

Hopkins Vs. Lee

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Court : US Supreme Court

Decided On : 1821

Appeal No. : 19 U.S. 109

Appellant : Hopkins

Respondent : Lee

Judgement :

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Hopkins v. Lee

19 U.S. (6 Wheat.) 109

ERROR TO THE CIRCUIT COURT

FOR THE DISTRICT OF COLUMBIA

SYLLABUS

A judgment or decree of a court of competent jurisdiction is conclusive wherever the same matter is again brought in controversy.

But the rule does not apply to points which come only collaterally under consideration, or are only incidentally considered, or can only be argumentatively inferred from the decree.

In an action at law by the vendee against the vendor for a breach of the contract in not delivering the thing sold, the proper measure of damages is not the price stipulated in the contract, but the value at the time of the breach.

This rule applies to the sale of real as well as personal property, but *quaere* whether it is the proper measure of damages in the case of an action for eviction

This was an action of covenant, brought by the defendant

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in error (Lee) against the plaintiff in error (Hopkins) to recover damages for not conveying certain tracts of military lands which the plaintiff in error had agreed to convey upon the defendant in error relieving a certain encumbrance held by one Rawleigh Colston upon an estate called Hill and Dale, and which Lee had previously granted and sold to Hopkins, and for which the military lands in question were to be received in part payment. The declaration set forth the covenant and averred that Lee had completely removed the encumbrance from Hill and Dale. The defendant below pleaded 1. that he had not completely removed the encumbrance, and 2. that he (the defendant below) had never been required by Lee to convey the military lands to him, and on these pleas issues were joined. Upon the trial, Lee, in order to prove the encumbrance in question was removed, offered in evidence to the jury a record of the proceeding in chancery on a bill filed against him in the circuit court by Hopkins. The bill stated that on 23 January, 1807, the date of the agreement on which the present action at law was brought, Hopkins purchased of Lee the estate of Hill and Dale, for which he agreed to pay \$18,000, viz., \$10,000 in military lands at settled prices and to give his bond for the residue payable in April, 1809. That Lee, in pursuance of this agreement, selected certain military lands in the bill mentioned. That at the time of the purchase of Hill and Dale, it was mortgaged to Colston for a large sum,

which Lee had promised to discharge but had failed so to do, in consequence of which Hopkins had paid off the

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mortgage himself. The bill then claimed a large sum of money from Lee for having removed this encumbrance, and prayed that the defendant might be decreed to pay it, or in default thereof that the claimant might be authorized by a decree of chancery to sell the military lands, which he considered as a pledge remaining in his hands, and out of the proceeds thereof, to pay himself. On the coming in of Lee's answer denying several of the allegations of the bill, the cause was referred to a master, who made a report stating a balance of \$427.77, due from Hopkins to Lee. This report was not excepted to, and the court, after referring to it, proceeded to decree the payment of the balance. To this testimony the defendant in the present action objected so far as respected the reading of the master's report and the decretal order thereon, but the objection was overruled by the court below, and the evidence admitted. The counsel for the plaintiff in error then prayed the court to instruct the jury that in the assessment of damages, they should take the price of the military lands as agreed upon by the parties in the articles of agreement upon which the action was brought, as the measure of damages for the breach of covenant. But the court refused to give this instruction, and directed the jury to take the price of the lands at the time they ought to have been conveyed as the measure of damages. To this instruction the plaintiff in error excepted, and a verdict and judgment thereon being rendered for the plaintiff below, the cause was brought by writ of error to this Court.

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MR. JUSTICE LIVINGSTON delivered the opinion of the Court.

The first question which this Court has to consider is whether the proceedings in chancery were properly admitted in evidence in the court below.

It is not denied, as a general rule, that a fact which has been directly tried and decided by a court of competent jurisdiction cannot be contested again between the same parties in the same or any other court. Hence a verdict and judgment of a court of record, or a decree in chancery although not binding on strangers, puts an end to all further controversy concerning the points thus decided between the parties to such suit. In this there is and ought to be no difference between a verdict and judgment

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in a court of common law and a decree of a court of equity. They both stand on the same footing, and may be offered in evidence under the same limitations, and it would be difficult to assign a reason why it should be otherwise. The rule has found its way into every system of jurisprudence, not only from its obvious fitness and propriety, but because without it an end could never be put to litigation. It is therefore not confined in England or in this country to judgments of the same court, or to the decisions of courts of concurrent jurisdiction, but extends to matters litigated before competent tribunals in foreign countries. It applies to sentences of courts of admiralty -- to ecclesiastical tribunals -- and in short to every court which has proper cognizance of the subject matter so far as they profess to decide the particular matter in dispute. Under this rule, the decree in this case was proper evidence, if it decided, or professed to decide, the same question which was made on the trial at law. For to points which came only collaterally under consideration, or were only incidentally under cognizance, or could only be inferred by arguing from the decree, it is admitted that the rule does not apply. On a reference to the proceedings at law and in chancery in the case now before us, the court is satisfied that the question which arose on the trial of the action of covenant was precisely the same, if not exclusively so (although that was not necessary) as the one which had already been directly decided by the court of chancery. The bill, which was filed by the present plaintiff in error, states that on 23 January,

