

Laidlaw Vs. Organ

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Court : US Supreme Court

Decided On : 1817

Appeal No. : 15 U.S. 178

Appellant : Laidlaw

Respondent : Organ

Judgement :

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Laidlaw v. Organ

15 U.S. (2 Wheat.) 178

ERROR TO THE DISTRICT COURT

FOR THE LOUISIANA DISTRICT

SYLLABUS

The vendee of merchandise is not bound to communicate to the vendor intelligence of extrinsic circumstances exclusively within the knowledge of the vendee which may affect the price of the same.

It would be difficult circumscribe the contrary doctrine within proper limits when the means of intelligence are equally accessible to both. But at the same time, each party must take care not to say anything tending to impose upon the other.

The defendant in error filed his petition or libel in the court below, stating that on 18 February, 1815, he purchased of the plaintiffs in error one hundred and eleven hogsheads of tobacco, as appeared by the copy of a bill of parcels annexed, and that the same were delivered to him by the said Laidlaw & Co., and that he was in the lawful and quiet possession of the said tobacco, when, on the 20th day of the said month, the said Laidlaw & Co., by force and of their own wrong, took possession of the same and unlawfully withheld the same from the petitioner notwithstanding he was at all times, and still was, ready to do and perform all things on his part stipulated to be done and performed in relation to said purchase, and had actually tendered to the said Laidlaw & Co. bills of exchange for the amount of the purchase money, agreeably to the said contract, to his damage, &c.; Wherefore the petition prayed that the said Laidlaw & Co. might be cited to appear and answer to his plaint and that judgment might be rendered against them for his damages, &c.; And inasmuch as the petitioner did verily believe that the said one hundred and eleven hogsheads of tobacco would be removed, concealed, or disposed of by the

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said Laidlaw & Co., he prayed that a writ of sequestration might issue and that the same might be sequestered in the hands of the marshal to abide the judgment of the court, and that the said one hundred and eleven hogsheads of tobacco might be finally adjudged to the petitioner, together with his damages, &c., and costs of suit, and that the petitioner might have such other and further relief as to the court should seem meet, &c.;

The bill of parcels referred to in the petition was in the following words and figures, to-wit:

"Mr. Organ bought of Peter Laidlaw & Co. 111 hhds. Tobacco, weighing 120,715 pounds n't. -- fr. \$7,544.69."

"New Orleans, 18 February, 1815"

On 21 February, 1815, a citation to the said Laidlaw & Co. was issued, and a writ of sequestration, by order of the court, to the marshal, commanding him to sequester 111 hogsheads of tobacco in their possession, and the same so sequestered to take into his (the marshal's) possession, and safely keep, until the further order of the court; which was duly executed by the marshal. And on 2 March, 1815, counsel having been heard in the case, it was ordered that the petitioner enter into a bond or stipulation, with sufficient sureties in the sum of \$1,000, to the said Laidlaw & Co., to indemnify them for the damages which they might sustain in consequence of prosecuting the writ of sequestration granted in the case.

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On 22 March, 1815, the plaintiffs in error filed their answer stating that they had no property in the said tobacco claimed by the said petitioner or ownership whatever in the same, nor had they at any time previous to the bringing of said suit, but disclaimed all right, title, interest, and claim to the said tobacco, the subject of the suit. And on the same day, Messrs. Boorman & Johnston filed their bill of interpleader or intervention stating that the petitioner having brought his suit and filed his petition, claiming of the said Laidlaw & Co. 111 hogsheads of tobacco, for which he had obtained a writ of sequestration when, in truth, the said tobacco belonged to the said Boorman & Johnston,

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and was not the property of the said Laidlaw & Co., and praying that they, the said Boorman & Johnston, might be admitted to defend their right, title, and claim, to the said tobacco against the claim and pretensions of the petitioner, the justice of whose claim, under the sale as stated in his petition, was wholly denied, and that

the said tobacco might be restored to them, &c.;

On 20 April, 1815, the cause was tried by a jury, who returned the following verdict, to-wit: "The jury finds for the plaintiff for the tobacco named in the petition, without damages, payable as per contract." Whereupon the court rendered judgment

"That the plaintiff recover of the said defendants the said 111 hogsheads of tobacco, mentioned in the plaintiff's petition, and sequestered in this suit, with his costs of suit to be taxed, and ordered that the marshal deliver the said tobacco to the said plaintiff and that he have execution for his costs aforesaid upon the said plaintiff's depositing in this court his bills of exchange for the amount of the purchase money endorsed, &c., for the use of the defendants, agreeably to the verdict of the jury."

