a patent right obtained by the fraud of the vendor will be rescinded in equity, and the parties placed *in statu quo*, see *Marsh v. Scott* (1888), 125 Ill. 114.

That a party having the right to a rescission and an affirmance of a contract must make his election and abide by it, see *Creighton v. Haggerty* (1884), 50 Sup. Ct. (N. Y.) 9.

**DAMAGES.****Must be proved.**

That damages must be proved, not conjectured, see *Rude v. Westcott* (1889), 130 U. S. 152; 48 O. G. 399.

**License Fee as Measure of Damages.**

That license fees fixed by plaintiff and voluntarily paid by licensees, are evidence of an established fee, see *United Nickel Co. v. Central Pac. R. Co.* (1888), 36 Fed. Rep. 186.

That a license fee is established only where the payment of such fees is of frequent occurrence and shows the value of the license in similar cases, see *Rude v. Westcott* (1889), 130 U. S. 152; 48 O. G. 399.

That two instances are admissible to show an established license fee, see *Cary v. Lovell Mfg. Co.* (1889), 37 Fed. Rep. 654; 47 O. G. 525.

That irregular and uncertain rates

for licenses do not show a license fee, see *United Nickel Co. v. Central Pac. R. Co.* (1888), 36 Fed. Rep. 186.

That when a regular license fee exists it is not varied by occasional departures in cases of necessity, see *Asmus v. Freeman* (1888), 34 Fed. Rep. 902.

That an allowance of a sum *per* article by a court as damages does not fix a royalty or give a right to interest thereon, see *Graham v. Plano Mfg. Co.* (1888), 35 Fed. Rep. 597.

That payment of a sum in settlement of an infringement does not measure the value of the invention or the damages sustained in other cases, see *Rude v. Westcott* (1889), 130 U. S. 152; 48 O. G. 399; *Cornely v. Marckwald* (1889), 131 U. S. 159; 47 O. G. 1353; *United Nickel Co. v. Central Pac. R. Co.* (1888), 36 Fed. Rep. 186.

That a royalty paid for one right under a patent, or for all the rights, is not evidence of damages for infringing a single different right, see *Colgate v. Western Electric Mfg. Co.* (1886), 24 Blatch. 75.

That a royalty paid for several patents jointly does not show the license fee for either, see *Vulcanite Paving Co. v. American Artificial Pavement Co.* (1888), 36 Fed. Rep. 378; 45 O. G. 948.

#### **Loss of Profits as Measure of Damages.**

That where there is no license fee the measure of damages is the profits lost by the patentee by reason of the infringement, and he must show to what extent sales have been diverted from him, see *Covert v. Sargent* (1889), 38 Fed. Rep. 237.

That where the plaintiff does not grant licenses, the measure of dam-

ages for an infringing sale is the amount of profit he would have made if he had sold what the defendant sold, deducting a fair percentage in respect of sales due to the particular exertions of the defendant, but not taking into consideration that the defendant might have sold the same quantity without infringing the patent, or that the price of other goods sold by the plaintiff was reduced by the unlawful competition, see *United Horse Shoe & Nail Co. v. Stewart* (1888), L. R. 13 App. 401.

That the plaintiff may show by circumstantial as well as direct evidence that he would have sold the articles sold by the defendant, see *Covert v. Sargent* (1889), 38 Fed. Rep. 237.

That where defendants, before infringing, bought of the plaintiff, as also during the infringement to some extent, it is a fair presumption that they would have bought of him all they made and used, see *Creamer v. Bowers* (1888), 35 Fed. Rep. 206.

That a plaintiff who claims a loss by reduction of prices must show by sufficient data to what extent such reduction was due to the infringement, see *Boesch v. Gräff* (1890), 133 U. S. 697; *Cornely v. Marckwald* (1889), 131 U. S. 159; 47 O. G. 1353.

That when the plaintiff charged no more when he used his invention than when he did not use it, evidence that he lost valuable contracts through the defendant's competition is inadmissible, see *Vulcanite Paving Co. v. American Artificial Stone Pavement Co.* (1888), 36 Fed. Rep. 378; 45 O. G. 948.

#### **Increase of Damages.**

That for a flagrant injury damages will be trebled, see *Lyon v. Donaldson* (1888), 34 Fed. Rep. 789.



That a strenuous contest, if fair and *bona fide*, is no reason for increasing the damages, see *Welling v. La Bau* (1888), 35 Fed. Rep. 302.

That a court will not increase the damages merely because the defendant urged his goods on the plaintiff's customers, see *Morss v. Union Form Co.* (1889), 39 Fed. Rep. 468.

That the court may award damages in equity in excess of the profits and then treble them, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That while after final decree the defendant may not be allowed to offer evidence, before carelessly omitted, to show that the patent is void, yet in view thereof the court may refuse to increase damages, see *Welling v. La Bau* (1888), 35 Fed. Rep. 302.

#### Nominal Damages.

That a plaintiff, not having any compromise in view, is bound by an offer to accept nominal damages, see *Creamer v. Bowers* (1888), 35 Fed. Rep. 206.

#### Interest.

That interest is allowed on royalties, but not on unliquidated damages, see *Creamer v. Bowers* (1888), 35 Fed. Rep. 206.

#### DATE.

##### Of Invention.

That a foreign patentee cannot claim an earlier date for his invention than that of his foreign patent, see *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117.

That a statement in the domestic specification that the applicant has obtained a foreign patent does not prove that fact nor carry back the *prima facie* date of his invention, see *Electrical*

*Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117.  
Of Patent.

That the date of the American patent need not correspond with that of the foreign one by which its term is limited, see *The Telephone Cases* (1888), 126 U. S. 1; 43 O. G. 377.

#### DESCRIPTION.

##### Completeness.

That one pending application cannot refer to another for a fuller description, but each must be complete in itself, see *Ex parte Borgfeldt* (1889), 49 O. G. 132; *Ex parte Everitt* (1889), 49 O. G. 564.

##### Correctness.

That inaccurate statements concerning the good results of a patented process do not render the Description defective, see *Michaelis v. Roessler* (1888), 34 Fed. Rep. 325.

##### Fraudulent Concealment.

That the defence of fraudulent concealment is not supported unless an intent to deceive is shown, see *Celluloid Mfg. Co. v. Russell* (1889), 37 Fed. Rep. 676.

##### Addressed to those Skilled in the Art.

That the Description is addressed to those skilled in the art, see *Celluloid Mfg. Co. v. Russell* (1889), 37 Fed. Rep. 676.

That the Description of a scientific invention is addressed to those learned in the science, see *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117.

That the Description of a process must describe it in a manner intelligible to those skilled in the art, and point out a way to make it practical, but it is not required that it be brought to the highest degree of perfection,

see *The Telephone Cases* (1888), 126 U. S. 1; 43 O. G. 377.

That the Description is sufficient if a skilled mechanic could from it construct the invention, see *Pullman Palace Car Co. v. Wagner Palace Car Co.* (1889), 38 Fed. Rep. 416.

That the specification of a chemical patent is addressed to those skilled in chemistry and is sufficient if intelligible to them, see *Am Ende v. Seabury* (1888) 36 Fed. Rep. 593; 47 O. G. 1354; *Anilin v. Levinstein* (1887), L. R. 12 App. 710.

### DESIGN.

#### When Patentable.

That a design presenting a new appearance to the eye, and creating a demand for the goods on which it is impressed, is patentable though simple and resembling other designs, see *Untermeyer v. Freund* (1889), 37 Fed. Rep. 342; 47 O. G. 527.

That a design is not new unless it would appear to ordinary observers to be different from the old, but the difference may be small, see *Redway v. Ohio Stove Co.* (1889), 38 Fed. Rep. 582.

#### Combination.

That a patent for a combination of old designs is proper, see *Whitman Saddle Co. v. Smith* (1889), 38 Fed. Rep. 411; *Redway v. Ohio Stove Co.* (1889), 38 Fed. Rep. 582.

That every design is a finished and distinct entity, not a combination, nor a genus, nor a species, see *Ex parte Gerard* (1888), 43 O. G. 1235, 1240.

#### Design and Manufacture.

That a design may be also a manufacture, see *Ex parte Gerard* (1888), 43 O. G. 1235.

#### Identity of Designs.

That the identity of designs is measured by their appearance to ordinary

observers, not to experts, see *Redway v. Ohio Stove Co.* (1889), 38 Fed. Rep. 582; *Ex parte Gerard* (1888), 43 O. G. 1235; *Kraus v. Fitzpatrick* (1888), 34 Fed. Rep. 39; 42 O. G. 1202.

### DISCLAIMER.

#### Nature.

That secs. 4917 and 4922 Rev. Stat. concerning disclaimers are parts of one law and require the same conditions for amendment, see *Hailes v. Albany Stove Co.* (1887), 123 U. S. 582; 42 O. G. 95.

#### Cannot Change Invention.

That a disclaimer cannot change the character of the patented invention nor render further description necessary, but can only eliminate separable matter from the Claims, see *Hailes v. Albany Stove Co.* (1887), 123 U. S. 582; 42 O. G. 95.

That a patent for the apparatus cannot be changed into one for the process by disclaiming the apparatus except when used in the process, see *Grant v. Walter* (1889), 38 Fed. Rep. 594; 47 O. G. 1220.

#### Affects Claim, not Description.

That a disclaimer is not needed when the Description is excessive but not the Claim, — the Claim controlling the Description and limiting the patent, — see *Brush Electric Co. v. Fort Wayne Electric Light Co.* (1889), 40 Fed. Rep. 826.

#### Effect on Claim.

That a disclaimer of the separable excess may save the valid portion of the Claim, see *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117.

That the patentee is bound by a Claim which has been narrowed to meet an unfounded objection in the



Patent Office, see *Lapham Dodge Co. v. Soverin* (1889), 40 Fed. Rep. 762.

**After Unreasonable Delay.**

That a disclaimer to save an otherwise lost suit is not permissible after unreasonable delay, see *Hake v. Brown* (1889), 37 Fed. Rep. 783; 47 O. G. 1071.

**As Evidence.**

That a disclaimer cannot be put in evidence after decision on the merits in equity, except upon a rehearing and on such terms as the court may impose, see *Roemer v. Bernheim* (1889), 132 U. S. 103; 49 O. G. 1535.

