

construction should be given them, the defendant's roof manufactured under the Jennings patent would not be an infringement of the Murphy patent in suit, or any of its claims. The bill must be dismissed.

HEAD v. PORTER.

(Circuit Court, D. Massachusetts. October 1, 1895.)

No. 16.

1. PATENT INFRINGEMENT SUITS—EQUITY JURISDICTION—ACCOUNTING OF PROFITS—SURVIVAL OF ACTIONS.

The decision in *Root v. Railway Co.*, 105 U. S. 189, that equitable jurisdiction in a bill for a naked account against the infringer of a patent cannot be sustained upon the theory that the wrongdoer is a trustee of his gains and profits for the use of the owner of the patent, does not involve the conclusion that such suits are to be regarded as mere actions of tort for the recovery of damages, in which the right of action cannot survive the infringer's death.

2. SAME.

The single question decided in that case was that a bill for a naked account of profits and damages against an infringer cannot be sustained; that such relief ordinarily is incidental to some other equity, the right to enforce which secures to the patentee his standing in court; and that the most general ground for equitable interposition is to insure to the patentee his rights by means of an injunction against a continuance of the infringement.

3. SAME—MEASURE OF DAMAGES—GAINS AND PROFITS.

Notwithstanding the provision of the act of July 8, 1870 (16 Stat. 201), giving to the complainant in an equity suit for infringement of a patent the right to recover damages in addition to profits, gains and profits are still the proper measure of damages, except where the injury sustained by the infringement is plainly greater than the aggregate of what was made by the infringer. *Birdsall v. Coolidge*, 93 U. S. 64, and *Root v. Railway Co.*, 105 U. S. 189, followed.

4. SAME.

The profits actually made by an infringer, for which recovery is sought by a bill in equity, are not the same as damages in an action of libel, slander, diversion of a water course, and similar actions of tort. The former are the actual, direct, pecuniary benefits, capable of definite measurement, acquired by the wrongdoer; the latter are primarily the loss suffered by the injured party where the wrongdoer realizes no pecuniary benefits, or only such as are indirect, indefinite, or rest in speculation, compromise, or arbitrary adjustment.

5. SAME—ABATEMENT AND REVIVAL—DEATH OF DEFENDANT.

Upon the foregoing principles, *held*, that a bill in equity for infringement of a patent which prays for an injunction and an account of profits is not founded upon a tort in such sense that the death of the defendant will abate the same, so that it cannot be revived.

This was a suit by Charles Head against Samuel W. Porter for alleged infringement of a patent. On motion to dismiss the bill on the ground that the suit has been abated by the death of the defendant.

William A. Hayes, for complainant.

Sherman Hoar and Alex. P. Browne, for defendant.

COLT, Circuit Judge. This is a motion to dismiss a bill in equity upon the ground that by reason of the death of the defendant the suit has abated, and cannot be revived. The bill is brought for the infringement of a patent, and contains the usual prayer for an injunction and an account of profits. The usual mode of procedure where the defendant dies pending suit is for the complainant to bring a bill of revivor, and for the defendant to raise the question of the survival of the action by demurrer to the bill; but, since the question has been fully argued on the present motion, I will proceed to consider it.

