

firm to which he sent, or, indeed, that any was made. We cannot presume that such search was made. Indeed, if presumptions were to avail, the presumption is rather against the theory of a thorough search. The patents sent did not include the Bevington patent, now complained of, and which was covered by the respondent's request. Then, too, respondent's affidavits show that on search by his Philadelphia counsel, made in preparation for the present application, the English patent was found in the place in the patent office where prudence suggested a search be made. In the absence of all affirmative proof that such a search was made by the parties to whom respondent first applied, we think we are justified in assuming that, if such search had been made when the bill was filed, it would have resulted as the present one did, viz. in finding the English patent. Respondent's application will be discharged, at his cost.

SANDERS v. PECK et al.

(Circuit Court, N. D. Illinois. July 11, 1896.)

EQUITY JURISDICTION—SALE OF BONDS—ESTOPPEL—PRINCIPAL AND AGENT.

Equity will not interfere with a sale of bonds on the ground that the person selling them was not authorized to do so by the owner, where it appears that the purchaser did not know of such want of authority or of the real ownership of the bonds, and that the owner had so conducted himself that the purchaser supposed he had no interest in the bonds.

Suit by Joshua C. Sanders against Ferdinand W. Peck and one Corbin.

W. A. Foster, for complainant.
Page & Booth, for defendants.

GROSSCUP, District Judge (orally). The bill, answer, and evidence in this case present to the court a complicated series of facts which it will be unnecessary to narrate. The facts, in the end, all bear upon the inquiry whether the complainant authorized the defendant Corbin to sell the bonds in dispute to Page & Booth, as attorneys for Peck. If Page & Booth had, before the making of the contract between them and Corbin, notice of all that transpired between the complainant and Corbin, the testimony would leave me in doubt as to what I should do; in other words, there are many circumstances in this record that indicate that Corbin had no such authority as he claims, and there are many other circumstances, notably the letters of September 2d, from Corbin to Sanders, and the reply thereto of September 6, 1890, which indicate that the pending negotiations between Corbin and Page & Booth were at that time known to the complainant. The testimony, however, does satisfy me that, prior to the filing of the bill in this case, Page & Booth had no knowledge of complainant's interest in a portion of the bonds, and that prior to the letter of Sanders to them of September 18, 1890, they had no knowledge of the complainant's interest in the other bonds. The complainant so conducted himself that Page & Booth very naturally supposed that

he had no interest in these securities, but that the same were held by the parties in whose names they stood, and who appeared before the courts in the then-pending litigation as the true owners thereof. It is perfectly manifest that there was no conspiracy upon the part of Page & Booth, or the Pecks, to obtain the ownership of these bonds against complainant's wish or interest. Their contract for purchase was based—First, upon their own interest in their acquirement; and, secondly, upon a bona fide belief that they were dealing with the representative of the true owners of the bonds, and that such representative had authority to act; and this belief is attributable to the conduct of complainant himself. Under such circumstances, it would be inequitable to allow the complainant to shift his position, respecting these bonds, to the injury of the purchasers (and it must be inferred that any failure to carry out the contract would be an injury to them), unless the court is clear that he did not knowingly contribute to the information or belief upon which the purchasers acted. Upon that proposition I am not clear. If the inquiry were whether authority had been given or not, the inclination of my belief would be that it had been so given; but affected, as this belief is, by the situation and equities of the purchasers, my conclusion is no longer an inclination, but strong conviction, that the complainant ought not to prevail. The decree, therefore, will be in favor of the defendants.

MINNESOTA TRIBUNE CO. v. ASSOCIATED PRESS.

(Circuit Court, D. Minnesota. November 16, 1896.)

CONTRACTS—INTERPRETATION—PARTIES—NEWS ASSOCIATION SERVICE.

A newspaper company having an exclusive contract right in its locality to the news service of a press association, for publication in its own newspaper only, agreed to lease to a rival publication, for three years, the right to also receive the same service, and to cause the association's wires and operator to be placed in its office, so that the news reports might be delivered direct, provided the association would consent thereto. At a conference between the managers of the two newspapers and the manager of the association, the latter verbally agreed to comply with the arrangement, in consideration of an increase in the weekly payments, and thereupon the contract between the two newspapers was executed in writing by them. Pending the existence of this arrangement, a new news association was formed, with a by-law making eligible as members thereof, without the assent of its local board, newspapers which were entitled, on a given date, to receive service of news from the old association "under existing contracts." *Held*, that the second newspaper was within this description; that it was, at the date specified, receiving service from the old association, under a contract to which both were parties, namely, the contract arising from the verbal agreement of the managers.

This was a bill in equity by the Minnesota Tribune Company, a Minnesota corporation, against the Associated Press, a corporation organized under the laws of Illinois, to enjoin the alleged violation of a contract, and to recover damages for past violations.

The bill of complaint, omitting the merely formal parts, was as follows:

(1) That your orator is a citizen of the state of Minnesota, and a corporation duly organized, created, and existing under and by virtue of the laws of the said state