CONGRESSIONAL INVESTIGATIONS—SALVATION IN SELF REGULATION*

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THE power of Congress to inform itself by investigation is of utmost importance and a clear necessity in democratic, representative government. In the hectic life of a Congressman there is very little time for quiet research and the average Congressman secures much of the information on the subjects on which he is legislating from committee hearings where he is given oral presentation of the matters under consideration by the appropriate executive officers or other interested persons. As might be expected, the judicial basis of Congressional investigations is very firm. The courts, especially since 1927, have upheld without serious qualification the right of Congress or a committee of Congress to investigate any matter related to pending, contemplated, or even potential,¹ legislation. It is very difficult to think of any subject which is not related to some possible legislation.² Accordingly, there

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¹ It is not necessary that the legislation with relation to which investigation is being made be referred to or described. McGrain v. Daugherty, 273 U. S. 135 (1927); In re Chapman, 166 U. S. 661, 670 (1897).
² Pertinency of the evidence sought to the legislative purpose is, in form, required. But the tests showing its existence are so broad as to be practically meaningless. Sinclair v. United States, 279 U. S. 263, 298 (1929).
seems to be no practical limit on the scope of investigation by Congress as a whole. Of course, there may be limits on the powers of a particular committee to investigate, but the resolutions setting up even special committees are generally very broad in terms.

While the courts have upheld the power of Congress to investigate on the theory that it must have power to inquire into a wide variety of subjects to form the basis of legislation, controversies over the methods and procedures of Congressional committees do not normally arise in the routine informative or legislative hearing which is usually conducted without fanfare. The controversy has arisen over two other aspects of Congressional investigations, or rather two other types of Congressional investigations, in connection with which the judicial references to the right of Congress to inform itself on legislation are hardly more than pious fiction. The investigations raising serious questions of civil rights and public policy endangering the public respect for Congress and the ones giving rise to judicial precedent (and law review articles) are those in which Congress inquires into the efficiency and honesty of the Executive branch of the Government and those primarily intended to influence or mould public opinion. They are only incidentally, and usually very remotely, connected with any legislation.

There was a time when the courts showed some disposition to curtail such investigations. At the time he decided Kilbourn v. Thompson in 1880, Justice Miller wrote:

"I think the public has been much abused, the time of legislative bodies uselessly consumed and rights of the citizen ruthlessly invaded under the now familiar pretext of legislative investigation and that it is time that it was understood that courts and grand juries are the only inquisitions into crime in this country. I do not recognize the doctrine that Congress is the grand inquest of the nation. . . ."

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3 The history and rationale of Congress' power to investigate is exhaustively examined in Landis, Constitutional Limitations on the Congressional Power of Investigation, 40 Harv. L. Rev. 153 (1926). See also Memorandum on Proceedings Involving Contempt of Congress and Its Committees (U. S. Senate Judiciary Committee Print, Jan. 6, 1948).

4 The courts have never recognized this as a separate power from that of legislation although it well might be. The opportunity to do so was overlooked in McGrain v. Daugherty, 273 U. S. 135 (1927). See Dimock, Congressional Investigating Committees 85 (1929).


6 103 U. S. 168 (1880).

7 Fairman, Mr. Justice Miller and the Supreme Court, 1862-1890, 334 (1939).
The decisions of the Supreme Court in Daugherty's case\(^8\) and Sinclair \textit{v. United States}\(^9\) have made this protest an historical footnote. Congress now is the grand inquest of the Nation. And we suggest that it is well that Congress was not limited as Justice Miller thought necessary.

Despite the gross abuses and ugly tyranny of certain investigations, the power to make them has been and remains the strongest weapon against corruption in executive departments notoriously lax in policing themselves,\(^10\) and has even been of importance in curbing legislative corruption.\(^11\) Certainly it has been a most effective means of focusing public opinion upon conditions of national concern and of directing those opinions—rightly or wrongly. In these aspects Congress has been no Senator Claghorn. It has been devastating in its power to expose evil. At the same time its irresponsible methods and procedures have injured the dignity of Congress and shaken the faith of the people. Many sober citizens consider Congressional hearings a threat to their basic liberties. Not only have jurists criticized, editors fulminated,\(^12\) and scientific societies passed resolutions,\(^13\) but the man in the street has cheered the defiance of Howard Hughes and laughed at the spectacle of Senators in distress.

Congress has been conducting investigations of public corruption since the Committee of Three called upon Alexander Hamilton in 1797 to obtain the truth as to the charge that Hamilton was involved with one McReynolds in a scheme to defraud the United States by purchase and prosecution of doubtful claims.\(^14\) And there were several important inquests prior to the Civil War, notably the Galphin Claims Scandal of 1850.\(^15\) Following Congressional investigations did not become a national


\(^9\) 279 U. S. 263 (1929).


\(^11\) The Credit Mobilier investigation, for example, involved much more of legislative corruption than executive.


\(^13\) Hamilton successfully defended himself as a subject of blackmail after an unusual amorous connection Hamilton had had with Mrs. McReynolds. Hamilton himself later wrote and had printed a refutation of the charges and an admission of his alliance with Mrs. McReynolds, \textit{Observations on Certain Documents} (1797).

\(^14\) Even earlier there had been a congressional inquiry into General St. Clair's disaster in the Northwest in 1792, \textit{3 ANNAIS OF CONG.} 490-494 (1792).

pastime, however, until after the Civil War. As explained by George Alfred Townsend, Washington correspondent for the Chicago Tribune who was largely responsible for the uncovering of the Credit Mobilier Scandal in 1872, the Civil War enormously increased the influence of the press. Persons who had previously taken one weekly paper, began to take one or more dailies, in order to read the news from the front. About one hundred correspondents were kept in the field. Most of these correspondents remained in journalism (and Washington) after the war was over and the corruptions which were then uncovered provided the best news stories. Although the editors and journalists were defeated in the national campaign of 1872, the press remained formidable as a purifying instrument and the pitch established by war news was largely kept up in a running contest of the press with jobbery in the Government. The abuse of methods and serious public consideration of the abuse was born with these post-Civil War Congressional investigations and the publicity in the press.

In a large measure the type of investigation we are discussing was created by the press—the press has been its power and its undoing.

Without a press the investigator might as well mumble his evidence and findings in a well. The Controller General is still the press personification of efficiency despite the shocking inefficiency in the General Accounting Office uncovered by the House Procurement Subcommittee in secret session. Any results from an Air Force-Navy feud investigation behind closed doors would be problematical. Many administrative reforms obviously necessary and peddled on Capitol Hill year after year are never accomplished and never will be until publicity builds up a pressure of public opinion. Even the Hoover Commission has been unable to graft monkey glands on many of these administrative reforms. Yet even more clearly the brutal character assassinations and ruthless invasion of private rights are the outgrowth of this same publicity.

A vicious attack is a good story. Whether it is justified by the facts of the inquiry is immaterial. Indeed, a Congressional committee and its chairman can secure much public notice, and some have, by the simple expedient of charging persons or groups with villainy, communism, or disloyalty, without any hearings at all or any attempt to hold hearings. It is a standard device first to leak or plant a charge with one or more

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16 Townsend, Washington, Outside and Inside 135-136 (1873).
syndicated columnists or radio commentators so that their prior predictions will lend verisimilitude to the charge when it is made.\footnote{18} In this the newspapers not only cooperate; they are prime movers. While Congressional committee procedures are excoriated on the editorial page, not infrequently irresponsible charges of corruption or disloyalty, which an energetic procurer from the paper has been able to induce a committee member to make, are spread on the first page.\footnote{19} The natural desire of elected officials for public notice is the root of the evil. The publicity methods of Congressional investigating committees are what need the primary attention. An individual should have his defined rights; but the tendency of Congressional committees to violate them, defined or undefined, is very closely connected with the type of news coverage involved.

It has been widely suggested that abuses in committee procedure are merely a reflection of the mores of Congress and the electorate, and that it is accordingly futile to attempt to codify procedures or state basic standards; that Congress must necessarily have wide latitude and discretion for individuals will find ways to violate any code of procedure or ethics; that it is difficult to detect fraud and corruption, particularly when committed in high places by intelligent people; that at best, much suspected corruption is not established; that we should not hamstring the power of the Congressional investigating committees.\footnote{20} In answer it may easily be demonstrated that the most effective investigating committees have been those which operated under self-imposed rules of restraint. And it is respectfully suggested that a reasonable code of procedure or ethics will have strong influence to prevent conduct contrary to the code, regardless of the fact that some committees or individuals may violate or circumvent it. All religions are based on this premise and human experience upholds it. Under an express and uniform outline, precedents develop and acquire significance. Without an express code of committee procedure or express standards of conduct a committee

\footnote{18} See Newsweek's charge, Dec. 19, 1949, p. 16, that Senator Hickenlooper brought Major G. Racey Jordan's charges to the attention of Fulton Lewis, Jr.

\footnote{19} The ability of the Un-American Activities Committee to make headlines with transparently unreliable material has been notorious for over a decade. For a detailed analysis of a single instance of this Committee's methods, see Gellhorn, A Report on a Report of the House Committee on Un-American Activities, 60 Harv. L. Rev. 1193 (1947).

\footnote{20} See the arguments advanced by Mr. Meader in Limitations on Congressional Investigation, 47 Mich. L. Rev. 775 (1949); Walter Lippman writing in 84 Forum 129, 132 (1930); cf. Judge Wyzanski's remarks in Standards for Congressional Investigations, 3 Record of the Bar of the City of N. Y. 93, 105 (1948).
or member can justify any excess and can defend against any charge of abuse by taking refuge in some doubtful precedent of prior committee action in equal error.

It has further been suggested that it is preferable for each committee, familiar with the problems of its own type of investigation, to formulate its own rules.\(^{21}\) The adoption of rules for individual committees is a step in the right direction which was first taken by Representative Bender as chairman of a subcommittee of the House Committee on Expenditures in the Executive Departments and followed by Senator Ferguson as Chairman of the Senate Investigating Subcommittee of the Committee on Expenditures in the Executive Departments (both 80th Congress).\(^{22}\) But the adoption by individual committees and subcommittees within their own discretion of particular rules is obviously not a sufficient answer. The rules, codes or standards should have the consideration and bear the authority of the full Congress. To be effective restraints they must be well known to the members of the House and Senate, and to the press. To be of any substantial protection to individuals, they must be known and easily available to prospective witnesses and their counsel.

Of first importance would be regulations designed to make hearings more dignified and minimize the abuses inherent in a circus atmosphere and over-sensationalism. At least since the time of the \textit{Lindbergh} case, respectable courts have barred photographers and newsreel men from the courtroom. Congressional committees have been made ludicrous by over-zealousness for publicity in this regard. The public reaction is epitomized by a recent cartoon in The New Yorker with the caption "The Joint Committee on Atomic Energy had \textit{nine} cameras."\(^{23}\) It is suggested that radio and television broadcasts of committee hearings are equally offensive and damaging and that they greatly expand the opportunities for unfortunate publicity-seeking. Certainly, neither the Senate Investigating Subcommittee nor Senator Brewster increased their prestige by the broadcast of the Howard Hughes hearing. The recent news-reel shots of the testimony of Mr. Maragon were merely good comedy relief for the movie-goer. The midget on J. P. Morgan’s lap is better

\(^{21}\) See note 17 \textit{supra} (particularly Meader at 782).

\(^{22}\) Currently a broader code, including prohibition of news reel, radio, and television publicity is under consideration by the members of Senator Murray’s Subcommittee on Labor-Management Relations. The Bender Committee’s rules are reprinted as an appendix to H. R. \textit{Rep. No. 2473}, 80th Cong., 2nd Sess. (1948).

\(^{23}\) The \textit{New Yorker Magazine}, Sept. 24, 1949, p. 25.
remembered than the Munitions Investigation. The legislator is not most efficient as an investigator while striking a pose for the camera.

Of equal fundamental importance is the manner in which committees handle their reports. It hardly seems necessary to say that no report should be issued until approved by a majority of the committee members, including a majority of the full committee when it is a sub-committee report.24 The practice of individual members stating their own conclusions to the press in the middle of, and in many cases prior to commencement of, the hearings can only lead to the conclusions being framed in the nature of the best press release rather than as the considered results of a thorough investigation. The practice of deliberately leaking excerpts from the committee report in advance—the most quotable excerpts, of course—with inuendoes of important revelations to come, generates an atmosphere in which the individual investigated or a witness is apt to suffer irreparable damage. The vicious blast which is reproduced on the front page is not nearly so apt to be included in a formal report agreed upon by the majority of the committee after full discussion of each phrase. Of course, legislators will not restrict their right to express their own individual views, but such views expressed later or contemporaneously would lose effect if not supported by the formal report.

From the standpoint of the witness particularly, additional regulations are necessary in connection with the issuance of reports. It is certainly clear that no part of or excerpt from any testimony should be released without releasing the whole. Likewise, no report should be released unless the testimony on which it is based is issued at the time. Reports or conclusions based upon executive session hearings should not be made public unless the full text of the hearings is released. The exact testimony is the only thing upon which the witnesses can make or have a defense, or upon which the public can appraise the report. The not infrequent practice of “editing” of testimony before Congressional committees, sometimes in such a way as to completely distort what was said, cannot be justified on any ground.25

Committee procedure would be more orderly and dignified if the hear-

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25 The almost universal practice of permitting Congressmen and Senators, committee counsel and witnesses, to make grammatical their sometimes incomprehensible oral questions and answers, is in itself harmless but the practice is dangerous in the extreme when extended to include changes in testimony which the committee has required to be given under oath.
ings were conducted by the counsel to the committee or other chief of the committee staff. Normally the counsel is the only one who has interviewed the witnesses and been over the documentary evidence and the investigators’ reports. He has or should have organized the material to be presented and formulated a logical sequence for development of the subject under consideration. Counsel, therefore, should question each witness on the basis of his preparation to bring out the testimony which the preparation suggests may be obtained. Of course, the Senators or Congressmen should not restrict their own right to cross-examine the witnesses or to ask any questions and to inquire into any subject they feel pertinent or not fully covered. This should normally be done after the counsel has finished with each witness. The Macy Committee of the 80th Congress is a happy example of the orderliness and effectiveness of this procedure.\textsuperscript{26} The legislators can then more easily preserve a semi-judicial attitude and give the whole hearing a higher tone. This is not only a question of dignity but it is also necessary for full efficiency. The usual practice of questioning at random and without priority by members who have not had time to do the basic preparation and who often are not lawyers is frequently confused and chaotic. It often leads to examination by denunciation by a committee member without adequate background of detailed information. Further, it permits a minority of committee members to confuse the presentation of important matters with invective and irrelevant inquiries, and by obstructionism to prevent the full facts from appearing. Congressional investigation is quite as capable of being used as a white-wash as a vehicle of oppression. The presentation of the evidence by committee counsel charged with the duty of preparing their “case” in advance, would tend to eliminate the parading of witnesses with flamboyant but false charges, the subsequent refutation of which is small comfort to the accused. Witness the shocking example of public airing of Major Jordan’s accusations against Messrs. Hopkins and Wallace without any apparent attempt first to check the facts by inquiry to General Groves. Any prior investigation would at least have resulted in a close cross examination of Major Jordan which would have shown his hysterical statements to be without substantial foundation. But perhaps it is naive to suggest that regulations will stand up in face of such a perfect opportunity for publicity, especially after Fulton Lewis’ “revelations” had already gone over the air.\textsuperscript{27}

Obviously, for a committee to operate effectively it is necessary that

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\item \textsuperscript{26} House Subcommittee to Investigate Questionable Trade Practices, 80th Cong.
\item \textsuperscript{27} See note 15a supra.
\end{itemize}
it have a competent and adequate investigating staff. First, it should be expressly provided that the committee staff other than the purely clerical personnel should be selected by the chairman only with the advice and approval of a majority of his committee. 28 Not infrequently the entire staff is selected by the chairman without consulting anyone. A biased staff, particularly one composed of personal hatchet men for the chairman or of mere patronage employees, can easily be responsible for much criticism aimed at the committee. In this connection, it would certainly be preferable to provide that at least one professional staff member should be chosen by the senior minority member with the advice and consent of a majority of the full committee. 29 The investigating committees seldom have staffs even remotely approaching the size obviously necessary in view of the scope of the work; and this in many cases leads the staff to neglect the hard work in favor of the easily handled gimmicks which will make the newspapers. This is a foolish economy indeed, particularly in view of the current rate of expenditures by the Executive Departments. President Truman, in a personal report as Chairman of the Special Committee investigating the National Defense Program, said: "The cost of a good investigation is negligible when compared with the results which can be obtained." 30 The 22nd report of the Committee on Expenditures in the Executive Department shows that the Bender Subcommittee could properly take credit for saving more than $350,000,000.00 on a total session appropriation of less than $100,000,000. 31

Moreover, it is difficult to obtain competent professional staff members because of the shortness of tenure and political turnover. A further drawback is the fact that practicing lawyers called upon for short-time service as committee counsel must abandon that part of their practice which involves cases in which the Government is a party. 32 The rule is based on a well-grounded fear that Congressional prestige may be used to forward private interests; 33 but it is applied to wholly irrelevant cases and so limits the counsel as to make it impossible for many able law-

28 The counsel or other chief of the committee staff should certainly have latitude in nominating his subordinates but this is a matter of internal policy impossible to provide for by rule.
29 This was apparently contemplated by § 202 (a), (b) of the Legislative Reorganization Act of 1946, 60 Stat. 834, 2 U. S. C. § 72a (a), (b) (1946), but is a practice rarely observed.
33 May v. United States and Garsson v. United States, 175 F. 2d 994 (1949).
yers to accept such positions.\textsuperscript{34} The Legislative Reorganization Act of 1946 was designed to make the staffs semi-permanent.\textsuperscript{35} However, most of the investigations of the type discussed are conducted by subcommittees or special committees to which the Reorganization Act does not apply. It is suggested that it would be preferable if each house of Congress or the various full committees had a large permanent staff of investigators which special committees and subcommittees could call upon to do an adequate investigation job usually quite impossible with the small appropriation normally made for a special committee or subcommittee. The recent House appropriation of $40,000.00 for a special committee to investigate lobbying, is, for example, ridiculous on its face.\textsuperscript{36} It should be borne in mind that the Federal Bureau of Investigation normally does not furnish information or personnel\textsuperscript{37} to Congressional committees and that Congress has no body which it can call upon for detailed investigation work.\textsuperscript{38}

The Legislative Reorganization Act of August 2, 1946,\textsuperscript{39} contemplated that the General Accounting Office as an arm of the legislature should be charged with the responsibility of continuously investigating the efficiency of the Executive Departments. As a practical matter, however, the General Accounting Office has never been given an appropriation sufficient to permit it to do this to any appreciable degree. The Comptroller General has stated that if Congress seriously intended him to carry out the duties required of the General Accounting Office under this Act, he would need an appropriation of approximately $1,000,000.00 a year to commence the operation.\textsuperscript{40} Each time the question has come up, the Committee on Appropriations has decided that Congress should

\textsuperscript{34} Special resolutions have been passed from time to time waiving the provisions of the Criminal Code with respect to particular counsel. 58 Stat. 113 (1944); 58 Stat. 217 (1944); 59 Stat. 607 (1945); H. R. Rep. No. 1997, 80th Cong., 2nd Sess. (1948). It is submitted a general waiver could be properly passed.


\textsuperscript{36} H. Con. Res. 60, 81st Cong., 1st Sess. (1949). See also S. Res. 140, 81st Cong., 1st Sess. (1949), allocating $25,000 for a year’s study of the entire field of labor-management relations.

\textsuperscript{37} The loaning of personnel was forbidden by § 202 (f) of the Legislative Reorganization Act of 1946 in the absence of special authorization. 60 Stat. 835, 2 U. S. C. § 72a (f) (1946).

\textsuperscript{38} The Legislative Reference Service established by § 203 of the Legislative Reorganization Act has never fulfilled this function adequately. 60 Stat. 836, 2 U. S. C. § 166 (1946).


continue to conduct its own investigations. In view of the character and quality of the few investigations which have been conducted by the General Accounting Office, this would seem to be generally a wise decision. However, Congress has not provided any adequate substitute.

The use of special investigating committees has been vigorously condemned. As early as 1873, it was charged that the Alaskan Investigating Committee was set up and conducted solely to secure a job for a friend of the chairman. The Reorganization Act of 1946 contemplates but does not expressly require the elimination of special investigating committees. This concept has much validity in that it prevents unnecessary duplication and the spectacle of special committees being composed, set up, and conducted only to accomplish one particular aim, such as the committee headed by Representative Cox to investigate the Federal Communications Commission, after Mr. Cox had been accused of improper conduct by that Commission. On the other hand, the history of Congressional investigating committees clearly indicates that such committees are more forceful in conducting penetrating investigations. The special committee to investigate the Credit Mobilier Scandal could hardly have been conducted by Oakes Ames, the chairman of the standing Pacific Railroad Committee, who was himself seriously and directly implicated in the scandal. Even today, the Committee on Interstate and Foreign Commerce might not be an ideal body to conduct an investiga-

41 Congressional control of executive activities suffers from one serious obstruction: inability to command production of executive documents which the executive chooses to label confidential. While the controversy over the legal situation in this field remains unresolved [compare the flat assertions of Wolkinson, Demands of Congressional Committees for Executive Papers, 10 Fed. B. J. 103 (1949), with the almost equally positive contrary position of the Legislative Reference Service in its Memorandum on Proceedings Involving Contempt of Congress and Its Committees p. 15 (Senate Committee Print, Jan. 6, 1948)] the practical fact remains that the executive can, and on occasion does, frustrate congressional probing of matters it chooses to obscure. See S. Doc. No. 244, 79th Cong., 2nd Sess. pp. 37, 256 (1946), relating to the abortive Pearl Harbor investigation for an example of the kind of executive order which has been permitted to pass without effective challenge. Compare 40 Ops. Att'y Gen. 45 (1940), with 90 Cong. Rec. App. 1034, 1066 (1944).

