A. B. DICK CO. v. FUERTH.

(Circuit Court, D. New Jersey. July 11, 1893.)

1. PATENTS FOR INVENTIONS—INVENTION—STENCIL SHEETS.
Letters patent No. 377,706, issued February 7, 1888, to John Broderick, for a "prepared sheet for stencils," consisting of a thin, highly porous sheet of material, such as Japanese dental paper, or yoshino, coated or impregnated with a soft waxy substance, such as paraffine, which, when the sheet is pressed upon by a writing or printing instrument, will be displaced on the lines of impression so as to leave them open to the passage of ink through the pores of the sheet, involve patentable invention over the devices of the prior art in which sheets of material were coated with hard wax, as in patent No. 332,890, issued December 22, 1885, to David Gestetner, and then rendered pervious to ink on the lines of the letters by cutting away the body of the sheet, or by puncturing it with a proper instrument.

2. SAME—SUFFICIENCY OF SPECIFICATIONS.
There is no defect or insufficiency in the specifications of the Broderick patent such as would prevent those skilled in the art from making and using the same, and the patent is not objectionable on this ground.

3. SAME—INFRINGEMENT—ESTOPPEL—FALSE MARKING.
An applicant for a patent caused to be stamped upon some of the articles sold the words: "Pat. July 6, 1886. Pats. applied for." The patent of July 6, 1886, had been granted to the applicant for a different article, but the words were used by advice of counsel, under a misapprehension of the law, and without any intention to deceive the public. *Held*, that these words might be rejected as mere surplusage, and the applicant was not estopped from suing a subsequent infringer, although the stamping of an unpatented article as patented is forbidden by Rev. St. § 4901.

4. SAME—SUIT FOR INFRINGEMENT—TECHNICAL DEFENSES.
Where the defense to a suit for infringement is purely technical in character, a court of equity should not give effect thereto, unless the proof upon which the technicality is based is ample and satisfactory.

In Equity. Bill for infringement of a patent. Decree for complainant.

D. H. Driscoll, for complainant.
J. A. Beecher, for defendant.

GREEN, District Judge. The complainant, the A. B. Dick Company, filed its bill of complaint in this cause against the defendant, William G. Fuerth, to restrain an alleged infringement of letters patent No. 377,706, granted to one John Broderick, February 7, 1888, for a "prepared sheet for stencils," the title to which, by mesne assignments, is now in the complainant. In the specifications of the letters patent Mr. Broderick declares that he has invented certain new and useful improvements in preparing sheets for stencils or transmitting printing sheets; that in the practice of his invention he employs a thin porous sheet of material, impregnated or coated with a gummy or waxy substance, or other material impervious to ink, and of such porosity, and a gummy or waxy filling of such consistency, that when the impregnated or

coated sheet is placed upon a suitable support or bearing surface, and impressed upon with a writing or printing instrument, the gummy or waxy filling will, under the pressure thereof, be displaced at the point or lines of impression so as in all cases to leave them open to the passage of ink through the pores of the sheet; and he claims that such sheets so prepared dispensed with the necessity of employing in the preparation of stencil sheets an abrading or puncturing instrument, bearing surface, or plate. He further declared that he prepared his improved stencil sheet by preference from a sheet of thin, highly porous paper, by immersing the same in a bath of melted gummy or waxy substance, such as paraffine, of about 120° Fahrenheit fusion point. In a paper so prepared he asserted that the stylus passes over the surface with the ease and fluency of a lead pencil, so as to produce an almost perfect representation of the writer's autograph with a pen. The stencil, thus prepared, is then used in duplicating impressions, in the manner already familiar, by placing it on a sheet of paper, and passing an inked roller over it, or any other manner in which such a stencil may be used. He further says that the described stencil plate for the production and multiplication of impressions of printing is made by impressing the type letters, or other desired characters, designs, pictures, maps, or illustrations upon the prepared sheet with type (as by a typewriting machine) or plates on which the letters, etc., are made of raised lines and surfaces, such as, on being so impressed, will express from the prepared sheet the gummy or waxy substance, leaving the fibers exposed and open to the transmission of ink.