**EMPLOYER AND EMPLOYEE.**

**Assignment.**

That the inventions of a person hired to invent, and to patent his inventions in the name of the employer, equitably belong to the employer, and if patented to the inventor he may be compelled in equity to assign his patent to the employer, see *Annin v. Wren* (1887), 44 Hun (N. Y.), 352.

That an employer may patent the inventions of his employees for his own benefit if they consent, see *Dueber Watch-Case Mfg. Co. v. Dalzell* (1889), 38 Fed. Rep. 597.

**License.**

That an employee disclosing his invention to the employer, and putting it to practical use in the employment, does not thereby transfer a right to the invention itself and the future patent therefor, but licenses the employer to use it, see *Fuller & Johnson Mfg. Co. v. Bartlett* (1887), 68 Wis. 73.

**EQUIVALENTS.**

**Though not identical.**

That devices may be equivalents though one answers the purpose better

than the other, see *Roosevelt v. Law Tol. Co.* (1887), 33 Fed. Rep. 505.

**"Known" Equivalents.**

That a "known equivalent" is such a substitute as is known to be able to accomplish the same result, see *Morley Mach. Co. v. Lancaster* (1889), 129 U. S. 263; 47 O. G. 267.

That equivalents are such though it could not have been known that they would be equivalents until after the device in which they are employed was invented, see *Morley Mach. Co. v. Lancaster* (1889), 129 U. S. 263; 47 O. G. 267.

**Covered by Patent.**

That a patentee is entitled to equivalents though he may have reformed his Claims under requirements of the Patent Office, see *Rodebaugh v. Jackson* (1889), 37 Fed. Rep. 882; 47 O. G. 658.

**ESTOPPEL.**

That an attorney in fact, conveying the patent under a power, is not estopped to deny validity, see *H. Tibbe & Son Mfg. Co. v. Heineker* (1889), 37 Fed. Rep. 686; 47 O. G. 1221.

**GENUS AND SPECIES.**

That the relation of an improvement to its original is not always that of species to a genus, — a species being created only when an original generic element is supplanted by a new or modified element, see *Ex parte Smith* (1888), 44 O. G. 1183.

That a process and its apparatus are not genus and species but distinct inventions, see *Ex parte Atwood* (1888), 44 O. G. 341.

**IDENTITY.**

That greater perfection in the result effected does not show want of identity, see *Mac Donald v. McLean* (1889), 38 Fed. Rep. 328.

**INFRINGEMENT.****By Use.**

That use of the invention for a different purpose is infringement, see *Thompson v. Gildersleeve* (1888), 34 Fed. Rep. 43; 43 O. G. 886.

**By Sale.**

That the sale of part of an invention to those who have a right to use it is not an infringement, see *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.* (1889), 40 Fed. Rep. 577.

That the sale of an element capable of an innocent use, and without collusion, does not infringe the patent for the combination, see *Winne v. Bedell* (1889), 40 Fed. Rep. 463; 49 O. G. 2152.

**By Joint or Collusive Acts.**

That a joint infringement is one tort, and recovery of satisfaction against one tort-feasor is a bar to further proceedings, see *Babcock & Wilcox Co. v. Pioneer Iron Works* (1888), 34 Fed. Rep. 338; 43 O. G. 756.

That a patent may be infringed by the separate acts of different parties having a common purpose, though no one act is by itself an infringement, see *Celluloid Mfg. Co. v. American Zylonite Co.* (1887), 24 Blatch. 321.

**Of several Patents.**

That when the titles to two conflicting patents are united in one owner, one invention may be treated as an improvement on the other as against an infringer, see *Putnam v. Keystone Bottle Stopper Co.* (1889), 38 Fed. Rep. 234; 48 O. G. 113.

That where two patents cover in part the same field, a party who has used under both may be held liable for that in each which was not covered by the other, and cannot claim that the

later was void because anticipated by the other, see *Deano v. Hodge* (1886), 35 Minn. 146.

**Of Combination-patent.**

That a combination-patent is infringed if the substance of the combination is taken, whatever equivalents, alterations, or omissions may be resorted to, see *Proctor v. Bennis* (1887), L. R. 36 Ch. D. 740.

That a combination is not infringed unless all its elements or their equivalents are used, see *Perkins v. Eaton* (1889), 40 Fed. Rep. 672.

That taking some of the elements with equivalents for the others infringes the combination, see *Leary v. Hohenstein* (1889), 37 Fed. Rep. 680; 46 O. G. 1518.

That the reconstruction of a combination after its patent has expired is not an infringement, see *Johnson v. Brooklyn & C. R. Co.* (1888), 37 Fed. Rep. 147.

**Of Patent for an Art.**

That a patent for an art is not infringed if some of its steps are omitted, see *Royer v. Coupe* (1889), 38 Fed. Rep. 113.

That a process is infringed by employing the essence of the invention, whatever apparatus may be used, see *Morley Mach. Co. v. Lancaster* (1889), 129 U. S. 263; 47 O. G. 267.

**Of Machine-patent.**

That a machine performing new functions is infringed by any mechanism which employs the same means to accomplish the same results, though its parts are individually improved, see *Morley Mach. Co. v. Lancaster* (1889), 129 U. S. 263; 47 O. G. 267.

**Of Design-patent.**

That a design may infringe though the infringer's name be coupled with



it, see *Redway v. Ohio Stove Co.* (1889), 38 Fed. Rep. 582.

**By the Government or its Officers.**

That in the absence of any special agreement the acts of the government in using an invention measure its liability under an implied contract, see *Butler v. United States* (1888), 23 Ct. of Claims, 335.

That the unauthorized use of an invention by a public officer does not raise an implied contract on the part of the government to pay for such use, see *Forehand v. United States* (1888), 23 Ct. of Claims, 477.

That when the government denies that the invention used is the property of the claimant, the use is not under a contract, see *Schillinger v. United States* (1889), 24 Ct. of Claims, 278.

**By City.**

That a city may be liable for an infringement committed by a contractor acting under its orders, see *Asbestine Tiling & Mfg. Co. v. Hepp* (1889), 39 Fed. Rep. 324; 49 O. G. 413.

**By private Corporations, their Officers, etc.**

That an officer of a solvent corporation is not liable for its infringements unless he personally participates therein, though he may be bound by an injunction, see *Boston Woven Hose Co. v. Star Rubber Co.* (1889), 40 Fed. Rep. 167.

That the officers of a corporation though made parties will not be individually enjoined or ordered to account when the corporation is solvent, unless they as individuals have violated or threaten to violate the patentee's rights, see *Howard v. St. Paul Plow Works* (1888), 35 Fed. Rep. 743; 45 O. G. 1067.

**By Licensor.**

That a licensor is liable in equity for infringing acts committed by his licensees when following his directions and working drawings, see *Toppau v. Tiffany Refrigerator Car Co.* (1889), 39 Fed. Rep. 420.

**By Licensee.**

That a licensee exceeding his license becomes an infringer, see *Covell v. Bostwick* (1889), 39 Fed. Rep. 421.

That a licensee under one Claim of a patent may be treated as an infringer of another Claim, though the infringement is accomplished by the use of the licensed Claim, see *United Nickel Co. v. California Electrical Works* (1885), 11 Sawyer 250.

**By Workman.**

That a mere workman having no pecuniary interest in the product of his labor is not an infringer, see *Young v. Foerster* (1889), 37 Fed. Rep. 203; 47 O. G. 1353.

**Liability of Executor.**

That an action in equity for infringement survives against the executor of the infringer, although no injunction can be granted, see *Hohorst v. Howard* (1888), 37 Fed. Rep. 97.

**Must be Proved.**

That infringement must be proved, not conjectured, see *Winne v. Bedell* (1889), 40 Fed. Rep. 463; 49 O. G. 2152; *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.* (1889), 40 Fed. Rep. 577.

**INJUNCTION.**

**Preliminary, when denied.**

That an injunction will be refused in the absence of judgments, acquiescence, or success in an interference proceeding, see *Edward Barr Co. v.*

N. Y. & N. H. Automatic Sprinkler Co. (1887), 24 Blatch. 566; 43 O. G. 392.

That an injunction will be refused when there are no judgments or acquiescence, and infringement is doubtful, see *Raymond v. Boston Woven Hose Co.* (1889), 39 Fed. Rep. 365; 48 O. G. 1776.

That an injunction will be refused when there are no judgments or acquiescence, and defendant is solvent and would sustain great injury, and the plaintiff has been guilty of laches, see *Hurlburt v. Carter* (1889), 39 Fed. Rep. 802.

That an injunction will be refused where no judgments have been rendered, acquiescence is doubtful, the infringement is denied, and defendants are pecuniarily responsible, and have a long time carried on an extensive business, while plaintiff has owned the patent but a few months, see *Johnson v. Aldrich* (1889), 40 Fed. Rep. 675.

#### **Judgments.**

That a restraining order, pending suit, will be granted on one final judgment and several interlocutory orders for injunctions and a public acquiescence of several years, see *Schneider v. Missouri Glass Co.* (1888), 36 Fed. Rep. 582; 45 O. G. 1069.

That an injunction may issue without a prior judgment at law, but the court, if validity is doubtful, may order an issue at law before allowing an injunction, see *Wise v. Grand Avenue R. R. Co.* (1888), 33 Fed. Rep. 277.

That an injunction will be refused where the evidence of validity consists of a judgment from which an appeal is pending, and where the defendant is acting in good faith and in ignorance

of the infringement and would sustain irreparable injury, while the plaintiff has an adequate remedy at law, see *Consolidated Roller Mill Co. v. Richmond City Mill Works* (1889), 40 Fed. Rep. 474.

That where there has been no judgment or its equivalent, and the defendants deny the validity of the patent if so construed as to prohibit their acts, an injunction will be refused, see *Dickerson v. De La Vergne Refrigerating Mach. Co.* (1888), 35 Fed. Rep. 143.

#### **Acquiescence.**

That acquiescence implies an interest adverse to the patent and a submission to the patent, see *Raymond v. Boston Woven Hose Co.* (1889), 39 Fed. Rep. 365; 48 O. G. 1776.

