

in equity in the circuit court for the Southern district of New York against the defendant to restrain an alleged infringement of said patent. This appeal is from a decree of the circuit court, which dismissed the bill.

In April, 1891, Prentice made an application for the patent in suit, which was granted July 14, 1891. Subsequently, upon an application filed September 3, 1891, by Edward F. Greenfield, the electrical superintendent of the defendant corporation, an interference was declared between these two claimants for priority of invention, which resulted in a decision in favor of Prentice, and it may be assumed that he was the original inventor of the machine described in his patent. He had made a wooden model of his invention prior to the fall of 1888, and in November of that year Greenfield called upon him to make inquiries about it, saw it, and said that he might be able to make some arrangements for its manufacture. Prentice's story is that about January 1, 1890, Greenfield sent for him to come to the defendant's shop, and agreed with him that he should build one of his machines at the company's expense, that they should have an opportunity to test the probabilities of its success, and, if the invention proved satisfactory, they were to use it, paying as royalty one-eighth of a cent per foot of tubing manufactured by its aid. He was to take out a patent in the meantime, and was to be paid a mechanic's wages for doing a mechanic's work. He was, in fact, paid at the rate of \$30 per week, and he entered upon their employment in January, 1890, but did not commence working upon these machines until about a year afterwards. From material furnished by the defendant, six or seven machines were made by him, or under his supervision, in its shop, which went immediately into experimental or practical use by the defendant. On August 3, 1891, Prentice sent to its president the following letter:

"New York, Aug. 3rd, 1891.

"Mr. Edwd. H. Johnson—Sir: I called at your office, 44 Broad street, to-day, but failed to find you. I am the inventor and patentee of machine for making hook-seam sheet-metal tubes, as now used by Interior Conduit and Insulation Co. I have failed to come to any agreement with your agent, Mr. Greenfield, in regard to the granting license, or the amount of royalties I should receive. I therefore take this opportunity to notify you to discontinue the use of said machines until such time as we shall come to a mutual understanding as to the amount I shall receive as a royalty on your invention.

"Respectfully yours, Albert D. Prentice, 257 West 21st St., City.

"P. S. Date of U. S. patent, July 14, 1891."

On August 5th he was discharged by Greenfield. On August 11th Johnson replied to the letter of August 3d, denying Prentice's right to the patented invention, and claiming that, in any event, the defendant was entitled to use it. The question of importance in the case is in regard to the right of the defendant to use the machines which were made prior to August 3d. The complainant testified that the defendant had six or seven patented machines in use when he left. He afterwards said that seven dies were made in all during his continuance with the defendant, one of which was nearly completed when he left. No machines in addition to those substantially made or supervised by the complainant, which made use

of his invention, have been made or have been used since the complainant's notice of August 3d. The defendant says that it discontinued the use of the old machines after August 1, 1893, by which it means that a new roller die was substituted in place of the die which was described in the patent, but which the complainant thinks was an immaterial change. The decision of the question turns upon the existence of the alleged contract between Prentice and the defendant. As stated by the complainant, it was a verbal contract between him and Greenfield alone, neither made in the presence of, nor, so far as appears from his testimony, within the knowledge of, any other person. The alleged facts of the contract, which Greenfield denies, must be supported by extraneous circumstances, or by the inherent probabilities of the truth of Prentice's story, or its existence cannot be affirmatively found. The circumstances which do not support the complainant's theory are the following: Although Prentice says that he was employed for the very purpose of building these machines upon a specified royalty, he did not enter upon their construction until a year after he commenced to work for the defendant; but Greenfield attempted to have the first machine made outside the defendant's shop. Prentice did not apply for a patent until after the first one, which was finished in February or March, 1891, must have been in use; and Greenfield's knowledge that a patent had been applied for or obtained manifestly came as a surprise. Furthermore, no executive officer of the corporation seems to have heard of such a contract, which was of a class which Greenfield, who was simply the superintendent of the electrical department, had no power to make. The surrounding circumstances not only do not aid Prentice, but they cast doubt upon the probabilities of the truth of his story, and verify the accuracy of the conclusion of the trial judge, who said: "His [Prentice's] claims are not supported by proper or adequate evidence. If there was such a contract with the defendant, it has not been proved." The case is, therefore, that of an inventor, who, as a workman in the employ of another, manufactures for him, in his shop, and with his materials, and upon weekly wages, machines which the employer uses as a part of his tools, without knowledge of any objection thereto, and for which the inventor, during the term of his employment, obtains a patent, and thereafter seeks to restrain the employer from the use of the particular machine or machines which had been thus made in the employer's shop under the supervision of the employé, and apparently as a part of his ordinary mechanical work. This subject was considered at length in *Gill v. U. S.*, 160 U. S. 426, 16 Sup. Ct. 322. The court said the case raised the question, "which has been several times presented to this court, whether an employé paid by salary or wages, who devises an improved method of doing his work, using the property or labor of his employer to put his invention into practical form, and assenting to the use of such improvements by his employer, may, by taking out a patent upon such invention, recover a royalty or other compensation for such use. In a series of cases, to which fuller reference will be made hereafter, we have held that this could not be done." The court further said that the principle upon which all the deci-

