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Pennington Vs. Gibson

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Court : US Supreme Court

Decided On : 1853

Appeal No. : 57 U.S. 65

Appellant : Pennington

Respondent : Gibson

Judgement :

Pennington v. Gibson - 57 U.S. 65 (1853)
U.S. Supreme Court Pennington v. Gibson, 57 U.S. 16 How. 65 65 (1853)

Pennington v. Gibson

57 U.S. (16 How.) 65

ERROR TO THE CIRCUIT COURT OF THE UNITED

STATES FOR THE DISTRICT OF MARYLAND

SYLLABUS

Whenever the parties to a suit and the subject in controversy between them are within the regular jurisdiction of a court of equity, the decree of that court is to every intent as binding as would be the judgment of a court of law.

Whenever, therefore, an action of debt can be maintained upon a judgment at law for a sum of money awarded by such judgment, the like action can be maintained upon a decree in equity which is for a specific amount, and the records of the two courts are of equal dignity and binding obligation.

A declaration was sufficient which averred that "at a general term of the supreme court in equity for the State of New York," &c.; Being thus averred to be a court of general jurisdiction, no averment was necessary that the subject matter in question was within its jurisdiction. And the courts of the United States will take notice of the judicial decisions in the several states, in the same manner as the courts of those states.

Page 57 U. S. 66

The facts of the case are set forth in the opinion of the Court.

Page 57 U. S. 74

MR. JUSTICE DANIEL delivered the opinion of the Court.

The defendant in error, a citizen of the State of New York, instituted in the circuit court an action of debt against the plaintiff in error, a citizen of the State of Maryland, to recover the amount of a decree, with the costs thereon, which had been rendered in favor of the defendant against the plaintiff in error by the supreme court in equity in the State of New York. The averments in the declaration are as follows:

That at a general term of the Supreme Court in Equity of the State of New York, one of the United States of America, held at the courthouse in the Village of Cooperstown, in the County of Otsego, in the State of New York, on the first Monday in November in the year 1848, present William H. Shankland and others justices, it was ordered, adjudged and decreed by the said court in a certain suit therein pending wherein the said Lyman Gibson was complainant and the said Josias Pennington and others were defendants that the said Lyman Gibson

recover against the said Josias Pennington and that the said Josias Pennington pay to the said Lyman Gibson, the amount of the consideration money paid by the said Lyman Gibson to a certain Samuel Boyer, as agent and attorney of the said Josias Pennington as should appear by the several endorsements upon the contract mentioned and set forth in the bill of complaint, and produced and proved as an exhibit in said suit, with interest on the several payments and endorsements respectively, amounting in the aggregate on the 25th day of November, 1848, to the sum of $5,473.18, and also that the said Josias Pennington pay to

the said complainant his costs in said suit, which were taxed at the sum of $661.68, as by the said decree duly signed and enrolled at a special term of the supreme court in equity aforesaid, held on the 30th day of April in the year 1849, at the Village of Bath, in the County of Steuben, in the State of New York, and now remaining in the office of the Clerk of Steuben County aforesaid, will on reference appear.

To the declaration as above stated, the defendant, the now plaintiff in error, demurred, and upon a joinder in demurrer, the court overruled the demurrer of the said defendant, and gave judgment for the plaintiff, the now defendant in error, for the debt and costs in the declaration set forth, together with costs of suit.

The defendant in the circuit court assigned for causes of demurrer the three following:

1. For that it appears from the said declaration that the cause of action in this case is an alleged decree of an alleged court of equity, as set forth in the said declaration, whereas an action at law cannot be maintained in this Court on such a decree; at least without an averment in pleading that said decree within the limits of its territorial jurisdiction is of equal efficacy with a judgment at law.

2. For even if an action at law can be maintained for the recovery of the sums of money directed by such alleged decree to be paid, as stated in said declaration, yet the form of action adopted in this case is not the proper form of action for the

enforcement of such a recovery.

3. For that it does not appear in and by the said declaration, nor is it averred in any manner, that the said alleged court of equity had any jurisdiction to pass a decree against this defendant for payment to the plaintiff of any of the sums of money in the said declaration mentioned.