A commission to investigate efficiency of operations, such as The Hoover Commission, can be of inestimable assistance to Congress, but it is useless in the uncovering of misconduct and largely ineffective in moulding public opinion.

43 Townsend, op. cit. supra note 14, at 519.

44 See 60 Stat. 812, Parts 1 and 2 (1946).

45 It is altogether possible that the irresponsibility of Congress in permitting such investigations as this is a major cause of the executive's traditional contumacy in ignoring or refusing investigating committees' requests for information.
tion of the relations of the railroads with the Government, in that a special committee without the pleasant relations normally engendered by constant dealings with a particular industry or administrative agency can do a more impersonal and better job of investigation. In the last Congress, for example, both the House and Senate Commerce Committees showed a disposition to accept legal interpretations by private interested parties contrary to opinions submitted to them by the Department of Justice.46

Although few have recently been created, Congress undoubtedly will, and should, not further circumscribe its right to set up special committees whenever if deems them expedient, but it is suggested that even special committees could draw to advantage upon a staff of specially trained investigators provided by Congress on a permanent basis. It should be provided, however, that no special investigating committee should have as a member a person who is personally interested in the subject under investigation in the sense Representative Cox was interested in terrorizing the Federal Communications Commission or in the sense Senator Brewster was charged with being interested in the investigation involving Howard Hughes.

Along with the general improvements in basic committee procedure, the affirmative rights of the witnesses themselves should be expressly defined. First, it is suggested that Congress voluntarily subject its committees to some limitations on the scope of their inquiries which the courts have not imposed upon them. Judge-made limitations are not altogether lacking, but are ineffective. Thus the Court in McGrain v.

46 The Senate Committee in reporting to Congress on H. R. 2759 (80th Cong.) adopted the position that the statute of limitations on claims for refunds of charges over legal, established transportation rates barred claims by the United States on the basis of testimony of J. Carter Fort, A.A.R. general counsel, given at hearing on March 30, 31, 1948. A letter to the committee from Hon. Peyton Ford, the Assistant to the Attorney General, setting forth the contrary view of the Dept. of Justice was not made part of the transcript of Committee Hearings as printed. A subsequent letter from the Department of Justice to the Chairman of the Interstate and Foreign Commerce Committee dated April 6, 1948, which the Department specifically requested be made a part of the record of the hearings pointed out that Mr. Fort's opinion was admittedly based on United States v. Director General, 80 I. C. C. 143 (1923) was directly contrary to DuPont v. Davis, 264 U. S. 456, decided the next year, and Southern Pacific Co. v. United States, 62 Ct. Cl. 391 (1926) and that the Commission had reversed its own position in Excess Income of R. F. & P. Co., 170 I. C. C. 451 (1931). The Department of Justice further pointed out that the testimony taken by the Committee that United States v. Director General was controlling was contrary to the testimony by the general counsel of the A.A.R. given in 1941 on H. R. 4164 (78th Cong.).
Daugherty seems to be giving stern warning of the limits of inquiry when it says: "Neither House is invested with 'general' power to inquire into private affairs and compel disclosures, but only with such limited power of inquiry as is shown to exist when the rule of constitutional interpretation just stated (the necessary and proper clause) is rightly applied." But in no case since has the restriction invalidated an inquiry, although many have been made which clearly could be termed general inquiries into private affairs. A committee hearing must partake to some extent of the nature of a fishing expedition, that is, it obviously cannot be limited from the standpoint of relevancy of subject and testimony as strictly as a court in a criminal trial or even a grand jury investigation. However, witnesses and documents should not be subpoenaed without some clear idea of what is expected to be produced thereby. Public indignation at the indiscriminate abuse of subpoenas did not commence with Mr. Justice (then Senator) Black's seizure of telegrams in 1935. General Ben Butler's activities as chairman of a Congressional committee in President Johnson's administration were thus described contemporaneously:

"To imagine a genuine case of happiness, . . . you must see General Butler let loose upon several barrels of telegrams. He is all activity. He has blank subpoenas, and sends for folks by the wholesale. Being himself familiar with speculations, his inquisitiveness is whetted to the sharpest edge."

The rules should at least provide that no subpoena be issued except upon the written authorization of the chairman and the senior minority member, or the written authorization of a majority of the committee members; the signature of the Clerk of the House, or the Secretary of the Senate being, of course, a mere formality. Subpoenas should describe the particular subject of inquiry and with some particularity the documents required to be produced.

The most important right of the witness would seem to be his right affirmatively to defend himself and reply to charges made, on the record and published with the testimony against him. It is not only the House

49 Townsend, op. cit. supra note 14, at 521.
50 Formal niceties are of no importance under 52 Stat. 942 (1938), 2 U. S. C. § 192 (1946), when recusant witnesses are indicted. All that is required is that the witness be "summoned"; Kamp v. United States, 176 F. 2d 618 (D. C. Cir. 1949); and refuse "wilfully", whether believing the refusal lawful or not. Dennis v. United States, 171 F. 2d 986 (D. C. Cir. 1948).
Un-American Activities Committee that has not seen fit to give witnesses any right of reply. It is submitted that Eric Johnston's open statement to the House and Senate on behalf of the Motion Picture Association at the time of the investigations of the motion picture industry is neither unfounded nor extreme:

"With no vested right to be heard and no vested right to challenge accusations against him, the innocent citizen is helpless. He can be indicted and convicted in the public mind on the unchallenged say-so of a witness who may be completely sincere, but can be either misinformed or riddled with prejudice. Without fear of reprisal, a prejudiced witness can exercise venom as well as veracity."51

The Legislative Reorganization Act of 1946 implies the right of the witness to make a statement, but rules of committee procedure should affirmatively provide as a minimum protection that any witness at a public or secret session may file a sworn relevant statement which shall become a part of the record of the hearing. The witness should further have the right to give his statement or a summary thereof orally, subject to reasonable limitations as to length and provided he furnishes the same to the committee a reasonable time before his expected appearance. Of course, no person should be obligated to make any statement other than in answer to direct questions.52 This right to make a statement should be available not only to witnesses but equally to any person who believes that testimony or other evidence given at public hearing (or in a secret hearing after release of the testimony) tends to defame him or otherwise adversely affect his reputation. Here again, there should be reasonable limitations on the length of any such statement and the time within which it must be submitted.

Mr. Justice Frankfurter in an article in the New Republic in 1924 maintained that a witness or person criticized by a Congressional committee should have the right to have witnesses subpoenaed in his behalf and to cross-examine his accusers.53 The editors of The Washington Post and other important newspapers, the Civil Liberties Union and other civic bodies, all have insisted that this right of cross-examination should be definitely provided by statute. In the 81st Congress both majority leaders, Representative John W. McCormack and Senator Scott W. Lucas, introduced joint resolutions providing for such right of cross-

51 Motion Picture Association Press Release for Oct. 26, 1947, carried in most newspapers on that day.
52 But cf. Legislative Reorganization Act, 60 Stat. 837, § 133 (e) (1946).
53 See 65 Cong. Rec. 9080, 9082 (1924).
examination by witnesses or their counsel.54 A similar provision was contained in a bill introduced by Representative Helen Gahagan Douglas in the 80th Congress. The text of the joint resolutions relating to the right to have the committee secure the appearance of these witnesses whose testimony was considered objectionable and to cross-examine each witness up to one hour is contained in a footnote.55 Neither of the joint resolutions has been pushed to any extent whatever by its proponents and it seems that such able and experienced legislators must realize their proposal as written would be utterly unworkable in practice. Members of investigating committees are not full-time judges. They have many other duties and lead a hectic life with countless other calls upon their time. It is very difficult, and frequently impossible for long periods, to get a quorum of a committee in session, particularly near the end of a session of Congress. Committee hearings are usually scheduled for not more than two hours and are often shortened by irregular arrivals necessitated by other business.56 Moreover, hearings are frequently


55 S. CON. RES. 44, 80th Cong. 2d Sess. (1948):

"Sec. 3. Such a person shall in addition have the right (a) to testify personally in his own behalf; (b) to have the committee secure the appearance of witnesses requested by him for the purpose of testifying in his behalf, and to examine such witnesses, either personally or by counsel, but no more than four such witnesses shall be called; and (c) to have the committee secure the appearance of witnesses whose testimony adversely affected him, and to cross-examine such witnesses, either personally or by counsel, but such cross-examination shall be limited to one hour as to any one witness.

"Sec. 4. Any person who wishes to avail himself of the rights accorded by section 3 shall, within thirty days of the receipt by the committee of the testimony complained of, file a petition with the committee requesting the fixing of a time and place for the receiving of testimony or the conduct of cross-examination and designating the witnesses to be summoned. Such a petition shall be accompanied by the sworn statement of the petitioner that the petition is not filed for the purpose of delaying or obstructing the work of the committee, but because his reputation has been unjustifiably damaged or otherwise adversely affected by false accusations or inference. The committee shall, within ten days after the receipt of such a petition, fix a time and place for the receiving of testimony or the conduct of cross-examination, which time shall not be later than thirty days after the receipt of the petition, and shall secure the appearance at such time and place of the witnesses designated in the petition."

56 The case of Christoffel v. United States, 338 U. S. 84 (1949), holds that the committee does not have the power to act validly if less than a quorum is present at the time when any given act is undertaken. This may prove a seriously limiting decision, although the power to declare what is a quorum permits considerable flexibility. See Note, 63 HARV. L. REV. 176 (1949).
interrupted, adjourned, or called off by the exigencies of roll-calls, continuous session, or other pressing legislative matters. To permit any person who considered himself defamed to insist upon the scheduling of a committee hearing, the subpoenaing of up to four witnesses and cross-examining such witnesses up to an hour each, would, as a practical matter, mean that no committee could conduct to conclusion an investigation of any magnitude. Such requirements would delay and obscure proceedings and render Congress completely impotent to examine into and uncover fraud and corruption. Ideally, of course, a person accused should have some right of cross-examination, but it is utterly impractical to provide for it in the manner proposed. It is submitted that this is a matter which must necessarily be left to the discretion of the individual committee in the individual case along with the right of interested persons to submit questions or interrogatories for the members to ask witnesses during the course of the hearings. It has been well pointed out that even courts do not interrupt proceedings to permit aggrieved persons to refute allegedly defamatory testimony by calling witnesses and cross-examining them.57

No right of reply with or without the right of cross-examination will be of much avail to a witness if he does not have free access to the stenographic transcript of testimony which should be kept at all hearings. A special problem arises in connection with witnesses who have been subject to attack or criticism in executive session hearings and who are subsequently called to appear at public hearings. It would seem proper in such instances for the person reflected upon and his counsel to be given the right to review without making public any such testimony a reasonable time prior to his appearance in public hearing. Any other procedure would seem to give an undue advantage to a committee counsel interested in making a case. Certainly, there can be no excuse for the procedure of the Ferguson Committee which not only did not permit General Meyers to have access to his own executive session testimony, but, indeed, continued to maintain the secrecy of this testimony so that Meyers was indicted and convicted of perjury on the basis of the committee counsel’s testimony as to his recollection of Meyers’ testimony in secret session.58

It has further been frequently suggested that committees should not

57 See Meader, supra note 17, at 780.
58 The transcript was admitted in evidence later (two weeks) in the trial. This preposterous procedure is summarized in Judge Prettyman’s convincing dissent, Meyers v. United States, 171 F. 2d 800, 814-818 (D. C. Cir. 1949).
ask witnesses questions involving their race, religion, or political beliefs. It is obvious that there are many situations in which it is pertinent and necessary to question a witness on these points. In passing upon the qualifications of a Tariff Commissioner, for example, it will be necessary to know whether the appointee was properly nominated as a Democrat or Republican. The objection, however, which witnesses have actually made to answering questions concerning their political beliefs has not infrequently arisen where the question and reply are in no way related to the subject of inquiry and the inquiry was made in an attempt to discredit or reflect on a witness. Testimony should be evaluated on its merits where it is given in a matter totally unrelated to the witness’ political beliefs. An example of a doubtful case would be the recent interrogations of Clifford S. Durr, former Commissioner of the Federal Communications Commission and general counsel of Defense Plants Corporation, upon his political beliefs at the time of his voluntary appearance before a Senate Judiciary Subcommittee. It is a difficult subject, but it is tentatively proposed that committee rules provide that no question shall be asked as to a witness’ race, religion, or politics, unless the question is relevant to the subject matter of the investigation as distinct from the qualification of the witness to speak upon the subject. And the rules should in any event provide generally that no question should be asked of any witness which is not relevant to the subject of inquiry. But it is submitted the majority of the committee must remain the final judges of whether a question is relevant or not upon the objection of any witness. The courts in recent decisions have rather plainly indicated that they do not intend to limit Congressional committees in this regard if the matter comes before them on a contempt charge.

It would be well if committee rules also clarified the situation with regard to compulsion of testimony. There is a relief statute now on the books which prevents the use of the witness’ own testimony before a Congressional committee in a criminal prosecution. This statute, how-

59 Cf. Wyzanski, supra note 17, at 100.
60 The Subcommittee in this case considered the subject at least and decided the inquiry was relevant. U. S. Congress, Senate, Judiciary Committee, Control of Subversive Activities, hearings on S. 1194 and S. 1196, 81st Cong., 1st Sess. 126–150 (1949).
ever, does not go so far as to relieve the witness from Federal prosecution for a matter in which he testifies but is limited solely to the use of his particular testimony. Under this situation, it seems likely that a witness does have a right to claim privilege against self-incrimination.\textsuperscript{63}

As a practical matter, Congressional committees have customarily allowed witnesses to claim self-incrimination and the problem probably will not arise. However, because of the lack of finality of the law in view of the limited nature of the relieving statute, it would be preferable for the committee rules to provide for this eventuality.

A committee ruling should also provide expressly what constitutes a quorum of a committee for both executive and public session. Very severe criticism has been made of committees which have operated in secret with only one member present, and the recent decisions of the Supreme Court and the United States Court of Appeals for the District of Columbia\textsuperscript{64} make it necessary for a quorum to be present in order to compel a witness to attend or answer. The decisions leave the question open as to what constitutes a quorum.\textsuperscript{65} Because of the difficulty of getting committees together, it would seem that a number of members less than a majority but not less than three,\textsuperscript{66} should be sufficient to constitute a quorum of any committee, provided one minority member is present. The steps which the Senate is taking to meet the decision of the Supreme Court in the \textit{Christoffel} case will only serve to perpetuate the impropriety which the Court therein condemned. Thus, Senate Resolution 180, of the 81st Congress, 2d Session, provides that each standing committee and each subcommittee is authorized to fix a quorum of not less than one-third of its members for the transaction of legislative business and shall be authorized to fix a number less than one-third of its membership as a quorum for the purpose of taking sworn testimony. This resolution would permit a committee to designate one member as a quorum for this latter purpose. The Senate Committee on Rules and

\textsuperscript{63} Counselman v. Hitchcock, 142 U. S. 547 (1892); Brown v. Walker, 161 U. S. 591 (1896); United States v. DeLorenzo, 151 F. 2d 122 (2nd Cir. 1945). As to the necessity of claiming the privilege, see United States v. Monia, 317 U. S. 424 (1942), decided under a more broadly worded statute, and note Mr. Justice Frankfurter's dissent at 431.

\textsuperscript{64} Christoffel v. United States, 338 U. S. 84 (1949); Meyers v. United States, 171 F. 2d 800 (D. C. Cir. 1949).

\textsuperscript{65} The difficulty of determining this in the courts is pointed out in Mr. Justice Jackson's dissent in the \textit{Christoffel} case, supra note 52 at 90 et seq.; \textit{cf.} standing Rule XXV, Cl. 3, SEN. DOC. No. 11, 81st Cong., 1st Sess. 40 (1949).

\textsuperscript{66} A larger number would be appropriate in the larger committees of nine or more members.
Administration unanimously approved this remarkable suggestion as "an adequate response to the decision of the Christofel case". It should be noted, however, most of the criticism with regard to single member sessions has been directed at those committees which did not permit the witness' counsel to be present.

Of course, a most important and fundamental right of a witness is to have his counsel present either in public or secret session not only so that the counsel may make objection to questions, but so that he may prepare for such defense as may be necessary. It certainly is not necessary, however, to go as far as the investigating subcommittee of the Senate Committee on Expenditures in the Executive Departments, 81st Congress, 1st Session, in permitting counsel to supply the answers to all the questions asked Mr. Maragon. This resulted in a distasteful spectacle portrayed in the news reels almost as injurious to Congressional prestige as forbidding the attendance of counsel; and it would seem that there is no reason why counsel for any witness should be permitted to participate except to advise his client not to answer any particular question, to object to the relevancy of any question and to challenge the propriety of any member sitting as an interested party, stating briefly the reasons for his objections or challenge, unless the committee chooses for sufficient reasons to allow counsel to participate in a hearing to a greater extent.

Frequent reference has been made to secret or executive session and it should be mentioned that the propriety of conducting secret hearings has been vigorously attacked.

The danger in this type of hearing would seem to be eliminated by the above suggested rules relative to the manner of releasing and handling committee reports, the presence of counsel, and the necessity of a quorum. The editors of The Washington Post have been particularly vigorous in this criticism and have suggested that the purpose of most secret sessions, that is, determining whether the matter is worthy of public attention, could be accomplished by adequate preliminary staff work. This is simply not possible in many cases, particularly since under the recent decision of the Supreme Court a witness cannot apparently be summoned or compelled to answer except at a duly called hear-

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68 There is no question as to a committee's power to compel testimony in secret. Ex parte Nugent, 18 Fed. Cas. 471, No. 10,375 (C. C. D. C. 1848).
69 See Turning on the Light (1948) (a reprint of editorials on the subject appearing in the Washington Post).
ing at which a quorum of the members is present.70 Moreover, witnesses may frequently decline to give testimony to staff members which would be given under oath in secret session, and such testimony may not always be appropriate for public hearing. As a practical matter, the executive session is frequently a protection to the persons or agency investigated in that the matter never comes to public attention if it is satisfactorily explained in secret session, while a public hearing is apt to be seriously damaging to the witness "on trial" even if he is ultimately cleared. Dr. Condon would bear witness to this. Thus, many witnesses apparently subject to criticism, when given the option, prefer to give their testimony or explanation in secret session in the hope or expectation that their explanation will end the matter. Again, from the standpoint of national security there are obviously some matters which Congress must have the right to hear in private.

The valid objection to executive session would seem to be the danger of covering up matters which should be publicly aired. The second Grant campaign cry of "Open doors! Less whitewash and more fumigation!" should occasionally be heard today. It is suggested, therefore, more to protect the effectiveness of investigations than for the protection of witnesses, that no secret session be held without an affirmative vote of a majority of the committee and with the understanding that a majority of the committee may release all the testimony upon conclusion if it is deemed important but not of sufficient importance to go over the matter again in open session. Having a definite rule on this subject would eliminate disputes which have taken place in recent committees as to whether it is proper or improper to subsequently release executive session testimony. It would seem absolutely necessary to do so if a report is to be issued upon it and a definite understanding that it might be released at a future date would tend to prevent witnesses from making unjustified attacks behind closed doors.

A further, and self-evident, requisite of orderly procedure is that adequate notice of hearings be given all members. This becomes especially important when Congress is not in session. The frequency with which failure to observe the rules in this respect causes controversy may be suggested by the fact that twice in the late fall of 1949—a period not overloaded with hearings, a Congressional Committee chairman was charged with having failed to give notice: on one occasion the offense was charged against the chairman of the House Subcommittee studying

70 Christoffel v. United States, supra note 52; cf. Fleischmann v. United States, 174 F. 2d 519 (D. C. Cir. 1949).
labor problems (Mr. Weir); on the other the House Un-American Activities Committee was the claimed offender, the charge being that the minority members were not given sufficient notice of General Groves' decisive testimony. It is perhaps worth noting that the usual charge against this latter Committee has not been that it gave insufficient advance notice to sensational testimony.

Without attempting to summarize, there is appended hereto a tentative draft of suggested committee rules which might form the basis of full consideration by members of Congress more experienced with the many practical problems that arise.

APPENDIX

TENTATIVE DRAFT OF SUGGESTED COMMITTEE RULES

I. General

A. Meetings shall be called by the Chairman on not less than one day's advance written notice to each member when Congress is in session or five days' advance written notice, or three days' advance notice by telegram, when Congress is not in session; provided minimum time of notice may be waived by the senior minority member of the Committee.

B. The Chairman may appoint any member to act as Chairman Pro-tempore in his absence.

C. A quorum of the Committee shall comprise three\(^1\) members, including one minority member, and voting on any matter requiring a quorum shall be by members physically present and not by proxy; provided approval or disapproval of Committee reports may be made by members in writing when Congress is not in session.

D. No member shall take part in any investigation or hearings in which he is personally interested. Upon challenge by any member of the committee or a witness being questioned, the question of a member's personal interest shall be determined by the majority vote of a quorum of the remaining members of the committee.

II. Hearings

A. Hearings shall be held at the time and in the place set forth in the notice to members.

B. All hearings shall be open to the public except executive sessions

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\(^1\) Larger numbers suggested for Committees of more than seven members.
convened for marking up bills, or for voting, or executive sessions ordered by a vote of a majority of a quorum at a duly called meeting. C. No witness shall be examined in executive session or under oath unless there is a quorum of the Committee present and the Committee Counsel or a staff-member designated by the Counsel.