sions were based is "an application or outgrowth of the law of estoppel in pais." The other cases to which reference was made are *McClurg v. Kingsland*, 1 How. 202; *Solomons v. U. S.*, 137 U. S. 342, 11 Sup. Ct. 88; *Lane & Bodley Co. v. Locke*, 150 U. S. 193, 14 Sup. Ct. 78; *McAleer v. U. S.*, 150 U. S. 424, 14 Sup. Ct. 160; *Keyes v. Mining Co.*, 158 U. S. 150, 15 Sup. Ct. 772. It is not to be expected that the facts in each case should be either exactly parallel with those of every other, or with those contained in this record, but the principle which is applicable to all is the same. The decree of the circuit court is affirmed, with costs.

BRILL v. ST. LOUIS CAR CO. et al.

(Circuit Court, E. D. Missouri, E. D. May 22, 1897.)

1. PATENTS—RIGHTS OF INVENTOR PENDING APPLICATION—INJUNCTION.

The inchoate right of an inventor, after application, and while the same is undergoing examination in the patent office, does not entitle him to an injunction against an alleged infringer. Hence any acts done by another, either in the way of using the invention or of threats to use it, prior to the date of a patent, cannot of themselves be any such evidence of infringement as to entitle the patentee to an injunction in a suit brought after the grant of the patent. If, however, the threats to use the invention are of a character to fairly justify the inference that defendants intended to continue the use thereof after a patent should be issued, then complainant may have a decree enjoining the carrying out of such threats.

2. SAME—PRESUMPTIONS.

Proof of construction by defendants, pending complainant's application for a patent, of cars which would infringe the patent, does not create a presumption that defendants would continue to make such cars after issuance of the patent. On the contrary the presumption is that defendants would conform to the law rather than violate it.

3. SAME—BURDEN OF PROOF.

The fact that it is easy for defendants to disprove an intention to infringe does not make their omission to do so presumptive evidence that they entertained such an intention.

Francis Rawle and Henry Hitchcock, for complainant.
George H. Knight, for defendants.

ADAMS, District Judge. The bill charges that the complainant is the owner of several letters patent of the United States, numbered, respectively, 373,639 (dated November 22, 1887), 418,438 (dated December 31, 1889), 425,653 (dated April 15, 1890), 428,068 (dated May 20, 1890), and 430,418 (dated June 17, 1890),—all for certain new and useful improvements in car trucks, railway cars, and motor trucks for cars,—and that the defendants had, prior to the institution of this suit, infringed the same by the conjoint use thereof in manufacturing cars, and also by selling cars so manufactured. The bill further charges that the defendants give out and threaten that they will continue such infringement. On these alleged facts the complainant prays for an accounting, and perpetual

injunction restraining such threatened infringement. The defendants' answer puts in issue the validity of the patents and the alleged infringement thereof by the defendants. At the hearing the complainant withdrew from the consideration of the court the patents aforesaid numbered 373,639 and 418,438, and disavowed any right of recovery thereon. The case, therefore, stands submitted to the court on patents Nos. 425,653, 428,068, and 430,418. These three patents, as already seen, are dated, respectively, April 15, May 20, and June 17, 1890. Much proof was taken bearing on the issue of patentable invention, and the same has been critically and ably analyzed and presented in argument; but, inasmuch as I am not able to find satisfactory proof of infringement, I do not consider it advisable to state my conclusions on this issue.

The bill was filed August 15, 1890,—four months after the date of the oldest patent, and less than two months after the date of the youngest patent, in suit. Complainant's counsel does not claim to have shown by direct proof any acts of infringement occurring after the date of any of the patents, but strenuously contends that the court should indulge such presumptions and draw such inferences, from acts done by the defendant four and six months before the dates of the patents, as will establish an intention on the part of the defendants to infringe subsequent to such dates. On the assumption that complainant's patents are valid, his monopoly under any of them commenced with their respective dates. An inventor has no exclusive right to his invention at common law, but derives all such exclusive right from the grant of the government, subject to the provisions of the statutes conferring the right. These statutes (section 4884) limit the monopoly to the term of 17 years from the date of the grant, as evidenced by the patent. Manifestly, therefore, there can be no invasion of the patentee's rights by any manufacture or use of the device, the subject-matter of the expected patent, prior to the date of the patent. On this subject, Chief Justice Taney, in the case of *Gaylor v. Wilder*, 10 How. 477, observes as follows:

"The inventor of a new and useful improvement certainly has no exclusive right to it until he obtains a patent. The right is created by the patent, and no suit can be maintained by the inventor against any one for using it before the patent is issued."