The proposition relied upon in support of the motion is that a suit for the infringement of a patent, being essentially an action of tort for damages, does not survive at common law or by statute; that this applies to bills in equity as well as actions at law, because "whether an action survives depends on the substance of the cause of action, not on the forms of proceeding to enforce it." *Schreiber v. Sharpless*, 110 U. S. 76, 80, 3 Sup. Ct. 423. There have been five cases in the circuit courts in which this question has been passed upon. In four of these it was held that a bill in equity for the infringement of a patent is not finally determined by the death of the defendant, and that the abatement may be arrested by bill of revivor. *Smith v. Baker* (decided by Judge McKennan in 1874), 1 Ban. & A. 117, Fed. Cas. No. 13,010; *Atterbury v. Gill* (decided by Judge Welker in 1877), 3 Ban. & A. 174, Fed. Cas. No. 638; *Kirk v. Du Bois* (decided by judges McKennan and Acheson in 1886), 28 Fed. 460; *Hohorst v. Howard* (decided by Judge Lacombe in 1888), 37 Fed. 97. The remaining case—*Draper v. Hudson* (decided in 1873), Holmes, 208, Fed. Cas. No. 4,069—can hardly be considered an authority in conflict with these cases, in view of the ground on which that decision rests, and the subsequent case of *Atwood v. Portland Co.*, 10 Fed. 283, in which, speaking of Judge Shepley's decision in *Draper v. Hudson*, Judge Lowell (page 284, Holmes, Fed. Cas. No. 4,069) says, "As an authority in this court, his decision is not binding." *Draper v. Hudson* was not put upon the ground that the action did not survive at common law, but that it became abated because the principal relief failed. The court says: "When the title to the principal relief, which is the proper subject of a suit in equity,—the injunction and discovery,—fails, the incident right to an account fails also." This is not the law. It is now settled that where a bill in equity is brought upon a patent, and during the pendency of the suit the right to an injunction fails by reason of the expiration of the patent, the suit is not determined, but the court will proceed to administer the other relief sought. *Beedle v. Bennett*, 122 U. S. 71, 7 Sup. Ct. 1090; *Clark v. Wooster*, 119 U. S. 322, 7 Sup. Ct. 217; *Consolidated Safety-Valve Co. v. Crosby Steam Gauge & Valve Co.*, 113 U. S. 157, 5 Sup. Ct. 513. In case of the death of the plaintiff, a bill in equity for the infringement of a patent does not abate, but may be prosecuted to final judgment by his representatives. *Railroad Co. v. Turrill*, 110 U. S. 301, 303, 4 Sup. Ct. 5; *May v. Logan Co.*, 30 Fed. 250. If this motion is to be determined on the authority of adjudged cases, it should be denied. But it is strenuously contended that, assuming this cause of action might have survived previous to *Root v. Railway Co.* (1881) 105 U. S. 189,

the decision in that case so modified or changed the law that it does not now survive. Upon this assumption, *Kirk v. Du Bois* and *Hohorst v. Howard*, supra, were wrongly decided, since they arose after the decision in *Root v. Railway Co.* The reasoning of counsel is as follows: In the decisions previous to *Root v. Railway Co.*, the right of recovery in a bill in equity for the infringement of a patent was based upon the theory of a fiduciary relation between the patentee and wrongdoer, whereby the infringer became a trustee of the profits for the use of the owner of the patent, and liable to account as such; that this doctrine was overthrown in *Root v. Railway Co.*; and that it follows that an action for infringement, whether at law or in equity, is a simple tort for the recovery of damages, which does not survive. It is necessary, therefore, to find out the scope of the decision in *Root v. Railway Co.*, and its bearing on the present motion. The single question determined in that case, in the language of Mr. Justice Matthews, speaking for the court (page 215), was as follows:

"Our conclusion is that a bill in equity for a naked account of profits and damages against an infringer of a patent cannot be sustained; that such relief ordinarily is incidental to some other equity, the right to enforce which secures to the patentee his standing in court; that the most general ground for equitable interposition is to insure to the patentee the enjoyment of his specific right by injunction against a continuance of the infringement."

In the consideration of that question the court reviews the foundation on which the jurisdiction of courts of equity rests in patent cases, and the doctrine that an infringer is a trustee of the profits made by his wrongful acts, as in the case "of trustees who have committed breaches of trust by an unlawful use of the trust property for their own advantage," was held to be unsound; that "it is the character of the property, and not the wrong done in converting or withholding it, that constitutes the wrongdoer a trustee." In respect to prior cases, such as *Packet Co. v. Sickles*, 19 Wall. 611, and *Burdell v. Dewing*, 92 U. S. 716, which assumed the doctrine of trusteeship, the court, in *Root v. Railway Co.* (page 214), said:

"But the inference sought to be drawn from the expressions referred to is not warranted. It is true that it is declared in those cases that in suits in equity for relief against infringements of patents the patentee, succeeding in establishing his right, is entitled to an account of the profits realized by the infringer, and that the rule for ascertaining the amount of such profits is that of treating the infringer as though he were a trustee for the patentee in respect to profits. But it is nowhere said that the patentee's right to an account is based upon the idea that there is a fiduciary relation created between him and the wrongdoer by the fact of infringement, thus conferring jurisdiction upon a court of equity to administer the trust and to compel the trustee to account. That would be a *reductio ad absurdum*, and, if accepted, would extend the jurisdiction of equity to every case of tort where the wrongdoer had realized a pecuniary profit from his wrong. All that was meant in the opinions referred to was to declare according to what rule of computation and measurement the compensation of a complainant would be ascertained in a court of equity, which, having acquired jurisdiction upon some equitable grounds to grant relief, would retain the cause for the sake of administering an entire remedy and complete justice, rather than send him to a court of law for redress in a second action. The rule adopted was that which the court in fact applies in cases of trustees who have committed breaches of trust by an unlawful use of the trust property for their own advantage; that

is, to require them to refund the amount of profit which they have actually realized. This rule was adopted, not for the purpose of acquiring jurisdiction, but, in cases where, having jurisdiction to grant equitable relief, the court was not permitted by the principles and practice in equity to award damages in the sense in which the law gives them, but a substitute for damages, at the election of the complainant, for the purpose of preventing multiplicity of suits. And the particular rule was formulated, as will be seen by reference to the cases already referred to, out of tenderness to defendants in order to mitigate the severity of the punishment to which they might be subjected in an action at law for damages. * * * But it is a rule of administration, and not of jurisdiction; and, although the creature of equity, it is recognized as well at law as one of the measures, though not the limit, for the recovery of damages."

In defining the jurisdiction and characteristics of courts of equity, the court (page 207) said:

"It is the fundamental characteristic and limit of the jurisdiction in equity that it cannot give relief when there is a plain and adequate and complete remedy at law; and hence it had no original, independent, and inherent power to afford redress for breaches of contract or torts, by awarding damages; for to do that was the very office of proceedings at law. When, however, relief was sought which equity alone could give,—as by way of injunction to prevent a continuance of the wrong, in order to avoid multiplicity of suits, and to do complete justice,—the court assumed jurisdiction to award compensation for the past injury; not, however, by assessing damages, which was the peculiar office of a jury, but requiring an account of profits, on the ground that, if any had been made, it was equitable to require the wrongdoer to refund them, as it would be inequitable that he should make a profit out of his own wrong. As was said by Vice Chancellor Wigram in *Colburn v. Simms*, 2 Hare, 543, 'The court does not, by an account, accurately measure the damage sustained by the proprietor of an expensive work from the invasion of his copyright by the publication of a cheaper book,' but, 'as the nearest approximation which it can make to justice, takes from the wrongdoer all the profits he has made by his piracy, and gives them to the party who has been wronged.'"

Root v. Railway Co. does not touch the question whether a bill in equity for relief against infringements of a patent abates by reason of the death of the defendant, but it simply decides that equitable jurisdiction in a bill for a naked account against an infringer cannot be sustained upon the doctrine that the wrongdoer is a trustee of his gains for the use of the owner of the patent, and that some recognized ground of equitable relief must appear in the bill.

The present bill prays for an injunction as well as an account of profits, and is, therefore, a case within the jurisdiction of a court of equity. It not only asks for an injunction against future infringements, but it calls upon the wrongdoer to refund the profits he has made, "as it would be inequitable that he should make a profit out of his own wrong." Profits are the gains or savings made by the wrongdoer by the invasion of the complainant's property right in his patent. They are the direct pecuniary benefits received, and are capable of a definite measurement. Calling them the "measure of damages in equity" does not mean that they are the same as damages in an action at law. They are clearly not the same. "Profits in equity are the gain, or saving, or both, which the defendant has made by employing the infringing invention. This gain or saving is a fact. It is an actual pecuniary benefit which has resulted directly from the defendant's wrongful use of the plaintiff's property, which he has had and enjoyed, and to which, on equitable theories,