

## FISCHER v. HAYES.

(Circuit Court, S. D. New York. 1884.)

## PATENTS FOR INVENTIONS—INFRINGEMENT OF ONE CLAIM ONLY—PROFITS—EVIDENCE.

Where it is shown that an infringer has infringed one of several claims in a patent only, in estimating the profits it is not admissible to prove that the patent, as an entirety, was capable of producing greater profits than other inventions in use.

## In Equity.

SHIPMAN, J. The defendant was adjudged to have infringed the fourth claim of the plaintiff's patent. An accounting was decreed, and a reference to a master, to take and state the account, was ordered. The invention is described in *Fischer v. Wilson*, 16 Blatchf. 220. In taking the account the plaintiff is now attempting to prove that the Fischer patented machine, as an entirety, was capable of forming or bending a greater number of feet of sheet-metal moulding, in a given time, than the other machines known to the art, and free to the defendant to use for accomplishing the same purpose, the object of the proof being to show the profit derived by the defendant by his infringement. The defendant has excepted to these interrogatories and answers upon this point, and the question as to the proper course to be pursued has been certified to me by the master for decision. The fourth claim is as follows: "Arranging the female die, G, above the male die, E, for the purpose of keeping the female die clear, as set forth," and is apparently solely for the special arrangement of the dies with relation to each other. As a matter of course, the female die is to be moved by some suitable, though not necessarily patented, device. The question for the master to settle is the advantage which the defendant derived from the use of that part of the patented invention which was infringed over what he had in using other machines then open to the public, and this accounting must be confined to an account of the profits received by the defendant as a direct result of the use of that part of the invention which was infringed, and which is specified in the decree. *Mowry v. Whitney*, 14 Wall. 620; *Littlefield v. Perry*, 21 Wall. 205.

It will not be proper for the master to infer, because a certain amount of advantage can be derived from the use of the patented machine, as an entirety, that, therefore, the amount of profit was enjoyed by the defendant from the infringement of the feature of the machine specified in the fourth claim. It is the distinctive advantage which was gained by the use of the arrangement of the female die, G, above the male die, E or F, which is to be recovered by the plaintiff, and which must be affirmatively shown by the evidence which he introduces. *Schillinger v. Gunther*, 15 Blatchf. 303. But if, in addition to showing the amount of advantage gained by the

use of the patented invention as an entirety, the plaintiff also proposes to show by affirmative and satisfactory proof that the entire advantage is properly and legally attributable to the patent specified in the fourth claim, in connection with some suitable device for moving the dies, and proposes to show the proportion which belongs to these features, then the evidence already introduced is admissible. And he need not be confined to showing that the advantages from the use of the fourth claim were those derived from the self-cleaning function therein mentioned, but if the patented portions of the two dies, with reference to each other, produced any other advantage which is capable of pecuniary estimate, he can show the profit resulting from that advantage.

It is to be inferred from the decree that the defendant has infringed the fourth claim only, and has not infringed by using the feature specified in that claim in connection with any other patented part of the machine. If, however, the use of the fourth claim, in connection with the necessary unpatented appliances for moving the dies, necessarily and directly produces a gain over other devices for bending metal, then open to the public, in amount or quality of work, which can be pecuniarily estimated, it is competent for the plaintiff, by affirmative evidence, to show that fact; but if the plaintiff does not propose to supplement his evidence in regard to the advantage by the use of the patented machine as an entirety, by affirmative evidence tending to show that either the whole profit or a proportionate part was due to the presence of the feature of the machine mentioned in the fourth claim, then the testimony already offered will not be of avail.

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PICKHARDT and another v. PACKARD and another.

(Circuit Court, S. D. New York. December 16, 1884.)

PATENTS FOR INVENTIONS—PRODUCTION OF COLORING MATTERS FROM ALPHANAPHTHOL—CONSTRUCTION OF CLAIM—INFRINGEMENT.

The claim of the patent granted March 2, 1880, to Badische Anilin & Soda Fabrik, a corporation, as assignee of Heinrich Caro, for a new and useful improvement in coloring matters produced from alpha-naphthol, is not to be construed as one for coloring matter obtained by any method or process of treating the alpha-naphthol sulpho-acids with nitric acids, but for any method of treatment which is the equivalent of the process described, and although it was not shown specifically that the defendants' coloring matter was made by Caro's process, this conclusion may be inferred from the chemical identity of their article with his.

In Equity.