III. Transcript of Testimony
A. All testimony in public hearings or in executive sessions shall be taken down stenographically and preserved. B. The transcript of all public hearings shall be available to the public; and upon payment of the cost of a copy thereof, any interested person shall be entitled to obtain such a copy. C. The transcript of testimony taken in executive sessions shall be available to the public:
1. When a majority of a quorum at a regularly called meeting shall so determine, or
2. When any part of such testimony has been made public, or
3. When such testimony has been used as the basis of a report issued; in any of which events any interested person shall be entitled to a copy of such transcript upon payment of its cost.
D. The transcript of his testimony given either in public or in executive session shall in all cases be available to the witness from whom such testimony is taken.
E. The transcript of any executive session may, under conditions prescribed by a majority of the committee, be made available to any interested person upon a confidential basis without being made public.
F. No transcript of testimony taken under oath at either a public hearing or an executive session shall be altered or edited.

IV. Statements by Witnesses
A. Any witness, whether appearing at public hearing or executive session may file a sworn statement which shall become part of the record, and shall be permitted to read aloud a brief summary thereof, provided that the statement and summary are given to Counsel for the Committee four days before the hearing or two days after the witness is notified of the date of the hearing, whichever is later. But no witness shall be compelled to submit any statement or give evidence other than in answer to direct questions.
B. Any witness may also submit written interrogatories for use by the
Committee in questioning other witnesses on matters relating to the witness in question, or his testimony. The interrogatories shall be used or not in accordance with the discretion of the majority of a quorum present; provided if the interrogatories are not used, they shall, at the request of the person submitting them, be included as an appendix to the transcript of hearing, with a notation of their rejection.

C. The Committee acting by a majority of a quorum retains the right to reject statements, summaries or interrogatories which are plainly irrelevant to the subjects of its inquiry, and to require any witness to put his statement, summary or interrogatory in concise form before its inclusion in the record or reading before the Committee.

D. Any person reasonably believing that testimony or other matter taken by the Committee has a tendency to affect his reputation adversely may, within ten days after the date of such adverse testimony if taken in public session or within ten days after its release if originally taken in executive session, file a sworn statement relating to it, which, if concise and relevant, shall be made a part of the record.

E. Self-incrimination—Nothing in these rules shall impair the right of a witness to refuse to answer on the ground of self-incrimination.

V. Attorneys

A. All witnesses, either at public hearings or at executive sessions, shall be permitted to have present counsel of their own choice.

B. Counsel may advise his client with respect to whether he should answer any question, and may state his grounds for objecting to any question; counsel may further challenge the relevancy of any question and the interest of any member, which challenge shall be disposed of by the Committee as in these rules provided; counsel shall not be allowed to participate otherwise except with the permission of the Committee.

VI. Reports

A. No report or portion thereof or excerpt therefrom shall be filed or made public until it has been approved by a majority of a quorum present at a duly called meeting.

B. No summary of a report or prediction of the contents of a report shall be made public by any member prior to the issuance of a duly approved report.
C. No member shall issue a statement of his conclusions with respect to any investigation or part thereof except concurrently with or subsequent to the filing or publication of a duly approved report.
D. Any member who makes public a summary or prediction of the contents of a report or makes a statement of his conclusions with respect to any investigation or part thereof prior to the issuance of the formally approved report shall, on the vote of the majority of a quorum of the Committee at a duly called meeting, be denied the right to take part in the formulation of or vote upon the committee report with respect to such investigation.
E. No report shall be issued upon an investigation or testimony taken in executive session unless all of the testimony on which the report is based shall be released concurrently with the report.

VII. Subpoenas
A. All subpoenas shall be signed by the Chairman, or in his absence by a member designated by him, and attested by the Clerk of the House of Representatives (or Secretary of the Senate).
B. All subpoenas shall designate the matter of inquiry with reasonable particularity as well as the specific documents or other evidence required to be produced.
C. Subpoenas shall be issued only upon written authorization of the Chairman and ranking minority member, or upon the vote or written authority of not less than three members of the Committee.

VIII. Publicity
A. No public hearing shall be broadcast on the radio, televised, or be made the subject of a motion picture or newsreel.
B. No photographs shall be made in the Committee room while hearings are in session and proceeding.

IX. Relevancy of Subject Matter
A. Only matter which is relevant and pertinent to the subject of inquiry shall be taken in evidence, and questioning by members and staff shall be limited to such matter. This rule shall be most strictly construed in favor of the witness claiming its protection whenever the question is one relating to his religion, race, political belief or personal affairs.
B. In any case where a challenge is made to relevancy or pertinency it
shall be finally resolved by the vote of a majority of the quorum present.

X. Committee Staff

A. Staff members shall be selected by the Chairman with the advice and consent of the senior minority member or subject to a vote of a majority of a quorum at a regularly called meeting.

B. Upon request by the senior minority member, such staff shall include one professional appointee selected by such senior minority member with the advice and consent of a majority of the minority members.
JURISDICTION TO DETERMINE JURISDICTION IN FEDERAL ADMINISTRATIVE LAW

Bernard Schwartz*

IT HAS been asserted that the "keystone of the arch of administrative regulation is the 'primary jurisdiction' rule." That rule requires that controversies calling for administrative discretion be determined by agencies rather than courts. Its basis was well stated by Mr. Justice Shientag some years ago:

"Certainly sound policy would seem to dictate that courts should not interfere . . . in matters highly technical in character and often far reaching in their economic consequences until they have been considered and passed upon by the trained body established for that very purpose and especially equipped to examine into the intricate facts commonly involved in [administrative] problems."2

One of the important branches of the primary jurisdiction doctrine is the rule that available administrative remedies must be exhausted before resort may be had to the courts. As recently explained by Mr. Justice Rutledge:

"The very purpose of providing either an exclusive or an initial and preliminary administrative determination is to secure the administrative judgment either, in the one case, in substitution for judicial decision or, in the other, as foundation for or per chance to make unnecessary later judicial proceedings. Where Congress has clearly commanded that administrative judgment be taken initially or exclusively, the courts have no lawful function to anticipate the administrative decision with their own, whether or not when it has been rendered they may intervene either in presumed accordance with Congress' will or because, for constitutional reasons, its will to exclude them has been exerted in an invalid manner. To do this not only would contravene the will of Congress as a matter of restricting or deferring judicial action. It would nullify the congressional objects in providing the administrative determination."3

Under the exhaustion of remedies rule, review of particular administrative action is not available unless the party affected has taken advantage of all the corrective procedures provided for at the administrative

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1 Note, 51 Harv. L. Rev. 1251 (1938).


level. For the purposes of the rule, it makes no difference whether the private party has "hardly begun" the administrative process or has nearly exhausted his remedies at the administrative level. The exhaustion rule "does not require merely the initiation of prescribed administrative procedures. It is one of exhausting them, that is, of pursuing them to their appropriate conclusion and, correlativey, of awaiting their final outcome before seeking judicial intervention."5

Suppose, however, that the claim is made in a particular case that the agency concerned is acting without jurisdiction. In such a case, does the exhaustion rule apply with its usual strictness, or can the private party obtain judicial assistance to prevent the agency from acting even though he has not begun the administrative process?

Under Anglo-American theory,

"... every public officer has marked out for him by law a certain area of 'jurisdiction'. Within the boundaries of this area he can act freely according to his own discretion, and the courts will respect his action as final and not inquire into its rightfulness. But if he oversteps those bounds then the courts will intervene. In this form, the law of court review of public officers becomes simply a branch of the law of ultra vires."6

Under this theory of judicial control, can a court intervene to prevent ultra vires administrative action without regard to the exhaustion of administrative remedies rule?

Insofar as the federal courts are concerned, this question was answered in the negative by the Supreme Court in Myers v. Bethlehem Shipbuilding Corp.7 The question for decision there was whether a federal district court had equity jurisdiction to enjoin the National Labor Relations Board from holding a hearing upon a complaint filed by it against an employer alleged to be engaged in unfair labor practices prohibited by the National Labor Relations Act.8 The employer had alleged that it was not engaged in interstate or foreign commerce within the meaning of the Wagner Act and that the Board was therefore without jurisdiction over it. The employer contended that, since it denied that interstate or foreign commerce was involved and claimed that a hearing would subject it to irreparable damage, rights guaranteed by the Federal Con-

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4 If there is no administrative remedy to exhaust, review is, of course, immediately available. See United Public Workers v. Mitchell, 330 U. S. 75, 93 (1947).
5 See note 3 supra.
7 303 U. S. 41 (1938).
stitution would be denied unless it were held that the district court had jurisdiction to enjoin the holding of a hearing by the Board. "This contention," said Mr. Justice Brandeis, "is at war with the long settled rule of judicial administration that no one is entitled to judicial relief for a supposed or threatened injury until the prescribed administrative remedy has been exhausted. That rule has been repeatedly acted on in cases where, as here, the contention is made that the administrative body lacked jurisdiction over the subject matter."  

Under the Myers case, the exhaustion of administrative remedies rule is thus applicable even where it is claimed that the agency has no jurisdiction in the particular case. "... an agency possessing authority over the general subject matter is entitled to proceed to a conclusion without judicial interference. If in the end it has mistaken its authority or jurisdiction, correction must come by way of judicial review."  

How does the rule of the Myers case fit in with the general theory of jurisdiction in administrative law? Fundamental in Anglo-American administrative law has been the conception that an administrative body exercises limited authority and is to be strictly confined within the bounds of that authority. Proceeding from this premise, a court should feel free to ascertain for itself whether a private party comes within the scope of that authority.  

If he does not, the agency is wholly without power over him and any action that the agency may take with regard to him is void. If that is true, why should not the court intervene at the beginning of the administrative process to determine the jurisdictional question?  

The opinion of the Court in the Myers case answered this question by reliance upon the fact that the issue of jurisdiction could be raised on judicial review and, under the governing legislation, an order of the NLRB could not be enforced without judicial consideration of its validity.  

As stated by Mr. Chief Justice Hughes in the Jones & Laughlin case: "The order of the Board is subject to review by the designated court, and only when sustained by the court may the order

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9 303 U. S. 41, 50 (1938). For the converse of the Myers case, see Interstate Natural Gas Co. v. Louisiana Commission, 33 F. Supp. 50 (E. D. La. 1940) (action to enjoin state agency on ground of lack of jurisdiction because plaintiff was engaged in interstate commerce).


11 See Berger, Exhaustion of Administrative Remedies, 48 Yale L. J. 981, 992 (1939).  

Compare Schwartz, Law and the Executive in Britain 156 (1949).

12 303 U. S. 41, 49-50 (1938).
be enforced. Upon that review all questions of the jurisdiction of the Board and the regularity of its proceedings, all questions of constitutional right or statutory authority, are open to examination by the court.\textsuperscript{13} Since adequate judicial review is provided, the court will not grant the relief sought in the \textit{Myers} case. Mr. Justice Brandeis' reasoning here appears to proceed on the assumption that even if the private party's contention that the agency is without jurisdiction is correct, he is not injured by the judicial refusal to grant him injunctive relief at this stage.\textsuperscript{14} For, if the agency has no jurisdiction, it cannot take any valid action affecting the private party and any order which it may issue with regard to him can be set aside on review. Therefore, the conclusion goes, the private party has not made out the showing of damage necessary for the court to intervene. "Obviously, the rule requiring exhaustion of the administrative remedy cannot be circumvented by asserting . . . that the mere holding of the prescribed hearing would result in irreparable damage. Lawsuits also often prove to have been groundless; but no way has been discovered of relieving a defendant from the necessity of a trial to establish the fact."\textsuperscript{15}

There is an obvious weakness in the Court's assumption that a private party is not injured prior to the actual taking of administrative action affecting his rights. The Court appears to ignore the burdens of time, expense, and possible interference with business operations which are involved in administrative proceedings. \textit{Petroleum Co. v. Public Service Commission}\textsuperscript{16} indicates, however, that these factors, even if specifically alleged in terms of dollars and cents, are not enough to change the \textit{Myers} rule in a particular case. In the \textit{Petroleum Co.} case, the private party had alleged that it would be necessary to expend $25,000 in preparing and presenting its case before the agency, but the Court held that this loss did not constitute irreparable injury justifying injunctive relief. "The situation," said Mr. Justice Reed, "is still controlled by the abiding and fundamental principle of this aspect of the \textit{Bethlehem Shipbuilding} case, that the expense and annoyance of litigation is 'part of the social burden of living under government.' "\textsuperscript{17}

\textsuperscript{13} NLRB v. Jones & Laughlin Co., 301 U. S. 1, 47 (1937). See, similarly, Cupples Co. v. NLRB, 103 F. 2d 953, 956 (8th Cir. 1939); Utah Fuel Co. v. Bituminous Coal Commission, 101 F. 2d 426, 430 (D. C. Cir. 1938).
\textsuperscript{15} Myers v. Bethlehem Shipbuilding Corp., 303 U. S. 41, 51 (1938).
\textsuperscript{16} 304 U. S. 209 (1938).
\textsuperscript{17} Id. at 222.
The Petroleum Co. case shows that the Myers rule may in fact impose substantial burdens upon the private party in a particular case. Yet, according to the federal courts, the expense and annoyance involved in an administrative hearing are not enough to justify judicial intervention to stop the agency from acting, even though it is alleged that the agency is without jurisdiction in the premises. "The justification for the burden upon the individual of subjecting him to such [administrative] proceedings instead of stopping them at the outset by injunctive or other relief in the courts," asserted Judge Augustus N. Hand, "lies in the absence of an alternative consistent with the orderly conduct of the government’s business." The jurisdictional issue can be raised in practically every case and if the private party could obtain a judicial hearing at the outset upon the mere allegation of lack of jurisdiction, the injunction or declaratory judgment action might be widely used as a device to delay effective administrative action. "Is it conceivable," asks a New York judge, "that all or any of thousands of hearings held before workmen’s compensation or unemployment insurance referees would be held up so that an alleged employer might take to the Supreme Court, in a declaratory judgment suit, his assertion that the claimant was no employee of his?" The need, in the interest of orderly procedure, for following the exhaustion of administrative remedies rule even in cases like the Myers case, where lack of jurisdiction is alleged, was asserted in 1904 by Mr. Justice Holmes. "We perfectly appreciate," said he, "while we neither countenance nor discountenance, the argument drawn from the alleged want of jurisdiction. But while the consequence of that argument, if sound, is that both executive officers and the Secretary of Commerce and Labor are acting without authority, it is one of the necessities of the administration of justice that even fundamental questions should be determined in an orderly way."

Under the Myers case, it is now an established principle of federal administrative law that the agency concerned is, in the first instance, its own judge of the scope of its jurisdiction. If the agency has erred

18 United States v. Kauten, 133 F. 2d 703, 706 (2d Cir. 1943).
in its determination on the question of jurisdiction, the error can be corrected on judicial review. Basic to the doctrine of the Myers case is this assumption that there will be a full review of the jurisdictional question by the courts after "final" agency action. This is, however, no longer true in a large class of cases in the federal field. In a series of recent decisions, the most important of which are Gray v. Powell and NLRB v. Hearst Publications, the Court has indicated that where administrative jurisdiction is dependent upon a finding of fact the scope of review of such finding is to be no broader than that available over findings of pure fact. Under these cases, the underlying assumption of the Myers decision with regard to full judicial review is thus no longer wholly valid. At the same time, under the Hearst case, the administrative finding on a question of statutory jurisdictional fact must stand "... if it has 'warrant in the record' and a reasonable basis in law." If the Myers decision were not followed, the courts would in many cases have to exercise a broader review function than that permitted them under the Hearst case. At the stage in which relief is sought in the Myers type of case there is as yet no administrative record. If relief were to be granted, the court would have to determine the jurisdictional question on its own independent judgment on evidence introduced before it.

In the Myers case, it should be noted, there was a sharp dispute as to the facts. But the doctrine of that case is applicable as well where no evidentiary facts are disputed. This is shown by Macauley v. Waterman S.S. Corp., which involved the applicability of the Renegotiation Act. That Act authorized the Chairman of the Maritime Commission to renegotiate war contracts made with the Commission for purposes of eliminating excessive profits. The Price Adjustment Board of that Commission notified the Waterman Corporation that it had been assigned to renegotiate Waterman's contracts with the Commission, and requested Waterman to attend an initial conference and to supply information concerning these contracts. Waterman denied the authority of the Board to renegotiate these contracts on the ground that they had been made

21 FPC v. Panhandle Co., 172 F. 2d 57, 59 (3d Cir. 1949); Sunshine Anthracite Co. v. Coal Commission, 105 F. 2d 559, 563 (8th Cir. 1939).
22 See Dickey v. Raisin Proration Zone, 140 P. 2d 53, 72 (Calif. 1943).
23 314 U. S. 402 (1941).
24 322 U. S. 111 (1944).
26 322 U. S. 111, 131 (1944).
27 327 U. S. 540 (1946).
with the British Ministry of War Transport and not with the Maritime Commission. The Price Adjustment Board insisted that while the contracts had been signed with the British Ministry for "technical reasons", they had been negotiated with Waterman by the Maritime Commission on behalf of the United States Government, and that they were therefore renegotiable contracts with the Commission. Waterman refused to furnish the information requested and brought suit in the district court against the Chairman of the Maritime Commission and the Price Adjustment Board seeking a declaratory judgment that the contracts were not subject to the Renegotiation Act and an injunction prohibiting further renegotiation proceedings involving them.

The Supreme Court held that under the Myers case the district court lacked power to grant relief even though there was no dispute here as to the evidentiary facts but only as to the legal consequences to be drawn from them. "Just as in the Myers case," said Mr. Justice Black, "the claim here is that the contracts are not covered by the applicable statute. . . . In order to grant the injunction sought the District Court would have to decide this issue in the first instance. Whether it ever can do so or not, it cannot now decide questions of coverage when the administrative agencies authorized to do so have not yet made their determination. Here, just as in the Myers case, the administrative process, far from being exhausted, had hardly begun."

Under the Myers and Waterman cases, questions of coverage are for the agency concerned in the first instance and the federal courts will not intervene to restrain the agency from acting until there has been an administrative determination upon those questions. This is true although the agency is without jurisdiction in the case unless the question of coverage is decided in the affirmative. Does the Myers rule apply as well where the private party relies upon other jurisdictional issues in the injunction or declaratory judgment action?

Under the basic theory of administrative jurisdiction in Anglo-American law, agency action is *ultra vires* unless the procedures prescribed by the legislature have been followed in a particular case. In the federal field, among the procedural requirements which must be complied with are those contained in the Administrative Procedure Act of 1946. In *Eisler v. Clark*, the district court granted a declaratory decree that deportation hearings were subject to the procedural requirements of

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29 327 U. S. 540, 544 (1946).
sections 5, 7, and 8 of the Administrative Procedure Act and enjoined the conduct of particular hearings until the procedures imposed by the Act were complied with. "The Court thinks it is more or less ridiculous," Justice Goldsborough asserted "to say that a matter of this importance, which can be decided now just as well as it can at the end of a long proceeding, should await the end of the proceeding, and the Court, therefore, grants the motion for a declaratory decree and injunctive relief."32

A contrary result may, as the learned Justice contends, be "ridiculous", but it is clearly compelled by the doctrine of the Myers case. This was recognized, indeed, by another judge of the same court in a later case where relief similar to that granted in Eisler v. Clark was sought. There, District Judge Morris relied upon the Myers case in denying injunctive relief. The exhaustion of administrative remedies rule, said he, applies even though it is claimed that the agency is not complying with the procedures prescribed by statute. As in the Myers case, the court was greatly influenced by the fact that no injury to the private party was shown which could not be adequately corrected by judicial review after final agency action.

"If, as the plaintiff contends, the provisions of the Administrative Procedure Act are applicable to the hearing in deportation proceedings, and these requirements are not complied with, to the prejudice of the rights of the plaintiff, ample and adequate relief can be afforded when the judicial power does come into play at the instance of the plaintiff after a final order in the deportation proceedings by which he is aggrieved has been made."33

In this case, as in the Waterman S.S. case, it should be noted, there was no dispute as to the evidentiary facts, but only as to the legal consequences to be drawn from them.

In the cases we have been considering, the private party has sought injunctive relief on the ground that the particular case did not come within the statutory jurisdiction of the agency. Does the doctrine of the

32 Id. at 611. See, similarly, Yanish v. Wixon, 81 F. Supp. 499 (E. D. N. Y. 1948). On the merits of the case the Supreme Court has held that deportation hearings must be conducted in accordance with the procedural requirements of the A.P.A. Wong Yang Sung v. McGrath, 70 Sup. Ct. 445 (1950).

Myers case apply as well to bar such relief where the asserted lack of jurisdiction is based upon a claim of unconstitutionality? In Wade v. Stimson, plaintiffs sought to restrain the enforcement of a claim arising under the Renegotiation Act, the contention of the plaintiffs being that the statute was unconstitutional. During the war, plaintiffs had entered into numerous contracts to manufacture precision tools and dies. These contracts were not directly with the United States and for the purposes of renegotiation the status of the plaintiffs was that of subcontractors only. In 1944, the Under Secretary of War determined that during 1942 the plaintiffs realized excessive profits in the sum of over $400,000 and directed a refund to the United States of this amount. Upon the failure of the plaintiffs to make this refund, the Government directed prime contractors, doing business with the Government, to withhold for the account of the United States sums otherwise payable to plaintiffs. Plaintiffs claimed that the renegotiation law was unconstitutional as applied to them and sought injunctive relief although the statute permitted them to have the administrative determination of excessive profits redetermined in a de novo proceeding before the Tax Court. The district court denied relief, citing the Myers and Waterman S.S. cases. The fact that it was not statutory but constitutional lack of jurisdiction upon which the claim for relief was based did not change the application of the exhaustion of remedies rule. Thus, even where the statute sought to be applied and enforced by the administrative agency is challenged upon constitutional grounds, completion of the administrative remedy is held to be a prerequisite to injunctive relief.

