

Dean Vs. Mason

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Court : US Supreme Court

Decided On : 1857

Appeal No. : 61 U.S. 198

Appellant : Dean

Respondent : Mason

Judgement :

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Dean v. Mason

61 U.S. (20 How.) 198

APPEAL FROM THE CIRCUIT COURT OF THE UNITED

STATES FOR THE DISTRICT OF RHODE ISLAND

SYLLABUS

In suits for the infringement of a patent right, the rule of damages is the amount which the infringer actually realized in profits, not what he might have made by reasonable diligence.

After a bill is taken *pro confesso* in the circuit court, a motion to allow an answer to be filed is addressed to the discretion of the court, and from a refusal so to do an appeal does not lie to this Court.

A motion to dismiss the complainant's bill upon the ground that he had parted with his interest was properly overruled, because such assignment was not made until after the time when the computation of profits ended.

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The bill was filed by Nathan Mason of the City of Providence, in the District of Rhode Island, planer of boards; Charles D. Gould, of Albany, in the State of New York; William W. Woodworth, of Hyde Park, in the Northern District of New York, as he is administrator of William Woodworth, late of the City of New York, gentleman, deceased, and as he is grantee of certain exclusive privileges under and pursuant to an act of Congress, as is hereinafter fully set forth; James G. Wilson, formerly of the City of Philadelphia, and now of Hastings, in the State of New York, gentleman; and Richard Borden, and Jefferson Borden, both of the Town of Fall River and District of Massachusetts, against Dean, of the City of Providence.

The facts of the case are stated in the opinion of the court.

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MR. JUSTICE Mc LEAN delivered the opinion of the Court.

A bill was filed in this case by Mason, claiming to be owners of a territorial right to the exclusive use of the Woodworth patent for planing boards, charging the defendant with using three of the machines in the City of Providence, in violation of the complainant's right. The suit was commenced the first year of the extension of that patent by Congress, and the three machines which were sought to be enjoined were those used during the first extended term of the patent, under a license from its owners. A preliminary injunction was granted.

At the June term, 1851, of the circuit court, a decree *pro confesso* was entered against the defendant, and he was perpetually enjoined. The case was referred to a master, to take and account of the profits or income derived by the defendant, or which by reasonable diligence might have been realized by him, from the use made of the three machines.

Exceptions were taken to the first report of the master, and it was referred to him again under the same instructions.

Before the second report of the master, a motion was submitted to the court by the defendant to set aside the decree *pro confesso*, and for leave to answer the bill, on the ground that the Supreme Court, in the case of [*Bloomer v. McQueen*](#), 14 How. 539, had held, in a case similar to this that the licensee's privilege continued under the extension of the patent by Congress, the same as under prior extensions; but the court refused the motion; consequently, the appeal does not bring before us any question under the last extension of the patent.

At the November term, 1854, the master made his second and final report, in which he stated the sum of \$2,566.46 as the amount of profits which the defendant, by reasonable diligence, might have derived from the use made by him of such patented machines, and the sales of the products thereof, during the period covered by the suit.

The decree was entered, on the report of the master, for the estimated amount of profits which the defendant, with reasonable diligence, might have realized -- not what in fact he did realize. This instruction was erroneous. The rule in such a case is, the amount of profits received by the unlawful use of the machines, as this, in general, is the damage done to the owner of the patent. It takes away the motive of the infringer of patented rights, by requiring him to pay the profits of his labor to the owner of the patent. Generally, this is sufficient to protect the rights of the owner; but where the wrong has been done, under aggravated circumstances, the court has the power, under the statute, to punish it adequately, by an increase of

the damages.

The injury done is measured by the supply of planed boards thrown upon the market, which lessens so much the demand. But, if the liability of an infringer is to be increased by an estimate of the work he might do, with great diligence, he will be more likely to exceed the estimate than fall below it. This policy would increase the evil of the wrongdoer, without benefit to anyone. In [Livingston v. Woodworth](#), 15 How. 546, the true rule of damages in such cases is laid down.

It is contended the court erred in refusing leave to the defendant to answer, on the motion made at June term, 1853.

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A motion to amend, or file an answer after default, is generally addressed to the discretion of the court. Under some circumstances, the court, for the purposes of justice, will go great lengths in opening a default and allowing a plea to be filed. But this is done or refused by the court, in the exercise of its discretion, which is not subject to the revision of this Court.

In the case before us, the motion to file an answer was not made until after the decree *pro confesso* had been entered, and a reference made to a master for an account. This was more than three years after the bill was filed. Whether the circuit court refused the motion on the ground of delay, or a want of merits in the cause assigned, does not appear, but it is sufficient to say, that on such grounds the decree cannot be reversed.

The motion to dismiss the complainant's bill, upon proof that they had parted with all their interest in the subject matter of the suit, was properly overruled. The allegation is that Mason parted with his title in April, 1852, and the account of the profits is brought down only to the 29th August, 1851. The right asserted in this action was not affected by the conveyance of Mason to Baker & Smith.

The refusal of the circuit court to permit a supplemental bill to be filed by Baker & Smith, was, under the circumstances, a matter of discretion in the court, and it

affords no ground for the reversal of the decree. It is not perceived what interest these assignees could have in a suit for an infringement of the patent, before their right accrued, and any attempt to make them parties, with the view to benefit the defendants in the pending suit, was unsustainable.

For the reasons assigned, the decree for damages must be reversed, at the costs of the defendants in error, as founded on an erroneous estimate, and the cause is remanded to the circuit court, with instructions to enter a decree for the amount of the profits realized by the defendant from the wrongful use of the patent.

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