*Van Santvoord, Livingston Gifford, and B. F. Thurston, for complainants.*

*Wm. H. King, for defendants.*

WALLACE, J. The complainants have acquired from the patentee the full and exclusive right to make, use, and sell, and vend to others to use and sell throughout the United States, the invention described in letters patent of the United States, issued to Badische Anilin und Soda Fabrik, a corporation, as assignee of Heinrich Caro, for a new and useful improvement in coloring matters produced from alpha-naphthol. The patent was granted March 2, 1880. The gist of Caro's invention, as described in the specification, is a process whereby alpha-naphthol is converted into sulpho-acids which are capable of being treated with nitric acid without losing their sulpho groups. Until this process was employed, the sulpho-acids of alpha-naphthol, when thus treated, lost their sulpho groups, and were converted into dinitro-naphthol, or naphthalene yellow, a coloring matter, insoluble in water. Caro's sulpho-acids, when thus treated, are converted into a yellow coloring matter, which is soluble in water, and is especially adapted for being used in dyeing and printing, in mixture with other dye stuffs, which possess similar acid properties, such as extract of indigo, or the sulpho-acids of azo compounds. The specification fully details the process of converting the alpha-naphthol into the requisite sulpho-acids, and also the process of treating the sulpho-acids with nitric acid. The claim is as follows:

"As a new manufacture, the coloring matter, or sulpho-acid of dinitro-alpha naphthol, obtained from the action of nitric acid upon the within-described alpha-naphthol sulpho-acids, substantially in the manner set forth, or by any other method which will produce a like result."

It is shown by the proofs that Caro's coloring matter is superior to any previously known in the art of dyeing as regards fastness to water when applied to wool or other material of animal fiber. It does not blend or run when wetted, which is the case with picric acid, Manchester yellow, Martius yellow; and the other yellow coloring matters previously used. This is clearly indicated by the samples produced. That it is an extremely valuable contribution to the art of dyeing is plain. So far as appears, Caro was the first discoverer of the process by which the distinctive sulpho-acids of alpha-naphthol, capable of treatment with nitric acid, without the destruction of their sulpho groups, could be produced. Consequently he was entitled, when applying for a patent, to make a broad claim for the product when made by his process, whether, as part of the process, the treatment of the sulpho-acids with nitric acid should be according to his method or should be by any other equivalent method, which would produce his product.

The claim of the patent is not to be construed as one for his coloring matter, obtained by any method or process of treating the alpha-naphthol sulpho-acids with nitric acids, but for any method of treatment which is the equivalent of the process described, because it produces like results. The claim is capable of this construction and

should be construed so as, if possible, to secure the real invention to the patentee.

It was not shown by the complainants that the defendants' coloring matter was made by the process described in the patent, nor was any evidence to the contrary produced by the defendants. The proofs show satisfactorily, however, that the defendants' coloring matter possesses the peculiar characteristics of the patented article. Sufficient appears to establish the chemical identity of the defendants' coloring matter with the complainants' by the evidence of the results produced by each in experimental tests. As these results were new until Caro's process was employed, a sufficient *prima facie* case is shown upon the question of infringement.

The only attack made upon the novelty of the invention is by evidence, which shows that various yellow coloring matters, such as Martius yellow, Manchester yellow, and others, were old and had been in public use since 1868. An attempt was made on the part of the defendants to show the identity in characteristics between these coloring matters and the patented article, but no doubt is entertained that there is a substantial difference between them in the respects which have already been referred to.

The complainants are not licensees, but are assignees of the entire monopoly conferred by the patent. The patentees do not explicitly transfer to complainants the right to vend to others the privilege of making the patented article, but they do not reserve that right to themselves in the instrument, and as the complainants are vested with the exclusive right to make the article in the United States, as well as to use and vend it, the patentees have nothing left which they can transfer. These considerations dispose of the several objections which have been urged by the defendants to the case made by the complainants. A decree is ordered for complainants.

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### THE CANARY No. 2.<sup>1</sup>

(Circuit Court, S. D. Alabama. June, 1884.)

#### 1. LIEN UNDER LOUISIANA LAW FOR MONEY ADVANCED.

Under the laws of Louisiana advances of money to the captain or owners of a vessel can only be privileged when advanced under imperious necessity to save the ship, or enable her to complete her voyage, and that the furnisher of moneys to a ship to pay for wages, supplies, and expenses has no privilege unless there is a legal or conventional subrogation. La. Civil Code, arts. 2160, 2161, 3237.

#### 2. STATE LIEN UNDER MARITIME LAW.

Where a creditor claims the benefit of a state statute which purports to give a lien, he must take it subject to all the conditions which the state statute imposes. *The Edith*, 94 U. S. 518, followed.

<sup>1</sup> Reported by Joseph P. Hornor, Esq., of the New Orleans bar.

## 3. DURATION OF LIEN UNDER LOUISIANA LAW.

The privilege (lien) enjoyed by creditors for cause, anterior to the sale of a vessel, is lost if a sale is made in port and a voyage is thereafter made in the name and at the risk of the purchaser, unless the purchaser shall have some notice, actual, legal, or constructive, of the claim and privilege. La. Civil Code, arts. 3242, 3243.

