

Legal Notes.

THE DIFFERENCE BETWEEN A COMBINATION AND AN AGGREGATION.—The case of *Fowler vs. the City of New York*, which recently came up before the Circuit Court of Appeals (121 Fed. Rep. 747) well illustrates the difference between a patentable combination and an unpatentable aggregation of parts. The patent in issue was that granted to Benjamin F. Carpenter, 1896, for a bi-transit railway system. The patent describes a new plan for handling a large number of passengers who patronize all public vehicles provided for rapid transit in large cities. It was argued that this invention was patentable as a "machine" under the language of Sec. 4886 of the Revised Statutes, which provides that "any person who has invented or discovered any new and useful art, machine, manufacture or composition of matter, or any new and useful improvement thereof, . . . may obtain a patent therefor." To this argument the court replied that "if a scheme for handling the traveling public in congested districts can, for patent purposes, be regarded as a machine, it is by no means easy to understand why a new plan for reorganizing the police force, or mobilizing an army, or manipulating the guests at crowded public functions, may not also be aptly described as a machine and patented as such." Even if the patent were granted for a machine, still the court thought that its justification must be found, if at all, in the mechanical means and appliances used to carry out the proposed plan. These were all admittedly old. The feature of the patented system principally relied on to support invention was the arrangement of the tracks, two for express trains and two for local trains, in connection with "island" platforms between the local and express tracks, upon which tracks the trains run in the same direction. By this arrangement a passenger can board a local train, ride upon it until he reaches a station where express trains stop, disembark from the local train, cross the platform, board the express, and ride upon it until he reaches the express station near his destination, where he may, if he likes, again cross the platform and take a local train which will deposit him still nearer the point he desires to reach. The island platforms are provided with partitions and gates which prevent crowding. Of this plan the patentee says: "A conjunctive and co-operative service is thus maintained, and such an arrangement and operation I term 'the bi-transit system.'" While he conceded that island platforms were old, he points out the distinction that they were used on roads having two tracks only, and is of the opinion that their use in conjunction with a four-track road is "an entirely novel feature." Another feature of the system which is apparently regarded as novel in the patent is the introduction of loops and switches, by means of which trains may be shunted over from one track to another.

The court found it impossible to discover any ground for sustaining the patent. Given a four-track road devoted largely to the transportation of passengers, the court thought that any competent railroad engineer would know where to locate the stations, loops, and switches, and he would assuredly arrange for the ingress and egress of passengers, so that they would not be compelled to cross the tracks at grade. To plan these details would undoubtedly require ability of high order, but not inventive genius. The court took judicial notice of the fact that for a century at least it has been customary for passengers living in small towns to take local trains to large cities, remain at the station, and upon the arrival of the express, cross a platform and board the train. Even if before 1895 the trains on either side of island platforms ran in opposite directions, it surely did not involve an exercise of the inventive faculty, in the court's opinion, to run these trains in the same direction. This had never been done before that date because there was no necessity for it. Considering each of the claims separately, the court found that all exhibited a fatal lack of patentable novelty.

THE RIGHT TO USE THE NAME OF A PERSON AS A TRADE MARK.—In 1881 the South Bend Pulp Company was organized to engage in business at South Bend, Ind., in the manufacture and sale of plows. The largest stockholder of the corporation was its president and general manager, T. M. Bissell, who had been for some years engaged in the manufacture of plows, covered by certain patents. These patents he transferred to the company. The plow business of the corporation was separate, and was always conducted under the name of "The Bissell Chilled Plow Works," and all its plows were marked with the name "Bissell," and became known to the trade by that name. In 1891 the making of plows became the corporation's principal business. With the consent of Bissell, the firm name was changed through statutory proceedings to the "Bissell Chilled Plow Works," under which