That acquiescence in the right of the inventor to an invention covered by several patents is not acquiescence in any one patent, see *Upton v. Wayland* (1888), 36 Fed. Rep. 593.

#### **Validity Doubtful.**

That an injunction will be denied where it is evident that the patent will be very narrowly sustained if at all, see *Glaenger v. Wiederer* (1887), 33 Fed. Rep. 583.

That an injunction will not issue where patentability is doubtful, see *Osborn v. Judd* (1886), 24 Blatch. 167.

That an injunction will be denied where the novelty of the invention is fairly contested, see *Upton v. Wayland* (1888), 36 Fed. Rep. 593.

#### **Infringement Doubtful, Threatened, Evidence of.**

That where infringement is doubtful, and other courts have decided that there is none, an injunction will be refused, see *Thompson v. Rand-Avery Supply Co.* (1889), 38 Fed. Rep. 112; 46 O. G. 1112.



That if infringement is doubtful an injunction will be refused, see *Norton Door Check & Spring Co. v. Hall* (1889), 37 Fed. Rep. 691; *Morss v. Knapp* (1889), 39 Fed. Rep. 608; *Russell v. Hyde* (1889), 39 Fed. Rep. 614.

That infringement in the past is not conclusive proof that the infringer will repeat the wrongful act, see *Proctor v. Bayley* (1889), L. R. 42 Ch. D. 390.

That an injunction will issue though infringement has ceased, if it can be repeated, see *Celluloid Mfg. Co. v. Arlington Mfg. Co.* (1888), 34 Fed. Rep. 324; 42 O. G. 828; *Facer v. Midvale Steel Works Co.* (1888), 38 Fed. Rep. 231.

That an injunction may issue though no infringement has yet occurred, see *Sherman v. Nutt* (1888), 35 Fed. Rep. 149.

That an injunction will issue when the patented device has been made for sale and advertised though none have yet been used or sold, see *Butz Thermo-Electric Regulator Co. v. Jacobs Electric Co.* (1888), 36 Fed. Rep. 191; 45 O. G. 833.

That where the defendant has imported parts of the patented combination, and fails to disclose the purpose for which they are to be used, an injunction will issue, see *Schneider v. Missouri Glass Co.* (1888), 36 Fed. Rep. 582; 45 O. G. 1069.

#### **Final Injunction Doubtful.**

That an injunction ought not to be granted unless a final decree would be made for the plaintiff on the same evidence, see *Challender v. Royle* (1887), L. R. 36 Ch. D. 425.

#### **Estoppel of Plaintiff.**

That where the plaintiff has acquiesced in and countenanced the acts of the defendant an injunction will be

refused, see *Amazon Machine Co. v. Knight* (1889), 39 Fed. Rep. 612.

That an injunction may be refused where the plaintiff has been guilty of laches pending suit and a final decree will soon be rendered, see *Pope Mfg. Co. v. Johnson* (1889) 40 Fed. Rep. 584.

That an injunction will be refused to a licensor who has dealt unfairly to the prejudice of the defendant licensee, see *Seibert Cylinder Oil Cup Co. v. Detroit Lubricator Co.* (1888), 34 Fed. Rep. 216.

That non-user because of State interference with the amount of royalties collectible is no ground for refusing an injunction, see *American Bell Telephone Co. v. Cushman Tel. & Service Co.* (1888), 36 Fed. Rep. 488; 45 O. G. 1193.

#### **Injury to Defendant or Public.**

That an injunction will be refused when the defendant is solvent and has used the invention a long time without notice of infringement, and would suffer irreparable injury, and the public are benefited by his use, see *Root v. Mt. Adams & Eden Park Inclined R. R. Co.* (1889), 40 Fed. Rep. 760.

#### **Patent Expired.**

That an injunction to prevent the use or sale of articles after the expiration of the patent will not be allowed when the articles were wrongfully made before the patent expired, and a suit for damages therefor is pending, see *Westinghouse v. Carpenter* (1888), 46 O. G. 244.

#### **Defendant's Vendor already Enjoined.**

That the vendee and user may be enjoined in one court after the maker has been enjoined in another, especially when the maker was not sued for the profits on this sale, see *Thompson*

*v. American Bank Note Co.* (1888), 35 Fed. Rep. 203; 45 O. G. 347.

**Bond and Account.**

That a bond in lieu of an injunction will be ordered when former judgments sustaining the patent have been rendered doubtful by subsequent decisions of the Supreme Court, and the defendant would sustain irreparable injury, see *Eastern Paper Bag Co. v. Nixon* (1888), 35 Fed. Rep. 752; 45 O. G. 1571.

That a bond and account may be ordered in lieu of an injunction when infringement is disputed, and defendant avers that he was ignorant of the patent until the suit was brought and derived no real aid from the invention, see *Eagle Mfg. Co. v. Chamberlain Plow Co.* (1888), 36 Fed. Rep. 905.

**Bill for Injunction.**

That it is proper to aver in a bill for an injunction that the patent has been established by judgments, to describe the patent generally, and make profert of it, and to allege infringement without specifying details, see *American Bell Telephone Co. v. Southern Telephone Co.* (1888), 34 Fed. Rep. 803.

**Bond of Plaintiff and Liability thereon.**

That if the plaintiff gives bond on obtaining an injunction and fails in his suit he is liable on the bond for damages arising from loss of sales, depreciation of goods on hand, etc., see *Tobey Furniture Co. v. Colby* (1888), 35 Fed. Rep. 592.

**Suspension of Injunction.**

That an injunction will not be suspended after judgment on the merits, unless public interests are involved or large numbers of innocent persons would be injured, see *Consolidated Roller-Mill Co. v. Coombs* (1889), 39 Fed. Rep. 803; 48 O. G. 973.

For a review of the cases in which injunctions will be suspended, see *Consolidated Roller-Mill Co. v. Coombs* (1889), 39 Fed. Rep. 803; 48 O. G. 973.

**Contempt.**

That an enjoined defendant, neglecting to notify his agents of the injunction is liable in contempt for their violations, see *Mundy v. Lidgerwood Mfg. Co.* (1888), 34 Fed. Rep. 541.

That where an enjoined infringer acts under a patent granted since the decree and there is a fair question whether he infringes, he will not be adjudged in contempt on a motion, but the plaintiff must sue on the alleged infringement, see *Penna. Diamond Drill Co. v. Simpson* (1889), 39 Fed. Rep. 284; 48 O. G. 676.

That where the contempt is not wilful a nominal fine and costs only will be imposed, see *Morss v. Domestic Sewing Mach. Co.* (1889), 38 Fed. Rep. 482.

**INTERFERENCE.**

**Jurisdiction of Examiner of Interferences.**

That the Examiner of Interferences has exclusive jurisdiction over the issues when declared, but none over the matter of patentability, see *Faure v. Bradley* (1888), 44 O. G. 945.

That the question whether a foreign patent covers the same invention as a domestic application in interference rests exclusively with the Examiner of Interferences, see *Faure v. Bradley* (1888), 44 O. G. 945.

That the decision of the Examiner of Interferences on interlocutory motions will not be reviewed unless he abuses his discretion or disregards some rule of law, see *Reynolds v. Haberman* (1889), 49 O. G. 130.



**When Declared.**

That an interference will be declared with an unexpired patent only when the applicant has been rejected on that specific patent, see *Ex parte Boyer* (1889), 49 O. G. 1985.

**Patent Granted pending Interference.**

That a patent issued pending a rival application is treated as an application also, see *Ex parte Boyer* (1889), 49 O. G. 1986; *Bechman v. Johnson* (1889), 48 O. G. 673.

**Patentee, how far a Party.**

That a patentee has no interest in an interference proceeding after the question whether the applicant shall have a patent is determined, see *Beardslee v. Moeslein* (1889), 46 O. G. 1640.

**Priority of Application.**

That an earlier application cannot benefit the junior party to an interference unless it appear on its face or is proved by evidence to have been filed by the same applicant, see *Oliver v. Everitt* (1889), 49 O. G. 731.

**Dissolution.**

That a motion to dissolve an interference cannot be based on any thing except the application, see *Faure v. Bradley* (1888), 44 O. G. 945.

That an interference will not be dissolved for irregularity unless it would defeat the purpose of the interference, see *Steward v. Ellis* (1889), 49 O. G. 1983.

That if a decision on a motion to dissolve an interference rests on the merits, and not on the question whether an interference exists or whether the proceedings are so begun that this question can be decided, no appeal lies to the Commissioner, see *Manny v. Easley* (1889), 48 O. G. 538.

That an interference may be dis-

solved on the ground of non-patentability and the case remanded after the time fixed by the rules where circumstances demand it, even though the same questions had been fully canvassed by the examiner before the interference was declared, see *Reynolds v. Haberman* (1889), 49 O. G. 130.

**Evidence; Witnesses; Burden of Proof.**

That the matter of taking testimony for use in the Patent Office in interference cases is controlled by the Federal Court of the district where the evidence is taken, not by the Commissioner, see *Wright v. Daggett* (1888), 44 O. G. 913; *Osgood v. Badger* (1888), 44 O. G. 1065.

That depositions taken for the interference hearing between parties substantially the same may be used in court on a suit to annul if the same evidence cannot be retaken, see *Clow v. Baker* (1888), 36 Fed. Rep. 692.

That evidence of foreign invention is not admissible in an interference unless it be a publication or a patent, see *Green v. Hall* (1889), 46 O. G. 1515.

That husband and wife are not competent witnesses for or against each other in the Patent Office, which follows the law of the District of Columbia, see *Marsh v. Rein* (1888), 43 O. G. 1453.

That when a later applicant in interference claims that the earlier copied the invention from his, and that he is the true inventor and was using reasonable diligence in reducing, he has the burden of proof and must establish his claim by a fair preponderance of legal evidence, see *Wherry v. Heck* (1889), 49 O. G. 559.

That on an interference between an application and a patent, the evidence

must be sufficient to overthrow the patent in the courts or obtain its repeal, see *Beach v Fowler* (1889), 48 O. G. 821.

#### Rehearing.

That a Commissioner may rehear an interference case already decided by his predecessor in office, see *Daniels v. Morgan* (1889), 47 O. G. 811.

That manifest error in law is ground for a rehearing in the Patent Office, see *Green v. Hall* (1889), 47 O. G. 1631.

