STEVENS v. GLADDING et al.

{8 N. Y. Leg. Obs. 297.}

Circuit Court, D. Rhode Island. July 18, 1850.

COPYRIGHT—SALE UNDER EXECUTION OF PLATE—WHAT PASSES TO PURCHASER.

A purchaser under a sheriff's sale of a copperplate on which a map is engraved acquires the right to take impressions therefrom and sell them.

This was a qui tarn action brought against the defendants {Royal Gladding and Isaac T. Proud}, to recover certain penalties under the act of congress for the protection of copyrights {4 Stat. 436}. The plaintiff {James Stevens} was the author of a map of Rhode Island, and sued the defendants, who are booksellers at Providence, R. I., for selling copies of the map. The defendants, among other things, justified their selling the maps under the title of Isaac H. Cady, procured by the purchase of the copperplate under an execution in a state court against the plaintiff. The great question was, what passed to the purchaser under the sheriff's sale? Did he purchase the right to print maps from the plate and sell them, or did he purchase simply the material? In other words, did he acquire any copyright privileges by the purchase, and were those rights in the plaintiff liable to be sold and divested by an execution? If they could be, then the defendants, acting under the authority of Cady, the purchaser, claimed to be justified. If not, then it was claimed they were liable to the penalty given by the act of congress. The proof established the authorship, and the taking of the necessary steps required by the act to secure the copyright, and the sale of copies by the defendants. On the other hand, there was established the sale of the plate under the execution against plaintiff, the

purchase by Cady, and his authority to defendants to sell the maps. As this case presented the same points as in the case of Stevens v. Cady [Case No. 13,395], in the equity side of the same court, some time before, and passed upon by the same judges, and as the judges respectively adhered to the same opinions, Justice WOODBURY read to the jury the following opinion, Judge PITMAN dissenting from it; this division of opinion entitling the parties to take the case to the supreme court of the United States.

Henry M. Western, for plaintiff.

Seth P. Staples and Mr. Aimes, for defendants.

WOODBURY, Circuit Justice. This was a bill in chancery, averring that the plaintiff was the author and proprietor of a certain map of the state of Rhode Island; that he took out a copyright therefor, and caused an engraving to be made of the map, and never consented to the sale of it by others, but is still the sole proprietor thereof. It was further alleged that, notwithstanding this, the respondent and others confederated together to deprive him of his lawful gains, and in the year 1846 published and sold another map similar in substance to his, with only a few trifling alterations and additions; that the plaintiff's copperplate engraving of the map has for some time been laid aside, with a view to engrave said map on steel, and yet said Cady is believed in some way, without his consent, to have obtained and used that copperplate, and sold a large number of copies thereof, and thus forfeited one dollar for every sheet so printed and published; that the plaintiff had requested said Cady to abstain from publishing more copies, and to deliver the plate to him, which he refuses, and which the plaintiff prays this court to 16 require and enforce. Certain interrogatories were put and requested to be answered, and oath was made to the bill, January 27, 1847. The answer avers that some one sued Stevens, and recovered judgment against him in the state court

of Massachusetts, April 11, 1846, for $194, and the sheriff levied the execution on the plate upon which the map of Stevens had by him been engraved, and sold the plate at public auction; that it was purchased by the respondent, as the highest bidder, for $250, and that he thereby became authorized to use the same, and did use it for striking off maps, which afterwards had been sold by him; that without the right thus to use it, and sell the maps thus engraved, the plate would be worth only the metal, or less than $10. Some evidence was put into the case which will be referred to in the opinion, when necessary,—the chief object being now to present the question, first, what property and rights passed to the defendant by the purchase of the plate; and, next, whether an injunction ought to be granted, on all the pleadings and evidence in the cause as they now stand.

The case was argued at the June term, 1849, by Mr. Stevens, for himself, and Mr. Bradlee, for defendant.