The result in the Wade case is not compelled by the Myers doctrine. Even if one feels that that doctrine is essential to effective administration, one may still seek to limit its application to cases where statutory jurisdiction is questioned. As stated by the Massachusetts court, in a case which expressly follows the holding of the Myers case insofar as statutory administrative jurisdiction is concerned: "Where an administrative board is created by or is acting under a statute that is violative of the Federal or a State Constitution . . . then one may challenge the jurisdiction of the board by invoking the aid of the courts and need not wait until the board has made a final order." It is usually said that

35 See, similarly, Aircraft & Diesel Corp. v. Hirsch, 331 U. S. 752, 775-76 (1947); Monolith Portland Co. v. RFC, 178 F. 2d 854, 858 (9th Cir. 1949).
36 United States v. Superior Court, 19 Calif. 2d 989, 120 P. 2d 26 (1941).
the *Myers* doctrine is necessary if the administrative process is ade-
quately to carry out the tasks which the legislature has assigned to it. Otherwise, it is argued, the jurisdictional issue can be raised in most cases as a device to delay effective administrative action. But this surely does not apply with the same force where questions of constitutional jurisdiction are involved. Such questions can normally be raised in but a relatively few cases. Once the constitutionality of a particular statute is upheld, those subject to the act can no longer raise that issue, much as they might wish to do so for the purpose of obstructing administrative efficiency. In addition, if the *Myers* doctrine is based, as it in large part is, upon the judicial hesitancy to act in a particular case without the aid of administrative *expertise* as expressed in a prior agency decision, then this, too, should not operate where constitutional questions are concerned. The considerations which lead courts to defer to administrative determinations in most cases do not apply to such questions. With regard to them, the advantages of *expertise* are normally with the judge rather than the administrator.

As we have seen, however, in the federal field, the *Myers* doctrine is applied to defeat petitions for judicial intervention prior to "final" agency action whether it be claimed that the agency concerned is acting *ultra vires* the Constitution or the revelant enabling act. Nor does this result appear to be affected by the review provisions of the Federal Administrative Procedure Act. This is shown by *Transamerica Corporation v. McCabe*,38 where plaintiff argued that that Act qualifies the rule of the *Myers* case. This argument was rejected by District Judge Morris.

"Insofar as it affects the application of the rules to the situation here involved, I am in no doubt that the Administrative Procedure Act left judicial review, when statutory judicial review is provided, where it found it. . . . The requirements of the Administrative Procedure Act are no less important and effective because they are to be enforced by the reviewing court, where statutory review is provided, rather than by a court of equity before final action in the administrative proceedings."39

In a number of recent cases, the private party has attempted to avoid the result compelled by the *Myers* doctrine. Among the most important

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of these are cases where enforcement of a subpoena issued by an agency has been resisted on the ground that the proceeding to which the subpoena related was one in which the agency was acting without jurisdiction. It might be contended that the Myers rule should not be applied in the subpoena cases, for, in them, it is the agency concerned and not the private party who invokes the aid of the judicial process. In such cases, it can be argued, the courts should consider the question of agency jurisdiction before granting the agency's petition to enforce the subpoena. The Supreme Court has, however, held that the Myers rule controls in these cases, so that the district court cannot consider the jurisdictional question in a proceeding to enforce an agency subpoena.40

In the subpoena cases, the Myers doctrine is applied to bar judicial consideration of the jurisdictional question even though it is the agency and not the private party who seeks judicial relief. In FPC v. Panhandle Co.,41 it was likewise the agency which brought the case before the courts. In that case, the FPC had ordered an investigation to determine whether a proposed transfer of natural gas leases by Panhandle violated the Natural Gas Act.42 Pending a final determination, the Commission ordered that the status quo be maintained. Upon the apparent refusal of Panhandle to comply with this order, the Commission sought injunctive relief in the district court. Panhandle contended that the FPC had no jurisdiction under its enabling act over the transfer of gas leases. This contention was answered by reliance upon the Myers doctrine. It is an established principle, asserted the Commission, that the agency concerned is, in the first instance, the judge of the scope of its jurisdiction and, in this case, the transfer should consequently be enjoined until the Commission can determine its own power and the necessity of using it. The Supreme Court rejected this contention.

"To be entitled to judicial assistance . . . " said Mr. Justice Reed, "the order issued by the Commission must be valid and based on a statutory grant of power to the Commission. As we have held above that the transfer of undeveloped gas leases is an activity related to the production and gathering of natural gas and beyond the coverage of the Act, the authority of the Commission cannot reach

40 Oklahoma Press Publishing Co. v. Walling, 327 U. S. 186 (1946); Endicott Johnson Corp. v. Perkins, 317 U. S. 501 (1943), cf. FPC v. Edison Co., 304 U. S. 375 (1938). The doctrine of these cases is probably not changed by section 6 (c) of the Administrative Procedure Act. See D. G. Bland Lumber Co. v. NLRB, 177 F. 2d 555 (5th Cir. 1949). This appears to be true despite a seemingly contrary intent on the part of the sponsors of the Act. See, e.g., Administrative Procedure Act, Legislative History 363 (1946).

41 337 U. S. 498 (1949).

the sales. A proposed transfer cannot be stopped by the Commission. It should not be permitted to delay what it cannot prevent."43

In *Panhandle*, we have one of the rare cases where an agency which relied on the *Myers* doctrine has not been upheld by the federal courts. It is, therefore, of importance to determine what are its distinguishing features. It has been asserted that the result reached in the *Panhandle* case may conceivably be justified by the absence of any disputed or technical issues of fact, since the adjudication involved only a question of law as to whether the words of the statute included gas leases.44 Yet this, as we have seen in our discussion of *Macauley v. Waterman S.S. Co.*,46 has normally been held not to be enough to permit judicial determination of the jurisdictional issue in the first instance. It may well be that the Court is going back to its holding in a 1943 case which is cited in a footnote to the *Panhandle* case by Mr. Justice Reed.46 There, the Court refused to apply the *Myers* doctrine in a case seeking injunctive relief against a state agency where "the orders of the state Commission are on their face plainly invalid. No inquiry beyond the orders themselves and the undisputed facts which underlie them is necessary in order to discover that they are in conflict with the federal Act."47

If the *Panhandle* case can be explained on the theory of the 1943 decision, it implies that the Court is now of the view that the *Myers* rule is applicable only in cases where there are disputed issues of fact, which would, of course, mean a considerable weakening of that rule. If, as is more likely, the Court did not intend to go that far, the *Panhandle* case can be distinguished along the lines contained in the opinion of the Court of Appeals. The reason why the *Myers* doctrine did not aid the agency here, said Judge Goodrich, is that "in this case no court is stepping between the Commission and the performance of its job. The Commission is, on the other hand, seeking court help, which it admits is discretionary, in a situation where its investigatory powers have been unopposed."48 It is true that it is the agency as well which is seeking court help in the subpoena cases, where the *Myers* doctrine is strictly applied. But the *Panhandle* case shows that the subpoena cases

43 337 U. S. 498, 515 (1949).
44 Note, 63 Harv. L. Rev. 119, 149 (1949).
45 See note 26 supra.
47 317 U. S. 456, 469 (1943).
48 172 F. 2d 57, 60 (3d Cir. 1949).
must be limited to their own facts. In cases other than those involving the exercise of investigatory powers, where it is the agency itself which seeks the aid of the courts, the courts can consider the jurisdictional issue before granting relief.

This does not, however, mean that the present Court will permit a weakening of the *Myers* doctrine beyond that implied by the *Panhandle* type of case. That the opposite is true is shown by some other recent cases where it was sought to avoid the effect of the *Myers* doctrine. In *Arkansas Power & Light Co. v. FPC*, the company sought a judicial determination as to whether the FPC or the Arkansas Public Service Commission had exclusive regulatory control over its official corporate accounting records. *Arkansas Power & Light* is a public utility subject to the jurisdiction of the Arkansas Commission, and that body had prescribed the manner in which the company should keep its corporate books, accounts and records. The FPC had then served a show cause order in which it asserted authority to require the company to make certain adjustments in its records, adjustments which were seen to be drastic departures from the company’s then existing accounting situation which had come into being through the compulsion of the order of the Arkansas Commission. Alarmed at the prospect of being forced to disobey one of the two commissions whatever course it might take, the company sought a declaratory judgment concerning the contending claims of the two regulatory bodies. The Arkansas Commission came into court voluntarily and filed a cross-complaint against the FPC praying for a declaration that it had the exclusive regulatory control over the company’s records.

The Court of Appeals for the District of Columbia was of the opinion that the complaint stated a good cause of action under the Declaratory Judgment Act. To apply the *Myers* doctrine here, said the court, would presume that “... a sovereign state must appear before a federal administrative body in order to have determined the legal effect of one of its own statutes considered in connection with a related federal statute. ... Even if it be said that the Federal Power Commission has the right to exercise the judicial function of interpreting its own organic act, it could hardly be added that the agency also possesses the exclusive right to interpret a statute of one of the States of the Union, and to decide the relation between that state legislation and its own Act.”

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51 156 F. 2d 821, 833 (D. C. Cir. 1946).
The Supreme Court, however, felt that the case did not constitute an exception to the Myers doctrine, and reversed the judgment below in a memorandum decision "... on the ground that respondent has failed to exhaust its administrative remedies."\textsuperscript{52}

In the Arkansas Power & Light case, it was clear that the company had available to it both an administrative remedy and adequate judicial review after the federal agency had acted. It would thus be able ultimately to obtain a resolution of the jurisdictional dispute between the federal and state agencies. It is true that the company might be subjected to needless inconvenience, expense, and harrassment in the meantime, but, under the Myers case, that is not enough to lead the courts to intervene. In Order of Railway Conductors v. Swan,\textsuperscript{53} the jurisdictional dispute was within the federal agency itself. The agency concerned in that case was the National Railroad Adjustment Board, which is the body set up to determine labor disputes in the railroad industry. It is composed of four divisions, half of whose members are selected by the carriers and half by the national labor organizations. Disputes involving employees in certain specifically designated crafts are assigned to each division; the Fourth Division also has a "catch-all" jurisdiction over all disputes not assigned to one of the other three divisions. In the instant case, there was a controversy as to which division of the Board had jurisdiction over disputes involving yardmasters. The carriers concerned in the dispute asserted that the First Division of the Board had jurisdiction; the union claimed that yardmaster disputes lay within the exclusive jurisdiction of the Fourth Division. The members of the First and Fourth Divisions of the Board were evenly divided, in each division, as to whether their division had jurisdiction over these disputes, and hence neither division had acted. The union brought an action in the district court, seeking a declaratory judgment that the First Division had jurisdiction over these disputes. The district court and the court of appeals held that the federal courts could grant declaratory relief in such a case, and the Supreme Court affirmed.

In the normal case, under the Myers rule, Mr. Justice Murphy admitted, the problem of jurisdiction is left to be determined in the first instance by the administrative agency. But here, said he:

"We are dealing with a jurisdictional frustration on an administrative level, making impossible the issuance of administrative orders which Congress ex-

\textsuperscript{52} 330 U. S. 802 (1947), citing the Myers and Waterman cases.

\textsuperscript{53} 329 U. S. 520 (1947).
plicitly has opened to review by the courts. Until that basic jurisdictional controversy is settled, the procedure contemplated by § 3 of the Railway Labor Act remains a dead letter so far as yardmasters are concerned and the statutory rights of such persons become atrophied. A declaratory judgment action is therefore appropriate to remove such an administrative stagnation.\footnote{Id. at 524.}

The 	extit{Railway Conductors} case, like the 	extit{Panhandle} case, rests upon its particular facts and does not imply that the present Court is weakening in its adherence to the 	extit{Myers} doctrine. That it will on the contrary normally reject attempts to avoid that doctrine even though strong arguments can be made for distinguishing the particular case can be seen from 	extit{Otis & Co. v. Securities and Exchange Commission}.\footnote{176 F. 2d 34 (D. C. Cir. 1949), rev'd mem., 338 U. S. 843 (1949).} The plaintiff there was one of three underwriters who contracted to purchase an issue of common stock of Kaiser-Frazer Corporation. Among the conditions precedent in the underwriting agreement was one that on the closing day there should be no material litigation pending against Kaiser-Frazer. On the morning of that day, one Masterson sued Kaiser-Frazer in a Michigan court, seeking to enjoin the contemplated sale. Otis then cancelled the underwriting contract. Kaiser-Frazer sued Otis in a New York court charging that it had fraudulently caused Masterson to file the Michigan suit in order to terminate the underwriting agreement.Shortly afterwards, the SEC began an investigation to determine whether certain anti-fraud provisions of the Securities and Exchange Act of 1934\footnote{48 Stat. 881 (1934), 15 U. S. C. § 78 (1946).} had been violated by Otis and extensive hearings were conducted.

In connection with the investigation, the SEC sought to obtain the testimony of two Cleveland attorneys on consultations between them and the controlling stockholder of Otis concerning the Masterson suit. The attorneys refused to testify about those communications on the ground of attorney-client privilege. The Commission filed a complaint in the district court seeking to compel them to testify. The complaint recited that evidence in the record of the investigation amounted to a prima facie showing that the consultations concerned the filing of a fraudulent lawsuit and the entire record of the investigation was offered in support of this claim. The district court, after extensive argument, held on October 28, 1948, that the evidence before the Commission did not make "the requisite prima facie showing of fraud to pierce the attorney-client privilege," and consequently the order to enforce its subpoenas which had been sought by the agency was denied. The SEC

\footnote{55 176 F. 2d 34 (D. C. Cir. 1949), rev'd mem., 338 U. S. 843 (1949).}

then directed that a hearing commence to determine whether to revoke or suspend the broker-dealer registration of Otis. A few days afterwards, Otis commenced the present action to enjoin the Commission from proceeding insofar as its proposed hearing would involve the termination of the Kaiser-Frazer agreement or the alleged instigation of the Masterson suit. Otis prayed that the court declare that the judgment of October 28 was binding as res judicata on the SEC and that the Commission was consequently without power to conduct the proposed inquiry into the alleged instigation of the Masterson suit. The complaint alleged that the SEC did not have and could not produce any evidence in addition to that in the record of its prior investigation. The Commission moved to dismiss the complaint, relying upon the Myers doctrine.

The district court granted the motion,\textsuperscript{57} but the Court of Appeals for the District of Columbia reversed. Under the doctrine of res judicata, said Judge Miller, it must be regarded as established as between Otis and the SEC that the evidence gathered in the prior investigation did not and does not amount to a prima facie showing that Otis fraudulently caused the Masterson suit to be filed. That being so, the learned judge went on, neither the Myers doctrine nor the subpoena cases\textsuperscript{58} barred the court from acting here.

"In neither of them was the doctrine of res judicata involved. In neither had there been a previous determination by a court of competent jurisdiction of the issue which the administrative agency was about to consider and decide. . . . This is not the threshold of the administrative process, because the evidence has already been heard and the Commission has already announced its conclusion therefrom. The Commission's only possible purpose in desiring to reconsider the record, which has already been construed in one way by the Commission and later in the opposite way by the court, is to reverse the decision of the court."\textsuperscript{59}

As in the Arkansas Power & Light case, the Supreme Court reversed in a memorandum decision, citing only the Myers doctrine to show that the district court had no jurisdiction. In the words of SEC attorneys, the decision by the Supreme Court in the Otis case shows "... that once an administrative agency starts a case it must be completed before the defendant may request a judicial review. . . . Otis & Co. had tried to put the cart before the horse."\textsuperscript{60}

\textsuperscript{58} See note 39 \textit{supra}.
\textsuperscript{59} 176 F. 2d 34, 42 (D. C. Cir. 1949).
\textsuperscript{60} N. Y. Times, Oct. 18, 1949, p. 41, col. 4.
The *Otis* case indicates that the members of the present Court are still strong adherents of the *Myers* doctrine in cases where injunctive relief is sought by a private party. If the Court would ever permit judicial interference in an administrative proceeding at the suit of a private party before the stage of "final" agency action, it should do so in a case like *Otis*. For the allegation there was that the merits of the very controversy in question had already been decided adversely to the agency by a court of competent jurisdiction. The *Otis* case thus shows that insofar as attempts by a private party to secure injunctive or declaratory judgment relief before "final" agency action are concerned, the result is clear. Such relief will not be granted even though the action is based upon an alleged lack of jurisdiction in the agency, and, in all probability, even though the evidentiary facts in the case are not disputed. The only exception in the federal field is a case like *Order of Railway Conductors v. Swan*, 61 and the decision there can be explained by the Court's belief that there was in actual fact no administrative remedy for the private party to exhaust because of the unresolvable jurisdictional dispute within the agency.

On the other hand, if it is the agency itself which comes into the courts, the *Panhandle* case 62 shows that the result is a different one. The agency is entitled to judicial assistance only if its action is within the authority delegated. In such a case, the courts can always consider the question of administrative jurisdiction even though the agency itself has not yet determined that question. It is to be noted, however, that the *Panhandle* case is not followed where the agency seeks judicial relief in aid of its investigatory powers. In the subpoena cases, as we have seen, the *Myers* doctrine is strictly adhered to.

61 329 U. S. 520 (1947).
ADVANCES IN ANALYSIS OF QUESTIONED DOCUMENTS

CHARLES A. APPEL, JR.*

Preface

The first half of the twentieth century witnessed a rapidly increasing juridical use of scientific laboratory analyses of documents. Although handwriting experts testifying from comparison of writing habits, as distinct from traits of character, have been admitted as witnesses from antiquity, it was not until 1913 in United States Federal Courts, and in some instances later in State Courts, that by statute the introduction of exemplars specifically for this comparison was decreed. Before this there could only be used such writings as were admissible for their contents as evidence in the case.

This statute rapidly increased the use of handwriting identification testimony. But the equal or greater expansion of analysis of materials, paper, writing instruments, ink, resulted from intensified application of chemical and physical laboratory methods of analysis.

These changes are strikingly apparent in a review of the literature. Textbooks around 1900 and before were few in number, meager in the description of processes of analysis, and given to description of individual cases, in a manner more popular than technical.

It will be noted that this change in attitude toward scientific proof, in the judicial branch of government, was brought about by legislative action, in most jurisdictions. It was the executive branch which then led the advance through the inauguration of laboratories for the de-
velopment of scientific evidence in legal cases, primarily for use in criminal investigations and prosecutions.\(^5\)

The changes may also be followed in the famous criminal trials.\(^6\)

What was occurring was the belated recognition in the profession of law, of the rapid strides in science. Expressed through expert testimony, the law as well as the general public responded by revising the appraisal of the expert. The impartiality of the scientist and the central laboratory, exemplified in the factual nature of material analysis and expressed in improved certainty of conclusions, is now unquestioned. The amount and significance of the analytical evidence secured has replaced the dependence upon eminence of reputation and multiplicity of opinions.\(^7\)

In civil cases these advances are not so noticeable and old attitudes toward the expert resulting in old fashioned procedure, are sometimes encountered. Instead of being eager to secure the advantages, some lawyers continue to feel inadequate toward developing examinations and toward presentation in court of the expert witness.

During this period only a few law schools have materially expanded instruction in expert testimony.

It is the purpose of this article to point out the need for greater response of the legal profession to the changed conditions, by brief indications in non-technical language of advanced procedure and its significance.

**Handwriting**

The basic principles of handwriting identification are no different today from early procedure, consisting as they do of tabulating by analysis, independent motion habits of an unconscious, automatic nature, the combination of which distinguishes the individual writer from all others.

Progress consists of the addition of scientific aids to accurate measurement, improvements in the means of demonstration, and research advances in the effect on writing of physical condition, mental state, and foreign styles.

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5 Director John Edgar Hoover of the FBI installed the great FBI laboratory, which functions for State as well as Federal cases, in 1932. Similar institutions after its pattern were established by Scotland Yard, New York City, and others.

6 Early cases: Sacco-Vanzetti, Black Tom suits against Germany. Later cases: Lindberg Kidnapping, O'Connell Kidnapping, Pendergast Election Frauds, German and Japanese Espionage Conspiracies, Hesse Jewels Court Martial and the Alger Hiss trials.

7 For instance, in the Department of Justice the use of multiple examiners testifying as to the same analysis has been discontinued.
The new systems of teaching writing, especially that which first utilizes semi-printed forms, and the increasingly early discontinuance of any formal writing supervision in this country, present variances in basic learning requiring up to date information and experience in analysis.

New writing instruments and mechanical devices lately introduced profoundly influence identification factors. For instance, the ball point pen, introduced for the first time about 1942, is as different in its operation from an ordinary pen, as is a pencil. Because of its method of rolling out the ink, which does not flow, and for other reasons, the line quality of these pens is unlike that of any other writing instrument. Moreover these lines sometimes resemble the kind produced by forgers in drawing imitations of genuine signatures. Unless carefully studied to determine the cause the irregularities of these lines may be mistaken as evidence of forgery. Bad line quality resulting from a defective writing instrument may actually be consistently significant with genuineness, since a careful forger does not risk such conspicuous faults.

The use of a ball point pen provides some additional evidence of identity. It requires a change in grip because of its use of a rotating ball point. The position when writing is different from that of the nib pen. The ideal position is vertical. But the nib pen writes best on a slant. Hence new writing habits are formed and until developed the use of the pen is apt to be uncomfortable, interfering with speed and other factors.

The increased use of mechanical and human aids in the preparation of quantities of certifying signatures, necessitates a special study. It is true that the "gang-pen" type of multiplying instrument reproduces motions of the signature writer as he writes. To say that the additional signatures, being facsimiles, are genuinely true reproductions, is to ignore the effect on the writing, of the apparatus. However responsive this type of instrument may be it does not possess the freedom of motion of the unattached pen.