That after judgment in interference a party who neglected to prepare and try his case cannot have a rehearing, see *Beardslee v. Moeslein* (1889), 46 O. G. 1640.

That motions for a rehearing by different parties to an interference should all be made and heard together, see *Green v. Hall* (1889), 47 O. G. 813.

#### Effect of Judgment.

That a judgment in interference concludes the issues according to the construction put upon them by the court, and parties who acquiesce in such judgment cannot be allowed afterward to claim for it a different effect, see *Ex parte Gray* (1889), 46 O. G. 1277.

That the examiner is concluded by a judgment in interference, see *Ex parte Booth* (1889), 49 O. G. 1841.

That a party to an interference may subsequently deny patentability in the courts, see *Holliday v. Pickhardt* (1887), 24 Blatch. 201; 29 Fed. Rep. 853.

#### Appeal.

That from a decision of an examiner that no interference exists, and that those declared must be dissolved, an appeal lies to the Commissioner, see *Von Welsbach v. Lungren* (1889), 48 O. G. 537.

That no appeal lies to the Commissioner from a decision of the examiner on a motion to dissolve an interference involving the right of one of the parties to make the Claim in issue, the Commissioner having no direct jurisdiction over that question, see *Steward v. Ellis* (1889), 49 O. G. 1983.

That an appeal may be signed by the attorney *nunc pro tunc*, see *Pitney v. Smith* (1889), 49 O. G. 129.

That the statement of the reasons for appeal on an interference is no part of the appeal itself and if omitted or defective the appeal may still be valid, and the statement afterward supplied or amended, see *Pitney v. Smith* (1889), 49 O. G. 129.

That where an appeal is seasonably taken the Commissioner cannot decide that it is taken for purposes of delay, see *Pitney v. Smith* (1889), 49 O. G. 129.

#### Bill for Patent by Defeated Party.

That the issue of a patent to the party prevailing in an interference cannot be delayed by the filing of a bill in equity by the defeated party, see *Wells v. Boyle* (1888), 43 O. G. 752.

That the unreasonable delay of one applicant in pursuing his rights cannot operate to delay action on contesting applicants, see *Ex parte Lombard* (1888), 43 O. G. 1347.

#### INVENTION.

That the application of a natural force may be a patentable invention, see *Celluloid Mfg. Co. v. Frederick Crane Chemical Co.* (1888), 36 Fed. Rep. 110.

That an invention reached by taking the one step in advance toward which the art was tending is new and patent-



able, see *Anilin v. Lovinstein* (1887), L. R. 12 App. 710.

That the idea of a method of soliciting custom is not an invention, see *Bristol v. Equitable Life Assurance Soc.* (1880), 52 Hun (N. Y.), 161.

### INVENTIVE ACT.

#### Discovery, Inventive Skill.

That discovery is essential to patentability as well as novelty and utility, see *Ex parte Devin* (1888), 45 O. G. 709; *Ex parte Gifford* (1888), 45 O. G. 1457.

That an invention must be the product of an original conception, not merely the carrying forward of an original idea in degree, nor combining old devices without a new mode of operation, see *Burt v. Ivory* (1890), 133 U. S. 349.

That inventive skill implies more than change of form, proportion, degree, use, or arrangement, see *Worswick Mfg. Co. v. City of Kansas* (1889), 38 Fed. Rep. 239.

That inventive skill requires thought, mechanical skill does not, see *Butler v. Bainbridge* (1886), 24 Blatch. 163.

That an inventor must perceive and be able to reproduce his invention and to communicate it to others, see *McDonough v. Gray* (1889), 46 O. G. 1245.

#### Evidence of Inventive Skill.

That coincidence in the conclusions of two or more alleged inventors indicates mechanical rather than inventive skill, see *Falls Rivet Co. v. Wolfe* (1889), 40 Fed. Rep. 465.

That failure to produce a long-needed and instantly accepted means shows that when produced it resulted from inventive skill, see *Celluloid Mfg. Co. v. American Zylonite Co.* (1888), 35 Fed. Rep. 301.

That a different and beneficial result, improving and cheapening the product, indicates that the change in the mode of production, which others were interested to discover but the patentee alone did discover, involved inventive skill, see *Zinsser v. Kremer*, (1889), 39 Fed. Rep. 111; 48 O. G. 114.

That the immediate adoption of a means which supplies a long felt want indicates novelty, see *United Nickel Co. v. California Electrical Works* (1885), 11 Sawyer, 250; 25 Fed. Rep. 475.

That acceptance by the public is evidence of patentability, see *Tondeur v. Chambers* (1889), 37 Fed. Rep. 333; 46 O. G. 1110.

That public acceptance indicates inventive skill, see *Shipman Engine Co. v. Rochester Tool Works* (1888), 44 O. G. 1067.

That a device is so useful as to obtain immediate public recognition indicates that if inventive skill were not needed to produce it, it would have before been in use, see *Guarantee Trust and Safe Deposit Co. v. New Haven Gas Light Co.* (1889), 39 Fed. Rep. 268; 48 O. G. 1661.

That acceptance by the public and its late production when long needed shows inventive skill, see *Stegner v. Blake* (1888), 36 Fed. Rep. 183; 45 O. G. 126.

That immediate acceptance by the public is better evidence of invention than the opinions of experts and judges, see *Palmer v. Johnston* (1888), 34 Fed. Rep. 336; 43 O. G. 758.

#### Inventor.

That "one who seeks to enforce the rights secured by a patent is an Ishmaelite, — his hand against every one, and every one's hand against him,"

see *Underwood v. Gerber* (1889), 37 Fed. Rep. 682; 48 O. G. 116.

That the earliest reducer is favored by the law, see *Green v. Hall* (1889), 46 O. G. 1515.

#### Joint Inventors.

That the burden of proof is on an employer claiming joint invention against the sole patent of the employee, see *Locke v. Lane & Bodley Co.* (1888), 35 Fed. Rep. 289.

That one of two joint patentees may afterward file a sole application and have an interference declared with the joint patent, and is not estopped by his former joint oath nor barred by a previous assignment, since the assignees would become the owners of the sole patent when granted, see *Kohler v. Kohler* (1888), 43 O. G. 247.

That a sole applicant is not estopped by his sworn preliminary statement, when previously one of two joint applicants, nor by his testimony then offered as to the date of public use, that question not being in issue, see *Mead v. Brown* (1889), 48 O. G. 397.

That the testimony of one of two joint patentees and alleged joint inventors that he was in fact a sole inventor is neutralized by his former oath taken to obtain the patent, see *Schlicht & Field Co. v. Chicago Sewing-Machine Co.* (1888), 36 Fed. Rep. 585; 46 O. G. 1394.

### JUDGMENTS.

#### Supreme Court

That decisions of the Supreme and Circuit Courts will be followed where there is no new evidence, see *American Bell Telephone Co. v. Wallace Electric Tel. Co.* (1889), 37 Fed. Rep. 672.

That a judgment of the Supreme Court may be departed from when the facts are different, see *American Bell Telephone Co. v. Southern Telephone Co.* (1888), 34 Fed. Rep. 795.

That prior judgments, even of the Supreme Court, between other parties and on other facts may be departed from, see *Worswick Mfg. Co. v. City of Kansas* (1889), 38 Fed. Rep. 239.

#### Circuit Courts.

That a judgment in the same circuit by another judge, with the same parties and the same issues, will be followed, see *Heysinger v. Rouss* (1889), 40 Fed. Rep. 584.

That comity requires a judgment in a co-ordinate court in favor of validity to be followed where issues and evidence are the same, see *Hancock Inspirator Co. v. Register* (1888), 35 Fed. Rep. 61; *Hammerschlag Mfg. Co. v. Spalding* (1888), 35 Fed. Rep. 67.

That one Circuit court will not reverse its own decisions out of deference to comity toward another, though it might have followed such other had its judgment been previously known, see *Consolidated Roller Mill Co. v. George T. Smith Middlings Purifier Co.* (1889), 46 Fed. Rep. 305.

That the comity of courts does not require a decision to be followed after the Supreme Court has defined more strictly the points by which the court was guided, see *Rubber & Celluloid Harness Trimming Co. v. India Rubber Comb Co.* (1888), 44 O. G. 343.

That the decision of co-ordinate courts that the re-issue does not depart from the original will be followed on a motion for an injunction, see *Putnam v. Keystone Bottle Stopper Co.* (1889), 38 Fed. Rep. 234; 48 O. G. 113.



**Supreme Court of D. C.**

That the judgments of the Supreme Court of the District of Columbia in patent cases are entitled to great respect, see *Shannon v. Brunner* (1887), 33 Fed. Rep. 289; 41 O. G. 697.

**Patent Office.**

That an interference decision concludes the parties as to priority even in the courts, but does not prevent the defeated party from denying validity on other grounds, see *Lyon v. Donaldson* (1888), 34 Fed. Rep. 789.

That a judgment in interference is no proof of validity and does not warrant an injunction, see *Dickerson v. De La Vergue Refrigerating Mach. Co.* (1888), 35 Fed. Rep. 143. See the above case as to the value of interference decisions generally.

**Between Other Parties.**

That a decree finding a patent invalid is not a judgment *in rem* and does not prevent the plaintiff from suing another defendant and establishing his patent on the same or further evidence, see *Consolidated Roller-Mill Co. v. George T. Smith Middlings Purifier Co.* (1889), 40 Fed. Rep. 305.

**On Other Issues.**

That a judgment sustaining a patent for a certain form or degree of an invention raises a presumption of validity only as to that form or degree, see *Cary v. Miller* (1888), 34 Fed. Rep. 392.

**On the Same Evidence.**

That where a patent has been twice sustained against a defence of public use the judgments will be followed unless new facts are shown, see *Simonds Counter Mach. Co. v. Knox* (1889), 39 Fed. Rep. 702.

**JUDICIAL SALE.**

That a patent cannot be taken on execution in a suit at law, though special proceedings under State statutes may subject them to the claims of creditors, see *Wilson v. Martin-Wilson Fire Alarm Co.* (1889), 149 Mass. 24.

That a license under a patent may be taken on execution by the licensor and sold to satisfy a judgment against the licensee, see *Matthews v. Green* (1884), 17 Phila. 540.

