

1894, § 6855 et seq.; Rev. St. Ind. 1881, § 5091 et seq.), in aid of the construction of a free gravel road, are obligatory upon the county by which they were issued. It is not an open question. In the case of *Strieb v. Cox*, 111 Ind. 299, 12 N. E. 481, where the inquiry was whether such bonds were county obligations, within the meaning of a constitutional limitation upon the amount of indebtedness which counties and other municipalities of the state might incur, the supreme court of the state declared the bonds to be "payable out of the particular fund to be derived from the collection of the assessments made on the lands adjacent to such free gravel road, and from no other source." This was the essential point of the case, and is not to be confused with the question—which the court declined to consider—whether, if the bonds were bonds of the county, and were issued in violation of the constitution, and for that reason were void, that fact "would invalidate or avoid the proceedings and orders of the county board for the construction of the free gravel road, or the assessments made on adjacent real estate for the cost of such improvement." This decision seems to have been made without reference to previous rulings to the contrary, upon the same or a similar statute, in *State v. Commissioners of Fayette Co.*, 37 Ohio St. 526, and *Kimball v. Board*, 21 Fed. 145, in harmony with which is the recent decision in *Fowler v. City of Superior*, 85 Wis. 411, 54 N. W. 800; but it was made before the bonds in suit were executed, and, as a construction of a local statute, is controlling. Reference has been made to *State v. Sullivan*, 74 Ind. 121; *Ricketts v. Spraker*, 77 Ind. 371; *Gavin v. Board*, 104 Ind. 201, 3 N. E. 846; *Robinson v. Rippey*, 111 Ind. 112, 12 N. E. 141; *Board v. Fullen*, 111 Ind. 410, 12 N. E. 298; *Board v. Fahlor*, 114 Ind. 176, 15 N. E. 830; and *Loesnitz v. Seelinger*, 127 Ind. 422, 25 N. E. 1037, and 26 N. E. 887,—for expressions that seem to imply county liability upon such bonds, but in none of those cases can it be said that the question was involved or decided. On the contrary, in some of them the doctrine of *Strieb v. Cox* was approved or reasserted, as it has been in the later cases of *Board v. Hill*, 115 Ind. 316, 330, 16 N. E. 156; *Quill v. Indianapolis*, 124 Ind. 292, 299, 23 N. E. 788; *Spidell v. Johnson*, 128 Ind. 235, 25 N. E. 889. The judgment of the circuit court is affirmed.

ALLEN et al. v. SOUTHERN CALIFORNIA RY. CO.

(Circuit Court, S. D. California. October 21, 1895.)

No. 605.

CITIZENSHIP—EVIDENCE.

One A., a resident of Missouri, in 1892 went to California, and began to work for the S. Ry. Co. In September, 1892, A.'s family, consisting of his wife and two children, followed him to California, his wife, before leaving Missouri, selling most of their household effects, except a few, which she took with her. A. rented and furnished a house in California, in which he resided with his family until his death, early in 1893. After A.'s death, his widow continued to reside in the same house for a month, and then hired another house in the same town, and began taking lodgers, and later hired a house in another town in California, where she continued taking lodgers. In 1893 she brought suit in a state court against

the S. Ry. Co., to recover damages for the death of her husband, which suit was tried in July, 1893, and she was defeated. In March, 1894, she returned to Missouri, but not to the place of her former residence, and remained away from California, visiting places in Missouri and Kansas, until August, 1894, when she returned to California. In April, 1894, she was appointed guardian ad litem of her children by a federal court in California, and suit was at once begun in that court against the railroad company. *Held*, that the facts were amply sufficient to justify a verdict that A.'s widow, at the time of bringing suit in the federal court, was a citizen of California, though she testified in terms that she was a citizen of Missouri, and that she had never intended to make her home in California, but always to return to Missouri.

This was a motion for a new trial. The action was brought by plaintiffs to recover damages for the death of their husband and father, alleged to have been occasioned by the defendant's negligence. Among the issues raised by the pleadings and submitted to the jury was that of the citizenship of the plaintiffs. One of the plaintiffs, Mrs. Allen, testified in terms that she and her minor children, the other two plaintiffs, were, at the commencement of the action, citizens of Missouri. On this issue of citizenship, the court instructed the jury as follows:

"(1) The plaintiffs, who are Ella Allen, the widow, and Edith May Allen and Earl Truman Allen, minor children, of Russel T. Allen, deceased, have brought this action to recover of the defendant, the Southern California Railway Company, damages for the death of said Russel T. Allen.

* * * * *

"(4) The pleadings have raised a preliminary issue affecting the jurisdiction of the court, which will first claim your attention. To the maintenance of this action, diverse citizenship of the parties is essential; in other words, and more specifically, this court, being a federal court, is without jurisdiction unless, at the commencement of the action, June 18, 1894, plaintiffs were citizens of the state of Missouri, and the defendant a citizen of the state of California. A corporation, within the meaning of the law, is a citizen of the state where created, and there is no question in this case but that the defendant is a citizen of the state of California. The jurisdictional issue relates to the citizenship of the plaintiffs, and is whether or not, at the commencement of the action, they were citizens of the state of Missouri. On this branch of the case the court instructs you that during the lifetime of the deceased, Russel T. Allen, the citizenship of all the plaintiffs was determined by his citizenship, and that since his death the citizenship of the minor children of himself and plaintiff Ella Allen must be determined by her citizenship.

"(5) The court further charges you that, to constitute a person a citizen of a particular state, such person must have his or her actual residence therein, with the intention that it is to be a permanent residence. If, therefore, you believe from the evidence that the deceased, Russel T. Allen, when he came to San Bernardino, California, in 1892, came for a temporary purpose (for instance, on account of his wife's ill health), and did not intend to make his permanent residence in this state, but intended eventually to return to Missouri as the place of his permanent residence, and that there was never any change on his part of such intention, and that Ella Allen, the widow of said deceased, after his death, and until the commencement of this action, all along had the same intention as to her permanent residence; or if you believe from the evidence that said widow, when she went back from California to Missouri, in March, 1894, although her citizenship at that time may have been in California, and her motive was to give jurisdiction to the federal courts, took up her actual residence in Missouri, with the intention that such residence should be permanent, you will find that plaintiffs were citizens of Missouri at the commencement of this action, and your verdict will be in their favor on this issue. If, however, you believe from the

evidence that said deceased, when he came to San Bernardino, California, in 1892, had, or at any time thereafter formed, the intention to make his permanent residence in California, or if you believe from the evidence that said widow, while residing in California, at any time after the death of said Russel T. Allen and prior to the commencement of this action, intended that her residence in California should be permanent, and that said return to Missouri of said widow in March, 1894, was not a bona fide removal, as hereafter explained, then you will find for the defendant on the issue of plaintiffs' citizenship; that is, that plaintiffs were not citizens of Missouri at the commencement of the action.

"(6) The court has instructed you that, if said widow of the said deceased, when she went back to Missouri, in March, 1894, although she may have then been a citizen of California, did so with the intention of making her permanent home in said state of Missouri, and took up her actual residence there, then such removal, whatever may have been the motive which prompted it, was bona fide, and plaintiffs thereby became citizens of Missouri. In this connection, however, the court further instructs you that, if said widow went back to Missouri at the time mentioned in order to enable plaintiffs to avail themselves of the jurisdiction of the federal court, and not intending to reside permanently in Missouri, but intending, for that purpose, to return eventually to California, then such removal was not bona fide, but a fraud upon the law, and plaintiffs would not thereby become citizens of Missouri.

"(7) If you find that the plaintiffs were not citizens of Missouri at the commencement of the action, your verdict will be that you find for the defendant on the issue of the citizenship of the plaintiffs, and in that event you need not make further findings. If, however, you find," etc.

On this issue, the verdict of the jury was for the defendant. The other facts are stated in the opinion of the court.

Murphey & Gottschalk and Harris & Vickery, for plaintiffs.

W. J. Hunsaker, for defendant.

WELLBORN, District Judge (after stating the facts). The grounds of this motion, as argued in the briefs of the respective parties, are: First, insufficiency of the evidence to justify the verdict; second, misconduct of defendant's attorney in his argument to the jury. Among the grounds formally stated in the notice of motion is also that of newly-discovered evidence. This ground, however, is not urged by plaintiffs in their brief, and, I presume, for the reasons that the evidence referred to is largely cumulative, and besides there is no showing that any diligence was used to produce it upon the trial.