It is conceded, in the argument in this case, that the judgment against the plaintiff was regular, and the sale by the sheriff of the engraved plate valid to pass the title to the plate itself. But the plaintiff contends that no right to use it for printing maps, nor any part of his copyright to maps taken from it afterwards, was thus transferred, nor any interest beyond the mere metal of which the plate was composed. Some general questions seem to be involved in this part of the controversy, which are first to be considered, and are not without difficulty. One is, whether a right to use the plate for engraving maps would, as a general principle, pass by the sheriff's sale of the plate. Another is, whether there is anything in the patent laws, or in the nature of a copyright, which would prevent it from thus passing to the copies of a map struck afterwards by the purchaser from such a plate. I am inclined to think that all the qualities, uses, and powers belonging to the plate in the condition

in which it was at the sale, and with which it had been invested by the owner of it, composed a part of its value. They were a part of its design and uses, were incident to the plate itself, and where that was duly transferred to another, the incident to it, the use of it, and its engraving as there practised, must, I think, be considered as going with it. This question is not beyond doubt, but clearly the levy and sale were not described nor regarded as so much copper in the form of a plate, without any engraving thereon, or, if not without the engraving, yet without any authority to use it. The engraving was as much a part of the plate as the copper itself, and was as much sold as the raw copper. Indeed, the use of the engraving to make copies entered more into the value and price of the plate than the metal itself, or, as is avowed in the answer, much less would have been given for the plate. This increased value had been imparted to the metal by the plaintiff, for the purpose of having the plate employed in the engraving, and reaped the benefit of this increased value on account of the application of the plate to that purpose, and its sale for something above $240 more than the metal would have brought. Nor would a sale so construed have an injurious effect on the plaintiff. He not only obtains an enhanced price on account of the engraving and the use of it with the plate, but his copyright to his map is still retained, except so far as it may be involved in the copies subsequently struck from that particular plate by the purchaser. He can enforce his exclusive right to all copies struck off while he remained owner of it, and can also enforce it in similar or improved plates, made by himself after the sale, because all the copyright to the map is still in him which has not been in some way transferred to others. He can have the renewal or extension of his copyright, too, and protect it against everything not embraced in the decision in Wilson v. Rosseau, 4 How. [45 U. S.] 646.

A different view from this, not passing the right to use the plate, would, in truth, if jure both the plaintiff and his creditors. The plate would belong to the purchaser, and the right to use it for printing to the plaintiff. Its value, so considered, would be much less to both; whereas, on our construction the value would be enhanced to both. In any other view, too, all would not pass which was incident to the plate and engraving owned by him, at the sale, and as he and his creditors have been paid for. The plate and engraving had before, in practice, been actually employed to strike off maps to be sold, and the copyright to each to pass to the purchaser of each, as an incident. The usage is often a test of what exists, and what was meant to be passed as incident. See Taft & Manchester's R. (June, 1849) Id. In cases like this, as in patents, the usage is, when selling the means or material or machinery to make a patented article, to consider the right or license to make it as passing at the same time. Brooks v. Byam [Case No. 1,948]; Curt. Pat. § 135. Again, the design of the parties as to what shall pass, is to be inferred from all the circumstances, and when once fairly elicited, should control the construction. Here the design in having a plate was to use the plate and engraving to strike off maps. The actual previous use had corresponded with this design, and hence the sale of the plate and engraving, while so in use, must be presumed to have been with the design that the purchaser should continue a like use. The principle 17 as to this must be similar in copyrights to what it is in patent rights, and it is settled that if one has a right to use a patent machine, he has also the right to sell the produce of it, as flour or brands from patent mills, anywhere, unless restricted specially in his purchase. Simpson v. Wilson, 4 How. [45 U. S.] 709; 3 Mass. Land, 295, 423; Curt. Pat. § 208.