That where the owner of a patent conceals or withholds it from his creditors it is a fraud for which he may be sued and his body taken on execution, see *Keene, petitioner* (1886), 15 R. I. 294.

That a judgment debtor may be compelled by equity to assign his patent to the creditor, see *Clan Ranald v. Wyckoff* (1877), 41 Sup. Ct. (N. Y.), 527.

That a State has power to enact that the patents of the insolvent shall vest in his assignee, and the assignee may invoke the aid of equity to compel the execution of the necessary conveyance by the insolvent, see *Barton v. White* (1887), 144 Mass. 281.

**JURISDICTION.****Law and Equity.**

That a patentee may sue either in equity or at law according to the nature of the relief demanded, see *Wise v. Grand Avenue R. R. Co.* (1888), 33 Fed. Rep. 277.

That a patentee having a right to an injunction may sue in equity for it and an accounting, or at law for damages measured by license fee, see *Bragg v. City of Stockton* (1886), 11 Sawyer, 597; 27 Fed. Rep. 509.

That a bill for an injunction and

account may be entertained in equity though the patent has but a few weeks to run, see *Kittle v. Rogers* (1887), 33 Fed. Rep. 49.

That equity will take cognizance of a suit brought long enough before the patent expires to enable equity relief to be granted, see *Singer Mfg. Co. v. Wilson Sewing Mach. Co.* (1889), 38 Fed. Rep. 586.

That where equity will order a final injunction it may also direct an account of damages and profits, see *Asbestine Tiling & Mfg. Co. v. Hepp* (1889), 39 Fed. Rep. 324; 49 O. G. 413.

That equity has jurisdiction of a bill filed to ascertain and administer the rights of the parties under a contract concerning the use of patented inventions, see *Reese's Appeal* (1888), 122 Pa. St. 392.

That equity has jurisdiction of an action by a licensor to obtain an account of royalties from his licensee and an injunction against unlicensed uses of the invention, see *Ball Glove Fastening Co. v. Ball & Socket Fastener Co.* (1888), 36 Fed. Rep. 309.

That equity has jurisdiction to enjoin a licensee who repudiates the license, conspires against the licensor, and still uses the patented invention, see *Hat Sweat Mfg. Co. v. Porter* (1888), 34 Fed. Rep. 745; 44 O. G. 1070

That equity has no jurisdiction over a suit by a licensee in the name of the patentee for damages for past infringements, see *Ulman v. Chickering* (1888), 33 Fed. Rep. 582.

That an objection to equity jurisdiction on the ground that the remedy at law is adequate must be taken by demurrer, plea, or answer, and not at the final hearing, see *Consolidated*

*Roller-Mill Co. v. Coombs* (1889), 30 Fed. Rep. 25; 48 O. G. 255.

#### Federal Courts.

That the act of March 3, 1887, does not repeal the provisions of the Revised Statutes conferring jurisdiction of patent cases on the Federal courts irrespective of the amount in dispute, see *Miller-Magee Co. v. Carpenter* (1888), 34 Fed. Rep. 433; 43 O. G. 1118.

That a suit to prevent the making and selling of patented articles, whatever its apparent form or purpose, is within the exclusive jurisdiction of the Federal courts, see *Kayser v. Arnold* (1886), 41 Hun (N. Y.), 275.

That questions involving the legal validity of a patent cannot be considered by a State court, see *Nichols v. Marsh* (1886), 61 Mich. 509.

That an action on a license in which the validity and infringement of a patent are put in issue by the pleadings is a patent case of which the Federal courts have jurisdiction, see *St. Paul Plow Works v. Starling* (1888), 127 U. S. 376; 43 O. G. 1350.

That a controversy between parties claiming under different patents and involving the scope of either patent is within the exclusive jurisdiction of the Federal courts, see *Garver v. Bement* (1888), 69 Mich. 149.

#### State Courts.

That an action on contract is not within Federal jurisdiction, see *Dale Tile Mfg. Co. v. Hyatt* (1888), 125 U. S. 46; 43 O. G. 249; *Felix v. Scharnweber* (1888), 125 U. S. 54; 43 O. G. 251.

That a case based entirely on contract is not a patent case within the jurisdiction of the Federal courts, see



*Brooklyn Watch Case Co. v. Leach* (1888), 35 Fed. Rep. 2; *Williams v. Star Sand Co.* (1888), 35 Fed. Rep. 369.

That State courts have jurisdiction of actions arising out of express contracts though patent rights may come in question, see *Creighton v. Haggerty* (1884), 50 Sup. Ct. (N. Y.) 9.

That a State court may decide questions as to the title to letters-patent but cannot enjoin a party from suing for infringement in the Federal courts, see *Childs v. Tuttle* (1889), 54 Hun (N. Y.), 57.

That the State courts may take cognizance of an action to enforce a contract relating to a patent, pending an infringement suit between the same parties in the Federal court, see *Nichols v. Marsh* (1886), 61 Mich. 509.

That an action demanding the assignment of a patent and damages is not a patent case within the jurisdiction of the Federal courts, see *Wren v. Annin* (1888), 34 Fed. Rep. 435.

That State courts have jurisdiction of actions by licensors to recover royalties, see *Hubbard v. Allen* (1889), 123 Pa. St. 198.

That the Federal courts have no jurisdiction where the sole question at issue is the forfeiture of a license, though the suit is brought for infringement and the State courts have refused to entertain it, see *McCarty & Hall Trading Co. v. Glaenzer* (1887), 24 Blatch. 269.

That the Federal courts have no jurisdiction of an action to construe a license, and determine whether the licensee has complied with it, and if not whether the non-compliance works a forfeiture, see *Densmore v. Three Rivers Mfg. Co.* (1889), 38 Fed. Rep. 747.

That State courts have jurisdiction

of a bill in equity to enjoin the defendant from slander of the plaintiff's invention, see *Flint v. Hutchinson Smoke Burner Co.* (1889), 38 Fed. Rep. 546.

#### Court of Claims.

That the Court of Claims has jurisdiction over claims of patentees for the use of their inventions by the United States with their consent, see *United States v. Palmer* (1888), 128 U. S. 262.

That the Court of Claims has no jurisdiction of a suit for the use of an invention by the government unless the facts imply a contract, see *Schilling v. United States* (1889), 24 Ct. of Claims 278; *Forehand v. United States* (1888), 23 Ct. of Claims 477.

#### Local Jurisdiction.

That a defendant cannot be sued outside his own district under the Act of 1887 unless he consents, and if he appears specially and demurs the bill must be dismissed, see *Halstead v. Manning* (1888), 44 O. G. 344.

That a corporation cannot be sued for infringement outside the State of its creation merely because its factories are located and its business conducted by agents in the district of suit, see *Preston v. Fire Extinguisher Mfg. Co.* (1888), 46 O. G. 124.

That an objection to local jurisdiction may be made by demurrer or by motion to dismiss, see *Miller-Magee Co. v. Carpenter* (1888), 34 Fed. Rep. 433; 43 O. G. 1118.

That want of local jurisdiction under the Acts of 1887-88, can be waived by appearance, see *McBride v. Grand de Tour Plow Co.* (1889), 40 Fed. Rep. 162; *Morrison v. Canton Surgical & Dental Chair Co.* (1889), 49 O. G. 733.

**LIBEL.**

That equity will enjoin against malicious public threats to sue a patentee's vendees, but in such suit will not pass on the validity of the patent, see *Emack v. Kane* (1888), 34 Fed. Rep. 46.

That a patentee will not be enjoined from notifying an infringer's customers that he will sue them for the use of the invention, see *Tuttle v. Matthews* (1886), 24 Blatch. 16.

**LICENSE EXPRESS.****What is.**

That however exclusive the right conveyed and however unlimited the territory, if it leaves any interest in the monopoly in the patentee within the territory defined, it is a mere license, see *Tuttle v. La Dow* (1889), 54 Hun (N. Y.), 149.

That an agreement not to sue for future infringements on payment of certain royalties is in effect a license, and the licensor cannot treat the licensee as an infringer merely because the royalties are not paid, see *Siebert Cylinder Oil Cup Co. v. Detroit Lubricator Co.* (1888), 34 Fed. Rep. 216.

**Exclusive License.**

That an exclusive license is a leave to do a thing and a contract not to allow any one else to do it, but confers no interest in the thing and gives the licensee no right to sue in his own name, see *Heap v. Hartley* (1889), L. R. 42 Ch. D. 461.

**License to Use.**

That where an express license accompanies the sale of a patented article, the vendee is bound by the scope of the license, see *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.* (1889), 40 Fed. Rep. 577.

That the right of a licensed user before patent to use the devices after patent extends to improvements on the devices, see *Campbell v. City of New York* (1888), 35 Fed. Rep. 504; 44 O. G. 1185.

That the licensee of a machine can repair it or replace parts, if its identity is not destroyed, see *Young v. Foerster* (1889), 37 Fed. Rep. 203; 47 O. G. 1353.

That each member of a machine may be covered by a different patent, and the replacing of one member may then be an infringement, see *Singer Mfg. Co. v. Springfield Foundry Co.* (1888) 34 Fed. Rep. 393.

**License to Sell.**

That the exclusive licensee of a grantee cannot sell the invention outside the granted territory, see *Hatch v. Hall* (1887), 24 Blatch. 355.

**Covenant to Suppress Infringements.**

That the contract of a licensor to prevent infringements binds him to act with reasonable promptness, see *Fornecrook Mfg. Co. v. Iron Works* (1886), 63 Mich. 195.

That a licensor fulfils his stipulation to defend his licensee if he protects him in any manner, see *Covell v. Bostwick* (1889), 39 Fed. Rep. 421.

That a covenant of the licensee to aid the licensor in suppressing infringements is binding upon him though he ceases to enjoy the license, and his sale of his business to a known intended infringer is a breach of the covenant, see *Washburn & Moen Mfg. Co. v. Southern Wire Co.* (1889), 37 Fed. Rep. 428.

**Assignability.**

That a mere license is not assignable unless it contains express words



to that effect, see *Tuttle v. La Dow* (1889), 54 Hun (N. Y.), 149.