The signature reproducing machine which entirely mechanically and by means of a template, creates additional "genuine" signatures, requires a further separate study of some extent before an examiner may correctly interpret the effect of the mechanism.

Printing plate signatures are primarily a problem in printing identification, rather than handwriting analysis, but the forged reproduction of genuine signatures by offset and other printing plates, requires much study before attempting analysis.

Mechanically created forgeries are still minor in volume. It is the
necessity of eliminating this method from consideration in a case which changes procedure in analysis. Thorough familiarity with evidence distinguishing mechanical and semi-mechanical writings from free-hand, is necessary. Without such familiarity, one may confuse evidence of forgery with evidence of genuine writing or reproduction by mechanical aids.

Signatures normally written with unusual writing instruments must be compared with genuine signatures written with the same instrument. Otherwise the significance of differences due to the writing instrument may be misunderstood.

Multiple signature mechanisms of the type using templates display defects due to the interposition of the mechanism. Questioned signatures of this type must be compared with genuine ones made with the same apparatus.

In conducting the analysis for identification the examiner must have a preliminary knowledge that other than simple writing instruments may have been used. That is, he must be informed of the general practice. Unless this information is supplied in advance, an examiner would be perfectly justified in reporting adversely on a case. On the other hand, of course, evidence in a questioned signature of a writing mechanism must be analyzed to determine the type.

A similar situation exists with reference to the regular use of signatures written by a confidential secretary for certain purposes and to relieve the writer of the tedious repetitions in large numbers of minor papers. Because of the secrecy with which these practices are hidden by many prominent persons they are sometimes reluctant to disclose the practice as a preliminary step in securing an analysis. An analysis without such a preliminary disclosure is futile, being a comparison without the specimens to compare. Here an adverse report is not only justified but mandatory.

In all of these situations there are more than one authentic or normal habit pattern, one for each writer (of the same name) or each type of writing instrument. Specimens of each authentic habit pattern are necessary before an examination is begun.

These questions are distinct from the query whether signature reproducing mechanisms may be used by a forger to create forgeries either of genuine free-hand signatures or of genuine signatures made with the machine. The answer is, these machines do not enable the avoidance of evidence of the forgery. If a "gang-pen" is used by tracing over a genuine signature, evidence of such tracing is created. If an
attempt is made to create a template by tracing, the same result occurs.
In effect the machines are added complications multiplying the drawing
motions which are so different from free-hand writing. To the evidence
of drawing motions is added that of the mechanical instrument.

The unauthorized use of a genuine template, of course, would create
unauthorized "genuine" signatures. These might be forgeries under the
legal definition of the term. When applied by handwriting examiners,
a forgery means simply a simulation or copy of a genuine signature
made by another person. Hence an unauthorized operation of the sig-
nature machine creates signatures which are "genuine" in the language
of the examiner, and not simulations, that is, forgeries.

In the same way a signature authorized to be written by a confidential
secretary, could only be identified as the genuine writing of the secre-
tary. Even if authorized to be written in the form of a genuine signature,
from the standpoint of handwriting identification the evidence would
show it to be a copy and not genuine.

Materials

Paper

Sheets of paper in questioned documents can be traced as to origin
or source of supply. The watermark, the finish, the fiber, sizing, and
physical measurements, compared with known supplies, furnish evidence
for this purpose. Improved laboratory apparatus and techniques add
certainty to these tests.

It is with reference to the "age" of a sheet that most changes have
occurred. For a document to be authentic the paper must have been available
at the purported time and place. By tracing the source of supply and date of availability facts consistent or inconsistent with
purported conditions are uncovered. If the purported "age" bears a
relation to one of the major changes in raw material or process of manu-
facture, identifying the sheet with conditions before or after the change
may be decisive. Papers supposed to be relatively old, such as those
dated in the nineteenth century are usually subjected to fiber tests and
chemical analysis. Although papers of later date were at times produced
from materials and processes of common use, the disruption of com-
merce by the first and second world wars, and the invention of new
methods, have introduced many new dating changes which may be
utilized. For instance the use of southern pine and cotton on a large
scale is new, and substitutions made during the wars due to shortage
of materials provide differences.
The use of ultra-violet light, soft x-rays, the spectrograph and the spectrophotometer in paper analysis aids greatly in the analysis of questioned documents which are not adaptable to many of the older paper tests, because of the limited amount of material which may be consumed in the test.

**Ink**

Many changes have occurred in the compositions of inks. Improved dyes and the creation of special formulas for fountain pens have caused widespread use of types previously not encountered. Less interest exists in securing permanency than convenience of use. For instance quick drying and non-staining (washable) varieties are more frequently encountered. Changes in "record" inks, used for permanent entries are not so noticeable except in the dye.

Ball point pens use an entirely different ink, which is more like a jelly and does not flow into the paper fibers, but is rolled out on the surface to which it adheres like carbon paper impressions. This ink, owing to its composition, which has qualities enabling the ball mechanism to function, is not a "record" ink. A few years ago there was quite a controversy about the permanency of ball point pen ink. But very little was said regarding the relation of this ink to formulas prescribed by statute for "record" inks. These, by statute, must conform to certain specified functions. The specifications are designed to bring permanence and (final) unchangeability to writings in formal records. For instance, record inks must not be soluble in water or alcohol, and must contain iron compounds. These qualities do not exist in ball point pen inks, although many are being changed in order to create permanence. Early ball point pens were often defective in operation and also the rapid fading of the ink. This fading was caused by the use of dyes which changed color quickly after writing and within a short time disappeared from the paper. Skipping and blotching occurred through failure to feed properly.

Better inks and dyes are now used in most of these pens, but none have been found which comply with the specifications of the statutes.10

Because there are many differences in the ingredients used in these

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10 See INKS, Circular C426 at 7 (Dep't Commerce, Bureau of Standards, 1940).
ball point pens, those of different manufacturers do not resemble each other. Alterations and additions to questioned documents, on which ball point pens are used are relatively easy to discover.

The application of new analytical instruments to ink examinations is resulting in important improvements in the scope and certainty of analytical results. The spectrograph and the spectrophotometer have already proven invaluable. The spectrograph, by measurement of the color resulting from burning minute quantities of material in an arc, gives very positive evidence of the presence of metals. The spectrophotometer by measurement of the color of light transmitted through a solution of minute quantities of material gives very positive evidence of the dye and its condition. For the purpose of these instruments small portions of ink lines are cut from the paper. These are too small to seriously interfere with use of the document in evidence (although it is customary to first secure secondary evidence through photography).

The spectrophotometer through the use of photo cells is almost entirely automatic and produces spectrum curves of light absorption by the ink, in solution. Differentiation between different inks of the same apparent color on a document is by this means certain and relatively easy.

Another instrument of great promise in the analysis of ink lines on documents is the electronic microscope. Minute portions of the inks are extracted from a questioned line, then are examined and photographed on the microscope.

It will be noted that these three instruments result in permanent records of the tests in the photographic images and curves produced.

In the use of these instruments (as in many chemical tests adapted to ink lines) the amount of material examined is so minute as to constitute a "trace" in some other analytical processes. They are much too small to enable quantitative analysis or even qualitative analysis in the chemical laboratory through usual methods. For this reason, it is always necessary to use control tests in order to make certain that the material found comes from the ink (and not from the paper or from contamination). The adaptation of the instruments for ink test of questioned documents is a special application, requiring research and practice in this particular field.

With reference to "age" of ink tests, testimony based on the presence or absence of blue dye (to verify the purported time which had elapsed) in the ink was given by an examiner in the famous Black Tom case involving suits against Germany for sabotage during World War I. Ex-
tensive experiments by chemists of the National Bureau of Standards not only challenged these claims in this case but disputed the research of early chemists on which they were based.\textsuperscript{11}

Later (1931) chemists in the German Police Laboratory claimed perfection of a new method of measuring the migration or spread in paper fibers of invisible ink ingredients away from the ink lines as they aged. This is the so-called Chloride test, accomplished by cutting out small portions of a line. The paper is then washed with silver nitrate which precipitates silver at the place on the paper to which the chlorides have spread owing to passage of time. It was claimed that it takes about two years for the chlorides to reach equilibrium by migrating throughout the paper. The solution used to wash the paper also bleaches out the visible ink so as to keep this from interfering with the pattern of migration. After the development of a pattern the paper cutouts are restored to the questioned document where the migration pattern remains beside the visible ink line as proof of the amount of migration which has taken place. The Germans compared this with known specimens to reach a decision as to the date.

This test was applied in a case in California, whereupon two chemists for the opposing side showed by research that the extent of migration of the chlorides depends not only upon the passage of time, but is more truly the result of various aging conditions of which time is only one element. Particularly the humidity of the surrounding air greatly affected the rate of migration, which is fast in the presence of much moisture and slow under dry conditions. Other aging conditions which are important are heat and light (as with all chemicals, which change more or less rapidly until equilibrium is reached).

Later the Germans suggested an additional migration test for age by developing the invisible sulphates present in the ink which also migrate away from the line. At the same time they claimed that by the use of both tests applied to the same line it is possible to determine whether unusual conditions of humidity had acted on the document. If found not to have been present, the procedure of comparing the amount of migration to known standards which they prepared in advance, is followed.

Few references may be found in the United States to use of these migration tests in cases,\textsuperscript{12} perhaps owing to the reluctance of document examiners to deal with a controversial method.

\textsuperscript{11} Ibid.

\textsuperscript{12} See Inks, Circular C426 (Dep't Commerce, Bureau of Standards, 1940).
The tests reveal the extent of aging conditions which have acted on an ink line (of which time is one element). Hence it is possible in certain types of cases that these tests may be decisive and beyond dispute. For instance entries in a family bible fifty years ago, under any conditions of storage, could not now contain unmigrated chlorides, whereas, of course that is exactly what it would contain if prepared at any recent date, provided the interval between preparation and test, plus the other aging conditions, particularly humidity, are not great.

Similarly, different entries on the same paper, purportedly written at the same time and subjected to the same aging conditions, may be tested. Migration markedly different in the two is evidence that the interval must be longer on one than the other.

It will be noted that in these special cases nothing has been said about the composition of the paper or the composition of the inks. This is because they do not affect the outcome since only positive findings are significant. If the tests do not develop the presence or migration of chlorides or sulphates in the ink this does not prove authenticity as severe conditions of moisture as well as lapsed time may have caused their disappearance and no substantial amounts may have been present in the original ink solution.

The effect on migration rate of the composition of the paper and of the ink formula, is a subject about which there are differences of opinion. The German chemists claim experiments to show that the migration rate is unaffected by the amount of substance present or by differences in the paper (provided they are both writing papers). Until either verified or disproved by results in a sufficient amount of experience in this country, it is unlikely these tests for age will be used here in the precise manner claimed in Germany, by comparison of migration patterns with patterns produced on papers of known age.

Since the migration tests are possible only with inks containing chlorides and sulphates, it is customary in Germany to first determine the type of ink in the questioned entry by spot chemical tests, ascertaining whether it is an iron ink, as this type contains such substances. If the tests are not used to draw conclusions from negative results (no development of migration patterns), it is unnecessary to conduct such spot reactions. The successful migration development proves the presence of the substance. As a matter of fact in the United States these substances are present in some of the other inks as well as the iron types.

A modification of the German method in order to avoid cutting the paper and bleaching the visible ink stain, consists of exposing test papers
against the questioned entries under slight pressure. The test papers are then washed with the solutions to develop any chlorides or sulphates which have migrated to the test papers away from the questioned ink lines. They must be left in contact for a substantial time and the failure to secure development does not have significance. Otherwise this method offers the further advantage of doing away with the necessity of bleaching the ink. The amount of chlorides and sulphates in any inks is so small and the tests are so delicate, whether applied on the cut out questioned paper or on transfer test sheets, that much practice is necessary before migration tests should be undertaken. In the application of the tests, controls must constantly be used with known specimens in order to prove the solutions and applications correct and not interfered with by contamination. If questioned papers are much handled they will be found to contain substantial chlorides from fingerprints, in fact these are frequently developed in applying the tests.

With regard to anonymous questioned papers, these may be examined simultaneously for fingerprints and for invisible ink components transferred to the questioned paper from other writings with which it has been in contact. The invisible ink ingredients are sometimes found to have migrated to the paper from other papers of the anonymous writer. By using migration test solutions for chlorides, both fingerprints and migrated ink patterns are developed. These appear in the form of wide writing lines which are reversed from the normal and must be read with a mirror or reversed photographically.

Different test reagents are used to develop on such questioned papers components of typewriting ink which have migrated to the questioned paper from some other sheet with which it has been in contact.

Pens

In the twentieth century the development of the fountain pen caused it largely to replace the steel nib pen and inkwell. Since the operation of this instrument depends upon the ink as well as the mechanism, special inks to provide particular results were developed. Not always are these suitable for permanent records, but the public in general does not consider this feature as important as satisfaction in the use of the pen.

The ball point pen is a brand new instrument which was first sold generally in Argentina about 1942. From there it quickly spread to other countries, particularly the United States. The success of the pen depends upon the ink which is not a water suspension or solution like
other inks, but a jelly type of vehicle containing dye which is carried
to the paper by the rolling of the ball bearing point. The ball is held in
a cup provided with channels carrying the ink from a central supply
by capillary action. The ball as it revolves in any direction picks up
and deposits the ink on the paper over which it rolls. A certain amount
of ink is scraped off on the lip of the cup, and when there is a quick
sharp change of direction there is sometimes a deposit of too much ink.
Early pens of this type frequently skipped and blotched or completely
failed to function. As the ink does not flow together each uneven pick
up and deposit of ink by the ball shows as an irregularity in the line.
Many pens leave a characteristic white streak at times in the ink line.
The line quality is not as continuous and smooth as the lines of nib pens
in which the ink solution flows on the paper.

Many improvements have been made in these pens. They all work
best when held nearly vertical and when the paper is placed over a
relatively soft surface.

The path of the ball is clearly marked by a groove entirely different
in appearance from the parallel depressions of the nib pens. Examination
under the microscope enables quick and easy identification of these
indentations as made by ball point rather than nib pens. The grooves
are deeper than other pens because of the unyielding hardness of the
ball, and of course no change of pressure is possible although the lines
do narrow at the beginnings and endings of strokes.

If used on very smooth indentations paper, there frequently is visible under the
microscope a series of indentations which may or may not be outlined
in ink, representing the circumference of the ball. These circular im-
pressions overlap each other in the direction of motion, culminating
often in a complete semi-spherical hollow in the paper at the end of the
line. While such marks occur on ordinary paper they are not easy to
detect except on very smooth surfaces because of the interference of
the paper fibers. Ordinary paper is relatively rough.

In general there is no difference in the size of the balls used in these
points by different manufacturers. If it should develop that such dif-
ferences are introduced in the changes currently being made to improve
these pens, it will be possible to measure this with accuracy with the
aid of the microscope. The greatest difference now exists in the inks,
different manufacturers using different dyes, and in a case where this
is significant, examination for the dye occurs. These dyes may readily
be differentiated in the spectrophotometer which is best applied by
cutting out a small portion of a line from which the ink is extracted.
It is relatively easy to determine the difference between ball point pen inks and ordinary inks by microscopic and chemical spot tests. It is impossible to use ball point pen inks in ordinary pens and vice versa.

**Mechanical Impressions**

The rapid and continuous development of the typewriter in the twentieth century to date, has produced a continuing record of dated changes, against which to compare questioned papers written with this machine. Even before it leaves the factory each machine has its individual characteristics enabling identification. This is due to the multiple number of impressions which each machine makes, and to the inspection standards which permit differences not noticeable to the unaided vision but clearly observable by microscope, when carefully measured. From then on of course, as the machine is used, the identifying peculiarities increase in extent and in number.

When it is possible to secure access to a sufficient number of day to day writings of a machine over a period under investigation, it is sometimes possible to date a questioned paper by reference to the progress of defects and other changes on the typewriting impressions. This must be sufficiently extensive to cover a substantial number of the possible type impressions. Changes in each ribbon as it is used and discarded help in such determinations.

Radical changes in typewriter mechanism occurred throughout this era, producing clearly recognisable dates of reference. In addition changes in design of type forms were innumerable.

It is necessary to have or have access to a truly voluminous library of typewriter "standards" showing the effects of these changes, for comparison with a questioned paper. The most complete set of such standards is that maintained in the Laboratory of the Federal Bureau of Investigation. These are furnished directly from the factory designs supplied by each manufacturer on FBI forms, at the time or in advance of their use. By use of the same form, uniformity of information is secured, while the cooperation of the typewriter companies amounts to certification of authenticity as to the machines on which the designs were actually incorporated. Much information of a semi-confidential nature is included.

Libraries of standards maintained by individual examiners are obtained in various ways. Some follow the practice of typing out specimens each year or as each new model is released.

In addition to the typewriter there were developed during this era,
bookkeeping and other machines combining tabulating and computing functions with typewriter mechanism. Toys also were produced, the impressions of which frequently resemble those of a typewriter. Although during the first years of the typewriter, it was used most widely in the United States, not only did it soon come to be used abroad but there were developed in foreign countries special models of United States machines and new machines of foreign design.

Many different types of office printing machinery were produced, improved and redesigned.

Conclusion

The practicing lawyer as well as the examiner must readjust to these changing methods of analysis and increased use in legal cases.

It may be stated as a general theory or rule of practice that all questioned documents (or other material evidence), should be submitted to laboratory analysis. Failure to do this for one litigant leaves him defenseless to the almost certain analysis by the other.

It is moreover important that this be done at the proper time, with reference to other investigative efforts. The laboratory examination produces factual information, equivalent to circumstantial evidence of an unbiased nature. Hence, before witnesses are interrogated these facts should be known. They serve as leads and as a test or check on the validity of the claims of witnesses. If the statements of witnesses are first secured, the subsequent laboratory examination often necessitates reinterviews.

The statements of witnesses already obtained, should be withheld in the submission of specimens to an examiner, so as to take full advantage of his work. It is proper and necessary to disclose conditions affecting the basis for the examination such as the place of storage of the document, whether it is supposed to have been written on a desk or while sitting on the side of a bed.

Confessions or admissions which tend to prove collaterally a result which may or may not ensue from the examination, are materially reduced in value when conveyed to the examiner. Instead, by careful attention to the formulation of the problem submitted to the examiner, counsel may create definite and conclusive proof, that the examination couldn't not have been other than impartial. This procedure is as important as that pertaining to visual identification. Many such identifications were formerly spoiled by causing a witness to view one suspect alone in the absence of any other persons who could be guilty. To correct this pro-
procedure, police use the "line-up" or display with the suspect many others. The ability of the witness to designate the suspect proves not only the identity of the guilty person but the reliability of the witness. The same result is obtained in a handwriting case by the method used in submitting the specimens. For instance in submitting anonymous letters for comparison with the writing of a particular suspect, there should always be included known writings of numerous other persons. If the examiner concludes that the suspect wrote the letters this selection is then due solely to peculiarities of the writing habits. If an examiner is not informed of "other evidence" tending toward a particular conclusion, he can have no way of reaching that conclusion except through his analysis.

It is human nature while securing an analysis to feel the urge to point out what the results should be. Examiners of experience well know how unreliable and misleading such "information" may be. Capable examiners refuse to listen or completely ignore that which they may be compelled to hear. Under examination of course they will disclose what was said. Instead of the desired proof of impartiality this procedure proves the opportunity for partiality.

Counsel must also use care in selecting the examiner to assure that he is up to date in knowledge and technique. Of course counsel must either learn of recognised methods or secure competent advice. This applies equally to the examination of experts in court.

Courses on expert testimony should be expanded and much may be gained by the review of current literature in magazines and textbooks. It is apparent however, that the complexities of the science growing more and more specialized must be met by equally intense specialization in the law. Undoubtedly in many cases the only adequate answer is the appointment of an associate counsel who has specialized in the handling of expert testimony in trials.
THE SCOPE OF REVIEW BY THE COURT OF CUSTOMS AND PATENT APPEALS IN PATENT INTERFERENCE PROCEEDINGS.

The Patent Act of 1836\(^1\) established the Patent Office supervised by a Commissioner of Patents,\(^2\) provided for an examining system for processing applications for patents,\(^3\) made available a procedure whereby as between conflicting or interfering applications of rival inventors, or between an application and an unexpired patent, directed to the same invention, a determination could be made as to who was the first inventor,\(^4\) and conferred upon applicants for the first time the salutary relief of appeal from the decision of the Commissioner of Patents in ex parte rejection of applications and the award of priority of invention in interference contests.\(^5\) The appellate tribunal was to be composed of three disinterested persons appointed by the Secretary of State,\(^6\) within whose jurisdiction the Patent Office was placed.\(^7\)

Concerning interferences, the Patent Act of 1836 described the Commissioner's decision as being on "the question of priority of right or invention,"\(^8\) and defined the scope of appeal as the determination of "which or either of the applicants is entitled to receive a patent as prayed for."\(^9\) The board of appeals had power to reverse the Commissioner's decision in whole or in part,\(^10\) and its decision was final except that in an interference between an application and an unexpired

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\(^1\) 5 Stat. 117 (1836).
\(^2\) Id. § 1.
\(^3\) Id. § 7.
\(^4\) Id. § 8.
\(^5\) Id. §§ 7, 8.
\(^6\) Id. § 7.
\(^7\) Id. § 1. The first patent statute enacted by Congress, 1 Stat. 709 (1790), placed responsibility for administrative functions under the act in the State Department. The Patent Act of 1793, 1 Stat. 318 (1793), changed the administrative procedure from examination to mere registration, and continued administrative responsibility in the Department of State. Kingsland, *The United States Patent Office*, 13 Law & Contemp. Prov. 354 (1948).
\(^8\) 5 Stat. 117, 120 § 8 (1836).
\(^9\) Ibid.
\(^10\) Id. § 7.
patent, further relief by bill in equity was provided. The remedy of a bill in equity as an avenue of revision of Patent Office decisions in interference cases is outside the scope of this paper, and will not be hereafter considered.