## Admiralty Appeal.

*Hannis Taylor*, for libelant.

*I. L. & G. L. Smith*, for claimant.

PARDEE, J. The case made establishes the libelant's lien for advances, supplies, and labor under the laws of Louisiana for \$634.32, upon the Canary No. 2, which is properly enforceable here, provided (1) the law of Louisiana gives a lien for advances of money to the captain and owners to pay the general running expenses of the ship; and (2) that the lien has not been lost by the *bona fide* sale of the ship in port, and a voyage made in the name and at the risk of the purchaser without any claim interposed. The lien under the laws of Louisiana for moneys advanced to pay the running expenses of the ship is given, if given at all, by article 3237, Rev. Civil Code, which provides:

"The following debts are privileged on the price of ships and other vessels in the order in which they are placed. \* \* \* (7) Sums lent to the captain for the necessities of the ship during the last voyage, and reimbursement of the price of merchandise sold for the same purpose. (8) Sums due to sellers, to those who have furnished materials, and to workmen employed in the construction, if the vessel has never made a voyage; and those due to creditors for supplies, labor, repairing, victuals, armament, and equipment previous to the departure of the ship, if she has already made a voyage. (9) Money lent on bottomry for refitting, victualing, arming, and equipping the vessel before her departure. \* \* \* The term of prescription of privileges against ships, steam-boats, and other vessels shall be six months."

This article of the Louisiana Code is of long standing, and has been judicially interpreted in relation to the questions involved here, on several occasions, and that interpretation must be considered as of the highest authority. That interpretation has been uniform, and is to the effect that advances of money to the captain or owners of a vessel can only be privileged when advanced under imperious necessity to save the ship or enable her to complete her voyage, and that the furnisher of moneys to a ship to pay for wages, supplies, and expenses has no privilege unless there is a legal or conventional subrogation. See *Hyde v. Culver*, 4 La. Ann. 9; *Grant v. Fiol*, 17 La. 158; *Hill v. Phoenix Tow-boat Co.* 2 Rob. 35; *Wickham v. Levistones*, 11 La. Ann. 702; *Owens v. Davis*, 15 La. Ann. 22; *Bank v. Bark Jane*, 19 La. 1.

The case made here shows no subrogation, legal nor conventional, as either is expressly defined in Louisiana law. See Rev. Civil Code, arts. 2160, 2161. In fact, the learned proctor for libelant claims no subrogation, except such as results from the general maritime law, in favor of one who lends money to pay off maritime liens, and which

money is so applied. See *Cohen*, Adm. 243. The trouble is that the lien sought to be enforced in this case is not a maritime lien, but a domestic lien, which has force only as the laws of Louisiana give it force. Under the maritime law there is no lien upon a vessel for materials furnished and work done in repairing her at her home port, and where a creditor claims the benefit of a state statute which purports to give such lien, he must take it subject to all the conditions which the state statute imposes. See *The Edith*, 94 U. S. 518. This view of the case is fatal to libelant's pretensions, in so far as many of the items (amounting to more than the balance sued for) in his account are concerned.

The other point made against libelant's lien, under the authority of *The Edith*, *supra*, is conclusive against the entire demand. The lien of libelant, being one claimed under Louisiana law, is subject to the conditions imposed by Louisiana laws. Now the undisputed facts of this case are that after the advances made by libelant to the Canary No. 2, which was then lying in the home port, a demand was made upon the master and managing owner for payment, which was promised to be made as soon as the boat could be sold and the price paid by the purchaser. No other demand was interposed or notice given. Within a few days after this demand and promise the boat Canary No. 2 was purchased by the present claimants for the sum of \$2,300. This purchase was made after an examination of the records for outstanding claims, and, apparently, in the best of faith, without notice of libelant's demand. Exactly when the demand was made upon the former captain and owner does not appear, but the record shows that the account was closed February 23, 1883, that the boat was sold March 24, 1883, and that libelant's demand was registered with the recorder of mortgages of the parish of Orleans, Louisiana, May 7, 1883, and that the boat was libeled in the port of Mobile May 23, 1883.

The evidence shows that after the sale to claimants and the execution of proper title, the said Canary No. 2 made the voyage from New Orleans, Louisiana, to the port of Mobile, Alabama, in the name and at the risk of the purchasers. The only matter in evidence that can be claimed as in any way attacking the good faith of the purchasing parties is the fact that they required and received an indemnifying bond from the vendors. But when it is considered that the purchasers were only prudent in protecting themselves from outstanding maritime liens, and that their purchase was open, and their possession and voyage free from concealment and deceit, it would seem that the exaction of the indemnifying bond, unsupported by other evidence, should have little weight in establishing bad faith in the purchase.