In considering these causes of demurrer, the attention is necessarily directed to the ambiguous terms assumed in the first assignment, by propounding a proposition general or universal in its character, and afterwards conceding a modification or change in that proposition inconsistent not merely with its scope and extent, but with its essential force and operation. For instance, it is first stated that "the cause of action is an alleged decree of an alleged court of equity, whereas an action at law cannot be maintained in this Court on such a decree." We can interpret this proposition to have no other intelligible meaning than this, and to be comprehended in no sense more restricted than this, namely, that an action at law cannot be maintained in a court of law when the cause of action shall be a decree of the court of equity. In other words, that the character of the

Page 57 U. S. 76

foundation, or cause of action -- namely, its being a decree of a court of equity, must, in every such instance, deprive the court of law of cognizance of the cause. The proposition, thus generally put, is then followed by a qualification in these words, "at least without an averment in pleading, that the decree within its territorial jurisdiction is of equal efficacy with a judgment at law." By this language, the universality of the previous proposition is modified, or rather contradicted, for it contains an obvious concession, that provided a particular efficiency can be affirmed with regard to it, an action at law may be maintained even upon a decree of a court of equity.

We will first examine the correctness of the general position that an action at law cannot be maintained upon a decree in equity, and will in the next place inquire how far the jurisdiction of the court pronouncing this decree, and the efficiency of

its proceedings with reference to the parties before it, may be inferred or rightfully taken notice of, from its style or character, or from proper judicial knowledge of the subject matter of its cognizance, independently of a particular special averment.

We are aware that at one period, courts of equity were said not to be courts of record, and their decrees were not allowed to rank with judgments at law, with respect to conflicting claims of creditors, or in the administration of estates, but these opinions, the fruits of jealousy in the old common lawyers, would now hardly be seriously urged, and much less seriously admitted, after a practice so long and so well settled, as that which confers on courts of equity in cases of difficulty and intricacy in the administration of estates, the power of marshaling assets, and in the exercise of that power the right of controlling the order in which creditors, either legal or equitable, shall be ranked in the prosecution of their claims. The relative dignity of courts of equity, and the binding effect of their decrees, when given within the pale of their regular Constitution and jurisdiction, are no longer subjects for doubt or question.

We hold no doctrine to be better settled than this that whenever the parties to a suit and the subject in controversy between them are within the regular jurisdiction of a court of equity, the decree of that court solemnly and finally pronounced, is to every intent as binding as would be the judgment of a court of law, upon parties and their interests regularly within its cognizance. It would follow, therefore, that wherever the latter, received with regard to its dignity and conclusiveness as a record, would constitute the foundation for proceedings to enforce it, the former must be held as of equal authority. These are conclusions which reason and justice and consistency sustain, and an investigation will show them to be supported by express adjudication.

It is true that, owing to the peculiar character of equity jurisprudence, there are instances of decisions by courts of equity which can be enforced only by the authority and proceedings of these courts. Such, for example, is the class of cases for specific performances, or wherever the decision of the court is to be fulfilled by

some personal act of a party, and not by the mere payment of an ascertained sum of money. But this arises from the nature of the decreed to be performed, and from the peculiar or extraordinary power of the court to enforce it, and has no relation whatsoever to the comparative dignity or authority between judgments at law and decrees in equity.

We lay it down, therefore, as the general rule, that in every instance in which an action of debt can be maintained upon a judgment at law for a sum of money awarded by such judgment, the like action can be maintained upon a decree in equity which is for an ascertained and specific amount, and nothing more, and that the record of the proceedings in the one case must be ranked with and responded to as of the same dignity and binding obligation with the record in the other.

The case of *Sadler v. Robins,* 1 Campbell 253, was an action upon a decree of the High Court of Chancery in the Island of Jamaica, for a sum of money,

"first deducting thereout the full costs of the said defendants expended in the said suit, to be taxed by one of the masters of the said court, and also deducting thereout all and every other payment which S. & R., or either of them, might on or before the 1st day of January, 1806, show to the satisfaction of the said master, they or either of them had paid &c.;"

In this case, Lord Ellenborough said,

"had the decree been perfected, I would have given effect to it as to a judgment at law. The one may be the consideration for an assumpsit equally with the other. But the law implies a promise to pay a definite, not an indefinite sum."

