

of the defendant below is with reference to the doctrine of implied license.

The third ground of exception was that the court should have instructed the jury, as requested by the defendant below, that, on the evidence produced, the jury should not render a verdict for more than nominal damages. With reference to the general subject-matter presented to us by the request for instructions as to an implied license, it first came before the supreme court in *McClurg v. Kingsland*, 1 How. 202. The subsequent cases in that court touching the same subject are *Hapgood v. Hewitt*, 119 U. S. 226, 7 Sup. Ct. 193; *Wade v. Metcalf*, 129 U. S. 202, 9 Sup. Ct. 271; *Solomons v. U. S.*, 137 U. S. 342, 11 Sup. Ct. 88; *Dalzell v. Manufacturing Co.*, 149 U. S. 315, 13 Sup. Ct. 886; *Lane & Bodley Co. v. Locke*, 150 U. S. 193, 14 Sup. Ct. 78; *Keyes v. Mining Co.*, 158 U. S. 150, 15 Sup. Ct. 772; and *Gill v. U. S.*, 160 U. S. 426, 16 Sup. Ct. 322.

*Wade v. Metcalf*, which related to specific machines, held that that case turned on section 4899 of the Revised Statutes. This reads as follows:

"Sec. 4899. Every person who purchases of the inventor or discoverer, or, with his knowledge and consent, constructs any newly invented or discovered machine, or other patentable article, prior to the application by the inventor or discoverer for a patent, or who sells or uses one so constructed, shall have the right to use, and vend to others to be used, the specific thing so made or purchased, without liability therefor."

*Solomons v. U. S.*, in discussing the general subject-matter, describes two subdivisions, which are important to be kept carefully in view. There may be other subdivisions, which we need not notice. The opinion of Mr. Justice Brewer says, at page 346, 137 U. S., and page 89, 11 Sup. Ct.:

"If one is employed to devise or perfect an instrument, or a means for accomplishing a prescribed result, he cannot, after successfully accomplishing the work for which he was employed, plead title thereto as against his employer. That which he has been employed and paid to accomplish becomes, when accomplished, the property of his employer."

It will be seen that this has no relation to the doctrine of implied license, and it was so understood by the learned justice who drew the opinion, because he proceeds afterwards on the same page to state under what circumstances a jury or a court trying the facts is warranted in finding that an implied license is given. In *Gill v. U. S.*, the whole subject-matter was reviewed by Mr. Justice Brown, but we discover there no intention to disregard the opinion in *Solomons v. U. S.* Indeed, the distinction which it makes is clearly recognized at page 435, 160 U. S., and page 326, 16 Sup. Ct. There is much ground for claiming that Doten, through his relations to the city, came within the citation made from *Solomons v. U. S.*; but, at the trial below and in this court the city specifically rested its case on the doctrine of implied license. An examination of the cases which we have cited will make it clear that the existence of such a license has always been treated as a mixed question of law and fact. Therefore the determination of this issue in one suit cannot make a decisive precedent for another, because the results of such questions may be caused to differ by slight circumstances.

There is nothing to show that Doten or his assignee ever knowingly or intentionally consented that the alleged improvements should be used except at the North Ferry; and, if there were any implied license covering anything further, it was one raised from the circumstances, and not from the proved intention of the parties. A practical application of the law in this particular is undoubtedly that given by Judge Lowell in *Wade v. Metcalf*, 16 Fed. 130 (decided in 1883), being the same case as that in the supreme court, bearing the same name, to which we have referred, and in which, on appeal, the decree of the court below was affirmed. To be sure, the supreme court did not touch the precise question which we have at bar, but, looking at the desirability of having some practical rules to aid in the determination how far such a license reaches, and at the length of time the rule stated by Judge Lowell has been followed without any dissent, we feel compelled to apply it to the present case. *Rob. Pat. § 832; Manufacturing Co. v. Kinney*, 15 C. C. A. 531, 68 Fed. 500, 507. According to that rule, an implied license, if it relates to an improvement in the process, ordinarily authorizes the employer to continue to practice the process during the whole period of the patent. This follows because the subject-matter is indivisible; but, if the invention pertains to a machine, it is understood, ordinarily, that only the specific machine or machines which have been set up during the time of the employment are protected. Such is the ordinary rule, and it is plainly based on a sound discretion. It is, of course, more a rule for the application of facts than a rule of law, and therefore it is not rigid. When the patented matter is a product, particularly if it is a minor product, or even if it is a minor machine, so that in either case it is used in quantities, like the stop-valve in *Lane & Bodley Co. v. Locke*, 150 U. S. 193, 14 Sup. Ct. 78, already cited, its unlimited use during the time of employment may raise an implication of fact in favor of a license for a time likewise unlimited, as in the case of a process; but in the suit at bar the device used at the North Ferry must be regarded as a machine within the meaning of the rule stated by Judge Lowell. We are unable to perceive that the permitted use of one or more devices in issue at one locality in 1882 or 1883 raised any presumption, either of law or fact, in favor of a permission to use others at another locality some years later, or that there is anything in the record which called upon the court below to give the ruling requested by the defendant below relating to this subject-matter.