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1807, which is the date of the agreement on which the action at law is brought, Hopkins purchased of Lee the estate of Hill and Dale, for which he was to pay \$18,000 -- that is, \$10,000 in military lands at settled prices and the remainder in bonds, payable in April, 1809. That Lee, in pursuance of this agreement, selected certain military lands in the bill mentioned. That at the time of the purchase of Hill and Dale, it was mortgaged to Rawleigh Colston for a large sum, which Lee had promised to discharge, but that he had failed so to do, in consequence of which Hopkins had paid the mortgage himself. The complainant then claims a large sum from Lee for having removed this encumbrance, and prays that the defendant may be decreed to pay it, or in default thereof that the complainant may be authorized by a decree of the court to sell the military lands, which he considered as a pledge in his hands, and out of the proceeds to pay himself. Not a single demand is stated in the bill except the one arising out of the complainant's extinguishment of the encumbrance, which Lee had taken upon himself to remove.

On Lee's answer coming in denying several of the allegations of the bill, the cause is referred to a master commissioner, who, after a long investigation, in the presence of both parties and the examination of many witnesses, makes a report by which Hopkins is made a debtor of Lee in the sum of \$427.77. On inspection of this report, it will be seen that the chief, if not the only controversy between the parties was, whether Hill and Dale had been relieved

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from its encumbrance to Colston, by funds furnished by Lee to Hopkins for that purpose, and that unless that fact had been found affirmatively, a report could not have been made in Lee's favor. The court, after referring to this report, and stating that it had not been excepted to, proceeds to decree the payment of this balance by the complainant to the defendant. From this summary review of the proceedings in chancery, the conclusion seems inevitable that the chief if not sole matter in litigation in that suit was whether Hill and Dale had been freed of the encumbrance to Colston, by Lee or by Hopkins, and that the report and subsequent decree proceeded on the ground, and established the fact, that Lee had discharged it, which was also the only point put in issue by the first plea of the

defendant in the action of covenant. No rule of evidence, therefore, is violated in saying that this decree was properly admitted by the circuit court. But if the decree were admissible, it is supposed that the report of the master ought not to have been submitted to the jury. The Court entertains a different opinion. No reason has been assigned why a decision by a proper and sworn officer of a court of chancery in the presence and hearing of both parties, according to the acknowledged practice and usage of the court on the very matters in controversy, not excepted to by either party and confirmed by the court, should not be as satisfactory evidence of any fact found by it, as the verdict of a jury, on which a judgment is afterwards rendered. The advantage which a verdict may be supposed to possess over a report from its

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being the decision of twelve, instead of the opinion of a single man, is perhaps more than counterbalanced by the time which is allowed to a master for deliberation, and a more thorough investigation of the matters in controversy. But a better and more satisfactory answer is that it is the usual, known, and approved practice of the court to whose jurisdiction the parties had submitted themselves. But if this document be withheld from a jury, how are they or the court to arrive at the grounds of the decree, or a knowledge of the points or matters which have been decided in the cause? Without it, the decree may be intelligible, but the grounds on which it proceeds, or the facts which it means to decide, may be liable to much uncertainty and conjecture. The report therefore, as well as the decree, was proper evidence not only of the fact that such report and decree had been made, but of the matter which they professed directly to decide. We are not now called upon to say whether in those respects they were conclusive, as they do not appear to have been offered with that view, but without meaning to deny to them such effect, we only say, which is all that the present case requires, that they were competent and proper in the absence of other testimony to establish the fact of the removal of the encumbrance by the defendant Lee from the estate of Hill and Dale.

In the assessment of damages, the counsel for the plaintiff in error prayed the court to instruct the jury that they should take the price of the land, as agreed upon by the parties in the articles of agreement upon which the suit was brought, for their government.

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But the court refused to give this instruction, and directed the jury to take the price of the lands, at the time they ought to have been conveyed, as the measure of damages. To this instruction the plaintiff in error excepted. The rule is settled in this Court that in an action by the vendee for a breach of contract on the part of the vendor, for not delivering the article, the measure of damages is its price at the time of the breach. The price being settled by the contract, which is generally the case, makes no difference, nor ought it to make any; otherwise the vendor, if the article have risen in value, would always have it in his power to discharge himself from his contract, and put the enhanced value in his own pocket. Nor can it make any difference in principle whether the contract be for the sale of real or personal property, if the lands, as is the case here, have not been improved or built on. In both cases, the vendee is entitled to have the thing agreed for, at the contract price, and to sell it himself at its increased value. If it be withheld, the vendor ought to make good to him the difference. This is not an action for eviction, nor is the Court now prescribing the proper rule of damages in such a case.

Judgment affirmed.