What passes by the sale of an article, must depend on its character and use, too, as in one case that

would pass as an incident, or part and parcel of the property, which in another would be neither. Duer, Const. Jur. § 255. Thus, in case of a sale of a patent machine, it must involve the right to use it, or the purchase would be in vain. So, the sale of a patent wagon must pass the patent right to use it. So, the sale of patent types, or of a patent mill. Suppose one has invented a new kind of type, and obtained a patent for it, or made stereotype plates of a valuable work to which he has the copyright, surely In selling the type there passes, not merely the metal, but the right to use the types in printing, and as surely, in selling the stereotype plates of his own works, he sells the authority to use them in printing those works, or he sells what is worthless, except for metal, and puts a construction on the contract calculated to deceive and mislead. Brooks v. Byam [Case No. 1,948]. Of the last character seems the present claim by the plaintiff, nor could it be well doubted, if Stevens himself had, in person, by a private contract, have sold this plate, that he must be considered as giving his consent and license to all we have argued, and as passing the right to use the engraving, and to sell maps struck from It, including, the copyright to those particular maps. I am not aware of any adjudged case in point on this subject. Yet a case is settled (Sawin v. Guild [Id. 12,391] which it is supposed, in Curt. Pat. p. 189, § 10, so holds) that these conclusions "may admit of a doubt." But what that case decided was that a sheriff who seized and sold some patented machines of an inventor was liable to a penalty under the act of congress of April 17, 1800 [2 Stat. 37]. That act was designed to punish a person for making or selling, without a license, machines like those which had been patented by another. There could, as before stated, be little doubt that such machines were liable to be seized and sold to pay the patentee's own debts. That was not denied there. But the gist of the complaint,

under the statute, must be that the defendant, without any pretence of purchase, license, or right, imitates the plaintiffs patent or copyright. 4 Stat. 436, § 6. That was considered not to have been done or attempted there. Furthermore, it is true that there the machines had not been used after the purchase, so as to indicate whether the parties supposed the patent right to use them had passed with the timbers and irons of them, or not, and the judge intimated that the purchaser, if so using them, must do it at his own risk and peril. So he must; but I do not understand the judge there to decide, or even lay down as an obiter dictum, that such right did not pass, though he might well consider it as a doubtful and unsettled question.

The next consideration in this inquiry is whether all passed by the public sale by the sheriff which would have passed to a private conveyance or bill of sale from Stevens, the author. In ordinary sheriff's sales of property, every interest and incident is transferred as effectually as if made in person by the debtor. The law acts for the debtor, and does the same which he could. The sheriff is virtually his agent in selling, and acts in his behalf no less than for the creditor. So, everything passes by operation of law to heirs, without any personal interference of the former owner, as effectually and fully as if he himself conveyed the property. So is it, also, in case of a bankrupt's property, passing to his assignees without any conveyance by him, in England (Hesse v. Stevenson, 3 Bos. & P. 578; Curt. Pat. p. 226, note); though in some states, and under some systems, a formal assignment is required.

The second general question then arises, whether there is anything peculiar to the patent laws, or laws of copyright, or in the nature of those rights, which prevents their passing in this way by sale by the sheriff, to the extent of the use of the plate, and the right of sale of copies of the map thus engraved, by the purchaser after he buys. The first objection falling

under this head is that a copyright cannot, by the act of congress, pass without an assignment in writing by the author, and recorded in the patent office, or state department. This, however, in respect to recording, has been construed as applying to third persons, and not between parties to a sale of a copyright. Webb v. Powers {Case No. 17,323}. See cases, like decisions, as to the recording of patent rights, as between a patentee and a purchaser: Pitts v. Whitman, {Id. 11,196}; Case of Modern {unreported}; Curt. Pat. p. 227; 2 Newff. Rep. Halden & Curtis. In this case the sale was between these parties in a legal view, the sheriff acting for Stevens, and the question arising between him and the purchaser, and not as to third persons without notice. It is of yearly occurrence, too, that copy and patent rights pass by bequest, and vet the bequest is not recorded in the patent office.