Under the first of the two grounds above stated, namely, insufficiency of the evidence to justify the verdict, plaintiffs contend that the diverse citizenship of the parties, or, more specifically, the citizenship of plaintiffs in Missouri, was *prima facie* established, and there was nothing in rebuttal, and therefore the verdict was against the strength or weight of the evidence. If the premises indicated are correct, the conclusion stated necessarily follows. The salient inquiry, therefore, is, did the plaintiffs establish, *prima facie*, this branch of their case, and was there an absence of rebutting testimony? Citizenship, it must be remembered, is a mixed question of law and fact, and not unfrequently complicated and difficult of solution. In such cases the testimony of a party, however honestly given, that his or her citizenship is in a certain state, such testimony,

being, not the statement of a simple fact, but an ultimate conclusion, involving the construction and application of legal rules, is far from being conclusive, when the particular facts upon which the citizenship depends are in evidence. The jury, therefore, were not bound to accept and act upon Mrs. Allen's statement that she and her children, at the commencement of this action, were citizens of Missouri; on the contrary, it was their right and duty to find upon the issue of citizenship from all the evidence in the case. The first question for their determination was whether or not there had been a transfer of plaintiffs' citizenship from Missouri to California. On this question they could hardly have done otherwise than find affirmatively. The pertinent facts are these: The deceased, with his family, consisting of his wife and two minor children, the plaintiffs herein, resided in Kansas City, Mo., prior and up to August 1, 1892. On that day he left Kansas City for San Bernardino, Cal., and on the 16th of the same month went to work for the defendant in its yard at the last-named place. His family left Kansas City on the 22d of September, same year, and reached San Bernardino during the latter part of the same month. Before she left Kansas City, Mrs. Allen, or she and the deceased, sold most of their household effects, retaining only such as were brought to California, and a few articles which were sent to his mother's house, in Mosby, Mo., at which place, however, they had never resided. At San Bernardino the deceased rented and furnished a house, which his family, upon their arrival, occupied. The employment he procured of the defendant in San Bernardino was similar to that which he had exercised for years before in Missouri. Thus he lived and worked in San Bernardino for five months, and up to the time of his death. None of these circumstances indicate a temporary, but, on the contrary, they all point to permanent, residence. Nor is there in the evidence, laying aside Mrs. Allen's general statement as to plaintiffs' citizenship, any thing contradictory of this conclusion. It is true that Mrs. Allen in one place testifies, "I had always intended to go back to Missouri"; and in another place, speaking of her return to Missouri, she says, "I made no visit; I simply went home"; and in another place, referring to her testimony in the state court, she says that she then testified that her residence was in San Bernardino, and, continuing, "but I didn't consider that my home." These statements, however, even were they unchallenged,—which, as will appear later on, is not the case,—fail to establish that the citizenship of plaintiffs was not transferred to California, for the obvious reason that this transfer depended, not upon her intention, but upon that of her husband; and nowhere in her testimony does she state what his intention was. If, when his family came to San Bernardino, it was the intention of the deceased to permanently remain in California, he and they became citizens of said state. There is no direct testimony by Mrs. Allen as to what was the deceased's intention, and it must, therefore, be inferred from all the facts of the case; and these facts, as I have just shown, concurrently point to an intention on the part of the deceased to make his permanent home in California.

Assuming, then, that the evidence shows a transfer of plaintiffs' citizenship from Missouri to California, the next question is whether their citizenship was changed back to Missouri before the commencement of this action, and here the controlling fact is the intention with which Mrs. Allen returned to Missouri in March, 1894. On this point the extracts from her testimony, which I have already quoted, are to the effect that she always intended to go back to Missouri, and never ceased to consider that state her home. Did these statements establish a prima facie case against which there was no rebutting testimony? To my mind, clearly not. The statements are antagonized by nearly all the facts to which she testified touching her removal to California, residence therein, return to and stay in Missouri, and subsequent return to California. Among these facts are the following: Abandonment by the deceased and his wife of the home they occupied in Kansas City, and sale of the most of their furniture; the renting and furnishing of a house in San Bernardino, and its occupancy by deceased and his family; and his procurement of and continuance in railroad work there, up to the time of his death. These facts are supplemented by others, viz.: After Mr. Allen's death, Mrs. Allen resided in the same house for a month, at the expiration of which time she rented the Eureka Lodging House, containing 22 rooms, in San Bernardino, and prosecuted business therein for several months. Some time in the year 1893, and prior to the month of July, she brought suit on this same cause of action in the state court at San Bernardino, and the suit was tried at that place during said month of July. Thereafter, and in August of the same year, Mrs. Allen removed to Los Angeles, and for more than six months was there engaged in keeping a lodging house in the Vickery Block, on Main street. She then rented a house on Buena Vista street, and bought furniture for the same, and remained there for two weeks, before her return to Missouri, leaving her father and mother in said house. In March, 1894, she went back to Missouri, to Mosby, the home of her mother-in-law, a place where neither she nor her husband had ever before resided. After an absence from California of four or five months, she returned, in August, 1894, and continuously resided here up to the time of this trial. Nor do the circumstances attending her absence from California indicate a permanent residence elsewhere. During this period, she visited at several places, not only in Missouri, but Kansas. Shortly after leaving California—April 30, 1894—she was appointed guardian ad litem of her minor children, for the purpose of this action. May 21, 1894, the complaint was verified by her in the county of Doniphan, state of Kansas. August 4, 1894, she returns to Los Angeles, goes back to the house on Buena Vista street, at which she was staying when she left in March, and resides there, with her father and mother, from that time up to the trial, last April; her father and mother all the time being residents of this city. On the trial in the state court, she testified that her residence was at San Bernardino, making no reference whatever to the qualification suggested by her on this trial, that such residence was only temporary. To say that these circumstances do not point to

the conclusion that she intended permanently to live in California, is simply to ignore and disregard the teachings of all experience, because such circumstances are the usual accompaniments of permanent, but not temporary, residence. In this connection it is worthy of notice that the supreme court of California, in one case, where the intention with which a party executed a deed was the pivotal point, held that the party could not testify as to what his intention was, but that his intention must be deduced from his acts and declarations at the time. *Woods v. Whitney*, 42 Cal. 362. In this case, the court says:

"There was no error in excluding the questions propounded by the defendant at the time of the execution of the deed to the plaintiff. It was for the court to decide upon his intentions from his acts and conduct at the time. His secret, undisclosed intentions would be unavailing as against his acts and declarations at the time of the transaction."

In another California case, where one of the questions involved was whether or not a mining claim had been abandoned, and the claimant's intention was the controlling fact, he was permitted to testify what his intention was; but Justice Ross, now the United States circuit judge for this circuit, delivering the opinion of the court, said:

"Abandonment is a question of intention, and of this intention the jury were to judge, and did judge, in view of all the facts and circumstances of the case. It is true, as stated in the brief of counsel for appellants, that Leathe testified at the trial that there was no intention by him or his co-locators to abandon the claims. But his testimony to that effect was not conclusive upon the jury. If that was so, it would follow that all any party would have to do, in order to defeat the defense of abandonment, would be to say he did not intend to abandon. The intention, however, is to be derived, as already observed, from all the facts and circumstances of the case. Considering those facts and circumstances, the jury found for the defendants, and we cannot disturb the verdict on that ground." *Myers v. Spooner*, 55 Cal. 260.

See, also, *French v. Foley*, 11 Fed. 801.

The case of *Ennis v. Smith*, 14 How. 400, cited in plaintiffs' brief, does not bear upon the question of the weight which a party's testimony, as to his intention, should receive, but simply holds that the prior declarations of the party are competent, "especially when made previous to the event which gave rise to the suit."

Clearly, plaintiffs did not have a *prima facie* case, uncontradicted by rebutting testimony. Many facts, testified to by Mrs. Allen herself, as I have already shown, tended to contradict her statement that she always purposed going back to Missouri. On this point the supreme court of the United States have said:

"Undoubtedly, as a general rule, positive testimony as to a particular fact, uncontradicted by any one, should control the decision of the court; but that rule admits of many exceptions. There may be such an inherent improbability in the statements of a witness," etc. "He may be contradicted by the facts he states as completely as by direct adverse testimony," etc. *Quock Ting v. U. S.*, 140 U. S. 501, 11 Sup. Ct. 733, 851.

Under the rule here enunciated it is impossible to do otherwise than conclude that the verdict was not against the strength or weight of the evidence.

With reference to the second ground of the motion, to wit, misconduct of defendant's attorney, it is only necessary to say that no exception was reserved or taken at the trial, and therefore this matter, according to the procedure indicated in rule 23 of this court, and approved by most of the authorities, is closed to review. *Crumpton v. U. S.*, 138 U. S. 361, 11 Sup. Ct. 355; *Waldron v. Waldron*, 156 U. S. 361, 15 Sup. Ct. 383; *Chandler v. Thompson*, 30 Fed. 38; *Skaggs v. Given*, 29 Mo. App. 612; *People v. Shem Ah Fook*, 64 Cal. 383, 1 Pac. 347; *Bradshaw v. State*, 17 Neb. 147; 22 N. W. 361. From this procedure there is no reason to depart in the present case, particularly in view of the opinion which I have expressed as to the sufficiency of the evidence to sustain the verdict. Motion for new trial denied.

ROYAL BAKING POWDER CO. v. RAYMOND.

(Circuit Court, N. D. Illinois. November 2, 1895.)

1. TRADE-MARK—GOOD WILL.

A trade-mark is a notice indicating origin. It cannot exist—that is, be the subject of ownership—apart from a business, or the good will thereof.

2. SAME—EXTINGUISHMENT OF RIGHT REGARDLESS OF INTENT.

Defendant was proprietor of a business which ceased in 1871. As a minor feature thereof he compounded and sold baking powder, and marked the word "Royal" on his cans. It was not shown that the good will of his business remained extant or of value for any time after the cessation of said business in 1871, or that the word "Royal" retained for any time in the trade any significance as a mark for the article once compounded by defendant. In 1894 defendant recommenced the baking-powder business, and the use of said word as a mark. *Held*, that the earlier use by defendant does not strengthen the later, as against a competitor whose use of said word as a mark for baking powder has been continuous and exclusive since 1873; and this regardless of what the intent of defendant with respect to said word may have been during the 23 years from 1871 to 1894.