The jurisdiction of the appeal board provided for in the Act of 1836 was short-lived. There was delay in the proceedings, the appeals were handled as proceedings de novo, and great difficulty was experienced in persuading qualified persons to accept appointment to the board, the compensation allowed being so small as to be unattractive even to a common laborer. In 1839, Congress enacted that the appeals then allowed to the board of appeals would thereafter be taken "to the chief justice of the district court of the United States for the District of Columbia," sitting in personam and not per curiam, and that the record would be restricted to the evidence produced before the Commissioner. In 1852 Congress provided that appeals might also be taken to either of the assistant judges of the Circuit Court of the District of Columbia, so that from that date the party appealing had his choice of three judges to whom he might take his appeal from the Commissioner's decision.

Appellate procedure in ex parte and interference cases was established intermediate the examiner and Commissioner in 1861 by the creation of a permanent board of appeals, composed of three examiners-in-chief. The board's decision was appealable to the Commissioner, and jurisdiction of appeals from the Commissioner's decision remained unchanged.

The Patent Act of 1870 consolidated the existing statutory law affecting patents, created the position of examiner of interferences, 22

11 Id. § 16.
13 5 STAT. 353 (1839).
14 Id. § 11.
15 Ibid.
16 10 STAT. 75 (1852).
17 An interesting account of the appellate practice and procedure during the period of this unique jurisdiction is given in Federico, supra note 12, at 845 et seq.
18 12 STAT. 246 (1861).
19 Id. § 2.
20 Kingsland, supra note 7, at 362.
21 16 STAT. 198 (1870).
22 Id. § 2.
provided for an appeal from him to the board of examiners-in-chief,23 from the board to the Commissioner,24 and for an appeal in ex parte cases only to the supreme court of the District of Columbia sitting in banc.25 The jurisdiction of the individual judges was abolished, as was any right to the review of the Commissioner's decisions in interference cases.26

The Court of Appeals of the District of Columbia was created by act of Congress in 1893,27 and section nine of the act transferred to that court jurisdiction in appeals formerly vested in the supreme court for the District of Columbia, and in addition provided that "any party aggrieved by a decision of the Commissioner of Patents in any interference case may appeal therefrom to said court of appeals."28 Thus after a twenty three year lapse was restored to applicants the right of appeal from the Commissioner's decision in interference proceedings without resorting to a trial de novo in equity.

In 1927 the appeal to the Commissioner was supplanted by direct appeal from the board to the Court of Appeals of the District of Columbia.29 During the Twenties the case load of the Court of Appeals of the District of Columbia was increasing in all fields of litigation. The three judges of that court were weighted down with an overcrowded docket.30 With Congressional approval31 judges of the not so overburdened Court of Customs Appeals began sitting with the Court of Appeals of the District of Columbia upon request, and they gave considerable time to service in that court, participating inter alia in many patent appeals. Out of that relationship evolved recommendations which culminated in the act of Congress approved March 2,

23 Id. § 46.
24 Id. § 47.
25 Id. § 48.
26 Remedy by bill in equity was unaffected, but as previously noted, an examination of such relief is beyond the scope of this paper. Federico, supra note 12, at 925 et seq. gives an account of extra-legal appeals from the decisions of the Commissioner to the Secretary of the Interior (under whose jurisdiction the Patent Office in 1849 had been transferred) which were attempted following the passage of the Patent Act of 1870.
30 Federico, supra note 12, at 946.
31 42 Stat. 839 (1922).
1929,\textsuperscript{32} redesignating the Court of Customs Appeals as the United States Court of Customs and Patent Appeals, and transferring to its jurisdiction the direct appeals from the Patent Office in \textit{ex parte} and \textit{inter partes} cases,\textsuperscript{33} which had formerly been vested in the Court of Appeals of the District of Columbia.

The final change to be noted as part of the statutory background of this paper is the act of August 5, 1939,\textsuperscript{34} which abolished appeals to the board of appeals from the decision of the examiner of interferences, and provided that the determination of priority of invention would thereafter be made by a board of three examiners of interferences. Appeals from the board's decisions lay as before to the Court of Customs and Patent Appeals.

From the foregoing review of the emergence of the present jurisdiction in the Court of Customs and Patent Appeals it will be seen that judges have been reviewing Patent Office decisions in interference proceedings for ninety seven years: forty one years by individual judges of the district, and later circuit court, of the District of Columbia; thirty six years by the Court of Appeals of the District of Columbia; and twenty years by the Court of Customs and Patent Appeals. When it is realized that the scope of review in the Court of Customs and Patent Appeals today is the same as that conferred upon the earliest appellate tribunal by the Patent Act of 1836, it will be seen that the precedents created by the various tribunals through the years between, together with the unchanging statutory provisions, constitute a unified body of law. From it we should be able to trace the development of interference law, and proceed to an examination of the law as it is or should be today.

The formal object of this paper is to consider the proper scope of review by the Court of Customs and Patent Appeals in interference proceedings.

The present statute\textsuperscript{35} requires that an interference be declared in

\begin{footnotes}
\item \textsuperscript{32} 45 Stat. 1475 (1929).
\item \textsuperscript{33} Federico, \textit{supra} note 12, at 946 \textit{et seq.}
\item \textsuperscript{34} 53 Stat. 1212 (1939).
\item \textsuperscript{35} Rev. Stat. § 4904, (1875) as amended, 35 U. S. C. § 52 (1946). "Whenever an application is made for a patent which, in the opinion of the commissioner, would interfere with any pending application, or with any unexpired patent, he \textit{shall} give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct a board of three examiners of interferences, to proceed to \textit{determine the question of priority of invention.} And the commissioner may issue a patent to the party who is adjudged the prior inventor." \textit{[Emphasis supplied.]}
\end{footnotes}
the Patent Office whenever an application is made for a patent which would interfere with another pending application, or any unexpired patent. The question to be determined by the board of examiners of interferences is "priority of invention." The Act of 1836\(^{36}\) in providing for interference procedure stated the question to be determined as "priority of right or invention." The Patent Act of 1870\(^{37}\) changed the language to "priority of invention," and it has come down to the present in that form.

The present statute gives any party to an interference who is dissatisfied with the decision of the board of interference examiners the right to appeal to the Court of Customs and Patent Appeals,\(^{38}\) requires him to file written reasons of appeal,\(^{39}\) and to lay before the court certified copies of all the original papers and evidence in the case;\(^{40}\) while the Commissioner is required to furnish the court with written grounds of his decision touching all the points raised by the reasons of appeal.\(^{41}\) The court on its part is required to hear the appeal, and revise the decision appealed from in a summary way, confining itself to the points set forth in the reasons of appeal.\(^{42}\)

\(^{36}\) 5 Stat. 117 (1836). "8. . . whenever an application shall be made for a patent which, in the opinion of the Commissioner, would interfere with any other patent for which an application may be pending, or with any unexpired patent which shall have been granted, it shall be the duty of the Commissioner to give notice thereof to such applicants, or patentees, as the case may be; and if either shall be dissatisfied with the decision of the Commissioner on the question of priority of right or invention, on a hearing thereof, he may appeal from such decision . . . ; and the like proceedings shall be had, to determine which or whether either of the applicants is entitled to receive a patent as prayed for." [Emphasis supplied.]

\(^{37}\) 16 Stat. 198 (1870).

\(^{38}\) Rev. Stat. § 4911 (1875), as amended, 35 U. S. C. § 59a (1946). " . . . If any party to an interference is dissatisfied with the decision of the board of interference examiners, he may appeal to the United States Court of Customs and Patent Appeals . . . ."

\(^{39}\) Rev. Stat. § 4912 (1875), as amended, 35 U. S. C. § 60 (1946). "When an appeal is taken to the United States Court of Customs and Patent Appeals, the appellant shall give notice thereof to the commissioner, and file in the Patent Office, within such time as the commissioner shall appoint, his reasons of appeal, specifically set forth in writing."

\(^{40}\) Rev. Stat. § 4913 (1875), as amended, 35 U. S. C. § 61 (1946). " . . . The party appealing shall lay before the court certified copies of all the original papers and evidence in the case, and the commissioner shall furnish the court with the grounds of his decision, fully set forth in writing, touching all the points involved by the reasons of appeal."

\(^{41}\) Ibid.

\(^{42}\) Rev. Stat. § 4914 (1875), as amended, 35 U. S. C. § 62 (1946). "The court, on petition, shall hear and determine such appeal, and revise the decision appealed from
act of 1839 conferring jurisdiction on the chief justice of the district court for the District of Columbia contained virtually identical language.\textsuperscript{43} No substantial change was made by the Patent Act of 1870.\textsuperscript{44}

In seeking to identify those issues which the court may properly consider under its jurisdictional power to review and revise summarily the decision of the board of interference examiners on the subject of priority of invention, it will not be our purpose to examine those matters which the courts have always, without hesitation or controversy, considered. Rather, this paper is concerned with a reappraisal of those questions which have been advanced by interference litigants continuously through the years as being proper but which have by constant or even infrequent refusal by the court become the thorns which have evoked the flow of judicial utterance on the nature of interference proceedings. Out of a review of the decisions handed down over the years embracing those matters, it may be that a rationale helpful in an appraisal of the court's present position will appear.

\textbf{Patentability}

Two cases decided during the era of the jurisdiction of the individual circuit judges held patentability a proper matter for consideration. In Jones \textit{v. Wetherill}\textsuperscript{45} the appellant contended it was error for the Commissioner to decide that Jones had not been successful in making the composition of matter at issue and award priority to Wetherill. Wetherill contended that the jurisdiction of the judge in a summary way, on the evidence produced before the commissioner, at such early and convenient time as the court may appoint; and the revision shall be confined to the points set forth in the reasons of appeal.”

\textsuperscript{43} 5 Stat. 353, 354 (1839). “11 . . . in all cases where an appeal is now allowed by law from the decision of the Commissioner of Patents to a board of examiners . . . , the party, instead thereof, shall have a right to appeal to the chief justice of the district court of the United States for the District of Columbia, by giving notice thereof to the Commissioner, and filing in the Patent Office . . . his reasons of appeal. . . . And it shall be the duty of said chief justice, on petition, to hear and determine all such appeals, and to revise such decisions in a summary way, on the evidence produced before the Commissioner. . . . The Commissioner shall also lay before the said judge all the original papers and evidence in the case, together with the grounds of his decision, fully set forth in writing, touching all the points involved by the reasons of appeal, to which the revision shall be confined.”

\textsuperscript{44} 16 Stat. 198 (1870).

\textsuperscript{45} Fed. Cas. 1069, No. 7,508 (D. C. 1855).
did not embrace such an issue. The judge held that the Commissioner's jurisdiction in interference cases was not restricted to priority merely, but included a consideration of patentability as well; and that on appeal, the judge's jurisdiction was coextensive with that of the Commissioner. In *Chandler v. Ladd* decided two years later, a circuit judge reversed the Commissioner, who had awarded Ladd priority on the basis of the lack of patentability of Chandler's device, holding that the evidence supported Chandler's priority as well as the patentability of his device.

*Hisey v. Peters*, decided by the Court of Appeals of the District of Columbia in 1895, is the leading case holding that the question of patentability of the subject matter in issue may not be considered in an interference proceeding. The Commissioner in that case had awarded priority to Peters on the basis of his dates of conception and reduction to practice being earlier than Hisey's. On his appeal to the court, Hisey sought to make a determination by the court of the patentability of the interference issues a condition precedent to the disposition of the question of priority. The court held that the question of patentability had been passed upon by the primary examiner in the Patent Office, and not until he had given a favorable decision thereon could the interference have been declared; further an applicant making a claim for an allegedly patentable invention is estopped subsequently in an interference proceeding to urge the unpatentability of that claim. "If his own claim is patentable that with which it would interfere may be equally so, if priority of invention be shown."

In *Doyle v. McRoberts* the court overruled a petition to dismiss

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46 The judge considered that interference meant "patentable interference" and found support for his decision in the language of section 8 of the Act of 1836 (quoted at note 36, supra) stating that on appeal proceedings would be had "to determine which or whether either of the applicants is entitled to receive a patent as prayed for."


48 The judge conceded that "Regularly, and according to the usual practice, the only question which the present issue would present on appeal, as arising before the commissioner would be that of priority."


50 "Invention" comprises the mental conception of the patentable subject matter and a reduction of that conception to practice, embodying it in tangible form. 1 Walker on Patents, Deller's Edition § 23 (1937). Where there has been no actual reduction to practice by an applicant prior to the filing of his application, the filing of the application itself is a constructive reduction to practice. 2 id. § 204.


the appeal because of alleged non-invention of the method claimed, stating that "it is not competent for the court in an interference proceeding to abandon the question of priority and pass upon the patentability of the alleged invention." 53

In Tracy v. Leslie, 54 the court reversed the Patent Office and awarded priority to Tracy even though it conceded that the record made it apparent that Tracy's device was unpatentable. Dicta in the case of Latham v. Armat 55 indicated that the court recognized, however, that "there might be exceptional circumstances in a particular case whereby the question might be inexplicably involved in the merits of the claim of priority and become incidentally a part of the final determination thereof." 56 The court elaborated on that position somewhat, again by way of dicta, in Sobey v. Holsclaw 57 where, after declining to consider the question of patentability, it said:

"In so holding we must not be understood as deciding that there can be an interference without there being a patentable invention, or that, should we be satisfied that there was no patentable invention involved, we should make an award of priority. It would be our manifest duty to remand an interference to the Commissioner of Patents, or, at least, call his attention to the fact, whenever it is shown that there is a bar to the issue of a patent to both parties to an interference." 58 [Emphasis supplied.]

But the court again left the door slightly open by stating that where such an issue has been repeatedly raised below, the decision of the Patent Office tribunals should be controlling "except, perhaps, in extraordinary cases." 59

Those intimations of an exception to the rule of Hisey v. Peters 60 were laid to rest in Johnson v. Mueser 61 where the appellant contended that the question of patentability was jurisdictional and not collateral merely. Said the court:

"In some cases . . . it has been intimated that, under extraordinary circumstances, the question of patentability might be considered in an inter-

53 Id. at 467.
56 Id. at 351.
58 Id. at 81.
59 Id. at 83.
60 6 App. D. C. 68 (1895).
ference case, to prevent palpable injustice. But these expressions were not necessary to the determination of the cases; and in none since the organization of this court has the decision of the Commissioner been reversed upon any such ground."62

The court bolstered its conclusion by an appeal to curious logic, stating that "the statute does not give an appeal to this court from the decision of the Patent Commissioner affirming the patentability of a claimed invention."63 The issue of priority of invention implies a conflict caused by two applications (or an application and an unexpired patent) presenting claims to patentable subject matter, for if one is patentable and the other is not, there is no interference each with the other. The unpatentable claims have no standing as "invention," and how could the issue of which invention is prior arise if there be but one invention? Of course, when an interference is declared it usually results because one party has, at the suggestion of the Office, copied the claims of the other, or each has claims so nearly like the other that it is seen that they are addressed to similar subject matter. But there remains the necessity for support for the claims of each in the disclosure of the descriptive matter in the specification of each application. If the interfering claim were to be held unpatentable to both parties, obviously it would avail either party nothing to raise it as a bar to his adversary's right to priority. But if the nature of the defect is such that the claim in issue would be unpatentable to one of the parties only, the other should be permitted to advance such a ground as a bar to his adversary's right to priority, and if denied, the movant should be heard on that issue on appeal from an adverse decision on the subject of priority.64

During the balance of its jurisdiction, the Court of Appeals of the District of Columbia adhered strictly to its rule of denying any review of the issue of patentability in interference proceedings.65

The leading case on the issue decided by the Court of Customs and Patent Appeals is *Gowen v. Hendry and King*,66 decided during the first year of the court's patent jurisdiction. Gowen contended before the Patent Office tribunals and before the court that Hendry was not a

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62 *Id.* at 65.
66 37 F. 2d 426 (C. C. P. A. 1930).
proper party to the interference for the reason that, as the Hendry application and the King patent were owned by a common assignee, and, as the application of King had been permitted by the common assignee to mature into a patent, an election had been made on the question of priority as between King and Hendry, and the assignee should be estopped to claim for Hendry, priority of the invention patented to King. Gowen argued that the common assignee should not obtain for the subject matter patented to King, an additional patent for the same claims by adding them to Hendry's application. The court denied Gowen's contentions, holding that "The question of the right of a party to secure a patent can not be raised in this court on appeals in interference proceedings. In such cases the jurisdiction of this court is confined to the question of priority of invention and to such ancillary questions as may be involved therein." But if it should clearly appear from the record that one party to the interference has no right to a patent, and could not receive one under the law, how can it be said that such a party has the right to contest priority of invention? He can never be an inventor under the patent laws. One commentator states in support of the instant case that "it would seem debatable whether an applicant, against whom a judgment of priority has been rendered on the ground of estoppel in an interference proceeding can be prevented from successfully defending a suit by the successful party after the latter's patent has issued on the defense that the patentee is not the first inventor, if the evidence can clearly establish his own prior inventorship." Where, however, the same principles upon which the estoppel is founded would render the estopped application invalid as a patent, that reasoning would seem to be inapplicable.

In Capek v. Levis, Jr., the board held that counts one and two were unpatentable over the balance of the six counts in the interference, and, finding Levis to be the prior inventor of counts three, four, five, and six, awarded him priority as to all six counts. The court on appeal affirmed the award of priority as to counts three, four, five, and six to

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67 Id. at 428.
69 55 F. 2d 476 (C. C. P. A. 1932).
70 "One of the steps preliminary to declaring an interference is to determine the precise issue upon which the judgment of the Patent Office is desired. The issue must be the claims, usually referred to as the 'counts' of an interference, and they must remain fixed." Underwood's Interference Practice § 11 (1928).
Levis, but reversed and remanded the cause as to counts one and two. If the board had been affirmed as to those two counts, Capek would have been denied an opportunity to have the patentability of counts one and two adjudicated in the established ex parte procedure. The court instructed the board to determine the priority of invention of counts one and two on the merits, and if it were found that Capek was entitled to priority of invention, but that those counts were unpatentable over counts three, four, five, and six, the award of priority should be made nevertheless with instructions to the primary examiner to refuse to allow a patent to Capek on claims corresponding to counts one and two. Here the court was following the logical consequences of its Gowen v. Hendry and King, supra, decision.

In Daley v. Trube the proceeding involved Trube’s application which had twice been allowed, forfeited, and renewed. Daley contended that Trube’s application was invalid. The board refused to consider that contention and Daley assigned that refusal as error on appeal to the court. The court dismissed the contention stating that the question “relates to patentability, is not ancillary to priority,” and would not be considered. That statement has been criticized as intimating that a question which relates to patentability is precluded from being considered ancillary to priority, whereas some matters relating to patentability are ancillary to priority. Daley also objected to the sufficiency of the reissue oath of Loftin’s reissue application, which was involved in the interference, and the court affirmed the board’s ruling that the question involved patentability, and was not ancillary to priority.

Other decisions by the Court of Customs and Patent Appeals holding issues raised to be concerned with patentability and not reviewable on appeal are set out in the margin.

71 88 F. 2d 308 (C. C. P. A. 1937).
72 Id. at 315.
73 2 Rivise and Caesar, Interference Law and Practice § 251 at p. 1013 (1943).
74 Brogden v. Slater, 40 F. 2d 988 (C. C. P. A. 1930) (counts when broadly interpreted are unpatentable); Dorer v. Moody, 48 F. 2d 388 (C. C. P. A. 1931) (double patenting); Derby v. Whitworth, 62 F. 2d 368 (C. C. P. A. 1932) (double patenting); Ufer v. Williams, 79 F. 2d 892 (C. C. P. A. 1935) (unpatentability of the counts); Ritzerfeld v. Kluitmann, 94 F. 2d 392 (C. C. P. A. 1938) (defective disclosure); Koch v. Lieber, 141 F. 2d 518 (C. C. P. A. 1944) (different invention claimed in reissue application than disclosed in patent); Thompson v. Dunn, 166 F. 2d 443 (C. C. P. A. 1948) (failure to disclose best mode in which to apply the principle disclosed).
INVENTION DERIVED FROM STRANGER TO PROCEEDING

The leading case under this category is *Foster v. Antisdel*75 decided by the Court of Appeals for the District of Columbia. The testimony in the case tended to show that one Lloyd was the inventor of the device in issue rather than Antisdel. Foster contended that Antisdel could not therefore be an inventor of a device prior to his, and consequently he should be entitled to priority. The court held that whether or not a third party is the inventor of the device for which a party has received a patent is not open to inquiry by either the court or the Patent Office in an interference proceeding. *Prindle v. Brown*76 extended the rule to cover the situation where in a three party interference priority is awarded against two of the parties and only one of them appeals, he may not defeat the appellee's right to priority by attempting to show that the third party, then out of the interference by his failure to appeal, is the real inventor. *Lemp v. Randall*77 excluded from the rule interferences involving joint applicants where their adversary endeavors to prove they are without standing in the proceeding by virtue of the invention claimed in their joint application being actually the product of one of them alone. *Erben v. Yardley*78 presents a case where Erben, before the Office, filed a motion to dissolve on the ground that a French patent anticipated Yardley. The examiner ruled that Yardley's affidavits successfully overcame the reference. When he refused to allow Erben to examine the affidavits, Erben appealed to the court who disposed of the case by invoking the third party rule. The courts have steadily declined to consider this issue in an interference proceeding down to the present day.

