

over, and see that you have the right to make, in general, all necessary proceedings. Consequently, it is useless for me to make such a trip. I will go only later on, or, if you wish to give up the license, I will take it back. You have only to renounce by a simple letter, and paying what is due to me."

On December 20, 1888, the defendant in error wrote the patentee concerning the rival machines that were being manufactured by Toulouse & Delorieux, and says:

"But, no sooner the United States decide in my favor, I shall no more be friendly, and I will let them know my mind; also, the three other manufacturers who are infringing. * * * As soon as the court will have finally decided the validity of your patent, I will pay the royalty upon all machines sold by me."

The last of the letters bears date February 2, 1889. It contains similar expressions to those found in the preceding correspondence, and adds nothing material to the force or effect thereof.

We find nothing in any of these letters to indicate that the patentee was aware that his agent had made an assignment of the patent, or that he ever received information from which that fact might be deduced. All the expressions found in the correspondence point to the conclusion that the patentee understood the defendant in error to be, as indicated in the first letter, a licensee only. If the letters prove ratification, they prove the ratification of the transfer of a license, and not the ratification of an assignment. Such being their purport, it was error to charge the jury that the letters connected with the attempted conveyance from the agent to the defendant in error constitute a conveyance to the latter. As licensee, the defendant in error had no authority to maintain the action. *Birdsell v. Shaliol*, 112 U. S. 486, 5 Sup. Ct. 244; *Waterman v. Mackenzie*, 138 U. S. 52, 11 Sup. Ct. 334. The judgment is reversed, with costs to the plaintiffs in error, and a new trial is ordered.

TANNAGE PATENT CO. v. DONALLAN.

(Circuit Court, D. Massachusetts. June 25, 1896.)

No. 716.

1. PATENTS—PRELIMINARY INJUNCTIONS—EFFECT OF DECISIONS ELSEWHERE.

Where the validity of a patent has been established in a prior litigation, and especially by an appellate court, the patentee is entitled to a preliminary injunction in a suit against a different party in a different district, unless defendant shows that he does not infringe, or brings forward new evidence of such a character that the court is reasonably satisfied that, if presented in the prior case, a different conclusion would have been reached.

2. SAME—PROCESS FOR TANNING LEATHER.

Preliminary injunction against the infringement of the Schultz patents, Nos. 291,784 and 291,785, for a process for tanning leather, granted, on the strength of a prior decision sustaining the same (*Patent Co. v. Zahn*, 17 C. C. A. 552, 70 Fed. 1003), notwithstanding the introduction, as new evidence, of the old Francillon French and English patents.

This was a suit in equity by the Tannage Patent Company against John E. Donallan for infringement of letters patent Nos. 291,784

and 291,785, for a process for tanning leather. Complainant has moved for a preliminary injunction.

Frederick P. Fish, Wm. K. Richardson, and Geo. R. Blodgett, for complainant.

W. Orison Underwood, James H. Lange, and Odin B. Roberts, for defendant.

COLT, Circuit Judge (orally). In the first place, on the question of infringement, I think the complainants have made out a prima facie case, which the defendant should have met and overcome by sufficient proof. If a preliminary injunction be granted, and the defendant chooses to move to dissolve it, and can show that he does not use the Schultz process, it would be the duty of the court to vacate the order. But, as the proof now stands, the complainants have made out their case upon this point.