3. SAME—ABANDONMENT—ASSIGNMENT—CLEAN HANDS.

In 1866 B. & H. commenced the use of the word "Royal" as a mark for baking powder. H. & H. became assignees of the business, and continued it, using such mark, and under the trade-name Royal Baking Powder Company, down to 1873, when complainant corporation was organized. They then made a writing purporting to transfer the word "Royal" and the label used up to that time, but without mention of the business. The members of the firm became officers of complainant, and complainant in fact took and continued the business. Complainant has spent \$5,000,000 in advertising its product in connection with the mark "Royal," and for several years prior to the suit its yearly sales averaged near 20,000,000 packages. Defendant claimed that in his business, which ceased in 1871, the use of the word "Royal" dated from 1865. It did not appear that a trade reputation with respect to defendant's product was extant in 1873, or that the use of the word "Royal" by B. & H., and later by H. & H., had in fact injured defendant, or contributed in any degree to the extinction of his baking-powder business. *Held*: (a) That the continuous and exclusive use of the word "Royal" for a series of years prior to the suit was sufficient to fix the trade-mark right in complainant; (b) that the writing by H. & H. was at least an abandonment of the word "Royal" by that firm; (c) that the want of a statement on complainant's label that it was successor to H. & H. was not a deception; and (d) that complainant was not precluded from defending its good will in 1894 by the supposed tres-

pass of B. & H. and H. & H. against defendant or his assignors prior to 1871.

4. SAME—MISREPRESENTATION.

The label used by defendant prior to 1871 contained statements that the baking powder sold by him was made by A. & Co., in England, whereas, in fact, it was made by defendant in New York. *Held*, that the word "Royal," on such label, could not, in connection with such misrepresentation, perform the function of a trade-mark.

5. SAME—DESCRIPTIVE NAME.

The word "Royal," as applied to baking powder, is not descriptive.

This was a suit by the Royal Baking Powder Company against George E. Raymond to restrain the infringement of complainant's trade-mark. The cause was heard on the pleadings and proofs.

Campbell & Custer and Rowland Cox, for complainant.

Smith, Helmer & Moulton and Henry W. Blodgett, for defendant.

SHOWALTER, Circuit Judge. Complainant is a corporation organized under the laws of New York in April, 1873. Since said date said corporation has been continuously engaged in business as a manufacturer and vender of baking powder. Its home office and chief place of business is in New York, but its trade connections extend throughout the United States. The word "Royal" is marked by complainant on the cans or packages containing the baking powder made by complainant. Said product is called "Royal Baking Powder," and the name of complainant corporation is Royal Baking Powder Company. These uses of the word "Royal" by complainant have been continuous, uninterrupted, and substantially exclusive since the date of incorporation above mentioned.

In 1866 a firm called Biddle & Hoagland commenced the compounding and selling of baking powder in connection with a business carried on at Ft. Wayne, Ind. This business, or the baking powder feature thereof, was afterwards transferred to New York, and was there carried on by C. N. and J. C. Hoagland, successors to the old firm, and under the name Royal Baking Powder Company, from 1868 down to 1873. The two Hoaglands became officers in complainant corporation at the time of its organization, and said corporation commenced the manufacture of baking powder, supplanting said firm, and thenceforward conducting said baking powder business on its own account, as already stated. Complainant insists that the word "Royal" was appropriated and used as a trade-mark for baking powder in July, 1866, by said Biddle & Hoagland, and that said mark was continuously so used in said baking powder business down to April, 1873, when complainant corporation was organized as above mentioned. On behalf of defendant it is insisted that in 1865, or certainly as early as March, 1866, one C. A. King, in connection with a business carried on at 24 and 26 Peck Slip, in New York City, sold a baking powder marked "Royal London Baking Powder." In the fall of 1866 one Decker became a partner with King. In the fall of 1867 Decker became sole owner by purchase from King. In August, 1868, the defendant bought the business from Decker, and continued to carry on the same at the old stand till the spring of 1870,

when he removed to another place in New York City. After such removal, defendant continued the business till 1871, when he failed. The articles mainly dealt in in this business were originally teas, coffees, and spices. Defendant, in his time, appears to have added liquors as an important part of his stock in trade. The compounding and sale of baking powder was at no time a very pronounced feature of this business. The trade in baking powder was confined to the neighborhood of New York City, and at and for some months before the time of said failure had almost ceased, though cans or parcels of said product were still on hand. The business, including the compounding and selling of baking powder, ceased entirely with said failure. From 1871 to 1894 defendant was engaged in various occupations and business enterprises, but does not appear to have concerned himself with the manufacture and sale of baking powder. Over the front of the store 24 and 26 Peck Slip, occupied by King and his assignees, as above stated, were painted the words "American Mills," and these words were apparently used as a trade-name for the business there conducted. This use of the words "American Mills" as a trade-name for said business continued from a time prior to the introduction of the Royal London Baking Powder till the failure of defendant, and extinction of said business, in 1871. Said words were not exhibited as a name on the front of defendant's place of business after the removal from Peck Slip, but were retained apparently on his bill and letter heads. In the latter part of February, 1894, defendant recommenced the manufacture and sale of baking powder; this time at 196 Michigan street, Chicago. He puts up his product in cylindrical tin cans similar in size and shape to those used by complainant and other baking powder makers. On these cans is pasted a colored, rectangular label, substantially the same in shape, size, and position on the cans, as the label used by complainant, and displaying in the left half thereof the four words, "Royal London Baking Powder," arranged in perpendicular column. The word "London" is printed in very much smaller type than the word "Royal," and there is a small and rather inconspicuous vignette, showing a lion and unicorn, below the words "Royal London," and above the words "Baking Powder," and separating the two words, "Trade Mark," printed in comparatively small type. On the right half of defendant's label, in small type, are the directions for using, followed by the words: "American Mills. George E. Raymond, Proprietor, 196 Michigan St., Chicago, Formerly 24 and 26 Peck Slip, New York." The directions, printed in English and German, are an exact copy of the directions on the left half of complainant's label. On the top of complainant's can are stamped or embossed the words: "Full Weight. $\frac{1}{2}$ lb. [the fraction being changed to suit the size of the can]. Royal Baking Powder. Absolutely Pure." On the top of the can of corresponding size used by defendant are stamped or embossed the words: "Full Weight. $\frac{1}{2}$ lb. Royal London Baking Powder. Strictly Pure." As will be seen from the facsimiles in the printed argument for complainant, and from the cans put in evidence as exhibits, these markings on the tops of the cans are very similar. That on complainant's can originated with, and has long been in use

by, complainant. Complainant likewise originated, and has long so used, said directions in English and German. Across the upper portion of the left half of complainant's label appears in large letters the word "Royal." Next below is a small oval, containing a cut in miniature of complainant's can, and below this are the words "Baking Powder." The upper left half shows in small characters the two words "Trade" and "Mark"; and the lower, the two words "Royal" and "Registered." The distinguishing, characteristic and notable mark on defendant's label, as on complainant's label, is the word "Royal."

The following letter, written by defendant under his new letter head, is in evidence:

Established 1865.

American Mills.
Manufacturers of
Royal London Baking Powder.
196 Michigan Street.

G. E. Raymond, Prop.

Chicago, April 27th, 1894.

Mess. Mason, Ehrman & Co., Portland, Ore.—Gentlemen: Enc'd please find circular letter in re the Royal London Baking Powder. This old trade-mark has been revived. It is the first Royal ever placed on the Eastern market, and made all the name and fame possessed by a Co. now called Royal in consequence of its purity. A party writing from Indiana this morning says, "Royal London takes the place of Royal every time without a rifle." Your house was recommended to me by Mr. Foster, of Mess. Foster, Brydge & Co., of Union, Ore. We ship'd them some time ago one barrel powder, Mrs. Foster having made biscuits from the powder before an order was made. You can make more money out of Royal London than the other Royal. We would be pleased to make you a ship't, and give your house agency for Pacific coast. Will deliver goods in your city. Would be pleased to receive trial order from you. Awaiting your favor, we are,

Respy., yours,

American Mills Co.
Geo. E. Raymond.

Defendant testified that the baking powder made by him prior to 1871 was commonly known and spoken of as "The Royal" (not "Royal London"), and from the letter above it may be inferred that "Royal," and not "Royal London," is his colloquial designation of the product now made by him. I may add here that, as shown by the evidence, complainant, since its incorporation, has expended some \$5,000,000 in advertising its product as "Royal Baking Powder," and its average of sales for many years has been nearly 20,000,000 packages per annum.

In March, 1894, complainant filed this bill to enjoin the use of the word "Royal" by defendant as a designation of baking powder made by defendant, or as a mark on defendant's goods, insisting that the said word is identified with the good will of complainant as a trade-mark on the baking powder made by complainant, as a part of the name of the baking powder made by complainant, and as a part of the corporate name of complainant; and that the use of said word by defendant in connection with the baking powder made by him and on his labels is essentially fraudulent and unfair, and a trespass on the complainant's good will. Defendant insists that he himself, and not complainant, is owner of the word "Royal" as a mark for

baking powder; and that his ownership may be referred to the use of said word by himself and his assignors from 1865 to 1871, such use being, in its inception, prior in time to any like appropriation of the word by complainant or its predecessors. In brief, defendant meets the case of complainant by insisting on the "better right" to the word,—better by reason of priority in time.

A trade-mark is a mere notice, an arbitrary mark or sign put on an artificial product, whereby any person interested in the information may be assured as to the origin of said product. Such mark is a means for rendering more pronounced, distinctive, and valuable that species of property known as the "good will" of a business. A manufacturer, for instance, may use as a trade-mark a word arbitrarily selected. In so doing he acquires no property in the word as such. His right attaches to the peculiar and added function of the word in identification of his product by reason of his use. In so adopting the word he takes nothing from, and in ceasing to so use it he returns nothing to, any store of common or public property. His right to the mark will ordinarily pass, as incidental to the good will of his business, to a successor who takes the business; and, from the necessity of the case, such right becomes extinct when the business, including the good will thereof, becomes extinct.

In *Partridge v. Menck*, 2 Barb. Ch. 103, Chancellor Walworth said:

"The court, in trade-mark cases, proceeds on the ground that the plaintiff has a valuable interest in the good will of his trade or business, and that, having appropriated to himself a particular label, sign, or trade-mark indicating that the article is manufactured or sold by him under his authority, he is entitled to protection against any one who attempts to pirate upon the good will of his friends, customers, or patrons of trade by sailing under his flag without his authority."