On 29 April, 1815, the plaintiffs in error filed the following bill of exceptions, to-wit:

"Be it remembered that on 20 April in the year of our Lord, 1815, the above cause came on for trial before a jury duly sworn and empanelled, the said Peter Laidlaw & Co. having filed a disclaimer, and Boorman and Johnston of the City of New York, having filed their claim. And now the said Hector

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M. Organ having closed his testimony, the said claimants, by their counsel, offered Francis Girault, one of the above firm of Peter Laidlaw & Co., as their witness; whereupon the counsel for the plaintiff objected to his being sworn, on the ground of his incompetency. The claimants proved that Peter Laidlaw & Co., before named, were, at the date of the transaction which gave rise to the above suit, commission merchants, and were then known in the City of New Orleans as such, and that it is invariably the course of trade in said city for commission merchants to make purchases and sales in their own names for the use of their employers, upon which the claimants again urged the propriety of suffering the said Francis Girault to be sworn, it appearing in evidence that the contract was made by Organ, the plaintiff, with said Girault, one of the said firm of Peter Laidlaw & Co. in their own

name, and there being evidence that factors and commission merchants do business on their own account as well as for others, and there being no evidence that the plaintiff, at the time of the contract, had any knowledge of the existence of any other interest in the said tobacco, except that of the defendants, Peter Laidlaw & Co. The court sustained the objection, and rejected the said witness. To which decision of the court the counsel for the claimants aforesaid begged leave to except, and prayed that this bill of exceptions might be signed and allowed. And it appearing in evidence in the said cause that on the night of 18 February, 1815, Messrs. Livingston, White, and Shepherd brought from the

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British fleet the news that a treaty of peace had been signed at Ghent by the American and British commissioners, contained in a letter from Lord Bathurst to the Lord Mayor of London, published in the British newspapers, and that Mr. White caused the same to be made public in a handbill on Sunday morning, 8 o'clock, 18 February, 1815, and that the brother of Mr. Shepherd, one of these gentlemen, and who was interested in one-third of the profits of the purchase set forth in said plaintiff's petition, had, on Sunday morning, 19 February, 1815, communicated said news to the plaintiff; that the said plaintiff, on receiving said news, called on Francis Girault (with whom he had been bargaining for the tobacco mentioned in the petition, the evening previous), said Francis Girault being one of the said house of trade of Peter Laidlaw & Co., soon after sunrise on the morning of Sunday, 19 February, 1815, before he had heard said news. Said Girault asked if there was any news which was calculated to enhance the price or value of the article about to be purchased, and that the said purchase was then and there made, and the bill of parcels annexed to the plaintiff's petition delivered to the plaintiff between 8 and 9 o'clock in the morning of that day, and that in consequence of said news the value of said article had risen from 30 to 50 percent. There being no evidence that the plaintiff had asserted or suggested anything to the said Girault calculated to impose upon him with respect to said news and to induce him to think or believe that it did not exist, and it appearing that

the said Girault, when applied to, on the next day, Monday, 20 February, 1815, on behalf of the plaintiff, for an invoice of said tobacco, did not then object to the said sale, but promised to deliver the invoice to the said plaintiff in the course of the forenoon of that day; the court charged the jury to find for the plaintiff. Wherefore, that justice, by due course of law, may be done in this case, the counsel of said defendants, for them, and on their behalf, prays the court that this bill of exceptions be filed, allowed, and certified as the law directs."

"DOMINICK A. HALL, District Judge"

"New Orleans, 3 May, 1815"

On 29 April, 1815, a writ of error was allowed to this Court, and on 3 May, 1815, the defendant in error deposited in the court below, for the use of the plaintiffs in error, the bills of exchange mentioned in the pleadings, according to the verdict of the jury and the judgment of the court thereon, which bills were thereupon taken out of court by the plaintiffs in error.

MR. CHIEF JUSTICE MARSHALL delivered the opinion of the Court.

The question in this case is whether the intelligence of extrinsic circumstances, which might influence the price of the commodity and which was exclusively within the knowledge of the vendee, ought to have been communicated by him to the vendor. The Court is of opinion that he was not bound to communicate it. It would be difficult to circumscribe the contrary doctrine within proper limits where the means of intelligence are equally accessible to both parties. But at the same time, each party must take care not to say or do anything tending to impose upon the other. The Court thinks that the absolute instruction of the judge was erroneous, and that the question, whether any imposition was practiced by the vendee upon the vendor ought to have been submitted to the jury. For these reasons, the judgment must be reversed and the cause remanded to the District Court of

Louisiana with directions to award a *venire facias de novo*.

Venire de novo awarded.

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