That the receiver of a firm may sell its assets though they consist of inventions made under patents owned by a member of the firm, see *Montross v. Mabie* (1887), 24 Blatch. 282; 41 O. G. 931.

That a license to a partnership does not enure to a corporation formed by the copartners, nor is it assignable to them in their corporate capacity, see *Locke v. Lane & Bodley Co.* (1888), 35 Fed. Rep. 289.

#### License to Common Carrier.

That where the owner of a patent grants a license for the public use of the invention to a common carrier he cannot restrict its benefits to any fraction of the public, see *Commercial Union Telegraph Co. v. New England Telephone Co.* (1888), 61 Vt. 241.

#### Estoppel of Licensee.

That a licensee cannot defend by attacking the patent while receiving its benefits, see *Hyatt v. Ingalls* (1883), 49 Sup. Ct. (N. Y.) 375.

That a licensee enjoying the benefit of his license must pay his license fee until eviction, and a liability to damages which the licensor assumes is not such eviction, see *Covell v. Bostwick* (1889), 39 Fed. Rep. 421.

That a licensee cannot defend a suit for royalties on the ground that the licensor has granted licenses at lower rates to other persons unless there was some agreement to the contrary in the license, or on the ground that the patent is invalid unless there has been an eviction, see *McKay v. Smith* (1889), 39 Fed. Rep. 556.

That a licensee to sell is not estopped to deny validity after his license expires, see *H. Tibbe & Son Mfg. Co. v.*

*Heineken* (1889), 37 Fed. Rep. 686; 47 O. G. 1221.

That where a licensee, in defence to an action for royalties, claims that the patent is invalid on the ground of prior use, he must in his notice or answer state where and by whom the use was made, see *Hat Sweat Mfg. Co. v. Reinohl* (1886), 40 Hun (N. Y.), 47.

#### LICENSE IMPLIED.

##### Vendees of Patentee.

That the sale of the patented article by the patentee without restrictions frees it from the monopoly, see *Pratt v. Marcan* (1888), 25 Ill. App. 516.

That after a grant of territory by the patentee his vendees of the patented articles, with notice of the grant, cannot use the articles within that territory, see *Sheldon Axle Co. v. Standard Axle Works* (1889), 37 Fed. Rep. 789; 48 O. G. 117.

That a vendee of the patentee without notice of a prior licensee's exclusive rights in a certain district may use the vended articles in such district, see *Heap v. Hartley* (1889), L. R. 42 Ch. D. 461.

That purchasers of the interest remaining in the patentee after a grant of territory, knowing of the grant, and afterward renouncing their interest, cannot use in the granted territory articles bought of the patentee, see *Sheldon Axle Co. v. Standard Axle Works* (1889), 37 Fed. Rep. 789; 48 O. G. 117.

That the vendee of a patented article acquires all the rights of the vendor, and if the vendor is licensee of the owner of the whole monopoly, the article is entirely freed from the monopoly and may be repaired or used by the vendee or his servants or sold by

him to others, see *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.* (1889), 40 Fed. Rep. 577.

#### **Vendees of Grantee.**

That the vendee of a grantee has no right to sell the article in the way of trade in the territory of another grantee, see *Standard Folding Bed Co. v. Keeler* (1889), 37 Fed. Rep. 693.

That the vendee of a grantee cannot sell the articles in course of trade outside the grantee's territory, see *Hatch v. Adams* (1884), 17 Phila. 566.

That the sale of a patented article by a grantee of the patent within his own territory carries the right to use it within territory owned by another, though both parties know that such a use is intended, see *Hobbie v. Jennison* (1889), 40 Fed. Rep. 887. In deciding this case the learned judge follows *Adams v. Burke*, 17 Wall. 453, but dissents therefrom and states the converse and true doctrine in the opinion, q. v. 40 Fed. Rep. 890.

That an agreement between two joint owners to divide the territory between them and respect the exclusive rights of each other is not binding on the subsequent purchaser of the patented article from either without notice, and if he bought without restrictions he may use it anywhere, see *Pratt v. Marean* (1888), 25 Ill. App. 516.

#### **Vendees of Foreign Patentee.**

That the vendee of a lawful vendor abroad under a foreign patent cannot use in the United States without permission of the domestic patentee, see *Boesch v. Gräff* (1890), 133 U. S. 697; *Gräff v. Boesche* (1887), 33 Fed. Rep. 279; 13 Sawyer, 17.

#### **Vendees in General.**

For a discussion of the scope of an implied license in favor of the vendee of a patented article, see *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.* (1889), 40 Fed. Rep. 577.

That the vendee of a patented device may use it till it is worn out, see *Martha Washington Co. v. Martien* (1889), 47 O. G. 1488.

#### **Vendee under Wrongful Sale.**

That judgment against the maker and vendor without satisfaction is no defence for the user, his vendee, see *Fisher v. Consolidated Amador Mine Co.* (1885), 11 Sawyer, 190; 25 Fed. Rep. 201.

#### **Vendee before Patent.**

That a patentable machine constructed with the consent of the inventor before patent is free from the monopoly, see *Wade v. Metcalf* (1889), 129 U. S. 202.

#### **Use in Employer's business.**

That an exclusive licensee under a license from an employee, whom he knew to be making and using the invention in the employer's factory, is chargeable with constructive notice of the employer's rights, see *Dueber Watch-Case Mfg. Co. v. Dalzell* (1889), 38 Fed. Rep. 597.

That an employee of the government, inventing a device at its expense and engrafting it upon the business in which he is occupied, licenses the government to use it without compensation, and his assignee also takes subject to such license, see *Davis v. United States* (1888), 23 Ct. of Claims, 329; *Solomons v. United States* (1886), 21 Ct. of Claims, 479; *Solomons v. United States* (1887), 22 Ct. of Claims, 335.



**Use by Corporation of Member's Invention.**

That where a corporation uses an invention belonging to one of its officers with his acquiescence there may be an implied contract to pay him a reasonable compensation or not as the other facts may indicate, see *Deane v. Hodge* (1886), 35 Minn. 146.

**LOCATION, CHANGE OF.**

That to change the location of a part without substantial change in the mode of operation or result is not invention, see *Holmes Electric Protective Co. v. Metropolitan Burglar Alarm Co.* (1887), 33 Fed. Rep. 254.

**MANUFACTURE.**

That a manufacture is not new because produced in a new way, see *Hake v. Brown* (1889), 37 Fed. Rep. 783; 47 O. G. 1071.

That a product of nature is not patentable because obtained or prepared by a new process, unless it is substantially changed in character thereby, see *Ex parte Latimer* (1889), 46 O. G. 1638.

**MATERIALS, CHANGE OF.**

That a change in material is not patentable unless involving inventive skill, see *Ex parte Odenheimer* (1889), 49 O. G. 1693.

That change of materials, unless of the essence of the invention, is a mere change of form, see *Brinkerhoff v. Aloe* (1888), 37 Fed. Rep. 92; 46 O. G. 338.

That a mere change of materials, though improving the result, is not invention, see *Ex parte Krell* (1887), 44 O. G. 1504.

That the substitution of a more durable material performing no new

function is not invention, see *J. L. Mott Iron Works v. Cassidy* (1887), 24 Blatch. 289.

That the substitution of one material for another may involve invention, see *Celluloid Mfg. Co. v. Frederick Crane Chemical Co.* (1883), 36 Fed. Rep. 110.

That a new material, made by combining other materials, may be a patentable invention, see *Celluloid Mfg. Co. v. American Zylonite Co.* (1888), 35 Fed. Rep. 417.

**NOTES.**

That a State statute may require a note given for a patent right to state that fact on its face and then make the note open to all equitable defences, see *Herdic v. Roessler* (1888), 109 N. Y. 127; *Herdic v. Roessler* (1886), 39 Hun (N. Y.), 198.

That a negotiable promissory note, fair on its face, is valid in the hands of an innocent holder for value though taken by the payee in violation of the statutes, see *Tescher v. Merea* (1889), 118 Ind. 586.

That a note given for an English patent is not void though the patent be invalid for want of novelty, see *Chemical Electric Light Co. v. Howard* (1889), 148 Mass. 352.

**PATENT.**

That a patent issued without the signature of the Secretary has no validity, but the omission may be corrected and the patent be thenceforth valid, see *Marsh v. Nichols* (1888), 128 U. S. 605; 46 O. G. 239.

That a patent issued without the signature of the Secretary is a nullity, but the right to a patent still exists and is assignable, and if the patent

has been sold and the defect subsequently cured, the sale will not be set aside, see *Marsh v. Scott* (1888), 125 Ill. 114.

That a patent is not multifarious because it asserts that a number of different substances may be used as equivalents, see *Celluloid Mfg. Co. v. Frederick Crane Chemical Co.* (1888), 86 Fed. Rep. 110.

#### PATENT OFFICE.

That the classification in the Patent Office rests on actual divisions in the arts, not on names or titles, see *Ex parte Willcox* (1888), 45 O. G. 455.

That an examiner is both an executive and judicial officer, and in his executive capacity is controlled by the orders of the Commissioner issued on the petition of an applicant, and in his judicial capacity is subject to the Commissioner through the right of appeal, see *Ex parte Rogers* (1889), 49 O. G. 1361.

#### PRIOR PATENT.

That if the description in a prior patent would enable any good mechanic to make the present device from the one there described, the defence is sustained, see *United States Bung Mfg. Co. v. Independent Bung & Bushing Co.* (1887), 24 Blatch. 406.

That an English patent is given to the public at the date of sealing, see *Bliss v. Merrill* (1887), 33 Fed. Rep. 39; 42 O. G. 97.

#### PRIOR PUBLICATION.

That an English provisional specification is not a publication until the completed specification is enrolled, see *Ireson v. Pierce* (1889), 39 Fed. Rep. 795.

That a publication in a foreign language placed in the free public library of the Patent Office is presumed to have become known to the public until the contrary is shown, and is a good defence to a subsequent patent for the same invention, see *Harris v. Rothwell* (1887), L. R. 35 Ch. D. 416.

#### PRIOR USE.

What is.

That prior use requires a practical working apparatus, see *Peeney v. City of Lakeview* (1888), 35 Fed. Rep. 586.

That successful experiments may show prior use, see *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117.