In *Allan's Law of Good Will* (page 26), it is said that "a trade-mark cannot exist apart from a business." It may be more accurate to say that a trade-mark cannot exist apart from the good will of a business, since what is known as the good will may persist for a time after such business has in fact ceased. A manufacturing establishment, for instance, may, with all its machinery and appliances and its store of products, be destroyed by fire, and a year or two may pass before such manufactory is rebuilt, and the business started again; but, when started, the old customers, in part at least, will resume trade connections. Here the business stops for a time, but the good will involving the trade-marks remains a property more or less valuable during the interval of cessation. I can conceive such a stoppage of business by accident or design, even for a series of years, where the good will, including the trade-marks, may still be found extant; that is to say, valuable, upon resumption. But when it is not shown in some satisfactory way that the trade reputation of a suspended business continues to have value,—can be exchanged or sold, for instance, for a price,—a court cannot say that a good will remains; in other words, that there still attaches to the old proprietor any dominion over, or property right in, a mark which may once have had, but which no longer has, significance for him in the world of trade.

In the case of this defendant, even upon his own showing, it cannot be said that the good will of the old business, which ceased in 1871, attaches to the new business, started in 1894. There is no continuity between the old and the new. The good will of the old business, whatever such good will may have amounted to, became extinct years ago. The word "Royal," or the words "Royal London," had no function, when defendant recommenced the baking powder business, as identifying a baking powder made by him. Any other sign or word would have answered his purpose to the same extent. The bare intent to use or adopt a word as a trade-mark signifies nothing, and confers no right, in the absence of the actual use of such mark as a trade-mark. The intent by defendant from 1871 to 1894, if he had such intent, of resuming the use of the word "Royal" as a mark for baking powder, amounts to nothing in the way of keeping alive the function which we may assume once attached to that word as identifying a baking powder made by him. On the theory that he once had a right in the word "Royal" as a trade-mark, his attitude with respect to that word in February, 1894, was the same as that of a stranger who then for the first time took up the baking powder business. By reason of the essential nature of a trade-mark I should say that this defendant has not the "better right," as insisted in his answer.

But the complainant's relief here is opposed on divers grounds. It is said that there was no assignment of the business by the Hoaglands to complainant, since they undertook to transfer, so far as the showing goes, only the trade-mark. The deed of assignment on this view would, so far as it concerns the word "Royal," amount at least to a declaration of abandonment by them. Complainant's right may be referred to a continuous and exclusive use by complainant of the mark in question from 1873 to the present time. Certainly no wrong was done to the Hoaglands or to their assignors, Biddle & Hoagland. There is no showing that any of these parties continued the baking powder business or the use of the mark after complainant commenced. It is clear that the complainant at its incorporation in fact took the business, and continued and developed it to its present dimensions; and it does not appear that in so doing complainant wronged the Hoaglands or their assignors. There is no want of clean hands on the part of complainant by reason of any wrong done by it as against its predecessors in business.

Again, it is said that complainant failed to show on its label the alleged assignment from its assignor. This omission, under the circumstances here shown, involved no fraud or false representation. Complainant made the baking powder in its cans, and its label contained no representation to the contrary. When one person buys from another, for instance, a patent medicine business, abandons the old place of manufacture, and proceeds himself to make the medicine at another place, but represents on his labels that it is made at the old place, and by the original compounder, he fails in a court of chancery against an alleged infringer. Nothing at all parallel to this is found here. There was, so far as I can make out, no false representation or imposition on the public in the labels of the complain-

ant. When complainant was chartered in 1873 the field was apparently open for the fair and honest use by complainant of the word "Royal" as a mark for baking powder. There is nothing to indicate that by the adoption of this word complainant expected or obtained the slightest advantage from any reputation which this defendant or his predecessors had acquired in the manufacture of baking powder. Moreover, the exclusive and continuous use of the word for a series of years prior and up to 1894 is, as already intimated, sufficient, *prima facie*, to fix the trade-mark right in complainant.

It is said, however, that from 1868 to 1871 the two Hoaglands, by their use of the word "Royal," trespassed upon the right of this defendant. I do not understand that defendant in fact sustained any injury. There was really no distinct or active competition between the Hoaglands and this defendant. Assuming that he might have obtained an injunction against them by reason of possible or apprehended injury, they in fact contributed in no way to his failure in 1871. To say that this complainant may not defend its good will when attacked in 1894—23 years after said supposed trespass by the Hoaglands—on the ground that the business of the Hoaglands passed into the control of complainant in 1873, would be an exceptional application of the doctrine of clean hands.

But the record shows another matter pertinent upon the point last mentioned, as also upon the claim to the "better right" advanced in the answer. The label used by defendant and his predecessors at Peck Slip showed after the words, "Royal London Baking Powder," the following: "Prepared only by Austin, Marshall, Hall & Co., Purveyors by Appointment to Her Majesty, 181 Tottenham Court Road, London, and New Cross, Surrey. None Genuine unless Signed, Austin, Marshall, Hall & Co." The name of the London firm following the word "Signed" was in script. Along the left outer edge of this label appeared the following: "Geo. Barwood & Co., Printers, 407 Oxford Street." This label was in fact prepared and printed by one Crump in New York, and the baking powder in the can was compounded by defendant in New York. No actual or substantial wrong may have resulted to any one from this misrepresentation. But the word "Royal" on the said label could not, in connection with said misrepresentation, perform the function of a trade-mark. Instead of identifying the origin of the goods, said mark was part of the instrumentality whereby such origin was concealed. For these reasons the use of the word by the Hoaglands could not have been a trespass on defendant, and hence fails not only his claim to the "better right," but also the fundamental assumption on which the want of clean hands by complainant is predicated.

It is said that the word "Royal" is a descriptive word. A court takes notice, as a matter of law, of the meaning of words. But the question whether or not a trade-mark function has been added to a word is one of fact. The word "Royal" is not descriptive of baking powder. Nor, as conveying the idea of comparative excellence, does this word touch the commodity, baking powder, otherwise than through a metaphor which is in a high degree fanciful and remote. Said word is, in fact, used as a mark to indicate the origin of the

goods made by this complainant. It is, in fact, a sign of origin. The function of this word as a mark for baking powder has no existence apart from the article made by complainant, and said function has thus become identified with the good will of this complainant. The use of this word in good faith by any person for any purpose of oral or written communication, descriptively or metaphorically, is not invaded by the trade-mark function which this complainant's peculiar use of said word has added to it. The facts of the case show that this defendant does not use the word descriptively or metaphorically. He wishes to mark his packages of baking powder with the sign "Royal," and he desires to have his product called "Royal Baking Powder." Entirely apart from the question whether the word "Royal" be descriptive or not, the proof here seems to show that the purpose of defendant is to appropriate the trade of complainant. The fact that defendant does have this intent might be unavailing against him if he could make out the "better right" to the word, as insisted in his answer. But I think the analogy of a patent right or of an estate in land, sometimes followed in reasonings about trade-marks, is false and misleading. I think, as stated above, that this defendant has not the "better right," and that complainant is not precluded from asserting and protecting its good will in a court of equity.

An injunction may issue according to the prayer of the bill.

BONSACK MACH. CO. et al. v. SMITH et al.

(Circuit Court, W. D. North Carolina. September 28, 1895.)

1. PATENTS—INFRINGEMENT SUITS—EQUITY JURISDICTION.

The charge that the complainants in an infringement suit are endeavoring to secure a monopoly of the business to which the patent relates by means of purchases of other patents, numerous infringement suits (alleged to be frivolous and vexatious in many cases), compromises, and the like, creates no objection to the jurisdiction of a court of equity, and no defense to the suit, especially where the suit in question is neither frivolous nor vexatious.

2. SAME—INFRINGEMENT.

A machine which resembles a prior machine in a particular in which the patent sued on was designed to improve the latter does not infringe.

3. SAME—DURATION OF PATENT—EXPIRATION OF FOREIGN PATENT.

Under the Canadian statute of 1872, patents were granted for five years, with the privilege of extension for two periods of five years each on payment of an additional fee in each case. By an amendatory act, passed in 1883, it was declared that the "term limited for the duration of every patent" should be 15 years, but that the applicant might, at his option, pay the full fee for that term, or a partial fee for 5 years, or for 10 years, as he might choose; and that the patent should cease and determine at the end of those terms, respectively, unless, before the expiration thereof, the further fee was paid. The act declared that all patents previously issued should be deemed to have been granted for a term of 15 years, subject, in case a partial fee only had been paid, to determine on the same conditions as patents issued under the amended act. *Held*, that the amendatory act could not in any wise affect the date of expiration of an American patent, where a Canadian patent had been taken out under the statute of 1872; that where the patentee procured one voluntary renewal, and then al-

lowed the Canadian patent to expire, the term of the Canadian patent must be considered as a continuous one for the period of 10 years; and that the American patent must be held to have expired at the end of that time. *Pohl v. Brewing Co.*, 10 Sup. Ct. 577, 134 U. S. 381, distinguished.

4. SAME.

Where a United States patent is limited by operation of law to the term of a foreign patent for the same invention, which patent was granted for a term of five years, renewable, at the option of the patentee, for two terms of five years each, by the payment of an additional fee, the burden of showing such subsequent renewal is upon the patentee.

5. SAME—CIGARETTE MACHINES.

The Bonsack patent, No. 238,640, for a cigarette machine, is not infringed, as to claims 6 and 7, by the Briggs machine (patent No. 512,151).