The case of *Henly v. Soper,* 8 Barn. & Cress. 16; of *Dubois v. Dubois,* 6 Cowen 496, and of *McKim v. Odom,* 3 Fairfield 94, are all expressly to the point that the action of debt may be maintained equally upon a decree in chancery as upon a judgment at law. But if this question had been left in doubt by other tribunals, it must be regarded as settled for itself by this Court, in the explicit language of its decision in the case of *Hopkins v. Lee,* 6 Wheat. 109, where it is declared 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 in 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

farther controversy concerning the points decided between the parties to such suit. In this there is and ought to be no difference between a verdict and judgment in a court at law and a decree of a court of equity. They both stand upon 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."

The case of *Dubois v. Dubois,* 6 Cowen, was an action of debt upon a decree for a specific sum, by a surrogate of one of the counties of the State of New York.

One of the objections in that case was that the action of debt could not be maintained, and another that no jurisdiction was shown by the declaration. The supreme court, in its opinion, said:

"The principal question raised is whether debt will lie. The general rule is that this form of action is proper for any debt of record, or by specialty, or for any sum certain. It has been decided that debt lies upon a decree for the payment of money made by a court of chancery in another state, and no doubt the action will lie upon such a decree in our domestic courts of equity. The decree of the surrogate, unappealed from, is conclusive, and determines forever the rights of the parties. It may be enforced by imprisonment, and is certainly evidence of a debt due; whether the surrogate's court be a court of record need not be decided. It has often been said that a court of chancery is not a court of record. It is sufficient that

a decree in either court, unappealed from, is final -- debt will lie."

In opposition to the doctrine we have laid down, the case of *Carpenter v. Thornton,* from 3 Barn. & Ald. 52, has been cited, to show that the action of debt will not lie upon a decree of a court of equity. But with respect to the case of *Carpenter v. Thornton,* it must be remarked that Lord Tenterden, who decided that case, has, in the subsequent case of *Henly v. Soper,* 8 Barn. & Cress. 20, explicitly denied that the former case can be correctly understood as ruling any such doctrine or principle as that for which it has been here adduced. In *Henly v. Soper,* his lordship says of *Carpenter v. Thornton,*

"I think it does not establish the broad principle for which it is cited. It appears by the report that I then expressed myself with much caution, and I do not find that I ever said that a decree of a court of equity fixing the balance due on a partnership account could not be enforced in a court of law

unless the items of the account could be sued for. My judgment proceeded on the particular circumstances of that case; the bill was for the specific performance of an agreement, which is a matter entirely of equitable jurisdiction. But it is a general rule that if a partnership account be settled, and a balance struck by due authority, that balance may be recovered in an action at law."

In support of the objection that the action in this case is founded on a decree in chancery could not be maintained, the counsel for the plaintiff in error has cited the case of *Hugh v. Higgs,* reported in 8 Wheat. 697. This is a short case, presenting no precise statement of the facts involved in it, and as far as the facts are disclosed by the report, they are given in a somewhat confused and ambiguous form. It is true that the objection to the action, as founded on a decree in chancery, is said by the court to have been urged in its broadest extent. But if we look to the decision of this Court, and the reasoning upon which that decision is rested, we find the objection to the judgment of the circuit court, or rather the principle of that objection, narrowed and brought considerably within the extent of the objection

itself. For this Court says that the judgment of the circuit court must be reversed for error in the opinion which declares, that the action is maintainable on the decretal order of the court of chancery. It might very well be error to allow the action of debt upon a decretal order of the chancery, and yet perfectly regular to sustain such an action upon the final decree. The former is subject to revision and modification, the latter is conclusive upon the rights of the parties. There is yet another ground on which this case of *Hugh v. Higgs,* so imperfectly stated, might form an exception to the rule which authorizes actions of debt upon decrees in equity. In the case last mentioned, the action at law was brought and the judgment rendered within the regular limits of the equity jurisdiction of the court, and to the full extent of which limits the court of equity had the power to enforce its decrees. Under these circumstances, it might well be ruled that a party having the right to avail himself directly of the power and process of the court, should not capriciously relinquish that right and harass his adversary by a new and useless litigation. An exception like this is perfectly consistent with the rule that where the decree of the court of equity cannot be enforced by its own process, and within the regular bounds of its jurisdiction, such decree when regular and final, and when especially it ascertains and declares the simple pecuniary responsibility of a party may, and for the purposes of justice must be, the foundation of an action at law against that party whose responsibility has been thus ascertained. Upon

Page 57 U. S. 80

this principle it is that the courts of law in England, whilst they have been inclined to restrict the plaintiff to the proper process of the court of equity for the purpose of enforcing the decrees of the court within the bounds of its jurisdiction, have undeviatingly maintained the right of action upon decrees pronounced by the colonial courts. The process of the colonial courts could not run into the mother country, but this fact did not impair the rights settled by the decrees of those courts or render them less binding or final as between the parties. On the contrary, it is assigned as the special reason why the courts of law should take cognizance of such causes without which an entire failure of justice would ensue.

For this rule of decision in the English courts, the cases of *Sadler v. Robins* and of *Henly v. Soper,* may again be recurred to, and, for its adoption by courts in our own country, may be cited *Post v. Neafie,* 3 Caines 22, and *Dubois v. Dubois* and *McKim v. Odom,* already mentioned.

Having disposed of the general proposition in the first assignment of causes of demurrer by the plaintiff in error, we will next inquire into the force of the condition or modification he has annexed to it, in the alleged necessity for an express averment in pleading of the efficacy or legal obligation of the decree within the territorial jurisdiction of the court by whom the decree has been pronounced.

Of the binding obligation and conclusiveness of decrees in equity where the parties and the subject matter of such decrees are within the regular cognizance of the court pronouncing them, and of their equality in dignity and authority with judgments at law, we have already spoken. It remains for us only to consider what may be legally intended or concluded from the pleadings in this cause as to the territorial extent of jurisdiction in the court whose decree is made the foundation of this action.

The declaration avers,

"That at a general term of the supreme court in equity for the State of New York, one of United States of America, held at the village of Cooperstown in the State of New York, on the 1st Monday in November, in the year 1848, it was ordered, adjudged, and decreed &c.;, and farther, that on the 25th of November, 1848, the complainant's costs were taxed &c.;, as by the said decree duly signed and enrolled at a special term of the said supreme court &c.;, and now remaining in the office &c.;, reference being thereto had, will appear."

It is undeniably true in pleading that where a suit is instituted in a court of limited and special jurisdiction, it is indispensable to aver that the cause of action arose within such restricted jurisdiction, but it is equally true, with regard to

Page 57 U. S. 81

superior courts, or courts of general jurisdiction, that every presumption is in favor of their right to hold pleas, and that if an exception to their power or jurisdiction is designed, it must be averred, and shown as matter of defense. Such is the general rule as laid down by Chitty, vol. 1, 442. So too in the case of *Shumway v. Stillman,* in 4 Cowen 296. The supreme court of New York, speaking with reference to a judgment rendered in another state, says:

"every presumption is in favor of the judgment. The record is *prima facie* evidence of it, and will be held conclusive until clearly and explicitly disproved."

And in farther affirmation of the doctrine here laid down, we hold that the courts of the United States can and should take notice of the laws and judicial decisions of the several states of this Union, and that with respect to these, nothing is required to be specially averred in pleading which would not be so required by the tribunals of those states respectively. In the case before us, the declaration avers that the decree on which the action is founded was a decree of the supreme court in equity of the State of New York -- of a court whose jurisdiction in equity was supreme, not over a section of the state; but that it was the supreme court as to subjects of equity of the state -- that is, of the entire state, and its decrees being ranked, in our opinion, as equal in dignity and obligation with judgments at law, its decree in the case before us was of equal efficacy with any such judgment throughout its territorial jurisdiction -- or in other words throughout the extent of the state.

The second and third causes of demurrer assigned by the plaintiff in error, are essentially comprised in the first assignment, and are mere subdivisions of that assignment, and in disposing therefore of the first, the second, and third causes of demurrer are in effect necessarily passed upon. We are of the opinion that the demurrer of the plaintiff in error was properly overruled, and that the judgment of the circuit court be, as it is hereby, affirmed, with costs.

ORDER

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the District of Maryland, and was argued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court, that the judgment of the said circuit court in this cause be, and the same is hereby affirmed, with costs and interest until paid at the same rate per annum that similar judgments bear in the courts of the State of Maryland.

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