

had been made, the owners grant to the complainant the exclusive right to make, use, and vend the inventions covered by the patents and by renewals thereof in specified parts of the United States, "and also, as far as we [the owners] can control the same, the exclusive right to build harvesters and binders under the rights herein granted for sale in Europe, Australia, and South America."

Upon a similar bill brought by the complainant against the defendant company in the United States circuit court for the northern district of New York, and which was dismissed because the defendant was not amenable to process in that state, Judge Wallace held that neither McCormick nor the defendant had "assumed any contract obligation to the complainant," and that upon the facts set forth "the cause of action is the ordinary one for infringement," to be prosecuted and defended in the usual way. 55 Fed. Rep. 287. There is here, however, no question of jurisdiction; and it is not necessary to consider whether or not the defendants, by taking title to the patents subject to complainant's rights, and by taking an assignment of complainant's obligation to pay royalties, and by receiving payment thereof from the complainant, notwithstanding they have assumed no contract obligation, are estopped to deny the validity of the patents, or complainant's rights thereunder. Familiar analogies may be found in the sales of property, real or personal, subject to the rights of third parties. But here the defendants have made no question of the validity of the patents or of complainant's right, except disputing the scope of the grant under which they are asserted, and do not deny having made in the United States, for sale in Europe, machines covered by some of the patents, and avow their purpose to continue so to do. They concede to the complainant, in connection with its exclusive right to manufacture and sell within the territorial limits of its grant in the United States, the right within those limits, exclusive therein, to manufacture for sale in the foreign countries named; but claim for themselves, in connection with their exclusive right to manufacture and sell in other parts of the United States, a corresponding right therein to manufacture for sale in the same foreign countries. The complainant, on the other hand, insists that the right given it to build machines under the patents for sale abroad is exclusive, not in respect to the territory in this country in which it may build machines for foreign sale, but in respect to the countries in which the sales may be made.

One of the defendants being the owner of the patents sued on, the complainant, though only a licensee, may prosecute the suit in its own name. *Littlefield v. Perry*, 21 Wall. 205.

Affidavits have been presented on either side, to aid or control the interpretation of the grant in question, but they are not deemed admissible. It is a latent ambiguity, which may be explained by evidence aliunde. Doubts apparent upon the face of an instrument must be resolved by the court, resorting, if necessary, to the rule that a grant expressed in doubtful words shall be construed most strongly against the grantor, whose words they are. Fairly

and reasonably construed, the terms used in this grant must be held to have conferred upon the complainant the exclusive right which it contends for in respect to sales abroad. The owners of the patents first give the complainant an entire and exclusive right under the patents to make, use, and sell the invention in designated parts of the United States, and then add the clause the meaning of which is in dispute: "And also, so far as we can control the same, the exclusive right to build harvesters and binders under the rights herein granted for sale in Europe, Australia, and South America."

It is insisted on behalf of the respondent that the phrase, "under the rights herein granted," expresses a territorial limitation, which confines "the exclusive right" to build machines for sale abroad to those parts of the United States to which the preceding grant was restricted; making it the meaning of the entire clause that in those parts of the United States, to the exclusion of all others, the complainant should have the right to build machines for sale abroad in the countries mentioned. This, as it seems to me, is a forced and inadequate construction. It requires that the word "herein" be read as if it were "hereinbefore," makes the word "exclusive" meaningless, and leaves to the phrase, "as far as we can control the same," little or no significance.

The exclusive right of the complainant in this country had been defined in unequivocal terms by the first clause of the grant. Nothing further was necessary to exclude the grantors or third persons from making or selling the invention within the designated states and territories, (*Brush Electric Co. v. California Electric Light Co.*, 52 Fed. Rep. 945, 959;) and if the purpose was simply to give the complainant the further, but not exclusive, right to sell in the countries abroad, it would have been enough to add, "And also the right to build, within the states and territories named, harvesters and binders, containing the inventions, for sale in Europe, Australia, and South America," with a proviso that the right should be protected and continued under any foreign patents which should be obtained. But the purpose having been, as I conclude it was, to give the complainant the exclusive right to manufacture in this country, (within the limits of its grant,) for sale in the foreign countries named, the use of the word "exclusive," or its equivalent, which otherwise would have been meaningless, was apt and necessary; and it was also important to say, "as far as we can control the same," because, in respect to such exclusive right to sell abroad, the owners could exercise a control much more effective than in respect to a right which was not exclusive by refraining on their own part from competitive sale abroad of machines made either in this country or elsewhere, by binding subsequent grantees or licensees to respect complainant's right, and by making or attempting to make no grant to others, either under these patents or any obtained abroad, inconsistent with the grant to the complainant.

The word "herein," as used in the sentence under consideration, includes the whole instrument,—the clause in which it is found

as well as the preceding clause; and the phrase, "under the rights herein granted," has, as it seems to me, the same force as if the words were, "by right of this grant," or "under this grant." With such change there could be no question of the meaning. And without any change of words, the meaning of the clause may be demonstrated by transposition in this way: "And also, under the rights herein granted, the exclusive right, as far as we can control the same, to build harvesters and binders for sale in Europe," etc. Read in this way, the entire expression is harmonious, and just force is given to each word and phrase. After the grant to the complainant, the owners of the patents, and their subsequent grantees, who took right or title with knowledge of or subject to the first grant, had no right within the United States to build machines to be sold at home or abroad in the states or countries wherein the complainant had been given the exclusive right to sell, and such manufacture and sale would be an infringement of the rights of the complainant under the patent. *Blatchford, J., in Ketchum Harvester Co. v. Johnson Harvester Co., 8 Fed. Rep. 586.*

It follows that the machines containing the inventions, which the defendants have made in this country, and have sold in England, France, and Germany, have been made in infringement of the rights of the complainant under the patents; and that, since the fact that the defendants propose to continue such manufacture and sale is admitted, the complainant is entitled to the temporary injunction prayed, and it is so ordered.

Since the foregoing was written the complainant has presented a second motion, asking a temporary order restraining the defendants against interference with and threatened infringement of complainant's rights within its territory in the United States, but the defendants deny that they have interfered as charged, and that they have any purpose to infringe, and the proof offered by the complainant is insufficient. The motion is therefore overruled.

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LALANCE & GROSJEAN MANUF'G CO. v. HABERMAN MANUF'G CO.

SAME v. MOSHEIM.

(Circuit Court of Appeals, Second Circuit. April 18, 1893.)

1. PATENTS FOR INVENTIONS—VALIDITY—INDEFINITENESS—ENAMELING.

In letters patent No. 279,094, issued June 5, 1883, to Emile Kegreisz, claim 1 covers an improved process of giving a variegated appearance to enameled ironware, by recoating it with a colored glaze after it has been enameled in the usual way. The specification described the process as follows: "After the ordinary process of enameling has been completed, I prepare a thin glaze, composed of any coloring matter that can be made to remain mechanically suspended a short time in water, and apply it to the article. \* \* \* The glaze should be made sufficiently thin to avoid being pasty, so that it will freely spread or run over the surface. \* \* \* The glaze will be found to separate and coagulate in irregular spots." *Held*, that the patent is not invalid for insufficiency of description, in that