6. SAME.

Claim 8 of the Bonsack patent, No. 247,795, for a cigarette machine, is limited by its terms, and by reason of amendments in the patent office, to a machine in which the continuous cigarette roll is moved towards the rotary cutting disk, which cuts it into cigarettes of proper length; and is not infringed by the Briggs machine (patent No. 512,151), in which the cutting disk, with its carriage, by a reciprocating motion, is moved towards the cigarette roll. *Reece Button-Hole Mach. Co. v. Globe Button-Hole Mach. Co.*, 10 C. C. A. 194, 61 Fed. 961, distinguished.

This was a bill in equity by the Bonsack Machine Company and the American Tobacco Company against W. F. Smith and Sterling Smith, copartners as W. F. Smith & Co., for alleged infringement of certain patents relating to cigarette machines.

Duncan & Page, A. H. Burroughs, and W. W. Fuller, for complainants.

Glenn & Manly and W. D. Baldwin, for defendants.

SIMONTON, Circuit Judge. The complainant the Bonsack Machine Company is the owner, as patentee and assignee, of patents alleged to have been infringed by the Briggs patent, used and operated by these defendants, the Winston Cigarette Machine Company, J. A. Vance, Brown Bros. Company, and the Liberty Tobacco Works, and also by J. A. Leach & Co. The American Tobacco Company is the licensee of the Bonsack Company, enjoying the exclusive use of its patents. The present suit is brought as a test case, involving and controlling all the others, which are either pending or threatened. It involves with them precisely the same issue, the infringement of the patents of complainants; and it presents an issue in which they have no concern,—that of *res judicata* as to the validity of the patents set up by complainants. This last issue will be separately considered hereafter. The present suit is an ordinary bill in equity, brought for the infringement of several United States patents relating to machinery for the manufacture of cigarettes. The complainants, in their bill, set up five patents, and allege that defendants have infringed them: (1) The Emery patent, No. 216,164, granted to Charles G. Emery, upon the joint application of himself and W. H. Emery, dated 3d June, 1879, known in this case as the "Emery Belt Patent." (2) The Emery patent, No. 231,779, granted to the same parties, 31st August, 1890, known in this case as the "Emery Two Belt Patent." (3) The Bonsack patent, No. 238,640,

granted to James A. Bonsack, 8th March, 1881, known in this case as the "Bonsack Patent." (4) The Bonsack patent, No. 247,795, granted to James A. Bonsack, October 4, 1881, known as the "Second Bonsack Patent." (5) The Emery patent, No. 260,959, granted to Charles G. Emery, on the joint application of W. H. Emery and himself, dated 11th July, 1882. Complainants took no testimony in regard to the alleged infringement of this last-mentioned patent, No. 260,959, and at the hearing withdrew from the case as well the patent known as the "Emery Two Belt Patent," No. 231,779, resting their case upon the other three patents above mentioned. The assignments in evidence show that the Bonsack Machine Company owned all these patents, and the record discloses the fact that the American Tobacco Company is its licensee. The infringement charged is the use by defendants of two cigarette machines made substantially in accordance with letters patent granted to W. C. Briggs, 2d January, 1894,—No. 512,151. The answer admits the use of this Briggs machine, made substantially in accordance with letters patent No. 512,151, as alleged in the bill, but denies any infringement. It charges that the patents of the Bonsack machines have expired by operation of law. It denies the equity of complainants, in that the Bonsack Machine Company has ceased to manufacture, sell, let, or hire any machines except for or to the American Tobacco Company, to whom it has granted an exclusive license; in that the complainants have conspired to maintain a close monopoly in the manufacture of cigarettes, and in accordance with this policy have organized a trust, syndicate, or close corporation to prevent rival manufacturers from making cigarettes, as one means to which end James Bonsack or the Bonsack Company have brought many frivolous and vexatious suits against their rivals, and compromising or buying them off, and keeping many suits open and undetermined,—all these with the object of deterring or defeating competition; that, fully to carry out this purpose, the Bonsack Company, in their contract with its co-complainant, not only gives them exclusive use of its machinery at a large royalty (\$250,000 per annum), but also, by inserting a provision that the contract can be rescinded by the licensee whenever 100,000,000 of cigarettes are manufactured in any one year in the United States by competing companies, it has bound itself to use every effort to defeat competition with its co-complainant; that by these and other unlawful means the complainants have absorbed a great number of factories, consumers of leaf tobacco, have reduced the number of buyers on the market for this product, and control and fix its price; that a court of equity should not and will not aid complainants in the prosecution of these unlawful designs. The answer denies the right of complainants in any event to damages, for the reason that no notice was given to defendants of the existence of the complainants' patents, or of the infringement charged, and because of the failure of complainants to give notice on their machines of the number and dates of the patents.

The charge that the complainants are without equity, going, as it does, to the jurisdiction of the court, will be first discussed. He

who seeks equity must do equity. Whoso cometh into a court of conscience must come with clean hands. We look to the pleadings and facts of the case before us. The issues are these: Do the complainants hold letters patent of the United States giving them the exclusive right to make, vend, and use certain patentable devices? Have the defendants infringed the rights thus granted? If, in procuring these exclusive rights, or if in their exercise, the complainants have been guilty of fraudulent or improper conduct towards these defendants, the fundamental principles relied on would debar them of any relief in this court. But if, in the absence of these, it is sought to deprive them of their remedy for the infringement of their rights because of their motives in obtaining them, or of their motives in asserting them, such motives are not the subject of judicial inquiry. *Strait v. National Harrow Co.*, 51 Fed. 819. "The rule that one coming into equity must come with clean hands is confined to the conduct of the party in the matter before the court, and not to matters aliunde. Courts of equity, as well as courts of law, will not refuse redress to the suitor because his conduct in other matters not then before the court may not be blameless. It is enough if the suitor shows that he has acted justly, fairly, and legally in the subject-matter of the suit." *Beach*, Eq. Jur. § 16, and cases cited. The iniquity must have been done to the defendant himself, and must have been done in regard to the matter in litigation. 1 Pom. Eq. Jur. 434. To the same effect, *Ansley v. Wilson*, 50 Ga. 418. Nor can it debar the complainants of their right to come into this court because they are engaged in securing a monopoly. The suit is for the vindication and protection of rights claimed under patent. Patent rights are essentially monopolistic. Not only is the monopoly given to the patentee by the sovereign power, but the courts furnish every facility for enforcing it. During the enjoyment of his monopoly he is in absolute control of it. A patent right is essentially monopolistic. To contracts granting the exclusive right to use or vend patented articles the general rule (forbidding contracts in restraint of trade) does not apply, however extensive, as to territory, in their scope, and however unlimited as to time. If the patent be a valuable one, self-interest may be relied upon as a motive strong enough to induce the owner to take himself, or to permit others to take, some steps towards introducing his invention into use. How far it will go depends upon the owner. His right to decide this question is not in the least circumscribed by the interests of the public in obtaining such machinery or invention, or any right to its use. He may keep such right himself, or may make the machinery or manufacture the patented article alone. He may permit others to share such right with him. He may allow them the exclusive right, and may retain none for himself. He can clothe them with all his rights. This all follows from and is founded upon the absolute and exclusive right which the owner of the patent has in the article patented. Having such right, he must plainly be permitted to sell to another the right itself, or to agree with him that he will permit

none other than such person to use it. That person need not agree to make the patented article or to sell it. It is a question solely for the parties interested. This right is necessary, in order that the owner of the patent shall have the largest measure of protection under it. Considerations which might obtain if the agreement were in regard to other articles cannot be of any weight in the decision of a question arising upon an agreement as to patented articles. *Good v. Daland*, 121 N. Y. 1, 24 N. E. 15; *Bowling v. Taylor*, 40 Fed. 404; *Registering Co. v. Sampson*, L. R. 19 Eq. 462; *Machine Co. v. Morse*, 103 Mass. 73; *Fowle v. Park*, 131 U. S. 88, 9 Sup. Ct. 658; *Hulse v. Machine Co.*, 25 U. S. App. 239, 13 C. C. A. 180, 65 Fed. 864.

As a corollary from this it is clear that the patentee can secure and protect his monopoly in any lawful way, by suit against infringers, by purchase of conflicting devices, by compromise or arrangements with competitors when infringement may be doubtful. As he may share or sell his monopoly with another, so he may purchase the whole or part of another's monopoly to support his own. It is charged that the Bonsack Company has contracted with the American Tobacco Company, the other complainant, to secure it in the monopoly of cigarette manufacture; that to this end it has brought suits against every competitor, many of which are frivolous and vexatious, some of which have been compromised, and some are still open on the dockets of courts in other jurisdictions than this. It is as impossible as it would be improper to bring these new issues into this case, and, under cover of these proceedings, to investigate the merits, or to sit in judgment upon cases brought, pending, heard, and decided in other tribunals. The only questions this court can meet and decide are: Are these proceedings without merit, vexatious, oppressive, brought to deter competition unlawfully, or is it true, as alleged, that the defendant has infringed the patent rights granted to the complainant? The complainants come into court presenting the contracts of the government, which secure them a monopoly in the things patented. Surely they can seek the aid of the court in giving effect to that which the government has granted by protecting it from invasion. If they seek that aid upon frivolous grounds, without merit, clearly intended to annoy or oppress a competitor, making use of their great wealth to crush a worthy tradesman or manufacturer, the court has ample power to measure out to them fit punishment. The long investigation of the case at bar before the examiners, the great number of witnesses whose testimony is in this record, the exhaustive discussion of the patents in question by skilled experts on both sides, the protracted and able arguments of many counsel before the court, its own difficulty in reaching a conclusion, demonstrate that this case, at least, is neither groundless, vexatious, nor frivolous.