That secret use is not prior use, see *Zinsser v. Kremer* (1889), 39 Fed. Rep. 111; 48 O. G. 114.

That the abandonment of a thing greatly wanted indicates that it was an unsuccessful experiment, see *Brush v. Condit* (1889), 132 U. S. 39; 49 O. G. 1211.

Notice.

That prior use and public use are distinct defences requiring separate notices, and the notice of prior use must give names and residences of parties using or having knowledge of the use, see *Meyers v. Busby* (1887), 13 Sawyer, 33.

That evidence of prior use taken without due notice will be rejected by the court, see *Bragg v. City of Stockton* (1886), 11 Sawyer, 597.

#### EVIDENCE.

That prior use must be proved beyond reasonable doubt, see *Stegner v. Blake* (1888), 36 Fed. Rep. 183; 45 O. G. 126; *Smith v. Davis* (1888), 34 Fed. Rep. 783.



That prior use must be clearly proved, and indefinite testimony inconsistent with the ordinary current of human conduct and events is not sufficient for that purpose, see *Electrical Accumulator Co. v. Julien Electric Co.* (1889), 38 Fed. Rep. 117. See the above rule applied in this case.

### PROFITS IN EQUITY.

#### Infringer liable for.

That an infringer is not a trustee *de son tort*, but is treated in an accounting in equity in the same manner, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That though the plaintiff has an established license fee which would measure his recovery of damages at law he may still recover profits in equity without reference to the amount of the license fee, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That an erroneous decision made in favor of a different infringer pending the present infringement does not affect the liability of the present defendant to pay full profits, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

#### Include Savings.

That the saving from a greater loss is a profit, see *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (1889), 40 Fed. Rep. 476; *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

#### Include Actual Profits only.

That the actual profit as the defendant has used the invention, not the possible profit from a different use, is to be accounted for, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

#### Must be due to the Plaintiff's Invention.

That a plaintiff cannot recover the entire profits unless the whole market value were due to his invention, see *Fay v. Allen* (1887), 24 Blatch. 275.

That where the entire profit of the defendant is derived from the plaintiff's invention, the plaintiff is entitled to recover it, see *Hurlburt v. Schilling* (1889), 130 U. S. 456; 47 O. G. 1067.

That where the entire efficiency and salability of an invention depend on the patented feature the patentee is entitled to recover all the profits, see *McDonald v. Whitney* (1889), 39 Fed. Rep. 466.

That the burden is on the defendant to show what part of his profits was due to his own improvements, when the plaintiff's invention apparently gave the device its market value, see *Morss v. Union Form Co.* (1889), 39 Fed. Rep. 468.

#### Measured by Advantage over open Inventions.

That profits are the advantage derived by the infringer over what he would have obtained by adopting some other available method, see *Shannon v. Brunner* (1888), 33 Fed. Rep. 871.

That in estimating profits the advantage of using the infringing device is to be compared with that of using devices previously employed for the same purpose, see *Coupe v. Weatherhead* (1888), 37 Fed. Rep. 16.

That the profits of the defendant are what he made or saved over what could have been saved or made by using means free to the public, see *McMurry v. Emerson* (1888), 36 Fed. Rep. 901; 47 O. G. 815.

That profits are to be measured by the advantage received by the defend-

ant over what he would have enjoyed by using other means then open to the public, and adequate to obtain an equally beneficial result, see *Webster Loom Co. v. Higgins* (1889), 39 Fed. Rep. 462; 48 O. G. 1119; *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

That the defendant's profit may be measured by the amount charged by him when using the patented invention in excess of that charged when he does not use it, see *Vulcanite Paving Co. v. American Artificial Stone Pavement Co.* (1888), 36 Fed. Rep. 378; 45 O. G. 948.

#### **From Use of Composition.**

That when a patented composition is used in making a device and gives it its value, the patentee is entitled to the entire profit, see *Welling v. La Bau* (1888), 34 Fed. Rep. 40; 43 O. G. 117.

#### **From Use of Design.**

That the profits on a design are the difference between the profits of articles with it and without it, see *Tomkinson v. Willets Mfg. Co.* (1888), 34 Fed. Rep. 536.

#### **Interest.**

That generally interest is not to be allowed on profits before the date of the submission of the master's report, see *Tilghman v. Proctor* (1888), 125 U. S. 136; 43 O. G. 628.

#### **Profits not proved, Nominal Damages awarded.**

That where on an accounting it does not appear what definite profits were due to the invention, only nominal damages can be allowed, see *Roe-mer v. Simon* (1887), 24 Blatch. 396; *Everest v. Buffalo Lubricating Oil Co.* (1887), 24 Blatch. 463.

That where the profits cannot be computed, nominal damages may be awarded, see *Fischer v. Hayes* (1889), 39 Fed. Rep. 613.

#### **Not recovered as Damages.**

That profits made by the defendant, in excess of those of which the plaintiff was deprived, cannot be recovered as damages, see *Morss v. Union Form Co.* (1889), 39 Fed. Rep. 468.

#### **Computation.**

That a rule for computing profits adopted in one part of a case will be followed in the future proceedings in that case, see *Webster Loom Co. v. Higgins* (1889), 39 Fed. Rep. 462; 48 O. G. 1119.

### **REDUCTION TO PRACTICE.**

That filing a caveat is not reduction to practice, see *Elges v. Miller* (1889), 46 O. G. 1514.

That a working model designed and intended as such is not reduction to practice, see *Green v. Hall* (1889), 47 O. G. 1631; *Green v. Hall* (1889), 46 O. G. 1515.

That drawings are not reduction though filed in the Patent Office, nor do they show a practical embodiment sufficient to save the rights of the first conceiver as against a later rival, see *Beach v. Fuller* (1889), 48 O. G. 821.

That the Patent Office has no means of determining whether or not an invention has been reduced to practice, see *Green v. Hall* (1889), 47 O. G. 1631.

### **RE-ISSUE**

#### **Scope.**

For a review and interpretation of the cases concerning the scope of a re-issue, see *Parker & Whipple Co. v. Yale Clock Co.* (1887), 123 U. S. 87; 41 O. G. 811.



That a re-issue can cover only what an examination of the original in the light of the re-issue shows that the original was intended to embrace, see *Flower v. Detroit* (1888), 127 U. S. 563; 43 O. G. 1348; *Hoskin v. Fisher* (1888), 125 U. S. 217; 43 O. G. 509; *Parker & Whipple Co. v. Yale Clock Co.* (1887), 123 U. S. 87; 41 O. G. 811.

That a re-issue cannot cover matter which the original did not describe or claim, after intervening rights have arisen, see *Dunham v. Dennison Mfg. Co.* (1889), 40 Fed. Rep. 607.

That the introduction into a re-issue of an invention radically different from the original after long delay is fatal, see *Hubel v. Dick* (1886), 24 Blatch. 139; 28 Fed. Rep. 653; 37 O. G. 1467.

That an assignee cannot so re-issue as to broaden the invention, see *Ex parte Mahnkou* (1887), 41 O. G. 1269.

#### Of Combination Patent.

That the re-issue of a combination-patent within reasonable time may cover subcombinations and elements, see *Hubel v. Dick* (1886), 24 Blatch. 59; 28 Fed. Rep. 132; 36 O. G. 939.

#### Of Patent for an Art.

That a Claim for the process cannot be inserted into the re-issue of a patent for the apparatus or product, or *vice versa*, unless they are so related to each other as to constitute but one invention, see *Ex parte Tainter* (1889), 47 O. G. 135. See the opinion in this case for an extended discussion of the relations of processes, apparatus, and products toward each other.

#### Enlarging Claims.

That a re-issue cannot enlarge Claims unless there has been a clear mistake inadvertently committed in

wording them, see *Huber v. N. O. Nelson Mfg. Co.* (1889), 38 Fed. Rep. 830; 47 O. G. 1732.

That a re-issue cannot enlarge a Claim by omitting an element previously claimed as essential, see *Matthews v. Iron Clad Mfg. Co.* (1888), 124 U. S. 347; 42 O. G. 827.

That a re-issue with enlarged Claims to cover matter already in public use after unreasonable delay is void, see *Flower v. Detroit* (1888), 127 U. S. 563; 43 O. G. 1348.

That where the first re-issue enlarged the Claims a second re-issue may repeat the Claims of the original patent, see *Sawyer Spindle Co. v. Eureka Spindle Co.* (1888), 33 Fed. Rep. 886.

#### Cannot cover Matter intentionally Excluded.

That a Claim restricted by direction of the Patent Office in the first re-issue cannot be enlarged by subsequent re-issues, see *Yale Lock Co. v. James* (1888), 125 U. S. 447; 43 O. G. 881.

That a re-issue to restore a Claim rejected by the Patent Office with the acquiescence of the applicant is invalid though applied for within two years after the original was granted, see *Union Paper Bag Mach. Co. v. Waterbury* (1889), 39 Fed. Rep. 389.

That a re-issue may correct errors occasioned by mistaken ideas of the objections raised in the Patent Office, see *Hutchinson v. Everett* (1887), 33 Fed. Rep. 502.

#### Unreasonable Delay.

That laches in applying for a re-issue is fatal to the re-issued patent, and may be taken advantage of by a demurrer, see *Philadelphia Novelty Mfg. Co. v. Rouss* (1889), 39 Fed. Rep. 273; 48 O. G. 1664.

That the Commissioner has no jurisdiction over an application for a re-issue unless it is filed within a reasonable time, see *Hutchinson v. Everett* (1887), 33 Fed. Rep. 502.

That whether delay in applying for a re-issue is reasonable is a question of law for the court, and the decision of the Patent Office on that point is not conclusive, see *Hoskin v. Fisher* (1888), 125 U. S. 217; 43 O. G. 509.

That delay in re-issuing to expand the Claims, if unexplained, is fatal, see *Wollensak v. Sargent* (1888), 33 Fed. Rep. 840.

That the plaintiff must explain the delay in obtaining a re-issue, see *Hoskin v. Fisher* (1888), 125 U. S. 217; 43 O. G. 509.

#### Inadvertence, etc.

That inadvertence or mistake must exist in reference to the application, not the invention, and the re-issue must be confined to the invention inadvertently misdescribed or misclaimed in the original, see *Ex parte Mahuken* (1887), 41 O. G. 1269.