The main question raised on this motion relates to the validity of the Schultz patents in view of the old Francillon French and English patents. Upon this point the case stands as follows: These patents are not for the first time brought before a court for adjudication. If it were so, the position of the court would be entirely different. They have been litigated in the Third circuit, in a case extending over a period of more than two years, where their validity was vigorously contested, and finally sustained by the appellate court. *Patent Co. v. Zahn*, 17 C. C. A. 552, 70 Fed. 1003. I am aware that the defendant here is a different party from the parties to that suit. He, therefore, is entitled, upon final hearing, when the evidence is all in, to have the questions reviewed which were passed upon by the circuit court of appeals for the Third circuit; but at this stage of the case, upon motion for a preliminary injunction, the rule is that, where the validity of a patent has been established in a prior litigation, and especially by an appellate court, the patentee is entitled to a preliminary injunction in another suit brought against another defendant in a different district, unless the defendant can show that he does not infringe, or brings forward new evidence on the question of validity of such a character that the court is reasonably satisfied that, if the same evidence had been presented in the other case, that court would have reached a different conclusion. Now, I do not think that if the Francillon patents had been in the record before the circuit court of appeals for the Third circuit, that court would have arrived at any different conclusion as to the validity of the Schultz patents. The Francillon patents are for a process for printing and dyeing silks, wools, or skins. The Schultz patents are for a process for tanning leather. The opinion of the appellate court in the *Zahn* case discusses the difference between the two processes, and holds that the printing and dyeing process is not analogous to the tanning process, although the same ingredients may be used, because the ingredients are not used for a like purpose, do not affect the materials the same way, and produce different products. From the position taken and discussed by the court in that case,

I do not think that court would have decided the Francillon patents to be an anticipation of the Schultz process. The defendant has not made out a case which, upon its face, throws such doubt upon the validity of the Schultz patents as would justify the court in refusing a preliminary injunction after adjudication by an appellate court sustaining the validity. Following the rule which governs the courts under circumstances similar to those presented in this case, I must grant the motion for a preliminary injunction. The motion is granted.

PIERPOINT BOILER CO. v. PENN IRON & COAL CO. et al.

(Circuit Court, N. D. Ohio, E. D. May 21, 1896.)

1. ASSIGNMENT OF PATENT—BREACH OF CONDITIONS—REVERSION OF TITLE.

A patentee assigned his patent to a corporation upon an agreement that he should be its salaried superintendent, and also receive one-fourth of its profits; the corporation agreeing that, should it cease to exist, or fail for an unreasonable time, "on account of its own indifference or neglect," to manufacture the patented machinery, the contract should be void, and the patent revert to the patentee, or his heirs or assigns. The patentee afterwards assigned his reversion. About four years later the corporation was dissolved by decree of a proper court, upon a petition of its stockholders and directors, alleging that the objects for which it was organized had wholly failed. Ten years afterwards, and after the patent had become valuable, the decree of dissolution was set aside at the instance of parties who had bought up the stock, on the pretext of administering some newly-discovered assets. *Held*, that these facts showed that the corporation had ceased to make the patented machines through "its own indifference and neglect"; that the title to the patent had, therefore, reverted by operation of law, without the aid of judicial proceedings; and that the assignment of the reversion transferred a good and valid title.

2. SAME—ESTOPPEL BY JUDGMENT.

About a year after the decree of dissolution, and in 1886, the assignees of the reversionary interest in the patent set up by answer and cross petition, in a suit pending in a state court, a claim against the stockholders of the corporation for damages for alleged breach of the covenants in the agreement. Upon this issue the court held that there had been no negligence on the part of the corporation, and that no reversion had accrued at the time of the filing of the cross petition. *Held*, that this decision did not estop the assignees of the reversion from claiming, in a suit brought by them on the patent several years afterwards, that they had acquired title by reversion, for, even if there was no breach of the agreement in 1886, a breach may have taken place in the subsequent years.

This was a suit in equity by the Pierpoint Boiler Company against the Penn Iron & Coal Company and the Stirling Company for infringement of a patent relating to water-tube boilers.

Bakewell & Bakewell, for complainant.

Banning & Banning, for defendants.

RICKS, District Judge. This case is now before the court upon an issue made between the parties as to the title which the complainant has to letters patent issued to Arthur H. Fowler for an improvement in water-tube boilers, granted October 12, 1880,—No. 233,228. The issue was directed to be framed by the court as to whether the complainant had legal title to the patent sued upon, and under that