Cigarettes are not an article of prime necessity. Indeed, their use, if not always deleterious, can scarcely be said to be beneficial. The public mind has been aroused to the abuses following their introduction in immense quantities on the market, and many of

the states have enacted laws looking to their suppression. There can be no reason for the interference of the courts securing their uninterrupted manufacture, notwithstanding the existence of patent rights. It may be true that by reason of the capital, resources, and monopoly enjoyed by complainants they in a manner command the market of leaf tobacco, and have reduced the number of individual buyers. But this is an advantage enjoyed by every large capitalist. Competition, it is often said, is the life of trade. But the effort of all competition is to drive out other competitors. *Steamship Co. v. McGregor*, 21 Q. B. Div. 552. Any interference by any department of the government with open competition in the markets would stifle trade, and finally drive out all competition. "If there is one thing which public policy requires more than another, it is that men of full age and competent understanding shall have the utmost liberty of contracting." *Registering Co. v. Sampson*, L. R. 19 Eq. 462, 465. This preliminary objection is overruled.

This brings us to the merits of the case. The infringement charged is in a machine for the manufacture of cigarettes,—the Emery patent, No. 216,164. Before an invention of Hook, cigarettes were made by hand. A short rectangular piece of paper is taken, and the requisite quantity of tobacco laid upon it. Then the paper and tobacco are rolled together approximately into a cylindrical form, the paper being secured either by slightly pasting the overlap or tucking in the ends. Machines had been invented which made them automatically in the same way. Hook conceived a device for making a continuous cigarette roll, and, after it is made, cutting it up into the required lengths. His was the first device in this direction. Roughly described, this was a machine in which a ribbon of paper, as it was unwound from a spool, passed over a gummed wheel, which placed a narrow streak of paste upon one edge of the lower side of the ribbon. Thence the paper passed into a trough, which, starting from a flat surface, gradually curved more and more upward until it terminated in a tube-forming die, or helicoidal mold. Thus the paper was formed into a tube, which passed into and through a hollow cylinder, in which the two edges of the tube were made to adhere together. Before the ribbon was thus formed into a tube, the tobacco was delivered upon the flat surface of the paper. The filler was thus made and the wrapper was rolled about the filler simultaneously in the same trough or tube forming the die. "It was never used to manufacture for sale, and probably never could have been a commercial success, but, as a wrapping device, it contained the rudimental mechanism which has reappeared in each of its successors." *Machine Co. v. Elliott* (U. S. Cir. Ct. App., 2d Circuit) 69 Fed. 335. Three of these machines were made; the first two of wood, the last of iron frame. The first was used in making cigarettes with granulated tobacco. As the paper was drawn through the machine by nippers, the strain was so great that any friction would tear it. And it was impossible to make cigarettes with long-fiber tobacco, the kind of tobacco used in cigarettes. To overcome this, in experimenting on the machine,—which, indeed, was always more or less experimental,

—a belt was introduced, upon which the paper was laid, and which passed through with the paper, thus greatly relieving the friction and strain. Hook's machine, as we have seen, was never used in manufacturing cigarettes for sale, and never, perhaps, could have been made a commercial success. But very many cigarettes were made upon one or other of them from time to time. They evidently were the first machines upon which tobacco was fed to a strip of paper of indefinite length, which was then drawn through a molding apparatus, and folded into a cylindrical form, pasted and sealed in this form, and delivered a continuous cigarette, ready to be cut—in fact, cut—into proper lengths. It was the pioneer. Hook's patent was in 1876. The machines made by him were experimented upon and changed in many parts. The belt was not used until after the patent was issued, and was not patented. The weight of the testimony shows that it was in use before 1879. In this year Emery took out his patent, No. 216,164, the one in question in this case. The purpose of his patent was to remove the difficulties which made the Hook device impracticable. The fundamental difference between the Hook device and that of Emery is this. The former fed the tobacco on the paper, and molded the tobacco into the form of a filler at the same point in his machine, and by the same devices that folded the lapping edges of the paper down upon the tobacco to form the seam. In the Emery patent the tobacco itself is first molded into a cylindrical form, and, when a rod of tobacco is thus formed, it is delivered upon the paper, which then is wrapped around it, pasted, and sealed. The continuous cigarette thus formed is passed under the cutting device, and the cigarettes delivered in proper lengths. Both the Emery machine and the Hook machine had each an endless belt, a helicoidal mold, and a pasting apparatus. In the Hook machine the belt was merely a carrier for the paper strip. In the Emery machine the first office of the belt was receiving, holding, and molding the tobacco into a rod. When the rod was formed, the belt left it, and went under the table, reappearing after the rod had reached the paper, and had been enveloped in it. Thereafter the belt acted as a carrier. The distinguishing characteristic of the Emery device was that the tobacco was molded into the filler form in one part of the machine, and, after a rod was thus formed, it was delivered in another part of the machine upon the paper, by a separate set of devices. The tobacco is fed from a feeding device on an endless belt lying upon a tapering channel or belt curve. It is then molded by its movement through this tapering channel or belt curve lying in the belt which is brought into an approximately cylindrical form, and thus partially compresses the tobacco. Then the tobacco, still in the belt, passes under a wheel, which compresses it still more, and packs it down within the belt so that it cannot escape over its sides. Then the complete rod is formed by the belt with the tobacco being drawn through a tubular passage. This rod having been formed, it is carried over to the paper strip upon which it rests, and is drawn with it through the helicoidal mold, the paper is gradually wrapped around the rod of tobacco, pasted, and pressed, so form-

ing the continuous cigarette. This preparation and formation of the rod of tobacco in one part of the machine, and enveloping it in the paper, folding, pasting, and pressing the paper with its fold in another part, is the feature which distinguishes the Emery device from the Hook machine. It is charged that the defendants' machine infringes this. In the defendants', or Briggs machine, there is an endless belt, on which is laid the paper strip. The tobacco is fed directly on the paper, which is carried by the belt during the whole operation of filling, forming, folding, pasting, and pressing. The tobacco thus lying in the paper is folded with it gradually into a cylindrical form, the process not being completed until the paper has been pasted and pressed. In this respect the Briggs machine resembles that of Hook in the particular which the device of Emery was intended to improve it. This essential difference between the work of the two machines prevents the idea of infringement. The learned and experienced expert for complainants, by a minute and ingenious discussion of the Briggs machine, has found resemblances and equivalents for many parts of the Emery machine. Some of his arguments are striking and plausible, but a careful examination of them has left the impression that they are not sound. The actual operation of that machine in the presence of the court developed the fact that the cigarette rod in the paper was not fully completed until the paper itself was folded and sealed.

The Bonsack Patents.

The Bonsack patent No. 238,640 was granted for the term of 17 years from 8th March, 1881. The other Bonsack patent was granted for the term of 17 years, 4th October, 1881. On 23d September, 1880, Bonsack applied for and obtained in Canada a patent for the invention in the United States patent No. 238,640 for the term of five years. Canada Patent, No. 11,812. And on 16th July, 1881, he obtained in Canada a patent for the invention in United States patent No. 247,795 for the term of five years. Canada Patent No. 13,104. When these patents were granted in Canada, an act of 1872 was then in force, under which patents were granted for the term of five years, with the privilege of an extension for two periods of five years each upon compliance with a certain condition,—the payment of a further fee. Each of the Canada patents was renewed one such term. Neither was renewed for a third term. Both expired before this suit was brought. Each Canada patent is expressly for the term of five years, subject, however, to cease and determine and be null and void at the end of two years from its date unless the patentee shall within that period have commenced and thereupon shall continue to carry on the construction or manufacture of the patented invention in Canada; and further to be void if the patentee, after the expiration of 12 months from the date of his patent, imports or causes to be imported into Canada the invention for which the patent is granted,—that is to say, the patent granted for a term of five years is defeasible and made null and void upon certain conditions subsequent happening during the term. And on

or before the expiration of the term it can be extended an equal continuous duration upon payment of a certain fee, this privilege to be twice exercised. In 1883, after the grant by the United States of the Bonsack patents, an act was passed in Canada amending this act of 1872. Its terms are as follows:

"The term limited for the duration of every patent of invention issued by the patent office, shall be fifteen years; but at the time of the application therefor, it shall be at the option of the applicant to pay the full fee required for the term of fifteen years or the partial fee required for the term of five years or the partial fee required for the term of ten years. In case a partial fee only is paid, the proportion of the fee paid shall be stated in the patent and the patent notwithstanding anything therein or in this act contained, shall cease at the end of the term for which the partial fee has been paid, unless at or before the expiration of said term, the holder of the patent pays the fee for the further term of five or ten years, and takes out from the patent office a certificate of such payment to be attached to or to refer to such patent. * * * And in case such second payment, together with the first payment makes up only the fee required for ten years, then the patent, notwithstanding anything therein or in this act contained, shall cease at the end of the term of ten years unless at or before the expiration of such term the holder thereof pays the further fee required for the remaining five years, making up the full term of fifteen years and takes out a like certificate."

The act then adds these words:

"Every patent heretofore issued by the patent office in respect of which the fee required for the whole or for any unexpired portion of the term of fifteen years has been duly paid according to the provisions of the now existing law in that behalf has been and shall be deemed to have been issued for the term of fifteen years, subject in case a partial fee only has been paid, to cease on the same conditions on which patents hereafter issued are to cease under the operation of this section."

Section 4887 of the Revised Statutes of the United States has this provision:

"No person shall be debarred from receiving a patent for his invention or discovery, or shall any patent be declared invalid by reason of its first having been patented or caused to be patented in a foreign country, unless the same has been introduced into public use in the United States for more than two years prior to the application. But any patent granted for an invention which has been previously patented in a foreign country, shall be so limited, to expire at the same time with the foreign patent or if there be more than one, at the same time with the one having the shortest term, and in no case shall it be in force more than seventeen years."