Now article 3242 of the Revised Civil Code of Louisiana reads:

"When a sale has been made, the vessel being in port, the creditors of the vendor, who enjoy the privilege for some cause anterior to the act of sale,

may demand payment, and enforce their rights over the ship until a voyage has been made, in the name and at the risk of the purchaser, without any claim interposed by them."

And article 3243 reads:

"But when the ship has made a voyage in the name and at the risk of the purchaser, without any claim on the part of the privileged creditors of the vendor, these privileges are lost if she was in port at the time of sale."

These articles are indisputably provisions in the interest of, and for the protection of, the purchasers of ships. No decisions of the Louisiana courts have been cited, and I am aware of none, construing and interpreting these articles; but from their language and object it is clear that the proper meaning and construction is that the privilege enjoyed by creditors for cause anterior to the sale is lost if a sale is made in port, and a voyage is thereafter made in the name and at the risk of the purchaser, unless the purchaser shall have some notice, actual, legal, or constructive, of the claim and privilege. Exactly what notice the purchaser shall have, to prevent the extinction of the privilege, whether by record or suit, it is not necessary to decide in this case, because no notice whatever is proved. To hold that mere demand of payment of the debtor would be a sufficient interposition of the claim to continue the lien in force, would be to practically nullify the object and purpose of the articles in question.

Under this view of the law of Louisiana, and the facts of the case as recited, the lien of the libelant on the Canary No. 2, under the laws of Louisiana, if it existed at all, was lost by the subsequent sale and voyage of the ship, and it cannot be enforced in this court. And this conclusion does not operate any great hardship, because, as we have seen, the libelant, with his demand in hand and executory, had full notice of the intention of his debtor to sell the ship, was satisfied to rely on a promise to be paid from the proceeds of the sale, and then rested quietly 60 days before attempting to follow the privileged property in the hands of an apparently *bona fide* purchaser. If, as appears from the evidence, the claimants here are *bona fide* purchasers for value, it would seem to be rank injustice to allow libelant with his secret lien to consent to a sale, (for his acquiescence amounted to consent,) give no notice, and then after 60 days of slumber, and after new liens and new responsibilities have attached, come into court and enforce his demands against innocent parties. No such results were contemplated by, nor can be permitted under, the unusually wise and beneficent laws of Louisiana, for articles 3242 and 3243 of the Revised Code, *supra*, clearly to my mind provide against them.

A decree will be entered dismissing the libel in this case, with costs, but without prejudice to libelant's rights to enforce his demand against the former master and owners of the Canary No. 2.

THE CANARY No. 2.<sup>1</sup>*(Circuit Court, S. D. Alabama. June, 1884.)*

## 1. ADMIRALTY PRACTICE—TERMS OF COURT.

From the commencement to the end of a term there is, in contemplation of law, but one sitting, although there may be adjournments or recesses.

## 2. SAME—APPEAL—TIME FOR PERFECTING.

In the absence of any general rule or special order fixing the time within which the bond must be given, the appellant has, under admiralty rule 45, thirty days from the rendition of the decree within which to perfect his appeal.

## 3. SAME—WHEN RETURNABLE.

No order of the district court fixing the return is necessary. The law makes the appeal returnable to the next term of the circuit court.

## 4. SAME—APPEAL BOND.

The form of appeal bond given by BENEDICT for Southern district of New York is good.

## 5. SAME—BY WHOM TAKEN.

Appeal bonds may be taken before a United States commissioner, in absence of a rule of court providing otherwise.

On Motion to Dismiss Appeal.

*Hannis Taylor*, for libellant.

*J. L. & G. L. Smith*, for claimants.

PARDEE, J. The decree appealed from was rendered in the district court, February 1, 1884, and at the same time an appeal was allowed and amount of bond fixed. February 9th a bond taken and approved by McKinstry, United States commissioner, was filed. The term of the district court ended, as appears by the certificate of the clerk, March 19, 1884.

1. The bond was filed during the term at which the decree was rendered. The court sits in terms twice a year, fixed by law. From the commencement of a term until the end, (although there may be adjournments or recesses, whether from day to day or with intervals of several days,) there is, in contemplation of law, but one sitting during a term.

2. In this case no time was fixed, either by the general rules of the court or by special order, within which the bond was to be given, and therefore, as I understand rule 45, (Adm. Rules,) the appellant had 30 days from the rendition of the decree, within which delay he did perfect his appeal.

3. It is not necessary that the district court, in allowing an appeal, should specify that it should be to the next term of the circuit court. The law sends the appeal to the next term of the circuit court. There is no dispute that this is the proper term of the circuit court to consider the appeal.

4. The bond is in the form given by BENEDICT for the Southern district of New York, and is in accordance with the practice in this

<sup>1</sup>Reported by Joseph P. Hornor, Esq., of the New Orleans bar