This leaves only the question of damages. The plaintiff in error claims that on the proofs in the record, the substance of which we have already fully given, only nominal damages could, at the most, be recovered. The condition of facts in the case at bar is, for all substantial purposes, the same as in *Suffolk Co. v. Hayden*, 3 Wall. 315, and in *Coupe v. Royer*, 155 U. S. 565, 583, 15 Sup. Ct. 199. It is impossible to discover any substantial distinction between the three cases so far as concerns the facts bearing on this issue. The plaintiff in error raises a question as to the admissibility of evidence, put in by the plaintiff below, showing the number of passengers using the ferries in issue here from February 1, 1896, to February 1, 1897.

As the writ of the plaintiff below was issued September 2, 1896, this period might, perhaps, have been objected to as irrelevant, on the ground that a portion of it was subsequent to that date; but a narrow objection of this kind must necessarily be stated precisely, and nothing of that nature appears in the record. As for the general relevancy of proof of this kind, it is to be noted that the evidence was offered early in the trial, and there was no request on the part of the defendant below that it should thereafter be stricken out if shown to be irrelevant. At the time it was offered, it was presumptively material, because, ordinarily, in determining the amount of damages to be awarded for an infringement of a patent, the extent of use is a very vital element; and this evidence bore strictly on that topic.

Coming now to the general topic of the rule of damages proper on the proofs shown in the record, the court below followed with the utmost strictness and care the rules practically applied by the supreme court in *Suffolk Co. v. Hayden*, 3 Wall. 315. But in this respect this case must be held to be qualified, if not overruled, by *Coupe v. Royer*, 155 U. S. 565, 15 Sup. Ct. 199, at pages 582, 583, 155 U. S., and pages 206, 207, 15 Sup. Ct. On page 582, 155 U. S., and page 206, 15 Sup. Ct., the opinion in the later case says:

"The topic is one upon which there has been some confusion, and perhaps some variance, in the cases. But recent discussion has cleared the subject up, and the true rules have become well settled."

This is a direct caution from the court to regard as obsolete any prior decisions which do not harmonize with the rules as laid down in that case. There the rulings of the court below included what was carefully avoided by the court in the case at bar,—that the jury should find as an element of damages what the defendants below might be shown to have gained from the use of the patented invention. But in *Coupe v. Royer* the court did not stop with condemning this rule, but added the following, at page 583, 155 U. S., and page 207, 15 Sup. Ct.:

"Upon this state of facts, the evidence disclosing the existence of no license fee, no impairment of the plaintiffs' market, in short, no damages of any kind, we think the court should have instructed the jury, if they found for the plaintiffs at all, to find nominal damages only."

The words in this quotation "no damages of any kind" will be found, on an examination of the facts of the case, to be either a mere statement of a conclusion of law, or, perhaps, more strictly an indication of a purpose on the part of the court to limit clearly its expressions to circumstances like those under consideration. One or the other of these deductions must be accepted, because the facts shown in the statement of the case are entirely covered by what was said by the court independently of the words "no damages of any kind"; and, as already said, they cannot be distinguished from the suit at bar. In the instructions of the court below in the case before us the jury were directed to consider the question of the value of the invention to the plaintiff as a piece of property. We have no occasion to question this; but neither in *Coupe v. Royer* nor in the case at bar were there any substantial elements from which the jury could de-

termine such an issue, and all estimates relating thereto were purely conjectural, except so far as they might have been governed by the fact that neither the patentee nor his assignee had ever, in the course of the many years which the patent had run, derived any pecuniary advantage from it. Of course, in both cases the jury were in a position to pass on the intrinsic value of the alleged improvements. It is true that the words cited by us from *Coupe v. Royer* went beyond what was necessary to determine the correctness of the rulings of the court below; but, inasmuch as the judgment was reversed, we are compelled to receive what was thus said as intended to give the court below proper directions for its rulings on the question of damages in the event of a new trial. In fact, the court so expressly stated at page 581, 155 U. S., and page 205, 15 Sup. Ct., in the following language:

"But as, from the nature of a trial by jury, the court will be unable to anticipate the conclusion which the jury may reach on that question, explanations will have to be given to the jury as to the measure of damages applicable in such cases."