The defendants contend that under the operation of these laws both of the Bonsack patents have expired. The question is as to the construction of this section 4887. The manifest purpose of this section is to protect the people of the United States. When the same article has been patented abroad, and afterwards in this country, and by the expiration of the term of the foreign patent its use becomes unrestricted abroad, the monopoly privilege in this country is revoked, and its use by our people is equally unrestricted; or, as it is expressed in *Refrigerating Co. v. Sulzberger*, 157 U. S. 1, 15 Sup. Ct. 508:

"Congress, in effect, says to an inventor seeking to enjoy the exclusive use in this country of his invention for the full term prescribed by law: 'If your invention has not been introduced into public use in the United States for more than two years, you may, upon complying with the conditions prescribed, obtain an American patent, and you may, if you can, obtain a foreign

patent; but the American patent will be granted on the condition that, if you obtain the foreign patent first, your invention shall be free to the American people whenever, by reason of the expiration of the foreign patent, it becomes free to the people abroad."

In construing this section the meaning of the words "expire" and "term" is controlling. Section 4887 makes the American patent "expire" at the same time with the foreign patent, or, if there be more than one, at the same time with the one having the shortest "term." The supreme court of the United States, in one of the few cases on this point, construe this word "expire" to mean cease to exist because of the termination of the duration of the original grant, and not to mean cease or determine by reason of some penalty or forfeiture for the nonperformance of some condition subsequent. *Pohl v. Brewing Co.*, 134 U. S. 381, 10 Sup. Ct. 577. "Under section 4887, Rev. St., a United States patent runs for the term for which the foreign patent was granted without reference to whether the latter patent became lapsed or forfeited in consequence of the failure of the patentee to comply with the requirements of the foreign law." The court quotes *Oakley v. Schoonmaker*, 15 Wend. 226; *Beach v. Mixon*, 9 N. Y. 35; *Farnum v. Platt*, 8 Pick. 339,—as authority for construction of the phrase "expiration of the term." "In those cases it was held that the words 'expiration of the term' do not mean expiration of term through a breach of a condition, but mean expiration by lapse of time." This is in accord with the circuit cases quoted. Thus, in *Holmes, etc., Protection Co. v. Metropolitan Burglar Alarm Co.*, 21 Fed. 458, Judge Wheeler held that section 4887 meant that the term of the United States patent should be as long as the remainder of the term for which the foreign patent was granted, without reference to the incidents occurring after the grant of the foreign patent; that that section referred to the fixing of the term of the foreign patent, and not to the keeping of it in force; that the term of the United States patent was not affected by the fact that a prior English patent had been suffered to lapse by the nonpayment of a tax. So, also, in *Paillard v. Bruno*, 29 Fed. 864, Judge Wallace held that under section 4887 a United States patent for an invention which had been previously patented in England for 14 years did not expire until 14 years from the date of the English patent, notwithstanding that the grant of the latter patent had terminated by the failure of the patentee to pay a stamp duty required to be paid as a condition of the continuance of the grant beyond the term of 3 years. Mr. Justice Bradley, on circuit, in *Bate Refrigerating Co. v. Gillett*, 31 Fed. 809, held that when an English patent was granted for a term certain, provided that, if the patentee should not pay a stamp duty within a certain time, the patent should cease and determine, a United States patent afterwards granted for the same invention was not affected by a forfeiture of the foreign patent subsequently incurred by a failure to perform such condition; that the term of the English patent fixed the term of the United States patent; that the subsequent fate of the English patent had no effect upon the United States patent, and that the life

of each, after its inception, proceeded independently of the life of the other. He quotes with approval the other circuit court cases, and he, with them, is quoted with approval by the supreme court.

What, then, is the term of these Canada patents? Evidently, from these cases quoted above, the contract in the grant of the patent between the government and the patentee is that the life of the patent shall be governed by the term originally granted to him by the foreign patent, notwithstanding any premature termination thereof by nonperformance of conditions subsequent by him. The grant of the United States looks to and is governed by the foreign patent as it is at the time of the issue of the United States patent. The corollary from this is that the contract between the United States and the patentee is unaffected by subsequent legislation in the foreign country. Mr. Justice Bradley, in the same case of *Bate Refrigerating Co. v. Gillett*, 31 Fed. 813, quoted above, speaking with reference to the act of 1872 and to the subsequent act of 1883, repealing it, says:

"I may say at once that I attach no importance to the last-mentioned act (1883). The American patent received its operative force and effect on the day it was issued, and no subsequent legislation, in Canada or elsewhere, could change it, whatever may be the effect of such legislation where made. The force and effect of the American patent could only be affected by the Canadian patent as the latter stood when granted, and not as afterwards modified by legislation."

The term of the Canada patents must be found in the act of 1872, under which they were issued. The express language of these patents fixes the term of each at five years. But, as the act of 1872 enters necessarily into and forms a part of the grant, the privilege is secured to the patentee to tack onto his term of five years another term of five years more, and yet another term of another five years, by performance within each term of five years of a condition precedent. It is a privilege, and not a duty. The term is not forfeited, but expires. Each duration of five years is a term independent. This clearly appears from the language of the act of 1872 and that of the act of 1883, in *pari materia*. In its construction of this word "term" in relation to this same law of Canada in connection with section 4887, the supreme court of the United States hold that, whatever be the original term of the patent, if there be provision for its extension, and this extension be "a matter entirely of right, and at the option of the patentee," that is, it would seem, not a matter of contract or binding obligation. And by the exercise of this right on the part of the patentee the entire protection of the foreign patent "has been continuous and without interruption." The United States patent does not expire until the foreign patent, with all of its renewals, so secured, has expired. This seems to be the result of *Refrigerating Co. v. Hammond*, 129 U. S. 151, 9 Sup. Ct. 225, as limited and explained in *Pohl v. Brewing Co.*, 134 U. S. 381, 10 Sup. Ct. 577:

"There [in *Refrigerating Co. v. Hammond*] a United States patent was granted in November, 1877, for seventeen years. A patent for the same invention had been granted in Canada to the same patentee for five years from January, 1877. The Canadian patent was extended in 1881 for five years from January,

1882, and also for five years from January, 1887, under a Canadian statute passed in 1872. The question involved was whether, under section 4887, the United States patent expired in January, 1882, or January, 1892. The court, limiting itself to the precise question involved, said that it was 'of opinion that, in the present case, when the Canadian statute under which the extensions of the Canadian patent were granted was of force when the United States patent was applied for, and where, by the Canadian statute, the extension of the Canada patent was a matter entirely of right at the option of the patentee, on his payment of a required fee, and where the fifteen-years term of the Canadian patent has been continuous and without interruption, the United States patent does not expire before the end of the fifteen-years duration of the Canadian patent.' This was said on the view expressed elsewhere in the opinion that the Canadian patent did not expire, and it never could have been said that it would expire, before January, 1892. The ground of this conclusion was that the term of the Canadian patent granted in January, 1877, was by the Canadian statute at all times of 15 years' duration, made continuous and uninterrupted by the action of the patentee as a matter of right at his own option."

Evidently the learned justice who delivered the opinion of the court was construing the word "expire," and he was of the opinion that, although the original term of the patent was five years, yet the Canadian statute secured to him, as a matter of right, the privilege of renewing and extending the term, entirely, however, at his own option. So, when he exercised such right, the term did not in fact expire. In the case before him the patentee, of his own option entirely, had exercised his right. His term did not expire, but was so made continuous until his right had expired; the original term of 5 years having thus been converted into a continuous term of 10, and then of 15, years. Thus, under our law, he enjoyed the benefit of his monopoly in this country for 15 years, during which period the mischief could not arise against which the section 4887 was directed, the untrammelled use by foreigners of an invention protected by a United States patent. The question in every case is, when does the term of the foreign patent expire, looking to its language when issued? In *Pohl v. Brewing Co.*, supra, the case was made against a person holding two foreign patents and a subsequent American patent. Of the two foreign patents, one granted in Germany had the shortest term. It was granted September 6, 1877, and its duration was until 12th December, 1891. Under the German law the patentee was required to pay certain annuities on the German patent, and to work the invention in the German empire on pain of forfeiture of his patent. Pohl neglected to do these, and in 1880 his patent was forfeited. The court, as has been seen, held that under proper construction of section 4887 the term did not expire until December, 1891, and that his rights under our section were not affected by his loss of his foreign patent by reason of his nonperformance of the conditions subsequent; that is to say, the term of the original patent must expire by its own limitation, and not by subsequent forfeiture.

By examining the Canadian patents to Bonsack, it will be seen that the term of each patent is distinctly declared to be for five years. There were conditions of forfeiture within the five years, expressed in the patent. These were not incurred. By the law of Canada, at or before the expiration of this term of five years the patentee, if he chose, could get a renewal of his patent another

term of five years, by paying a certain sum of money, patent fees. This was a matter of right, entirely of his own volition and option. If he did not choose to do this, his patent expired because its term had expired. But nonaction did not involve a lapse or forfeiture of his patent. He had never put himself under any obligation, by contract or otherwise, to pay the additional sum of money. If he had failed to fulfill the conditions stated in the patent, if he had failed to put his invention into operation within two years, or had introduced a patented machine from abroad within twelve months, his patent would have been forfeited, and would have lapsed. But he did neither. He held his patent until the term fixed by law had expired by its own limitation. This marks the distinction between his case and the German patent of Pohl. The latter was forfeited because he failed to fulfill a positive duty enjoined upon him by statute or by contract. Apply to Bonsack's case the language of the supreme court in *Refrigerator Co. v. Sulzberger*, supra. That case says that section 4887 imposes a condition upon every applicant for an American patent who holds a prior foreign patent. That condition is: "If you have a foreign patent, our patent shall cease to protect you when, by reason of the expiration of the foreign patent, your invention becomes free to people abroad." At the time when this condition was imposed upon Bonsack his Canada patents would expire whenever, at the end of the periods of five years, exercising his absolute right, and entirely at his own option, he chose that they should expire. At that time the patents would have expired in 1886. Exercising his right under the conditions stated, he obtained a new term to expire in 1891. Knowing the conditions on which he held his United States patents, he, of his own volition, allowed the new term to expire in 1891, not to lapse nor to become forfeited. By his own act he made his invention free to people abroad. It became free thereupon to the people of this country. He lost the protection of section 4887.