name the business was continued. About the time of the change Bissell sold a part of his stock, retired from the management, and organized a corporation under the name of the T. M. Bissell Plow Company, which engaged in the manufacture and sale of plows in South Bend, making substantially the same plows as the old corporation and marking them with the name Bissell. After a year or so, Bissell died, and the business of the T. M. Bissell Plow Company was discontinued. Subsequently certain persons residing at Eaton Rapids, Mich., purchased a part of the stock, patterns, etc., of the defunct corporation, taking an assignment of the right to use its corporate name, and organized a corporation called the T. M. Bissell Plow Company, to engage in making plows at Eaton Rapids, Mich. Circulars were issued stating the removal of the company from South Bend, and containing pictures of Bissell, and referring to him as "the inventor of chilled plows, once made in South Bend, Ind., and now only made by the T. M. Bissell Plow Company, Eaton Rapids, Mich." Its plows were also marked "T. M. Bissell," and were similar in design and appearance to those of the old corporation. The original Bissell patent for chilling was owned and the proceeds used by the old corporation, which also held shop rights for the use of the later patents, some of which were afterward owned and used by the Eaton Rapids firm. No one of the name of Bissell or connected with the prior Indiana corporation of the same name had any connection with the Eaton Rapids corporation.

The old corporation sued the new corporation in equity on the score of unfair competition, and sought to restrain the use of the corporate name of Bissell (*Bissell Chilled Plow Works vs. T. M. Bissell Plow Company*, 121 Fed. Rep. 357). The Circuit Court for the Western District of Michigan held that the second Indiana corporation had no right to use the name of Bissell as it did, either in its corporate name or as a mark of its product as against the complainant, which had acquired the prior right, and that the defendant corporation obtained no right by the assignment; that the action of the defendant in the use made of the name in both respects constituted unfair competition. It was likewise held that the fact that two corporations are located in different communities does not affect the right of one to an injunction restraining the other from unfair competition by adopting a similar corporate name, where they are engaged in the same business and their products are both sold in the same open markets.

AN IMPORTANT TRADE-MARK DECISION.—The case of *ex parte Faxon*, recently decided by the Commissioner of Patents, is important in so far as it limits the registration of trade marks to a single class of goods. The applicant stated that his mark was to be used upon "grocers' supplies," and as a particular description of the goods to which he intended to apply his mark he mentioned "butter, eggs, dried beef in packages, coffee, oatmeal wafers, cracker-meal, butters, saltines, gems, banquets, grahams, sodas, ginger-snaps, teas, and ale." The practice of the Patent Office upon the question involved has been far from uniform. A former Commissioner held in the case of *ex parte Silvers* (67 O. G. 811) that "registration can be limited by nothing narrower than the actual and lawful use of the mark in the place where the business is located." Assistant Commissioner Greely in the case of *ex parte Clark-Jewell-Wells Company* (83 O. G. 915) stated, when it was urged that division should be made on account of the necessity of office classification, that "one trade mark may be covered by a single registration, but, however desirable it may be, the office is not warranted in requiring that the trade mark be registered for but one class of goods. To require that a trade mark be registered for each class of goods with which it is used—in the present case to require that the trade mark be registered separately for five different classes of goods at an expense of five fees—would be a most onerous requirement."

Registration was permitted to cover all of the enumerated classes of goods.

In 92 O. G. 2508, Acting Commissioner Chamberlain took the other stand, holding that it was not advisable in the case of so-called "department stores" goods, to permit a single certificate to cover many goods. He admitted that it was difficult to lay down any hard-and-fast rule, but he thought it advisable that each certificate should contain a reference to a single class "on general commercial lines."