Again, the act of congress applies to the sale of a portion of a patent right itself, and not of a machine or manufacture, as passing with them merely a right to use these last in the ordinary way. These sales are not meant to be required to be in writing, are not so usually in practice, and it would be very vexatious to require them to be. It is a mistake, also, to suppose that copyrights themselves, or patents are not assignable sometimes, except in writing, or by voluntary 18 act of the patentee. When they pass to executors or administrators, it is without writing, and when they pass to creditors by a levy, it is often not voluntary, and if under the bankrupt law, it is, at times, without any writing. The act of congress refers to sales by the patentee under contract, as just adverted to. The writing is provided for there, too, for the sale of a separate and independent copyright, or a part of one; and not for a whole or a part, as incidental to a machine or a plate, and connected with these, and as if under a practical license to use them. A license to use a copyright or a patent right need not be either in

writing or recorded. See cases post. So in all sales of patented articles, it is not necessary, as already shown, to reduce to writing and record the transfer of them, or of the patent right to the articles made and sold. The sale of the article is universally decreed a sale of the patent right to use it, or, in other words, a license to use it. That is the principle of the transaction. Any other restricted views would embarrass the business of the whole community, and be most fatal to the patentees and authors themselves. In any other view, the materials and machinery to make a patent medicine might be bought, with no right to make it, or the medicine itself be purchased with no right to swallow it. Hence, by a mere public sale or license, many patent rights, and doubtless some copyrights, are daily used, and legally used.

A parol license is enough to authorize a printing and publishing, now, of a manuscript of another. 2 Mer. 434: Jac. 34. Here, then, at all events, the sale by the sheriff for Stevens, may well be considered a license, in law, if not in fact, by the agent of both parties, for the purchaser to use the plate and engraving, and the maps struck from them. And there is nothing in the patent laws, or in sound principle, which should, between the parties, avoid such a license, when given, as here, for a good consideration, because it was done by parol or not recorded. Power v. Walker, 3 Maule & S. 7; 4 Camp. 8; 2 Starkie, 336; Brooks v. Byam [supra]; Curt. Pat. §§ 195, 197; Woodworth v. Edwards [Case No. 18,014], and cases there cited.

Something is said of a consent in writing and attested, being required to justify from a penalty one who prints and sells a copyright book of another. See section 6 of Act Feb. 3, 1831 (4 Stat. 437). But this is where the person printing and selling is not entitled to do it, or is acting entirely without right or title, in any way, in point of law. He must then have such a writing

to exonerate him. That is not this case. Indeed, if an actual conveyance from the author of the map was, in a case like this, necessary to pass the right to a purchaser to use the plate in striking off copies, there would be strong equity in a court of chancery to make it on a state of facts such as exists here.

In conclusion: By these views it will be seen that a sale of this plate, and the incidental right to use it, with the engraving on it, is deemed as valid as if made by Stevens in person, and that Stevens, in such a sale without a written assignment, recorded in the proper office, must, in point of law, be considered as giving his consent or license to this use of the plate, through the sale of it by the sheriff for his benefit, and for a reasonable consideration paid for both the use and the plate by the defendant; nor can such a use of it, as before shown, injure the rights or interests of Stevens, but, on the contrary, increases their value. He is left to exercise all the rights not parted with on that occasion, and probably is still using, or preparing to use, them with another plate, nothing having passed from him but this particular plate, and the engraving on it and the right or license to use them, which was incident to and involved in them, and fully paid for. It is stated in the bill that this plate had been used for some years, the demand for maps from it chiefly supplied, and the plaintiff was preparing to complete another plate, with improved materials and in better style. Now, if after all this, if after a quasi license to use, no less than, a sale of his old plate to a third person for a valuable consideration, by an agent appointed by law, the author thinks proper to revoke the license, it will be seen hereafter that no court of equity can countenance it as if it was equitable and just, by lending to such an attempt an extraordinary remedy in equity, unless there was mistake or surprise, and unless the sum paid to him, or the officers for him, is first refunded.