INOPERATIVENESS

In *Lee v. Vreeland*80 the court reversed the board where it had refused a motion by Lee for leave to take testimony on alleged inoperativeness of the Vreeland apparatus. The court held that the affidavits

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76 24 App. D. C. 114 (1904).
78 267 Fed. 345 (D. C. Cir. 1920).
80 262 Fed. 654 (D. C. Cir. 1920).
filed by Lee in support of their motion overcame the prima facie showing of Vreeland. The case was remanded to the Office for trial on the merits. In *Ritzerfeld v. Kluitman*, the court held that a contention by Ritzerfeld that Kluitman's structure was inoperative went to the right of the party Kluitman to make the counts and would be considered. The court then held that the Kluitman device was operative and the board had correctly ruled that Kluitman was entitled to make the counts. The question of inoperativeness was raised in *Bramley v. Beese*, but the court refused to consider it—not because it was not a proper question to be considered in an interference proceeding—but because the issue had not been raised before the board or set out in appellant's reasons of appeal. Bramley urged that the inoperativeness had not been discovered until the appellate brief was prepared, but the court did not yield. It seems clear that the question of the inoperativeness of a party's device is properly considered by the court as ancillary to priority.

**Principal and Agent**

Whether or not one of the parties to the interference is urging rights based on improvements devised for the basic invention of his adversary, the knowledge thereof having sprung out of a partnership or principal and agent relationship of the parties, is a proper question for the consideration of the court in an interference proceeding. And where a principal and agent or partnership relationship is found, the agent or business manager partner will not be awarded priority over his principal or inventor partner. *Milton v. Kingsley*.

81 94 F. 2d 392 (C. C. P. A. 1938).
82 132 F. 2d 100 (C. C. P. A. 1942).
83 In refusing to consider the issue of inoperativeness, which the court itself has held goes to the right of a party to make the count, unless there were insufficient facts appearing of record to support Bramley's contentions respecting inoperativeness, the court would seem to ignore the rule it laid down in *Fageol v. Midboe*, 56 F. 2d 867 (C. C. P. A. 1932): "When an award of priority was made by the Board of Appeals, and an appeal was perfected from the decision making such award, the whole field of priority of invention, on the record, came before this court. . . . In such a case the question of priority and all questions ancillary thereto are before the court. . . . It is well settled law in this jurisdiction that the right to make the count . . . is a question ancillary to priority."
84 2 RVIZE AND CAESAR, INTERFERENCE LAW AND PRACTICE §§ 238, 252 (1943).
The first case of importance on this issue is Southgate v. Greene. Southgate contended that Green was estopped from making the counts because he had failed to present claims directed to the subject matter of the counts within two years from the date of publication in 1924 of Southgate's article in a trade publication describing his invention. The court cited Webster Electric Co. v. Splitdorf Electrical Co. where the Supreme Court held that the otherwise fatal effect of two years' delay in filing a divisional application after the issuance of an interfering patent may be overcome where it is accounted for and excused by special circumstances showing the delay not to have been unreasonable, and held that if that rule were to be applied to printed publications, special circumstances appeared of record to excuse Greene's delay. The court held that his original 1918 application disclosed the subject matter, and that by amendments dating from 1919 he had claims directed to the invention. Said the court: "We are not disposed to hold, under such circumstances, that the publication of Southgate's magazine article should cut off all his rights in the prosecution of his present application." [Emphasis supplied.] The court thus passed the issue without deciding whether a party's publication more than two years before the filing by his adversary of claims directed to the subject matter described in the publication would, in an interference proceeding, found an estoppel against the adversary.

Two years later the court was to have its opportunity. In Bloom v. Locke Bloom contended that Locke added the claim which constituted the count of the interference more than two years after the subject matter of the count was disclosed in a trade publication. The Patent Office tribunals refused to consider the matter on the ground that it was not ancillary to priority. The court upheld the Office stating that it was "a matter having to do only with patentability" which it would not consider. That reasoning, of course, would apply just as logically to delay to make the claims after the issuance of an interfe-

86 57 F. 2d 374 (C. C. P. A. 1932).
87 264 U. S. 463 (1924). This case construed and clarified the leading case on the subject of delay in filing a divisional application copying the claims of an interfering patent more than two years after its issuance, Chapman v. Wintroath, 252 U. S. 126 (1920). For a discussion of that case, see LACHES, infra.
88 57 F. 2d 374, 377 (C. C. P. A. 1932).
89 69 F. 2d 113 (C. C. P. A. 1934).
90 Id. at 117.
ing patent, but the courts have consistently considered such delay as, after two years (now one year) constitutes laches ancillary to priority. To whose benefit would the estoppel founded on a printed publication primarily redound—the public or the interference adversary? If the publication was made by the interference adversary seeking to raise the estoppel, he has already benefited the public by an early disclosure of the art in the publication. If he files his application for a patent within the statutory period after that publication he may secure a valid patent. Should his interference opponent who delays two years after that public disclosure be permitted by virtue of an application disclosing but not claiming the subject matter and antedating his application claiming the subject matter, be entitled to amend his early application, he would where each party was relying on his filing date for a constructive reduction to practice be able to defeat the one who first disclosed the invention to the public. If the "delayer" were estopped, to whose benefit would the estoppel run? Not to the public's, as the public has already benefited by the other party's disclosure, and there is no question of prolonging the monopoly. The estoppel would redound solely to the advantage of the one who first published and first claimed, but who was second to file. Why should the "delayer" be granted priority which would prevent the "non-delayer" from securing patentable claims to that subject matter? It would seem that the bar of a publication by a party to an interference of the subject matter of the interference more than two years before the date his adversary first claims the subject matter should be ancillary to priority.

In Hendrickson v. Ronning, among the number of issues presented for the determination of the court was that of a prior publication. The publication of the subject matter of the counts occurred prior to January 1, 1930. The Ronnings' divisional application presenting claims directed to the subject matter of the interference was filed January 11, 1932. The court, after a review of the issues which are properly considered ancillary to priority, held as to the delay by the Ronnings of more than two years to present the claims directed to the subject matter of the counts after publication of the subject matter in issue, that the question was not ancillary to priority. The court said: "In Southgate v. Greene . . . prior publication of the subject-matter was claimed by the party asserting the estoppel. . . . The facts in that case

91 See Laches, infra.
92 76 F. 2d 137 (C. C. P A. 1935).
were very like those in the case at bar, and we refused to hold that the publication raised a bar.98 The court, however, in Southgate v. Greene94 neither held that a prior publication coupled with two years delay could be a bar, nor did it hold that it could not be a bar. Under the facts there existing, the court held that if the publication and delay were to be considered a bar, under the rule of Webster Electric Co. v. Splitdorf Electrical Co., supra, special circumstances existed to excuse the delay.

Hendrickson v. Ronning95 was nevertheless to be a binding precedent. Five years later in Kear v. Roder96 the issue was again presented for decision, though in a slightly different form. Kear there contended that publication of his invention in the December 1932 issue of Air Commerce Bulletin was a constructive reduction to practice of the invention. Roder's date of invention was April 1933. Citing Hendrickson v. Ronning, the court said:

"Whether this publication is a statutory bar to appellee receiving a patent is a matter for later ex parte consideration by the Patent Office tribunals, but may not be raised in this proceeding. . . . It may seem anomalous to hold that a publication of an invention by an inventor may be a bar to the granting of a patent to another, while the same publication in an interference proceeding between the same parties may not, standing alone, be made the basis of an award of priority of invention to him who first published the same."97

The court then said that the seeming anomaly was due to statutory provisions, explaining that Revised Statutes § 4886 (1875)98 made a printed publication under certain circumstances a bar to the granting of a patent, whereas § 490499 relating to interferences made no such provision. In interference proceedings, reduction to practice, actual or constructive, the court said, "is essential, not because of any specific statutory provision, but because of the application of general principles of law, and rules of practice which have obtained for years."100 As the court itself pointed out in Hendrickson v. Ronning,101 however, the

93 Id. at 141.
94 57 F. 2d 374 (C. C. P. A. 1932).
95 76 F. 2d 810 (C. C. P. A. 1940).
96 115 F. 2d 137 (C. C. P. A. 1935).
97 Id. at 819.
100 115 F. 2d 810, 819 (C. C. P. A. 1940).
101 76 F. 2d 137 (C. C. P. A. 1935).
The doctrine of laches, affirmed by the Supreme Court in Chapman v. Wintroath,\textsuperscript{102} and Webster Electric Co. v. Splitdorf Electrical Co.,\textsuperscript{103} is based upon Revised Statutes § 4886 as are abandonment, and originality, and each of those questions is considered ancillary to priority.\textsuperscript{104} Moreover, Kear recognized the importance of a constructive reduction to practice, and it was his contention that a printed publication qualified therefor. It is submitted that the court's reasoning in Kear v. Roder, supra, is not a compelling rationale for its decision.

**Public Use**

In United States ex rel. Bigelow v. Thacher, Commissioner,\textsuperscript{105} Baldwin, who filed on August 8, 1871, was awarded priority over Bigelow's patent dated July 5, 1870, on the basis of reduction to practice of the invention in issue, a machine for making boot and shoe heels, in 1865. The manufacturer for whom Baldwin's machine was made suspended operations before the machine was placed in use, and it was stored after some sixty heels had been made in testing the machine. The Commissioner suspended the interference and referred to the primary examiner the determination of whether Baldwin was barred from receiving a patent by the statutory bar of public use. The examiner held that he had not. The Commissioner refused to allow Bigelow's appeal to the examiners-in-chief from that decision, whereupon Bigelow petitioned the supreme court of the District of Columbia for a writ of mandamus to compel the Commissioner to allow the appeal. The writ was denied, the four judges of the court delivering oral opinions. Two of the judges expressed the belief that the issue was not properly raised in an interference proceeding where the issue was priority of invention. They and a third judge actually based the denial, however, on the ground that in any event the matter was discretionary with the Commissioner and not merely ministerial. A dissenting judge thought that Bigelow had an interest in the issue of whether, Baldwin being the prior inventor, he had lost his right to a patent by abandoning his invention to public use, and that the question was a proper one to be considered in the interference proceeding. The Court of Appeals of the

\textsuperscript{102} 252 U. S. 126 (1920).
\textsuperscript{103} 264 U. S. 463 (1924).
\textsuperscript{104} 2 Revise and Caesar, op. cit. supra note 84, § 239. See Hendrickson v. Ronning, 76 F. 2d 137, 140 (C. C. P. A. 1935).
\textsuperscript{105} 2 MacArth. 24 (Sup. Ct., D. C. 1875).
District of Columbia had a similar set of facts before it in *Burson v. Vogel*\(^{106}\) and held that whether Burson's use of his machine in his factory more than two years before applying for his patent amounted to such public use as would, under *Revised Statutes* § 4886 (1875), bar his right to a patent, is not one which can be raised in the interference proceeding, but is solely for the consideration of the Commissioner on the final allowance of a patent. When a similar contention was made in *Gammeter v. Thropp*,\(^{107}\) the court held that the question of public use was not before it for consideration. In *Derby v. Whitworth*,\(^{108}\) Derby, in appealing from an adverse award of priority, contended that the Patent Office tribunals had no jurisdiction to determine the interference because on the record Whitworth had admitted public use of the invention more than two years prior to the filing of his second application. The court held that it would not consider that question because Derby had brought no public use proceedings,\(^{109}\) and if such proceedings had been brought, they would have gone only to the propriety of dissolving the interference. If dissolved, the court would not review the decision in an interference appeal; if not dissolved, the issue would be improperly raised, not being ancillary to priority. When the issue of public use was raised in *Hendrickson v. Ronning*,\(^{110}\) a motion to dissolve by Hendrickson on the ground that the Ronnings had failed to claim the invention within two years of its public use having been denied, the court on appeal again refused to consider the issue.

\(^{106}\) 29 App. D. C. 388 (1907).

\(^{107}\) 42 App. D. C. 564 (1914).

\(^{108}\) 62 F. 2d 368 (C. C. P. A. 1932).

\(^{109}\) *Rules of Practice, U.S. Patent Office* (1948), Rule 11, pars. 2, 3, and *Rules of Practice of the U. S. Patent Office in Patent Cases* (1949), Rule 292, provide for public use proceedings where a petition supported by affidavits, is filed establishing prima facie that an invention involved in an interference or claimed in an application believed to be on file was in public use more than one year (two years prior to August 5, 1940) before the date of invention established or filing date of the application. Where the petition is timely filed by the interference adversary of the applicant, the public use proceeding is *inter partes*, and the petitioner may appear at the final hearing and be heard. Where the petition is otherwise filed, the proceedings are *ex parte* upon written briefs. 2 *Revise and Caesar*, *op. cit. supra* note 84 § 340 et seq.; *Amdur*, *op. cit. supra* note 64 §§ 292, a, b, c.

\(^{110}\) 76 F. 2d 137 (C. C. P. A. 1935).
ABANDONMENT

This issue rose in an unusual manner in Snelling v. Whitehead, Commissioner.\textsuperscript{111} One Rittman had presented an application under provisions of a statute\textsuperscript{112} authorizing issuance of a patent without payment of the regular fee to an officer of the government who stated in his application that the government may have the use of the invention, if patented, without payment of royalty. Although he had requested that the patent be issued without payment of the fee, Rittman, subsequently, on March 15, 1915, paid the fee, and his application was considered as filed as of that date. He then filed a second application, paying the fee, on May 18, 1915. That application was placed in a three party interference, Rittman being the intermediate party. Snelling was the junior party. On the basis of his March 15, 1915, application, Rittman moved to shift the burden of proof as regards the third party Brooks. The motion was sustained, whereupon Snelling brought a bill in equity to restrain the Commissioner from proceeding further in the interference on the ground that Rittman’s attempted dedication of his invention to the government constituted an abandonment, forfeiting his right to continue in the interference. The court dismissed the bill, holding that the question of abandonment does not go to the patentability of an invention, is always available for consideration as affecting the right of priority, and hence an adequate remedy at law existed in the form of an interference proceeding for determining the issue of abandonment. In Harbridge v. Perrin\textsuperscript{113} the party Perrin’s application filed in October 1913 went to issue in June 1915, was forfeited in December 1915, and renewed in June 1917 when Perrin amended the application by copying claims from Harbridge’s patent, which had issued April 1916 on a January 1914 application. Perrin was awarded priority and Harbridge appealed, contending that Perrin had abandoned his claims. The court held that there was insufficient evidence to establish abandonment, which is a question of fact. The court in so holding used language which would seem to becloud the rule in Snelling v. Whitehead, supra: “If it should be held that he has abandoned his claims, it would be an abandonment to the public, and not to Harbridge.”\textsuperscript{114} Since Perrin’s application had not gone to issue, its forfeiture as working an

\textsuperscript{111} 269 Fed. 712 (D. C. Cir. 1921).
\textsuperscript{113} 295 Fed. 927 (D. C. Cir. 1924).
\textsuperscript{114} Id. at 930.
abandonment would not have disclosed anything to the public, as presumably the abandoned application would never come to the public’s attention. Applying the bar of abandonment to Perrin there would have operated solely to the benefit of Harbridge, and not adversely to the public as it had not been taught the invention by Perrin’s forfeited application. Only if the application had previously been issued as a patent would that have occurred, but then, of course, there could have been no abandonment. As has already been noted, abandonment is properly held ancillary to priority.115

SITUATIONS ARISING OUT OF THE DENIAL OF MOTIONS

In an interference declared between a design patent116 and an application for a design patent, the lower Patent Office tribunals held a figure of the application was identical with a figure of the patent, and awarded priority to the applicant. The Commissioner reversed, holding the designs were substantially different, and awarded priority to the patentee. On appeal, the court, in Cushman v. Lines,117 modified the Commissioner’s decision, agreeing that the designs were substantially different, but holding that the patentee and applicant each were entitled to priority for his own design.118

That the court will examine errors in the procedural rulings of the


116 Rev. Stat. §§ 4929, 4923 (1875), as amended, 35 U. S. C. § 73 (1946), provide that any person who has invented a new, original, and ornamental design for an article of manufacture may (subject to the same terms expressed in the basic patent provision, Rev. Stat. § 4886 (1875), as amended, 35 U. S. C. § 31 (1946) ) secure a patent covering that design.


118 Said the court: “As we understand it, interference cannot properly be declared except when two applications or a patent and a pending application conflict with each other and disclose two or more claimants of the same invention. If their alleged inventions are substantially different from each other, so as to be each of them patentable, there is no conflict between them, and there can be no ground for a declaration of interference. Upon the theory of substantial difference of invention no question of priority of invention can arise. If each is an invention, each is patentable, and each party is entitled to a patent for his own invention. . . . As we have intimated, it does not seem to be proper for us, in a case of interference, where the only question presented to us is that of priority of invention as between two rival claimants to one and the same invention, to determine which is the correct theory. It seems to us that in the present condition of the record before us we must accept the theory held by the Commissioner that the two inventions are substantially and therefore patentably different.” [Emphasis supplied.] 10 App. D. C. 156, 160 (1897).
Patent Office tribunals where the effect of the error is to becloud the reliability of the dates relied upon in the contest of priority is illustrated in Stevens v. Seher. There the examiner had called upon each party for an amended preliminary statement in view of defects in the originals. After opening Seher's second statement, the examiner called for an additional amended statement, extended the time for filing, and notified Stevens of the time extension granted Seher. The interference was then suspended to add a third party, Field. The interference was redeclared, and the time for filing statements in the redeclared interference set. Seher filed a statement, his third, alleging a date of disclosure earlier than that mentioned in the previous statements. Stevens moved to strike the third statement, contending that Seher should be restricted to the date stated in his first two statements. The examiner and board awarded priority to Stevens, holding it to be unnecessary to pass upon the motion to strike. On appeal to the Commissioner, a different view of the facts was taken. The motion to strike became of material importance. The Commissioner held the motion was brought too late, and admitted Seher's third statement without remanding the case to the examiner to pass upon the motion. The court considered the matter on appeal and held that the Commissioner was in error in overruling the motion to strike, and failing to remand the case to the examiner; further, if there were no other error in the case requiring reversal, that error of the Commissioner in overruling the motion to strike would have required reversal and remand. Though the granting of permission to amend the preliminary statement is discretionary with the Commissioner, the court would reverse the Commissioner where it appeared that the decision had not been made upon a full consideration of the facts which would be required to support the amendment.

In Lattig v. Dean the interference was suspended to add a third

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120 The court stressed the importance of strictness in observing dates furnished in preliminary statements in interferences (preliminary statements have often been likened to the pleadings of the parties in an action at law), and said: "If any material error occurs in the preliminary statements made to the office, through inadvertence or mistake, the statement may be corrected on motion, upon showing to the satisfaction of the Commissioner that the correction is essential to the ends of justice; and the motion to correct the statement must be made, if possible, before the taking of any testimony, and as soon as practicable after the discovery of the error." 11 App. D. C. 245, 251 (1897).

party. During the suspension, Lattig applied for a reissue of his patent involved in the interference, omitting the claims involved therein. The reissue was granted, and the reissue patent issued. Two days later the examiner made an order adjudging that Lattig was not the first inventor of the subject matter at issue. Lattig's motion to dissolve on the ground no interference existed was overruled by the Commissioner, Priority was awarded to Dean. The court held that award of priority void and dismissed the appeal. When the Patent Office permitted one of the parties to surrender his patent upon the grant of the reissue there were no longer rival claimants to the subject matter in issue. This being so, there could be no interference, as an award of priority is impossible where there are no rival claimants.

A celebrated case in interference law was decided in 1906 by the Supreme Court of the United States. It arose in this way: Lowry, a party to an interference, made a motion to dissolve on the ground that his adversary had no right to make the claims, the subject matter being unpatentable. The examiner denied the motion, and despite then Rule 124 of the Rules of Practice of the Patent Office explicitly denying an appeal from the examiner's decision on such a motion, Lowry petitioned the Commissioner unsuccessfully to require the examiners-in-chief to take the appeal. Lowry then applied to the supreme court of the District of Columbia for a writ of mandamus directing the Commissioner to require the appeal to be heard. The writ issued, and the Commissioner appealed to the Court of Appeals of the District of Columbia. In Allen v. United States ex rel. Lowry\(^\text{122}\) the court made an inquiry into the nature of an appeal in interference proceedings and reversed the lower court, holding that there is no right of appeal from a decision on an interlocutory motion. The provision for such motions to dissolve interferences is the creature of a rule, not statutory, and a party denied an appeal thereon is not deprived of a statutory right. The court added that the issue of the right of a party to make the claim is viewable if at all, on the final decision of the question of priority.\(^\text{123}\)

\(^{122}\) 26 App. D. C. 8 (1905).

\(^{123}\) Said the court: "... it would seem that it might in many cases be quite difficult to decide the question of priority where the evidence showed that the device disclosed in the application was not operative. It will be time, however, to decide that question, when it is presented in a case where we are called upon to decide the question of priority. We have, however, reviewed other ancillary questions when they have properly come before us on appeals from final judgments awarding priority of invention." [Emphasis supplied.] 26 App. D. C. 8, 28 (1905).
Lowry took the case to the Supreme Court of the United States. The decision of the Court of Appeals was upheld, the Supreme Court saying:

"It is to be particularly noted that there has been no decision as to the rival claims of the parties to this interference. It has not been decided which party is entitled to the patent. If it should at any time be decided that Spoon is entitled to the patent, Lowry will have the right of appeal. . . .