Therefore we cannot pass over as a mere dictum what was thus said, but we are compelled to accept it as settling the law on these points, as applied to the facts in *Coupe v. Royer*, and the like facts in the case at bar, until, at least, we get some other instructions from the supreme court. It is entirely apparent, therefore, that, on the proofs in this case, the law limited the plaintiff below to nominal damages. The exceptions taken were not to anything in the charge which is reported to us, but to the refusal of the court to grant certain requests for instructions, of which there were two, in the following language:

"The plaintiff having offered no evidence of any particular value that his invention was to the defendant, if you find for the plaintiff, you can find for nominal damages only."

"Your verdict in this case can be only for the damages which he [the plaintiff] has sustained by the alleged use of his patent by the defendant during the six years prior to the date of his writ. There being no evidence that the patent was of any value to him during this time, or that the use of it by the defendant during the six years was any injury to him, or that he paid anything for the patent, you can find only nominal damages, if any, in this case."

The first of these requests may, perhaps, be justly criticised; but the latter plainly raised the issue in such way that there can be no question that the court and the parties understood exactly what it was. Under these circumstances, the court should have expressly directed the jury that it should not return a verdict for more than nominal damages, although there is much in the charge which would have justified such a finding.

The rule of damages which we have applied to this case in accordance with *Coupe v. Royer* was foreshadowed by Mr. Justice Field in *Black v. Thorne*, 111 U. S. 122, 124, 4 Sup. Ct. 326; and in *City of Seattle v. McNamara*, 26 C. C. A. 652, 81 Fed. 863, under circumstances which were singularly like those of the case at bar, the circuit court of appeals for the Ninth circuit reversed all the earlier decisions in that circuit on the strength of *Coupe v. Royer*, and came to the

same practical result which we have reached. The judgment of the circuit court is reversed, and the case is remanded to that court, with directions to set aside the verdict and to proceed thereafter according to law, unless the plaintiff below shall, within such time as that court may direct, remit all damages in excess of one dollar; and the costs in this court are awarded to the plaintiff in error.

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SANDWICH ENTERPRISE CO. et al. v. JOLIET MFG. CO.

(Circuit Court of Appeals, Seventh Circuit. January 3, 1899.)

No. 510.

PATENTS—CLAIMS CONSTRUED—IMPROVEMENTS IN CORN SHELLERS.

The Gillet patent, No. 247,388, for improvements in corn shellers, which describes a device for separating the shelled corn from the cobs and husks, consisting of a combination in an elevator of movable combs with loose rods hinged at their lower ends, is novel and discloses patentable invention only in having the rods hinged or movable at their lower ends, and is not infringed by a machine in which the rods are rigidly attached at their lower ends to a cross-bar.

Appeal from the Circuit Court of the United States for the Northern District of Illinois, Northern Division.

This was a suit in equity, brought by the Joliet Manufacturing Company against the Sandwich Enterprise Company, J. L. Rodgers, E. Doan, H. N. Woodard, S. F. Sedgwick, A. D. Wallace, and William Radley for the infringement of a patent. From a decree for complainant, defendants appeal.

John R. Bennett, for appellants

J. W. Munday, for appellee.

Before WOODS and JENKINS, Circuit Judges, and BUNN, District Judge.

BUNN, District Judge. This is a suit brought for the infringement of letters patent No. 247,388, granted to Louis Gillet, September 20, 1881, for improvements in corn shellers. There was a decree in favor of the complainants in the court below sustaining the validity of the patent, finding infringement by defendant, and granting an injunction. The appeal is from this decree, the alleged grounds of error being that the court erred in finding in favor of the validity of the patent and in finding infringement by the defendant. There are four claims in the patent, only three of which are in suit. These claims are as follows:

"(1) In a corn sheller, the combination of a screen of loose rods with movable comb-shaped cob carriers, which support said rods between their teeth, substantially as specified. (2) The combination of the combs, endless chains, sprocket wheels, and screen composed of loose rods, substantially as specified. (3) The combination of the movable combs with the loose rods hinged at their lower ends, whereby the rods are given a slight quiver or motion, for the purpose of better separating the corn from the cobs and husks, substantially as specified."

This device for separating the corn from the cobs and husks is more particularly described in the patent as follows: