

WOOSTER v. SIMONSON and another.

(Circuit Court, S. D. New York. June 6, 1883.)

1. PATENT LAW—INFRINGEMENT—MEASURE OF DAMAGES—RULE ALLOWING LICENSE FEE.

Following the general rule in giving damages for the infringement of a patent, to allow the amount accustomed to be charged by the patentee as a license, such established license is, nevertheless, not the correct measure of damages in a case where only one of several claims of a patent was appropriated by the infringer.

2. SAME.

The rule cannot be applied without qualification, and where less than the whole invention has been infringed, evidence must be given to show the nature of the part appropriated.

Exceptions to Report of Master.

Betts, Atterbury & Betts, for complainant.

Wetmore, Jenner & Thompson, for defendants.

WALLACE, J. The master has reported as damages the sum complainant has been accustomed to charge as a license fee for the use of his invention, while the proofs show that only one claim, the second, of the six claims of the patent has been infringed by defendant. Although several of the six claims may be for substantially the same invention, others are for different combinations. It must be held that the established license fee for the use of the entire invention secured by the six claims of the patent is not the correct measure of damages where the defendant has not infringed all the claims. The proofs show what damages the complainant would have sustained if the defendant, instead of appropriating a part of the invention, had appropriated the whole of it.

When damages are sought by a patentee against an infringer, his inquiry, as in all other cases where a plaintiff's right of property has been invaded, is what is the value of the right, and the extent of the injury. If the injury amounts to a deprivation or appropriation of the entire right of property in a patent, the value of the patent is the measure of damages. An established license fee is competent and satisfactory evidence of the value of a patent-right, because the price which it commands between those who sell and purchase it is the best criterion of value. When a patentee uses his monopoly by selling to others the privilege of using it, the law deems him completely indemnified if an infringer is required to pay him the sum which he has himself fixed as the value of the privilege.

Obviously, however, the value of the entire property in an invention, as of the right to use the whole invention, does not furnish a criterion of the value of a part, or of the right to use a part, in the absence of evidence to show the relative difference in value between the part and the whole. Accordingly it has been held that, when an established license fee may be the measure of damages against an infringer, in favor of a patentee, the rule cannot be applied without qualification, and when the use by the infringer has been a limited one, for a short time, it is erroneous to charge him with the whole license fee. *Seymour v. McCormick*, 16 How. 480-490; *Birdsall v. Coolidge*, 93 U. S. 64.

Although the patent secures to the patentee the whole invention as described and claimed, the several claims may secure him against quite different and distinct appropriations of his property. Where less than the whole invention has been infringed, evidence must be given to show the nature of the part appropriated.

The fourth exception is sustained. The other exceptions are without merit. The case is referred back to the master, with liberty to the complainant to reopen his proofs.

NEW YORK & CHARLESTON STEAM-SHIP Co. v. HARBISON.

(*District Court, D. Connecticut.* March 24, 1883.)

1. PRINCIPAL AND AGENT—AGENT EXCEEDING AUTHORITY—LIABILITY.

It does not follow, merely because an agent exceeds his authority, that he is personally liable in an action on the contract made by him.

2. SAME—AGENT SIGNING INSTRUMENT IN NAME OF ANOTHER.

The party who executes an instrument in the name of another, whose name he puts to the instrument, and adds his own name only as agent for that other, cannot be treated as a party to that instrument and be sued *upon it*, unless it be shown that he was the real principal.

3. SAME—CONTRACTS OF PUBLIC AGENT IN EXCESS OF AUTHORITY—KNOWLEDGE OF CONTRACTING PARTY.

Where a contract is made with a public agent, which the contracting party knows is made by the agent in excess of his authority, and outside of the business of the principal, but not made upon the personal credit of the agent, and where the co-contractor intentionally requires that the contract should be made in the name of the state as principal, and did not intend to look to the agent for personal liability, the agent cannot be held as principal.

4. SAME—ELECTION AS TO WHO SHALL BE CHARGED—DISCHARGE OF OTHERS.

Where a third party, having all the circumstances fairly before him, makes his election as to whom he will charge, the other is discharged, and he cannot turn around and sue the party discharged.