But, before examining the last considerations, there seems to be another ground set up against the sale by the sheriff, which comes under the present head, and this is, that a copyright or patent right is not liable at all for the debts of an author or patentee. But it has been deliberately decided that a patent for making paper out of straw, etc., passed by operation of law to pay the debts of a bankrupt, in respect to such a patent, obtained even after bankruptcy. Lord Alvanley, C. J., says, in Hesse v. Stevenson, 3 Bos. & P. 578: But if he avail himself of his knowledge and skill, and thereby acquire a beneficial interest "which may be the subject of assignment. I cannot frame to myself an argument why that interest should not pass in the same manner as any other property acquired by his personal industry." "The plaintiff here was none the less a debtor than if a bankrupt law existed, nor were the defendants any the less purchasers for the creditors, nor should any of his property of any kind, and especially his personal estate, be withheld from creditors any more than under a bankrupt law." Sawin v. Guild [Case No. 12,391]. This idea may have arisen from the circumstance that, once, a manuscript was not regarded as passing to assignees or creditors, but that rested on particular [19] reasons. Burrows, 2394–2397; Curt. Copyr. p. 85, note 86. See a provision in our own statute on this. But now, by 5 & 6 Vict. c. 45, all the copyrights are made personal property, and may be bequeathed or distributed, like other personal property. Curt. Pat. 218, note. A copyright now clearly passes to assignees of a bankrupt. 2 Russ. & R. 385, 392; 17 Ves. 338; 2 New Reports, 67; Curt. Copyr. 231; Longman v. Tripp, 5 Bos. & P. 70. The case of Sir Walter Scott's copyright going towards the discharge of his debts, is familiarly known to most of the literary world.

I understand, from my colleague, who will soon present his views, that he does not concur in mine,

that the right to use this plate in striking off copies of the map passed to the defendant by the sale. But there is another question arising in the case, yet to be considered, and before referred to, on which I believe we do not differ; that is, whether the extraordinary mode of relief by injunction, asked here in equity, ought to be granted, where the title is in controversy, without a previous offer to restore the money paid by the sale of the plate. A party in chancery, who seeks equity, must first do equity; and till the rights, if contested, are settled by an action at law, it does not seem just to interfere, unless the complainant, at least, offers in his bill to pay back what he or his agent, the officer in his behalf, has received of the respondent for the plaintiff and his creditors. Woodworth v. Woodbury.[1] Should the complainant be willing to do this, and move to amend his bill for that purpose, it can be allowed, and there then would be some plausible ground for this relief asked for, though not a very decisive one till it is settled at law that the right to the use of the engraving on the plate did not pass with the plate itself. Platt v. Button, 19 Ves. 447. But it would seem palpably unjust in equity to let the complainant retain the right in a contested and very doubtful case for which he has been paid through the sheriff, and not refund the money thus received. Walcot v. Walker, 7 Ves. 1; Millar v. Taylor, Burrows, 2401.

The plaintiff declined to make any amendment, or to restore the money received. The application for an injunction was therefore overruled, and the bill dismissed.

{NOTE. An appeal was taken by the plaintiff in the case against Cady to the supreme court, where the decree dismissing the bill was reversed, upon the ground that the purchaser at the execution sale of the copperplate did not thereby acquire any right to print

therefrom. The cause was remanded. 14 How. (55 U. S.) 528. Upon the rehearing of the case in the circuit court an injunction was entered, but the plaintiff was denied an account, upon the ground that an account was not prayed for in the bill. Case No. 13,395. This last position was also reversed by the supreme court, upon appeal, in the chancery suit against Gladding et al., when it was held that, in copyright and patent cases, an account was incident to the right to an injunction. 17 How. [58 U. S.] 447. The circuit court subsequently decided, in the suit against Gladding et al., that the commissions on sales of the maps must he accounted for as profits. Case No. 13,399.]

[1] [See Woodworth v. Rogers, Case No. 18,018.]