In the case now decided by Commissioner Allen, it is definitely held that hereafter a single certificate shall cover only a single class of goods. It was thought that Congress could hardly have intended that the scope of registration required under the provisions of section 1 of the Act of March 3, 1881, should be different from the right which, to be invaded by an infringer under section 7 of the same Act, would require this infringer to have applied the mark "to merchandise of substantially the same descriptive purpose as those described in the registration." The Commissioner believed that the class of merchandise referred

to in section 1 of the statute was intended as a description of the field in which would be found the particular description of goods to which the particular trade mark has been appropriated. "The language used in section 7 bases identity of application on the only fixed and permanent characteristic available as a test of identity—that is, upon intrinsic properties—and to leave this firm foundation of principle and to base identity of application of the symbol upon the accidental relations of commerce is to substitute an indefinite or temporary external relation for permanent characteristics."

ANOTHER GLOBE-WERNICKE DECISION.—Some time ago we published a digest in these columns of the opinion handed down in the case of the *Globe-Wernicke Company* against the *F. Macey Company*, in which it was held that the *Globe-Wernicke* patent was not infringed and that certain claims were void because they covered no new invention. The *Globe-Wernicke Company* has been again in court, this time in an action against *Brown & Besly*. The complainant had for many years made and sold box files under the names of "Leader" and "Eureka" files. The names were printed on the back of each file, and also on an emblem on the first of the index sheets inside. Complainant's name did not appear on the files, but they became thoroughly well known to the trade by the names, make-up, and markings as the product of its factory. The files were widely sold. Subsequently defendant placed on the market files which copied those of complainant in names, emblems, colors, size, and style of type and general make-up so exactly that it would mislead the ordinary consumer, and had nothing thereon to indicate the maker. It was held that such action constituted unfair competition and entitled the complainant to an injunction restraining defendant from the use of such names and emblems, whether or not they constituted trade-marks.

The defendant also made letter files on the order of a customer who sold the same as his own, copied from a sample furnished by the customer, which had been made for him by complainant, and upon which was a patent imprint placed there by complainant because of a patented device of its own used in the files. Defendant omitted the patented device, but through a mistake of employes, and without the knowledge of its officers, the imprint was reproduced on a single order. On appeal (121 Fed. Rep. 90) it was held that such facts would not sustain a suit in equity for an injunction, there being no evidence of an intention to continue the infringement, the damages for past injury, if any, being recoverable at law.

THE ORAL ASSIGNMENT OF PATENT RIGHTS.—The case of *Schmitt vs. the Nelson Valve Company* (121 Fed. Rep. 93) brought out an interesting state of facts. The complainant while in the employ of the defendant, who was engaged in the business of making valves, invented an improved valve, on which he applied for a patent after a number had been made and sold by defendant. A question having arisen between the parties as to compensating complainant for the invention, a settlement was made, and complainant was given a paper, signed on behalf of defendant, by which it agreed that his salary for the ensuing ten years should be as therein stated, the provision being for an increase from time to time, and complainant orally agreed to assign the patent. He subsequently claimed, contrary to the fact, as found by the court, that it was a further condition of the agreement that defendant would covenant for his employment during such ten years, and refused to assign the patent otherwise and left defendant's service. It was held that by virtue of the contract, defendant became the owner of the patent, and complainant, having refused to perform on his part, could not maintain a suit for its infringement, which he could not have done had he performed.

CONTRACT FOR DIVISION OF DAMAGES FOR INFRINGEMENT.—The trustee for an insolvent corporation had instituted a suit for infringement for a patent. He made an agreement with another person whereby the latter, who had a related suit, agreed to prosecute both at his own expense and to divide the recovery with the trustee. The suit of the trustee was difficult and doubtful, and no substantial recovery probable. Through the energy of the person with whom the trustee contracted, and after nearly twenty years of expensive litigation, a substantial sum was recovered. Upon this agreement the trustee was sued for failure to carry out the contract. Such are the facts in the cases of *Worster vs. Trowbridge* and *Lewis vs. Trowbridge*, recently decided in the Circuit Court of Appeals for the Second Circuit (121 Fed. Rep. 667). The Court decided that the contract of the trustee under the circumstance was perfectly legitimate, and that a court of equity would not refuse to enforce it by giving the complainant his share of recovery, which but for his services would not have been received by the estate.