There are three claims in the letters patent, which are as follows:

"(1) A transmitting printing sheet, consisting of a thin, porous sheet, through which ink is readily transmitted, such as Japanese dental paper, or yoshino, filled or coated with a substance impervious to ink, as paraffine, substantially as described. (2) A transmitting printing sheet, consisting of a thin, porous sheet, through which ink is readily transmitted, such as Japanese dental paper, or yoshino, filled or coated with a substance impervious to ink, as paraffine, and having this filling or coating removed at the points or lines of printing, substantially as described, for the purposes specified. (3) A prepared sheet for stencils, consisting of a sheet of Japanese dental paper, or yoshino, coated with a substance impervious to ink, substantially as described."

Of these claims only the second and third are involved in this controversy. Looking at the invention, then, broadly considered, it seems to consist of a novel stencil, or rather, perhaps, a new transmitting printing sheet, extremely thin in substance, which is coated or filled with some soft waxy substance impervious to ink, and yet is so porous that in the removing of the filling or coating of wax at any point by pressure, the sheet itself, without disturbance of fiber, becomes open to the transmission of ink through it. So that the result arrived at by Mr. Broderick in his invention, if it be, indeed, an invention, is this: That the stencil is

made by the removing of the soft waxy or gummy filling or coating, rather than by the heretofore usual and more common way by perforation or cutting away of the sheet itself upon which the coating or filling has been placed. A stencil may be defined to be a thin plate or sheet of any substance in which a figure, letter, or pattern is formed by cutting completely through the plate. Mr. Broderick's achievement consists in the formation of a stencil without the cutting of the letters, figures, or patterns through or from the body of the porous substance upon which the soft waxy or gummy material has been placed. Stencils were very commonly in use long before Mr. Broderick's invention. They were made not only of metals, but as well of other material, such as paper, which had been previously coated with some substance which would render it impervious to the passage of ink. So that it must be admitted there was nothing new in making a stencil itself, as a stencil, nor in the coating of the thin paper with wax or other gummy substance as a component part thereof. Whether what Mr. Broderick did in this case evidences patentable novelty and shows invention depends not only upon the state of the art, but as well upon the exact means by which the end sought by Mr. Broderick was attained. The defendant stoutly contends that this alleged invention is no invention at all; that it does not embrace any substantial variation or change from what then belonged to the art, and does not, therefore, involve the exercise of inventive faculty; that the subject-matter of the letters patent was wholly within the domain of common knowledge among persons skilled in the art; that each element in the claim was well known, and that it only required the exercise of mechanical skill to attain the result which Mr. Broderick claims to have been the first to invent. So far as the state of the art is concerned, it is undeniably true that stencils were well known and in common use prior to the date of the letters patent granted to Broderick. Stencils made from waxed or gummed paper were quite as common as those made from metals or other materials. The defendant introduced in testimony as a substantial part of his defense a large number of patents, including as well those which related to the process of coating paper with wax and other gummy substances as those which approached more nearly the domain of the Broderick invention, and related directly to stencils and other devices for making multiform copies of writings, designs, and figures. And in this part of the case the defendants' counsel ably summed up his argument as follows:

"The preparation and manufacture of stencils was within the domain of common knowledge among persons skilled in the art, and each element in each claim was well known, and the function which each element would perform, combined with other elements specified in each of the claims, was well known. The alleged invention required only mechanical skill, and no more than ordinary knowledge and judgment in the selection of a more or less porous paper of a class and kind then well known in the market and to the

trade, and in common and public use for the same purposes, and prepared in the same way, and of varying porosities, according to the style and character of the work required."

Of course, if the argument of counsel, sound in itself, had been fortified by facts in evidence, it would have ended this litigation, in this court at least; but, after a most careful consideration of the matters involved in this controversy, I am unable to assent to the conclusions insisted upon by the defendant as being well founded.

I do not think it necessary to examine minutely each one of the alleged anticipating patents, nor to point out all the particulars which differentiate them from the invention of Broderick. Nor can it be necessary to consume time in explaining just what the state of the art displayed. It is true beyond question that the elements which, combined, appear in and characterize the stencils in common use, as well as the inventions covered by the letters patent, are, in cases where paper forms the basic material, without exception, porous paper upon the one hand, and a filling or impregnation or covering of wax upon the other. But I do not find any stencil known to the art which would fail to come within the definition of a stencil as already given; that is to say, in each case the figure or letter or pattern which is to be copied by the use of a stencil is primarily formed by cutting or perforating in some wise through the substance, plate, or material, or whatever it may be, which bears the coating of wax or gummy substance. Thus, in some of the patents, the thin paper covered with wax is laid upon a roughened under-surface, and the figure to be copied is then traced over it; pressure being had, the sharp roughness of the under-surface penetrates through the thin, porous paper, causing openings, minute to be sure, but very close together, making an almost continuous cutting, through which the ink is transmitted to the sheet upon which the printing is to be done. In others, peculiar kinds of acid ink are to be used, which eat through the fibers or a material of the surface supporting the wax, and so practically make the stencil by cutting through the surface of the stencil itself. In yet other instances the writing or printing is done by a notched or roughened wheel of small diameter, which forces its way through the fibers or surface of the material. The result in each case is the same. The basic material is cut through or perforated. All these devices differ, I think, from the improved stencil now under consideration. Does this latter stencil show invention? It is very difficult to define what invention is. It certainly is not reasoning. It does not arise from any logical deduction. A necessary conclusion from certain admitted premises will not support it. Inferences such as a man of ordinary intellect would naturally draw when he is possessed of the ordinary skill and knowledge of the art in respect to which the inference may be drawn, falls very far short of being invention. But if one creates, not only by the operation of mind, but as well actually, physically, new means by which is necessarily obtained a certain specific end, means which are novel to the creator as well

as novel to the world, which had never existed before, at least in the combination or conjunction in which the creator causes them to exist for the first time,—he who does this must, I think, be regarded as an inventor.

Now, as we have seen, before Mr. Broderick's alleged invention, stencils were made for copying purposes by cutting through or perforating the basic plate or material. The letters to be copied, or the figures or the words or the designs, were bodily cut out of the material which formed the basis of the stencil. The result was that in all the stencils which had been made previous to the invention of Mr. Broderick serious difficulty had been encountered, especially with certain letters called "loop letters;" such, for instance, as B, D, O, P, and Q. It was impossible to make these letters perfectly, simply from the impossibility of supporting the center part of the letter, in any other way than by attaching it to the body of the stencil, thereby making the letter itself imperfect; or, if not so attached, the letters would, so far as the loops were concerned, become a mere open space, without exhibiting the peculiar inner lines of the letters themselves, which gave them their distinct form and shape, and when used as stencils would cast upon the paper simply a blot. It was to overcome this defect in all stencils, and to make a perfect letter or design or figure, that Mr. Broderick made his invention. He discovered, after a long search and many experiments, that the paper known as "Japanese dental paper," or "yoshino," was so very porous that its fibers need not at all be cut or destroyed or abraded in the manufacture of stencils; and that, if he covered yoshino paper with a waxy or gummy substance, very soft in consistency, and then removed by pressure only the wax in conformity with the shape of the letters, figures, and designs which he desired to print, the ink would be easily transmitted in the printing process through the paper where the wax had been removed, without requiring any severance or disturbance of the fibers of the paper itself. In making loop letters, therefore, by this method and means, the inner part of the loop would still be firmly a part of the stencil itself, the fibers running from the loops to the body of the paper not being disturbed or cut or weakened in any degree. Hence a perfect letter or design or figure was produced. It is apparent, therefore, that there is a very great difference between the stencils which were described in the Broderick patent and the stencils which were generally in use, including the stencils which were covered by the letters patent relied upon by the defendant. As has been said before, in all the stencils which were known before they were improved by Broderick, it was absolutely necessary that the substance or material or fiber of the stencil itself should be cut or perforated in the formation of proposed letters, and in this respect they are all radically different from Broderick's invention; for by his invention the stencil is made by removing the waxy coating, and by leaving intact the basic substance of the stencil plate. And just here it is well to notice that not only did Broderick's invention

having been interrupted, the plaintiffs in reconvention must recover upon the strength of that title, and that the provision with reference to prescription did not apply to such case.

It is a general rule that the statute of limitations does not run against the party in possession. The particular statute in question was held subject to this rule by the supreme court of Louisiana in the case of Breaux v. Negrotto, 43 La. Ann. 427, 9 South. Rep. 502; McWilliams v. Michel, 43 La. Ann. 984, 10 South. Rep. 11. See, also, Lague v. Boagni, 32 La. Ann. 912; Barrow v. Wilson, 39 La. Ann. 403, 2 South. Rep. 809; McDougall v. Monlezun, 39 La. Ann. 1005-1010, 3 South. Rep. 273. The case of Smith v. City of New Orleans, 43 La. Ann. 734, 9 South. Rep. 773, seems to hold directly the contrary, and that the special prescription in question begins to run from the day of sale. This case, however, cannot be regarded as authority, because a rehearing was granted therein on the ground of conflict with Breaux v. Negrotto, supra, and, pending reargument, the case was compromised and taken out of court. If the case of Smith v. City of New Orleans should be considered as authority, and as overruling Breaux v. Negrotto, we do not see how it will help the plaintiffs in error, because the date of sale in that case, and we think properly, is fixed by the court at the date of the tax collector's deed, and the record of this present case shows that the tax collector's deed to Negrotto was executed on the 15th day of December, 1888, less than three years before the institution of the suit attacking such title.

We note the authorities cited by plaintiffs in error to the effect that in all public sales in Louisiana, whether made by auctioneers, sheriffs, or tax collectors, the adjudication is regarded and treated as the completion of the sale. Rev. Civil Code, arts. 2601, 2617; Baham v. Bach, 13 La. 287; Freret v. Meux, 9 Rob. (La.) 414; Macarty v. Gasquet, 11 Rob. (La.) 270. But we are of the opinion that the principle invoked applies only to actual parties to the sale, and that third persons cannot be affected until after the act of sale is passed, and ought not to be affected until the sale is recorded. See Rev. Civil Code, arts. 2610, 2442. It is difficult to see how an action can be brought to invalidate the tax title before it is made. Of course the party can proceed by injunction to prevent the tax title from being made, but a suit for nullity, or to invalidate the tax title, would be premature before making the same. Besides this, we notice that in Lague v. Boagni, supra, the supreme court of Louisiana held that the prescription in question did not apply in case of absolute nullity in the tax title.

On the whole case, we find no reversible error. The judgment of the circuit court is affirmed, with costs.

IVORY et al. v. KENNEDY et al.

(Circuit Court of Appeals, Fifth Circuit. May 22, 1893.)

HOMESTEAD—DEED OF TRUST—FORECLOSURE—SUBROGATION.

Deeds of trust by two grantors and their wives, representing themselves as one family, and claiming but one homestead, were made to secure a loan, a portion of which was used to pay off vendors' liens on a specific part of the lands. Subsequently the widow of one of the grantors claimed a right of homestead in such part under Const. Tex. 1876, art. 16, § 50. *Held*, that the mortgagee was subrogated to the right of the holders of the vendors' liens as to such specific part, and on foreclosure was entitled to sell the whole tract, except the two homesteads, and, if sufficient was not realized to satisfy the mortgage debt, then to sell the homestead claimed by the widow, to satisfy so much of the decree as should not exceed the sum used to pay off such vendors' liens. McCormick, Circuit Judge, dissenting. Pridgen v. Warn, 15 S. W. Rep. 559, 79 Tex. 588, followed.

Appeal from the Circuit Court of the United States for the Eastern District of Texas. Decree amended and affirmed.

Statement by PARDEE, Circuit Judge:

This bill was brought by Holmes Ivory, complainant, appellant here, and A. S. Caldwell, Bolton Smith, and J. M. Judah, nominal complainants, in the circuit court of the United States for the eastern district of Texas, at Galveston, against Walter Kennedy, for himself, and as surviving partner of the firm of Walker & Kennedy, and as independent executor of the last will and testament of John F. Walker, deceased, and against Sarah M. Kennedy, wife of Walter Kennedy, and Serena K. Walker, widow of John F. Walker, for herself, and as independent executrix of the last will and testament of John F. Walker, and against Mrs. M. W. Kennedy; James Bute, Henry Mayer, Jacob Kahn, and Henry Freiberg, doing business under firm name of Mayer, Kahn & Freiberg; C. W. Alsworth; D. F. Rowe; Gus Lewy and A. Uedeman, doing business under the name of Gus Lewy & Co.,—to foreclose two deeds of trust held by the complainant, Ivory, and made by the defendants Walter Kennedy and John F. Walker, Sarah M. Kennedy and Serena K. Walker, their wives, in which deeds of trust Caldwell, Smith, and Judah, nominal plaintiffs, were trustees. All of the other defendants were charged with having some interest in the mortgaged property, which interest was subordinate to that of complainant. It was substantially charged in the original and amended bill that defendants Kennedy and Walker and their respective wives mortgaged to complainant 3,389 acres of land to secure the payment of $20,000 and interest according to the first deed of trust, and $10,000 and interest according to the second deed of trust. The 3,389 acres of land are described by metes and bounds, and lie in a body in Brazoria county, Tex.

The first deed of trust recites that the entire purchase money for 2,186 acres of the land described in plaintiff's bill was paid by the plaintiff for the defendants Kennedy and Walker, and that as to the remainder of the land certain vendors' liens and judgments on it were paid with the remainder of the money borrowed from the complainant after paying the purchase price for the 2,186 acres, and that complainant, having advanced the money to take up valid and subsisting liens on the land, among others, purchase-money notes, was entitled to be subrogated to the equities of the holders of the unpaid purchase-money notes at least, which at the hearing amounted to $6,558.70, as against any claims of homestead set up by the defendants Kennedy and Walker, except the original homestead of 200 acres. From the operation of the deeds of trust was excepted the original 200 acres of land, with the buildings, which Kennedy and Walker had designated as their homestead,—they being brothers-in-law, living together as one family. The defendants Gus Lewy and A. Uedeman were dismissed, the defendant James Bute disclaimed, Mayer, Kahn & Freiberg appeared and answered, defend-

Besides these defenses, there were a number of other defenses interposed by the defendant, which were purely technical in character. It may be open to question how far a court of equity should regard defenses which are purely technical when interposed by one who is an infringer of the letters patent which he is seeking to destroy. If it be obligatory upon a court to consider them, and give them weight in the final determination of the question at issue, it is equally clear it is its duty to insist that the proof upon which the technicality is based should be ample and satisfactory. One of these defenses thus interposed by the defendant is that certain of the stencils made under this patent by Broderick were stamped as being made under another patent previously granted to Broderick. Undoubtedly some of the stencil sheets which Broderick made did have upon them these words: "Write on this side. Pat. July 6, 1886. Pats. applied for." This patent of July 6, 1886, is known as the "autographic patent," and it was improper, undoubtedly, to mark the sheets of the typewriter stencil paper as patented July 6, 1886. But it will be noticed that the words "Pats. applied for" were also stamped on the sheets; that is, that application had been made to the patent office for letters patent for the very sheet which was then presented to the public. I think it would be fair to reject the first part of the inscription as mere surplusage. If not, the most that can be said is that a section of the Revised Statutes (section 4901) had been violated, and, if the defendant had been injured in any way thereby, he might enforce the collection of the penalty which this section provides for its violation. When that penalty has been enforced, no other or further punishment can be inflicted upon the wrongdoer. But I think it is a complete answer to this contention of the defendant—that Broderick is estopped from claiming the protection of the letters patent in this case—that there is not a particle of evidence to show that the defendant impressed the inscription upon his stencil sheet with an intent to deceive the public. The worst that can be said of it is that it was a mere result of a misunderstanding of the law; an act, as the proofs show, committed under the advice of counsel. I do not think, therefore, that this defense can avail the defendant.

Another technical defense is that the letters patent in this case were granted after examination by the officials connected with one department of the patent office without knowledge of the patent previously granted to Gestetner for his paper, or to Broderick for his file plate patent. In fact the allegation is that some one in Broderick's interest surreptitiously removed the Gestetner patent and the Broderick file plate patent from that division of the patent office where the patent in suit was being examined, for the purpose of keeping from the knowledge of the examiner in that department the existence of those patents. A large amount of testimony taken in the cause relates to this alleged fraud. I shall not rehearse it here. It is enough to say that, in my judgment,

not only does the testimony fail to establish the contention of the defendant, but it does not raise a scintilla of doubt as to the perfect fairness of the officers in the patent office in dealing with this matter. It would take much stronger proof than that produced by the defendant to satisfy me that officials connected with the patent office, or reputable patent solicitors, would purposely do the things which are rather hinted at than deliberately charged by the defendant for the alleged purpose of benefiting one inventor at the cost of another, who was equally meritorious.

Nor do I think the objection raised by the defendant to the validity of the letters patent under consideration for want of sufficient specification of the said "prepared sheets for stencils so as to enable those skilled in the art to make, produce, and use the same" is well taken. Taking the whole patent together, I think there can be no question that the invention and the mode of use is clearly described and set forth by Broderick, so that he who runs may read and understand. There seems to be neither ambiguity nor uncertainty in the language of the specifications and claims. They are concise, terse, and well expressed. As is quite usual in cases of this sort, the evidence touching infringement is contradictory. I think the weight of the testimony preponderates in favor of the complainant, and upon a careful consideration of all the testimony upon this part of the case I am of the opinion that it has been satisfactorily proved that the defendant did infringe these letters patent, as he has been charged. I think it only fair to say that while, in my opinion, Broderick's invention displays novelty and patentability, and that he has certainly accomplished a desired end by the creation and use of novel means, and that as such he is entitled to that protection which the law grants to a successful inventor, yet such conclusion has been reached only after much hesitation. If such judgment be based upon insufficient facts, or unsound reasoning, I am glad to know that the defendant can find his remedy in a court of review. There must be a decree for the complainant, as prayed for.

AMERICAN BELL TEL. CO. v. CUSHMAN et al.

SAME v. HUBBARD et al.

(Circuit Court, N. D. Illinois. September 6, 1893.)

1. PATENTS FOR INVENTIONS—PRELIMINARY INJUNCTION—PRIOR ADJUDICATION—ADDITIONAL EVIDENCE.
   The production of additional ex parte evidence attacking the validity of a patent is not a sufficient reason for denying an injunction when the patent has been sustained by the supreme court and by various circuit courts after exhaustive litigation, as in the case of the Bell telephone patent, No. 186,787.
2. SAME—INFRINGEMENT.
   The Bell telephone patent, No. 186,787, is infringed by both the Corwin and the Cushman telephones.