county indebtedness which has been made by county officials, pursuant to the provisions of a statute, with a view of satisfying himself that the constitutional limit of indebtedness has not been exceeded. Even if such is the rule where, in cases like the Sutliff Case, the bonds do not contain an express recital that the issue does not exceed the constitutional limit, yet it ought not to be applied to a case like the one in hand, where the bonds do contain a certificate "that the total amount of this issue does not exceed the limit prescribed by the constitution of the state of Colorado." When, as in the present case, it appears that there are two acts, passed at different times, each making provision for an official statement of the county indebtedness to be made at different times, one of which statements is required to be made with express reference to an issue of bonds, and as one of the preliminary steps to that end, we think it is reasonable to conclude that a purchaser of the bonds is, at most, only charged with the duty of examining the latter statement. If a discrepancy exists between the two statements, it is clear, we think, that that statement should govern and control which was made with express reference to an issue of bonds, and presumably for the information of the bondholder, and that the bondholder should only be charged with the duty of examining the statement on which he has a right to rely.

It is contended on the part of the plaintiff that a purchaser of the funding bonds in controversy, in view of the recitals therein contained, was not even chargeable with notice of the certificate made by the board of county commissioners, showing the county indebtedness on August 21, 1882, to have been $174,115.29; but we have not found it necessary to consider that proposition, and shall express no opinion thereon. It may be conceded, though not decided, that a purchaser of the bonds in question was affected with notice of all the facts disclosed by the record of the proceedings of the board which culminated in the issuance of the bonds; but, notwithstanding this concession, we are of opinion that the record made by the board of county commissioners disclosed no facts rendering the bonds void in the hands of an innocent purchaser for value. These bonds contained a recital, heretofore quoted, to the effect that the amount issued did not exceed the constitutional limit of indebtedness; and the certificate made by the board, showing the total county indebtedness, as of August 21, 1882, did not pretend to state when that indebtedness was created. Moreover, the bonds on their face purported to be funding bonds issued "for valid floating indebtedness," which would not create a new debt, assuming the warrants for which they were issued to have been valid, but would simply change the form of an existing indebtedness. In re State Bonds (Me.) 18 Atl. 291; Powell v. City of Madison, 107 Ind. 110, 8 N. E. 31; City of Los Angeles v. Teed (Cal.) 44 Pac. 580; Commissioners of Marion County v. Commissioners of Harvey County, 26 Kan. 181, 201; Hotchkiss v. Marion, 12 Mont. 218, 29 Pac. 821; Miller v. School Dist. No. 3 (Wyo.) 39 Pac. 879. A purchaser of the bonds, therefore, who examined one of them, or the whole issue, for that matter, in the light of the constitutional provision and the certificate made by the board, would have been unable to say that the aforesaid recital was false, and that the bonds were void, for

the reason that the entire debt certified to by the board might have been created before the assessed value of county property reached the $1,000,000 mark, until which time there were no restrictions upon the power of the county to contract debts. If, upon any theory, the bonds might be valid notwithstanding the fact that the county debt was $174,115.29 on August 21, 1882, a purchaser of the bonds was entitled to presume that such was the fact, that the recitals were true, and that the constitution had not been violated. National Life Ins. Co. v. Board of Education, 27 U. S. App. 244, 10 C. C. A. 637, and 62 Fed. 778, and cases there cited; Chaffee Co. v. Potter, 142 U. S. 355, 363, 364, 12 Sup. Ct. 216; Evansville v. Dennett, 161 U. S. 434, 443, 16 Sup. Ct. 613. It results from this view of the case that, as against a bona fide holder of the funding bonds in controversy, the certified copy of the proceedings of the board of county commissioners, which was admitted in evidence, was at least immaterial testimony.