Objection was made in the argument to the mode of proof of the expiration of the Canada patents (the letter of the deputy commissioner). But when, by our statute, the American patent is limited to the term of the foreign patent, and as, in this case, the foreign patent in express language fixes the term at five years, the burden is on the patentee to show that, notwithstanding this, the term has not expired. The precise question above discussed at length has not come before the supreme court. The conclusion has been reached with great reluctance, and is expressed with diffidence. For this reason an examination will be made into the question of infringement of these patents, assuming, for the sake of argument, that they are still of force.

The First Bonsack Patent, No. 238,640.

The bill charges infringement of claims 6 and 7 of this patent. At the argument so much as relates to claim 6 seems to have been abandoned. The infringement of claim 7 is insisted upon. This claim is in these words:

"An endless belt, by passing through a tapering tube in continuation of an open trough having side guides for the belt, a tapering tube having a spiral

groove extending from one of the side guides of the trough, and a terminal section having its edges separated to form a flange, 'b,' to give access to the paste wheel, and then closed again, as and for the purposes described."

Commenting on this invention, it is said that the most important feature in which it is differentiated from the inventions of Emery and of Hook is that the endless belt passes through the tube-forming die or paper-wrapping device. The general features of Bonsack's tube-forming die or wrapping tube are substantially the same as those of the earlier Hook and Emery machines. But, as has been seen, the preponderance of the evidence leads to the conclusion that Hook's machine had an endless belt, which passed through the tube-forming die or paper-wrapping device. The circuit court of appeals of the Second circuit, speaking of this Bonsack machine, says:

It is "a commercially successful improvement on the Emery belt machine, its main difference being that the belt which underlies paper and filler passes with both through the wrapping mechanism. The minor particulars which are described in the claims which are in controversy are improvements in the specific rolling and wrapping devices. An open trough having side guides for the belt receives the filler; and belt, tobacco, and paper are conveyed into a former, which is a tapering tube having a spiral groove extending from one of the side guides to the end of the tube, where the edges of the tube lap past each other, so as to form a flange continuous with the spiral groove. The object of these particular devices is to perfect the folding and wrapping mechanism so that the edges of the tube, and the tube itself, while being pasted and folded, may be controlled and kept in place." 69 Fed. 335.

A careful examination of the testimony, both of complainant and of the defendant, does not enable me to see in the Briggs machine either an open trough having side guides for the belt or a tapering tube, or a spiral groove extending from one of said side guides. Nor can I see in the Briggs machine any equivalent devices for these.

Bonsack's Second Patent, No. 247,795.

The infringement charged is as to claim 8, which is in these words:

"The combination, with a rotary cutting disk, the carriage conveying the same, and means for moving the carriage parallel to the feed of the cigarette, of a holder for the cigarette, mounted upon the same carriage, and means for projecting said holder and the cigarette toward the relatively stationary cutting disk, substantially as and for the purpose described."

The Briggs machine has all of these elements combined in the manner set forth in the claim, producing the same result, except that in the Briggs machine the cutting disk is moved to the cigarette, and not the cigarette holder to the disk. The question is, is Bonsack limited to a device by which the cigarette holder is moved to the cutting disk? In a case in the circuit court of appeals, *First circuit (Reece Button-Hole Mach. Co. v. Globe Button-Hole Mach. Co., 10 C. C. A. 194, 61 Fed. 961)* a similar question is discussed. The court says:

"With the aid of the doctrine of equivalents the courts are constantly ingrafting on specifications and claims what they do not contain, in the same sense in which the letter of ordinary instruments is required to contain matters on which the parties rely. To extend, in disregard of this fact, the rule against interpolations to any particular case, requires either that the patent

relate to such mere matters of form or detail so that interpretation by exclusion becomes just and reasonable, or that the specifications and claims be so phrased as in fact to contain a clearly-intended exclusion, or the equivalent thereof. * * * The defense claims that, on account of numerous expressions, to which we have referred, the patentee was limited to machines in which the frame travels and the plate remains at rest. It must be conceded that, taking these specifications and claims as a whole, they show that Reece had present in his own mind, at the time of his application, a machine with a movable frame and a fixed plate. But, if this were all there is of it, and if this is sufficient to establish the defense, the question arises, where does the doctrine of equivalents come in? The most important parts of the case at bar are within the four corners of the principles we have stated. The court has no doubt that Reece was the inventor of nearly everything, if not everything, demanded by the Reece Button-Hole Machine Co. in the case at bar, and was entitled to a patent therefor. And the question is whether, by reason of the peculiar phraseology of his specifications and claims as first drawn, or by reason of certain amendments during the progress of his application through the patent office, Reece, notwithstanding the rules of interpretation entitle him to a favorable construction, has limited himself to a mechanism in which the frame travels; or whether, if he has thus expressed the literal terms of his patent, he has further so limited himself as to deprive himself of the benefit of the law of equivalents with reference to a machine in all respects a copy of his actual invention, as shown in his patent, except as to the nonessential characteristic that the frame remains at rest and motion is given to the plate."

Construing this patent in a liberal spirit, and recognizing that Reece was the inventor of everything, or nearly everything, demanded, the court held that his patent was not limited as contended by defendant. Let us now see the circumstances surrounding this case. Bonsack was not the first inventor, nor was he the inventor of everything demanded, nor does his patent in question for the first time indicate the method described. Reciprocating knives, traveling longitudinally with and transversely across the article to be severed, were described in the Spencer patent, No. 106,883, granted 30th August, 1870, for cutting a continuous plug tobacco into definite lengths; and in a patent to Thomas F. Morrin, No. 175,136, 21st March, 1876, also for plug tobacco; and in a patent, No. 215,473, 20th May, 1879, to George S. Myers, for a similar purpose. So, also, in the first and second Emery patents, such revolving cutting disks are shown, and in the first Bonsack patent too. Bonsack recognizes this. He says in his specifications:

"Heretofore the cigarette has been cut off by moving the knife against the cigarette, which necessitates a quick movement of a heavy and cumbrous mechanism. Instead of moving the knife to the cigarette, I bring the cigarette to the knife by projecting the holder 'h' toward the disk, as shown in dotted lines, Fig. 6."

In his application his claim was in these words:

"The combination, with a rotary cutting disk, of an adjustable holder for the cigarette roll and mechanism connecting the said holder for projecting said cigarette roll against the cutting disk, instead of the disk against the cigarette roll, as and for the purpose described."

The patent office objected to this: "As stated, no invention was required. The means must be named." To meet this requirement it was amended as follows:

"The combination of the rotary cutting disk having a movement on its carriage parallel to the feed of the cigarette, and a holder for the cigarette,

mounted upon the same carriage, and made adjustable toward the cutting disk, to bring the cigarette laterally against the plate for cutting it into lengths, as described."

This again was objected to, and finally the claim was put in as it is before us:

"The combination, with the rotary cutting disk, the carriage carrying the same, and means for moving the carriage parallel to the feed of the cigarette, of a holder for the cigarette, mounted on the same carriage, and means for projecting said holder and the cigarette toward the relatively stationary cutting disk, substantially as and for the purposes described."

Now, when it is remembered that he claimed, as an improvement on methods existing already, that he brought the cigarette to the cutter, and so avoided the movement of a heavy, cumbrous machine, and that in his original claim and in the amendments to it he had the same idea, distinctly stated, the conclusion must follow that by reason of the phraseology of his specifications and claims as first drawn and afterwards amended he has limited himself to the mechanism which he describes, in which the cigarette holder travels to the knife, and not the knife to the cigarette.

The last point open for consideration is that which applies specifically to the present defendants. It does not affect the other parties charged with infringement, who have stipulated to abide the result of this suit. An action was brought by the present complainants against the present defendants and the Pollard or International Company, in which suit the same patents set up by complainants in this case were said to have been infringed. The result of this suit was that their patents were declared to be valid. Complainants contend that, as to these defendants, that question is res judicata. Defendants deny the right of complainants to set up this ground of estoppel in the evidence, they having failed to set it up in the pleadings. The conclusion reached in this opinion renders the discussion of this question unnecessary. Giving to the decree set up as an estoppel its full force, and, for the sake of argument, admitting it into this case, though not set up in the pleadings, it would defeat any objection these defendants now set up to the validity of the Bonsack patents. The defendants may be precluded from discussing this question, but the other question—whether the Briggs machine is an infringement of them—still remains; and that has been decided in the negative.

This case came on to be heard upon the pleadings, evidence, and exhibits. Considering the same, and the arguments of counsel thereon, it is ordered, adjudged, and decreed, that the bill be dismissed, with costs.

THE DANIA.

NETHERLANDS-AMERICAN STEAM NAV. CO. et al. v. THE DANIA.

(District Court, E. D. New York. November 11, 1895.)

SALVAGE—COMPENSATION.

A steamship valued, with her cargo and freight, at \$426,000, becoming utterly helpless from a broken shaft, about 360 miles from New York,