The inchoate right existing in an inventor, after making an application for a patent and while the same is undergoing an examination in the patent office, does not entitle him to injunctive relief against an infringer of such right. *Rein v. Clayton*, 37 Fed. 354; *Lyon v. Donaldson*, 34 Fed. 789.

From the foregoing it must follow that any acts done by defendants, either in the way of accomplished use of complainant's invention, or of threats to make use of the same prior to April 15, 1890, the date of complainant's oldest patent, cannot, in and of themselves, be any such evidence of infringement as to entitle complainant to a decree in this case. If, however, such use or threats to make use of such invention are of such character as to fairly justify

the inference that defendants intended to continue the use thereof after patents should be issued to complainant, then complainant is entitled to a decree enjoining the defendants from carrying out their threats. An examination of the proof on this subject is, therefore, necessary.

The application for patent 425,653 was filed June 25, 1888, for patent 428,068 was filed March 15, 1888, and for patent 430,418 was filed October 2, 1888. The patentee made a brass model, consisting of trucks and wheels, embodying the invention of these patents, and exhibited it at a convention of the American Railway Association at Washington, D. C., in October, 1888. Defendant Kling, who is also the president of the defendant corporation, was present at the convention, and had an opportunity of seeing this model there. In April, 1889, the Sprague Electric Company purchased of complainant a full-sized truck embodying the inventions of these patents, and shipped it to the defendant corporation, which received it on April 29, 1889. The defendant, soon after this, constructed nine closed cars, with trucks like those received from the Sprague Electric Company, embodying the complainant's device, for the Wyatt Park Railway Company, at St. Joseph, Mo., and shipped them to the last-named company in the following month of August. The proof further shows that while complainant, Brill, was on the stand, on June 26, 1891, the following questions were put to him, and the following answers made by him, namely:

"Question. Please look at the brass model which I show you, and state what it is, and how it is connected with the defendants in this case. (Said brass model is offered in evidence, marked 'Complainant's Exhibit, Truck Model No. 4.')

Answer. The brass model is the model of our 'Truck No. 4,' as we call it in our business, and it is practically an exact copy of a truck that the St. Louis Car Company have been furnishing to different parties, and the same I have seen in St. Louis and other places.

Question. State when you saw trucks manufactured by defendants in St. Louis, and where and what you saw.

Answer. I first saw them in December of 1889, on cars operated by the Lindell Railway Company of St. Louis.

Question. Did you examine these cars carefully at the time?

Answer. I did. In fact, the trucks on them are so much like our trucks that, when I first saw them, I thought it was one of our make, and it was only upon the closest examination that I discovered that it was made by the St. Louis Car Company. It is exactly like our truck, with the exception of one small detail.

Question. Had you previously shipped any car trucks similar to the one you speak of to the defendants and when?

Answer. Several, during 1889, were sent to the defendants' shop, to be placed on car bodies that they were building."

The proof further shows that, while defendant Kling was on the stand, on November 17, 1891, the following questions were put to him, and the following answers made by him thereto, namely:

"Question. Did your company build the motor cars for the Lindell Road in this city?

Answer. Yes; they did.

Question. And I understand that your company is sued by Brill in this case for building those cars?

Answer. Yes.

Question. Please state whether or not, in the cars made for the Lindell Railroad Company, for which you are sued in this cause, there is a bar corresponding to the bar, c, of complainant's patent, No. 430,418.

Answer. No, sir; it is not used.

* * *

Question. Does it (referring to a drawing exhibited to the witness), or not, represent the truck made for the Lindell Railroad by your company, and for which you are sued by Mr. Brill?

Answer. It does."

In addition to the foregoing testimony of the witnesses relied upon by complainant's counsel as proving infringement by defendants, attention is called to the language of defendants' counsel in offering Kling as a witness, as follows:

"Counsel for defendant states that at this time he desires to call Mr. Kling to testify to the exact construction of the truck frames built for which the complainant brings action, before Mr. Smith proceeds any further with his testimony."

On this issue of information, complainant's counsel calls attention, also, to a letter written to defendant corporation, of date January 6, 1890, which is as follows:

"Philadelphia, Jany. 6, 1890.

"The St. Louis Car Company, P. M. Kling, Esq., Manager, St. Louis, Mo.—Dear Sir: Your favor of the 3rd to hand, and contents noted carefully. Our recourse in the case of an infringement is against the railroad company operating the patented device, and they are the people against whom we open suit, and usually their suit is defended by the party furnishing said patented device. From a legal point it is our place to warn the parties against whom we propose to enter suit. As we said in ours of the 12—26—'89, we practically control the patented independent rigid trucks for electric motor cars, and it is a question of but a short time when we will assert our rights, in which case it is necessary for us to proceed against manufacturer and user.

"Yours, truly,

James Rawley, Secy."

The letter of January 3, 1890, to which the foregoing seems to be an answer, is as follows:

"St. Louis, Mo., Jany. 3rd, 1890.

"J. G. Brill Co., Philadelphia, Pa.—Gents: We are in receipt of your favor to the Colfax Ave. Elec. Ry. Co., of Denver, Col., dated 12—26—'89, notifying them as to liability for infringements of your right, on pat. truck. We have contract to furnish C. A. E. Ry. Co. with our pat. truck; therefore, if you are really under the impression that your patent is being infringed upon, the proper caper will be to write us in regard to same, and not try to work a scare game on our patrons. As to your Mr. Brill coming to St. Louis, we shall be pleased to see him. Hope this will not be practiced in the future. We remain,

"Yours, respt.,

St. Louis Car Co., P. M. Kling, Mgr."

Complainant's counsel also calls attention to a letter, written by complainant to defendant corporation, of date July 18, 1890, as follows:

"Philadelphia, July 18th, 1890.

"St. Louis Car Company, S. H. Kling, Esq., Superintendent, St. Louis, Mo.—Dear Sir: For some time past you have been making rigid independent trucks for electric motor purposes, of which we have seen a number, namely, those you have made for the Lindell Ry. Co. of St. Louis, and Lafayette, Denver, and other places, all of which are direct infringements of the following patents: Nov. 22, 1887, No. 373,639, G. Martin Brill and John A. Brill; Dec. 31st, 1889, 418,438, G. Martin Brill; June 17th, 1890, 430,418, John A. Brill and G. Martin Brill; Apr. 15th, 1890, 425,653, John A. Brill and G. Martin Brill; May 20th, 1890, 428,068, John A. Brill; July 15th, 1890, 432,115, John A. Brill. The trucks you have made also infringe other applications for patents which we have before the patent office for the hanging of the motor and brake. We notify you to quit the use of these devices at once; otherwise, we shall be compelled to resort to law.

"Yours, truly,

John A. Brill."

From this evidence,—and I have endeavored to state it all, and that, too, most strongly in favor of the complainant,—it is claimed that the court ought to find, as a fact, that the defendant corporation either actually constructed and sold cars embodying complainant's invention, after complainant's patents were issued in July, 1890, or, at least, that it threatened so to do.

Complainant's counsel argue that the court should find evidence of infringement, after the issue of his patents, from the evidence of witness Brill, when he says, as already set out, that "the model shown him is practically an exact copy of a truck that the St. Louis Car Company have been furnishing to different parties," and when he says he "first saw cars manufactured by defendant corporation after his device in December, 1889," claiming that the words "have been furnishing" may relate to a time subsequent to the dates of the patent, and that the words "he first saw" cars, etc., indicate that he had seen them afterwards. This kind of evidence is too vague and uncertain to establish the fact claimed for it, and the argument is not convincing. In the light of all the evidence, these expressions of the witness clearly relate to what he had before that time sworn to, namely, the manufacture of cars by defendant corporation, in the summer and fall of 1889, for the Lindell Railway Company, and, possibly, the St. Joseph & Denver Railway Company. It may be also remarked that the inference counsel draws in argument from the language of defendants' counsel, when offering Kling as a witness, is rather forced, and exhibits more distress than confident reliance on its intrinsic value.

Complainant's counsel argue that the proof of construction by defendant of cars for the Lindell Railway Company and other companies, before the date of any of its patents, creates a presumption that the defendant would continue to so construct them after the patents were issued to complainant. I do not think such presumption obtains. Defendant had a perfect right, so far as the law is concerned, to manufacture any kind of cars, even those embodying the principle of plaintiff's patents, up to the time complainant's monopoly came into existence by the grants of patents to him. The presumption is that defendants conformed to the law rather than violated it,—that they respected complainant's rights rather than infringed them.

Again, it is claimed, by way of argument, that defendants, in order to manufacture the cars for the Lindell Railway Company and other parties in the fall of 1889, must, of necessity, have expended much money in making patterns and otherwise outfitting themselves for the work, and that the court ought to presume that defendants would not have entered upon so expensive an enterprise without intending to continue it after the grant of patents to complainant. Even if the court should take judicial knowledge of the assumed facts involved in the foregoing argument, and should indulge the presumption that defendants intended to continue the business after the grant of the monopoly to complainant,—which, in my opinion, cannot be done,—it would, for the reasons already suggested, natu-