Another item of proof which was admitted by the trial court over an objection duly made by the plaintiff consisted of three lists of county warrants which had been surrendered to the county by the owners and holders thereof when the ten funding bonds which are involved in the present suit were issued. With reference to these lists, it is sufficient to say that on three occasions a large number of warrants appear to have been surrendered to the county in exchange for funding bonds, and that the bonds in suit, being Nos. 9 to 13, both inclusive, 63 to 66, both inclusive, and No. 98, formed a part of the three issues of bonds which had thus been put in circulation. It did not appear, however, that any particular warrants had been exchanged for any particular bond, but that a large number of warrants—in one instance, warrants amounting to $49,896—had been exchanged for an equivalent sum in bonds. This testimony appears to have been offered for the purpose of showing, by the production of the warrants and an examination of their dates, that the indebtedness represented by the funding bonds in suit had been created after the constitutional inhibition against contracting debts beyond a certain amount had become applicable to Gunnison county, by reason of its assessed valuation having reached an amount exceeding $1,000,000. That limit appears to have been attained for the first time by the assessment made for the year 1881. It follows from the views which we have heretofore expressed that the lists of warrants in question were inadmissible, against a bona fide purchaser of bonds, to contradict and overcome the recitals which the bonds in controversy contain. A purchaser of such securities for value, in the open market, can neither be expected nor required to examine the warrants issued for the original indebtedness, with a view of ascertaining when the debt was contracted, especially when the bonds contain such explicit representations as the bonds in suit contain. No case, we believe, has ever imposed a burden of that kind upon the bondholder.

We have thus far considered the admissibility of the foregoing testimony from the standpoint occupied by an innocent purchaser of the bonds for value, and before maturity; but, as the question is raised whether the plaintiff corporation is armed with the rights of a bona fide holder as to any of the bonds in suit, it becomes necessary to

notice that contention. The testimony contained in the present record shows, we think, without contradiction, that the plaintiff was a bona fide holder, when the suit was brought, of at least five of the bonds which are involved in the present controversy, because it holds the title of Joseph Stanley, who was himself an innocent purchaser of said bonds, before maturity, for the price of 98 cents on the dollar. The rights which Stanley acquired by virtue of such purchase inure to the plaintiff, by virtue of its purchase of the bonds from Stanley in June, 1892, and this without reference to any knowledge which the plaintiff may have had at the latter date affecting the validity of the securities. A bona fide holder of commercial paper is entitled to transfer to a third party all the rights with which he is vested, and the title so acquired by his indorsee cannot be affected by proof that the indorsee was acquainted with the defenses existing against the paper. Commissioners v. Clark, 94 U. S. 278, 286; Hill v. Scotland Co., 34 Fed. 208; Daniel, Neg. Inst. § 803, and cases there cited. The rights of the plaintiff with respect to the remaining five bonds, which it also purchased from Stanley, may be different, as Stanley appears to have received the remaining five bonds direct from the county of Gunnison, in exchange for warrants which he owned and held, instead of purchasing the bonds in the open market. Whether the plaintiff acquired the last-mentioned bonds under circumstances which constitute it a bona fide holder is a question which may require the consideration of a jury, and we shall not undertake to decide it on the facts preserved in the present record. The testimony above considered appears to have been admitted by the trial court on the assumption that it was competent, even as against a bona fide purchaser of funding bonds, for the purpose of impeaching the bonds; and, as we cannot concur in that view, the judgment of the circuit court must be reversed, and the cause remanded for a new trial. It is so ordered.

WEAVER v. NORWAY TACK CO.

(Circuit Court, E. D. Pennsylvania. September 15, 1896.)

1. IMPLIED CONTRACTS—PATENTS—PURCHASER FROM LICENSEE.
   Where one purchases machines from a licensee of a patent and proceeds to use the same with knowledge of the facts and after notice from the owner of the patent that if he does so he will be held liable to make compensation for such use, an action may be brought by the owner of the patent upon an implied contract to recover such compensation.
2. FEDERAL COURTS—JURISDICTIONAL AMOUNT.
   Where an action is brought upon a single agreement based upon the use of three distinct patents, it is unimportant for the purpose of giving jurisdiction of the suit that the sum claimed to be due on any one of the patents does not exceed $2,000, provided that the total sum claimed upon all three patents does.

This was an action of assumpsit in which the plaintiff's statement of claim disclosed the following state of facts:

The plaintiff being the owner of three patent rights for improvements in the manufacture and bluing of tacks entered into an agreement with the Pennsylvania Tack Works, whereby he sold to that company the right to employ