That a patentee taking his patent with full knowledge of the limitations imposed by the Patent Office and the consequent imperfection of his Claims, cannot set up inadvertence, &c., as a ground for a re-issue, see *Ex parte Page* (1888), 43 O. G. 1455.

That acquiescence in the rejection of a Claim by the Patent Office shows that the exclusion of the matter claimed was not inadvertent or accidental, see *Union Paper Bag Mach. Co. v. Waterbury* (1889), 39 Fed. Rep. 389.

That the decision of the Commissioner as to inadvertence, accident, or mistake, may be reviewed by the courts, see *Huber v. N. O. Nelson*

*Mfg. Co.* (1889), 38 Fed. Rep. 830; 47 O. G. 1732.

That the oath of the inventor to his inadvertence, etc., is not perfunctory, though he has assigned his interest, see *Ex parte Mahuken* (1887), 41 O. G. 1269.

#### Effect of Surrender.

That no action can be maintained on a patent after its surrender and pending an application for re-issue, see *Burrell v. Hackley* (1888), 35 Fed. Rep. 833; 44 O. G. 1400.

#### Evidence of Validity.

That on the question of the validity of a re-issue the original patent is admissible evidence, and such question is raised when the answer denies all the allegations of a bill averring that the original and re-issue were for the same invention, see *Oregon Improvement Co. v. Excelsior Coal Co.* (1889), 132 U. S. 215; 49 O. G. 1694.

#### REPEAL.

That the United States may sue in equity for the repeal of a patent obtained by fraud, see *United States v. American Bell Telephone Co.* (1888), 128 U. S. 315; 45 O. G. 1311. See the argument and opinion in this case for a full discussion of the subject.

That a bill in equity to repeal two patents to the same party and relating to the same subject is not multifarious, see *United States v. American Bell Telephone Co.* (1888), 128 U. S. 315; 45 O. G. 1311.

#### Secretary of the Interior.

That the Secretary has no appellate jurisdiction over the Commissioner as to the judicial or quasi-judicial duties imposed on him by law, but may direct him to perform the duties which the law devolves upon him, and may



be appealed to as to matters prescribed by the rules established by the Secretary himself for the direction of his department, see *Houston v. Barker* (1888), 44 O. G. 697.

That the decisions of the Commissioner as to the admissibility of evidence are not reviewable by the Secretary, see *Houston v. Barker* (1888), 44 O. G. 697.

#### STAMPING.

That an article covering new, valuable, unpatented matter as well as parts that are patented cannot be marked "patented" as a whole, see *Deverall v. Banker* (1888), 45 O. G. 591.

That the stamp "patented" means that the article is protected by a patent at the time of sale, and if the patent has expired the mark is false, and the intent to deceive will be inferred from the act of marking itself, see *New York Card Co. v. Union Card Co.* (1886), 39 Hun (N. Y.), 611.

That in marking "with intent to deceive" the intent to deceive is essential and must be proved, see *Deverall v. Banker* (1888), 45 O. G. 591.

That to mark an unpatented article with "Patent applied for" is not an offence, see *Schwebel v. Bothe* (1889), 40 Fed. Rep. 478; 49 O. G. 1696.

#### STATE POWERS.

That the right of an inventor to sell his invention is not derived from the Patent Law, and may be controlled by the State authorities, see *Herdie v. Roessler* (1888), 109 N. Y. 127.

That a State cannot tax the property in letters-patent, but may tax the proceeds thereof, see *Herdie v. Roessler* (1886), 39 Hun (N. Y.), 198.

That a statute requiring the vendor

of a patent-right to file a copy of the patent with the county clerk, and to swear that it is genuine, and that a note given for such a right shall state that it is so given, is valid; but such statute applies only to the patent-right, not to the article made under it, see *Hankoy v. Downey* (1888), 116 Ind. 118; *Pape v. Wright* (1889), 116 Ind. 502.

#### TERM OF PATENT.

##### Provable by Parol.

That the American patent need not declare its true term on its face, but the exact limit may be proved by parol, see *Bate Refrigerating Co. v. Hammond* (1889), 129 U. S. 151; 46 O. G. 689.

That the term of a patent, however it may be stated in the patent, may be inquired into as a matter of fact in view of foreign patents, see *Edison Electric Light Co. v. Westinghouse* (1889), 40 Fed. Rep. 666.

##### When limited by foreign Patents.

That an American patent may expire with the prior foreign patent when the American covers some improvements if the invention is substantially the same, see *Holmes Electric Protective Co. v. Metropolitan Burglar Alarm Co.* (1887), 33 Fed. Rep. 254; *Siemen's Administrator v. Sellers* (1887), 123 U. S. 276.

That a domestic patent expires with the foreign one, though the former includes other features which are not separable inventions, see *Clark v. Wilson* (1886), 24 Blatch. 39; 28 Fed. Rep. 95; 36 O. G. 456.

That the domestic patent will be limited by the term of the foreign if the foreign were first issued, though the domestic were first applied for, see *Edison Electric Light Co. v. U. S.*

Electric Lighting Co. (1888), 35 Fed. Rep. 134; 43 O. G. 1456.

That when an English patent is issued after the American, but is antedated to precede it, the term of the latter is not limited thereby, see *Sci-bert Cylinder Oil Co. v. William Powell Co.* (1888), 35 Fed. Rep. 591.

That the foreign patent will limit the term of the domestic whether it were granted to the same patentee or to some other person with his consent, see *Edison Electric Light Co. v. U. S. Electric Lighting Co.* (1888), 35 Fed. Rep. 134; 43 O. G. 1456.

#### **Not enlarged by Extension of Foreign Patent.**

That an American patent whose term is limited by that of a foreign patent expires when the foreign patent expires, see *Bate Refrigerating Co. v. Hammond* (1889), 129 U. S. 151; 46 O. G. 689.

That the extension of the term of a foreign patent by which that of the American patent is limited does not extend the latter, where the foreign extension is a matter of right, see *Bate Refrigerating Co. v. Hammond* (1889), 129 U. S. 151; 46 O. G. 689.

#### **Effect of Forfeiture of Foreign Patent.**

That the term of the domestic patent does not expire with the forfeiture of the foreign patent by failure to pay periodical taxes, see *Paillard v. Bruno* (1886), 24 Blatch. 177.

That an American patent cannot lawfully be granted after a foreign patent for the same invention has expired by forfeiture, see *Huber v. N. O. Nelson Mfg. Co.* (1889), 38 Fed. Rep. 830; 47 O. G. 1732.

That an American patent granted after the forfeiture of a foreign one is

of too doubtful validity to warrant an injunction, see *Huber v. Myers Sanitary Depot* (1887), 33 Fed. Rep. 48.

That the same reasons exist for terminating an American patent by the premature failure of the foreign patent as for not extending it when the foreign patent is extended, see *Huber v. N. O. Nelson Mfg. Co.* (1889), 38 Fed. Rep. 830; 47 O. G. 1732. The contrary is true. When a foreign patent is extended, it is extended because of some merit peculiar to the foreign patentee. When it is forfeited, it is forfeited because of some demerit peculiar to the foreign patentee. If the merit resulting in an extension does not enure to the benefit of the American patentee, the demerit resulting in a forfeiture should not work him an injury.

That the term of a patent limited by that of a foreign patent expires when the limiting patent expires, whether by lapse of time, forfeiture, or other causes, see *Huber v. N. O. Nelson Mfg. Co.* (1889), 38 Fed. Rep. 830; 47 O. G. 1732; *Pohl v. Anchor Brewing Co.* (1889), 39 Fed. Rep. 782; 49 O. G. 1695; departing from preceding cases in deference to their interpretation of *Refrigerating Co. v. Hammond* (1889), 129 U. S. 151; 46 O. G. 689. If this doctrine is sustained the American patentee will be at the mercy of any foreign patentee or assignee who may choose to destroy the domestic patent by the sacrifice of his own; and in most cases a due regard to his interests would thus compel the American inventor, whom our law is supposed to favor and protect, to refrain from patenting his invention altogether in a foreign country, at least until after his patent has issued



in the United States. Such a consequence is directly opposed to the true intent of this provision of our statutes.

#### UNPATENTED INVENTION.

That an infringer before application for patent is not liable in damages in a suit on the patent, though he knew the plaintiff was the true inventor, see *Lyon v. Donaldson* (1888), 34 Fed. Rep. 789.

That the unlawful use of an invention will not be enjoined before a patent has issued, though an application be pending in the Patent Office, see *Rein v. Clayton* (1889), 37 Fed. Rep. 354. In this opinion, and the cases cited to support it, the distinction between the property in the invention and the property in the monopoly is not preserved; and the former is treated as if it had no legal existence apart from the latter, which is incorrect in fact as well as upon principle and authority.

That an inventor has a property in his invention, independent of any patent, until he makes it public, and it will meanwhile be protected against piracy by unfair means by the State courts of equity, see *Tabor v. Hoffman* (1889), 118 N. Y. 30.

That the patent grants to the patentee only the right to exclude others from practising the invention, not the right to make, use, or sell it himself, see *Herdie v. Roessler* (1888), 109 N. Y. 127.

That there is no property right in an invention until the patent issues, see *Marsh v. Nichols* (1888), 128 U. S. 605; 46 O. G. 239.

That one who discovers the inventor's secret by dishonorable means, but without a breach of trust, may use the invention before patent without liability, see *Kortenhans v. American Watch Co.* (1884), 17 Phila. 134.

#### USES.

That the benefits of an invention belong to an inventor whether he has perceived them or not, see *Brown v. District of Columbia* (1889), 130 U. S. 87; 47 O. G. 398.

#### UTILITY.

That utility does not mean commercial success, see *Aulin v. Levinstein* (1887), L. R. 12 App. 710.

That an invention employed only for gambling is not useful or patentable, see *National Automatic Device Co. v. Lloyd* (1889), 40 Fed. Rep. 89.

That the efforts of others to accomplish a result may show that the means by which it is accomplished has utility, see *Shannon v. Brewer* (1887) 33 Fed. Rep. 289; 41 O. G. 697.

That one using an invention cannot deny its utility, see *La Rue v. Western Electric Co.* (1887), 24 Blatch. 392.

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