"It would seem upon general principles of law that Lowry could then present for determination by his appeal any question which in his opinion vitally affects the question which party is entitled to the patent. The only ground upon which he can reasonably claim the right of appeal on this motion is that the question vitally affects his claimed right to a patent, and if it does that, he can raise it at final hearing and contest it before the various appellate tribunals, including the Court of Appeals." [Emphasis supplied.]

Lowry v. Allen is cited today as the leading case for the rule that there is no appeal from the denial of an interlocutory motion.

THE RIGHT TO MAKE THE COUNT

In Hulett v. Long, Hulett contended that Long had no right to make the count because Long's application as originally filed did not claim or disclose the subject matter of the interference, new matter having been added by amendment, and that Long accordingly was not entitled to his original filing date for a constructive reduction to practice. The court held that this question was substantially involved with Hulett's motion to dissolve, the denial of which it would not consider on appeal but it nevertheless considered the contention and held that the amendments in question did not disclose a different invention than that claimed in the original application.

Hulett v. Long, supra, was to be relied on by the court in later establishing a short-lived precedent that the court in interference ap-

124 203 U. S. 476 (1906).
125 Id. at 481.
126 See the discussion of Allen v. Lowry, supra.
127 The court said that "... an applicant will not, under the form and guise of amendment, be allowed to introduce into his application a new and different claim to an invention from that originally made, nor to change the construction and operation of an invention which has been fully described and explained in his original application and specification," but added that "where amendments have been allowed, it should be presumed that they were properly allowed ..." 15 App. D. C. 284, 290-1 (1899).
peals would not consider the issue of a party’s right to make the count. The precedent began in *Schupphaus v. Stevens.*\(^{130}\) Schupphaus contended before the examiners-in-chief that Stevens had copied the matter in issue from Schupphaus’ claims in an earlier three party interference involving them and one Paget, and that Stevens’ application did not disclose such subject matter. After various proceedings, the matter was referred by the Commissioner to the primary examiner, who decided that Stevens had the right to make the claims. Schupphaus attempted to appeal that decision, was unsuccessful, and on the merits priority was awarded to Stevens. He appealed to the Court of Appeals and again raised the issue that Stevens had no right to make the claims because his application failed to disclose the subject matter at issue. The court held that it would not consider the issue, cited the rule of *Hisey v. Peters*\(^ {131}\) that the *patentability* of the counts to the parties is not involved in an interference proceeding, and said: “Notwithstanding the specific form in which the question has been presented, it is substantially one of patentability and nothing else. *Hulett v. Long,* 15 App. D. C. 284, 289.”\(^ {132}\) The *Hulett* case, it is submitted, offers no precedent for that proposition. As has been noted, the court there refused to review the decision of the tribunals below on the issue of the right of Long to make the counts, but *it did* consider whether the subject matter was disclosed in Long’s original application, and whether new matter had been added. The court did say in the *Hulett* case that

“The questions raised upon this motion to dissolve (one of which was that Long had no right to make the claims) were of an interlocutory character, and did not involve in their determination the question of priority of invention; and from the determination of such questions as those raised by the motion no appeal is allowed to this court.”\(^ {133}\)

The court, however, did not there identify the issue of the right to make the count as being one of patentability, and it *did* consider the substantial question involved—whether Long’s application disclosed the subject matter of the counts.

*Schupphaus v. Stevens,* supra, was followed squarely within the same year in *Ostergren v. Tripler.*\(^ {134}\) *Norden v. Spaulding*\(^ {135}\) brought up in a

\(^{130}\) 17 App. D. C. 548 (1901).

\(^{131}\) 6 App. D. C. 68 (1895).

\(^{132}\) 17 App. D. C. 548, 555 (1901).

\(^{133}\) 15 App. D. C. 284, 289 (1899).

\(^{134}\) 17 App. D. C. 557 (1901). “For reasons given in many previous decisions, and reiterated in the recent case of *Schupphaus v. Stevens,* we must, on this appeal, accept
different way an issue seeming to involve the same technique contended for in *Schuppahaus v. Stevens*, *supra*, and received a different result. The interference involved the patent to Norden and an application of Spaulding. The latter filed his application to provoke the interference, and once it was declared he moved to shift the burden of proof by endeavoring to show that a previous application, dated February 5, 1902, disclosed but did not claim the subject matter in issue. The analogy to be noted is this: in a motion to dissolve filed by one party contending that the original application of his adversary does not disclose the subject matter in issue added by the adversary via amendment to provoke an interference, the court would not consider whether or not the disclosure was there, saying that the issue, labeled "the right to make the count," was not before it. But on a motion to shift the burden of proof, also interlocutory, where the adversary contends that an earlier application does disclose the subject matter in issue, the court would, and did, consider the issue, though the same technique was required for the latter as for the former. This anomaly occurred in *Norden v. Spaulding*, *supra*, where the court considered the matter and held there was no disclosure in the earlier application to support the counts, and the motion was denied.

The anomaly was decisively ended by the court's decision in *Podlesak v. McInnerney*, 136 where it was held that the question of the right of a party to make the count, the subject matter of the interference, may be ancillary to priority. In so holding the court said:

"The question of the right of a party to make a claim goes to the very foundation of an interference, for, if a party has not such right, the interference fails. If it be incorrectly held that such party has a right to make the claim, priority may be awarded to him, and his adversary be deprived of a substantial right in that he is not given a claim where he necessarily is the prior inventor, his adversary never having made the invention. Manifestly that question should not be finally determined by the primary examiner who originally declared the interference. We therefore, take the jurisdiction to determine that question in this case as an ancillary question to be considered in awarding priority of invention."137

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the adjudication of the Patent Office tribunals as conclusive of the question whether the invention specified in the issue is shown in the application of Tripler or covered thereby, and therefore authorized the declaration of interference." *Id.* at 559.

137 *Id.* at 405.
The court also held that the decision of the Patent Office tribunals holding identity of invention between the devices of the parties to an interference, may, in extreme cases, be reversed. The court may either hold there is no interference in fact, or remand the case to the Patent Office tribunals for further consideration as to identity of invention.\textsuperscript{138} Podlesak v. McInerney, \textit{supra}, is a landmark case in patent interference procedure.\textsuperscript{139} The court applied the rule in three cases the following year, leaving no doubt that the Podlesak doctrine was settled law.\textsuperscript{140}

An important application of the Podlesak principle was made in an interference involving a reissue application in the case of Otis v. Ingoldsby.\textsuperscript{141} Otis received a patent November 21, 1905, on an application filed September 3, 1904. Ingoldsby received a patent on March 7, 1905, on an application filed December 21, 1903. On March 6, 1906, three and a half months after Otis’s patent issued, Ingoldsby filed a reissue application, amending the patent specification and copying Otis’s claims. Otis contended that Ingoldsby had no right to make the claims as the invention in issue was not disclosed or claimed in the original Ingoldsby application, and the reissue application furthermore contained new matter. The court held that \textit{until Ingoldsby saw Otis’s patent, the subject matter of the claims had never occurred to them, and that the structure disclosed in their original application would not operate in the manner described in the claims of the issue. The court reversed the Commissioner’s award of priority to Ingoldsby, stating:}

“It is not the object of sec. 4916, Rev. Stat. \ldots relating to the reissue of a patent, to encourage or permit the insertion of claims in the reissue application which involve an impracticable mode of operation, or which are obviously inserted for the sole purpose of appropriating claims of other inventors. The law does not permit a patent to be reissued for the mere purpose of enlarging a

\textsuperscript{138} See note 118 \textit{supra}, quoting from Cushman v. Lines, 10 App. D. C. 156 (1897).
\textsuperscript{139} The case is discussed in the following: Mortimer, \textit{Jurisdiction of the Court of Appeals, etc. in Interference Cases}, 2 J. PAT. Off. Soc’y, 232, 238 (1920); Amdur, \textit{Patent Office Rules and Practice} § 258a (1949).
\textsuperscript{140} Wickers v. McKee, 29 App. D. C. 4 (1907); Wickers v. McKee, 29 App. D. C. 25 (1907); McKnight v. Pohle, 30 App. D. C. 92 (1907). In the latter case the court held that McKnight’s original application did not disclose the subject matter which he added by amendment, after seeing an application of Pohle and Crosdale for a process similar to the one at issue, and hence, his patent being no evidence of invention, it did not support the counts, and he was not entitled to priority.
\textsuperscript{141} 35 App. D. C. 102 (1910).
claim unless there has been a clear mistake, inadvertently committed, in the wording of a claim. If the description in the reissue application finds no real support in the original application, a case for reissue is not made.  

In *Manly v. Williams*, Manly’s patent was issued on an application filed subsequent to Williams’ filing date, and the date of invention alleged in Manly’s preliminary statement was later than Williams’ filing date. The examiner had, after the Manly patent issued, notified Williams to copy Manly’s claims if he desired an interference. Williams took action on his pending application, but did not copy Manly’s claims until more than two years after the date of the examiner’s suggestion. Priority was awarded to Williams by the Patent Office tribunals. On appeal to the court, Manly contended that the claims in interference were not for the same invention disclosed in Williams’ original application. Counsel for Williams urged that such a contention had not been raised in the Patent Office and could not be made an issue on appeal. The court held that the issue was properly before the court because Manly’s motion to dissolve made in the Patent Office on the ground that Williams had no right to make the claims of the issue because of laches, estoppel, and intervening rights was sufficient to raise the issue, since the question presented was not one of fact, but one of disclosure. The court held that Williams’ original specification, claims, and drawings failed to disclose the invention in issue, reversed the Patent Office, and awarded priority to Manly.

Whether or not the invention embraced by the claims in interference is the same invention as that disclosed in a party’s original application was again to constitute, under the question of that party’s right to make the count the basis of a reversal of the Office in *Rohlfing v. Murphy*. Rohlfing had filed a motion to dissolve on the ground that Murphy had no right to make the claims of the issue, but priority was awarded to Murphy. The invention in issue related to sheet metal freight car ends with stiffening ribs. Murphy disclosed in his specification an X-shaped rib for car ends, while that of Rohlfing was V-shaped. The court reaffirmed the principle of *Podlesak v. McInnerney*, stating that, “The question of the right of Murphy to make the claims goes to the foundation of the interference,” and would be considered.

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142 *Id.* at 106.
143 37 App. D. C. 194 (1911).
144 44 App. D. C. 252 (1915).
146 44 App. D. C. 252, 254 (1915)
The court held that the counts having originated with Rohlfing, should be construed in the light of his disclosure, and that Murphy’s “X” was not equivalent to Rohlfing’s “V.” The Patent Office was reversed and priority awarded by the court to Rohlfing.

A reissue application which by copying the claims of a patent to provoke an interference broadened the scope of the patent upon which it was based to the extent that the invention claimed was not the same as that disclosed in the patent, came before the court in Hauss v. Merrell.147 Merrell’s patent was granted April 20, 1915, on a February 16, 1912, application. Hauss filed on November 16, 1914, and his patent issued December 7, 1915. The Hauss and Merrell applications were thus co-pending in the Patent Office for five months. After the Hauss patent issued, Merrell applied for a reissue, copying Hauss’s claims. Hauss made a motion to dissolve on the ground that Merrell had no right to make the claims since his patent failed to disclose the subject matter of the counts. Priority was awarded to Merrell in the Patent Office. The invention related to an improved method of preparing desiccated milk. Hauss disclosed a desiccating chamber having a jacket by means of which the side walls of the chamber were heated. The court reversed the Patent Office, and awarded priority to Hauss, holding that Merrell in not disclosing heated walls did not disclose in his patent the invention in issue. Merrell was not permitted by means of a reissue application to claim a different invention than that disclosed in his patent.148

In Hayes v. Davison149 the party Hayes contended that Davison had no right to make the counts as the Davison reissue application was not for the same invention as disclosed in the original application. In a very brief opinion the court considered whether the reissue application was for the same invention as disclosed in the original application and upheld the Commissioner’s decision that it was directed to

148 "Merrell shows no such heated walls, nor does his specification indicate that he appreciated any advantages would result from such a construction. In short, there is nothing to indicate that the idea ever occurred to him. Hauss, on the contrary, did disclose it, and, at that time, the Patent Office evidently was satisfied that this step in the process was patentably different from the prior art. At all events, we are convinced that there is no real basis in the Merrell application for the allowance of these claims, if they are to be given an interpretation consistent with the Hauss specification, in which they originated." Id. at 437.
149 273 Fed. 325 (D. C. Cir. 1921).
the same generic end as the narrower claims of the first application. The court was following precedent in considering the issue of whether the reissue was for the same invention as the original application, but it is submitted that the court reached the wrong conclusion. It does not follow that a generic invention claimed in the reissue application is the same invention covered by the patent sought to be reissued whose claims are narrowly restricted to a single species.\textsuperscript{150}

The issue on appeal in \textit{Macfarren v. Morgan}, \textsuperscript{151} decided in the last year of the jurisdiction of the Court of Appeals of the District of Columbia, was whether the earlier co-pending application upon which Morgan relied for a constructive reduction to practice disclosed the invention defined by the counts of the interference. The invention concerned mechanical devices acting in combination with kerf and slot cutters for breaking down coal from the face of the seam after the cutting of two or more related kerfs or slots. Macfarren's device comprised a cylinder and plunger to which was admitted periodically fluid under pressure, expelling the plunger, thereby exerting pressure to break down the coal, and thus avoiding the necessity of withdrawing the machine and cutter bar so that other means of breaking down the coal could be used. The court held that Morgan's earlier application in disclosing a device designed merely to prevent coal from falling upon the cutter frame, was not a "pressure exerting" device within the meaning of the counts, reversed the Commissioner, and awarded priority to Macfarren.

The Court of Customs and Patent Appeals followed the precedent of these cases in \textit{Slattery v. Larner}\textsuperscript{152} and held that Larner did not have the right to make the counts, because his patent application did not establish that he contemplated or expected the performance of the same function in the same way by his pipe as Slattery expected.

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\textsuperscript{150} "The question is whether, in the light of the disclosures contained in the two patents (the original patent and its reissue), they are for the same invention. . . . If there be failure of disclosure in the original patent of matter claimed in the reissue, it will not aid the patentee that the new matter covered by the reissue was within his knowledge when he applied for his original patent. And it is not enough that an invention might have been claimed in the original patent because it was suggested or indicated in the specification. It must appear from the face of the instrument that what is covered by the reissue was intended to have been covered and secured by the original. U. S. Industrial Chemicals, Inc. v. Carbide and Carbon Chemicals Corp., 315 U. S. 668, 675-6 (1942).

\textsuperscript{151} 24 F. 2d 1003 (D. C. Cir. 1928).

\textsuperscript{152} 36 F. 2d 298 (C. C. P. A. 1929)."}
from his. The court early in its new jurisdiction left no doubt that it considered the rule of *Podlesak v. McInerney* a settled precedent. In *Fageol v. Midboe*, Fageol took the position that the issue of his right to make the count was not before the court since it was not set forth in any reasons of appeal. Since the court disagreed with the Patent Office in awarding priority to Midboe, Fageol's right to make the count became material to consider. The court held:

"When an award of priority was made by the Board of Appeals, and an appeal was perfected from the decision making such award, the whole field of priority of conception, on the record, came before this court. . . . In such case, the question of priority and all questions ancillary thereto are before the court. . . . It is well settled law in this jurisdiction that the right to make the count or counts of the interference is a question ancillary to priority. If necessary to a decision of priority herein, therefore, the question of the appellant's right to make the counts of the interference will be here determined."

An orthodox treatment of the issue was made in *Bechtold v. Lanser*, where the court considered whether the invention defined by the counts and claimed by Lanser in his reissue application was disclosed in his patent, and held that the board's finding that Lanser's disclosure therein entitled him to make the claims was correct. The court refused to consider the contention that the appellee's application did not disclose the invention in issue in *Fishburn v. Vincent* because a motion to dissolve based on that ground had not been made during the motion period before the examiner in the Patent Office.

The rule was constricted in *Ellis v. Maddox*. The interference there was between the patent to Ellis, dated October 3, 1933, on a July 18, 1929, application, and the application of Maddox dated December 4, 1933, for the reissue of his patent granted October 18, 1932, on an August 19, 1926, application. Ellis moved to dissolve on the ground that Maddox had cancelled from his original application claims as broad or broader than the counts at bar, and that he was estopped to make the counts. This was construed by the court as a contention that "the right of the party to make the counts involves the question

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154 56 F. 2d 867 (C. C. P. A. 1932).
156 56 F. 2d 867, 868 (C. C. P. A. 1932).
157 82 F. 2d 415 (C. C. P. A. 1936).
158 88 F. 2d 711 (C. C. P. A. 1937).
159 96 F. 2d 308 (C. C. P. A. 1938).
of his being estopped from being allowed the claims in a reissue application.”\textsuperscript{160} The court then held the issue to pertain to the \textit{patentability} of the count to Maddox, and that the question of patentability\textsuperscript{161} of the counts \textit{to one of the parties} would not be considered. For reasons pointed out elsewhere in this note,\textsuperscript{162} some questions which relate to patentability are properly ancillary to priority\textsuperscript{163} and where their effect is to make the counts unpatentable only to one of the parties, the other should be permitted to raise the bar in an interference proceeding. The court concluded by saying:

“\textit{It seems to us that the distinction between cases in interference proceedings where the courts have given consideration to the said estoppel doctrine and where they have refused to do so, rests primarily upon the answer to the question as to who is the resultant beneficiary of the estoppel. If there is any estoppel in the case at bar it must operate, we think, in favor of the public and not in favor of the appellant. . . . In the instant case, if anyone is concerned about appellee’s cancellation and abandonment of the invention, it is the public, and of this fact the appellant in this kind of proceeding cannot be heard to complain}.”\textsuperscript{164}

Why should the estoppel operate in favor of the public? Maddox should be estopped to claim the subject matter, for, having explicitly disclaimed it by cancelling his broad claims, he could not be heard later to say that his failure to claim was inadvertent.\textsuperscript{165} But Ellis applied for and claimed that subject matter three years before Maddox’s patent issued. So far as the public knew, matter disclosed and not claimed by Maddox was subject by way of reissue to being withdrawn from its tentative dedication to the public within two years after Maddox’s patent issued. Actually Maddox could not do so because of the estoppel against him. Ellis’s patent, however, claiming the subject matter in issue, was granted and published less than one year after Maddox’s patent issued supposedly disclosing but not claiming the subject matter. Maddox has no right to assert priority because he

\textsuperscript{160} \textit{Id.} at 310.

\textsuperscript{161} See \textit{Patentability}, supra.

\textsuperscript{162} \textit{Ibid.} See \textit{Amdur, op. cit. supra} note 64.

\textsuperscript{163} See 2 \textit{Revise and Caesar, op. cit. supra} note 73.

\textsuperscript{164} 96 F. 2d 308, 311 (C. C. P. A. 1938).

\textsuperscript{165} A reissue patent may only issue where the original patent is defective by the patentee’s inadvertence, accident, or mistake in claiming more, or less, than he was entitled to claim. \textit{Rev. Stat.} § 4916 (1875), as amended, 35 U. S. C. § 64 (1946). Every applicant for a reissue must file with his reissue application a statement under oath specifying the errors constituting the inadvertence, accident, or mistake relied on. \textit{Rules of Practice of the U. S. Patent Office in Patent Cases}, Rule 175 (1949).
could never receive a reissue patent with those claims. The public is not harmed, as it was subject to losing within two years whatever had tentatively been tendered it by way of Maddox’s patent disclosure, not claimed. The estoppel would then, when raised in the interference, operate primarily to Ellis’s benefit—he would be the “resultant beneficiary.” It is difficult to see how there could be an award of priority to Maddox as he is not entitled to be a rival claimant, and a proper award of priority can not result where there are not rival claimants. 166

A decision handed down by the court the same day 167 as Ellis v. Maddox 168 presented the same issue. There, in Ackerman v. Light, 169 Ackerman contended that Light was estopped to claim the subject matter of the counts in issue because he had cancelled certain claims in his original application the same in scope as the counts in issue. Making no reference to its decision on the same issue in Ellis v. Maddox, the court said:

“Assuming, without deciding, that this question raised by appellant is ancillary to an award of priority of invention, we agree with the Primary Examiner that no estoppel exists, such as appellant urges, for the reason that said cancelled claims were broader in scope and radically different from the counts here involved.” 170

It is submitted that the court’s willingness to examine the issue in the Ackerman case weakens somewhat the Ellis case as a precedent. In the Ackerman case, the appellant also rested his motion to dissolve on the ground of no right in Light to make claims corresponding to the count on the basis of an alleged insufficiency in Light’s reissue application. The court held that the right of a party to a reissue was an ex parte matter, not ancillary to priority.

The court retreated slightly from the case of Fishburn v. Vincent, supra, when in Eger v. Watson 171 it assumed “without deciding” that where appellee had failed to raise the issue of appellant’s lack of right to make the claim because of insufficient disclosure, and appellant did not challenge their authority, the tribunals of the Patent Office nevertheless had authority to consider the issue, and the court itself considered it. This decision would seem to put the court back in a

167 April 25, 1938.
168 96 F. 2d 308 (C. C. P. A. 1938).
169 96 F. 2d 304 (C. C. P. A. 1938).
170 Id. at 307.
171 104 F. 2d 953 (C. C. P. A. 1939).
more harmonious position with its decision in Fageol v. Midboe, supra. The issue arose in the orthodox manner in Bramley v. Beese,\textsuperscript{172} and it was considered by the court.\textsuperscript{173}

A recent decision of the court seems to run contra to the precedents established by Hauss v. Merrell, supra, and Hayes v. Davison, supra. That decision, Koch v. Lieber,\textsuperscript{174} holds that the issue that a party has no right to make in a reissue application the claims constituting the counts in issue because they define a different invention from that claimed in the party's patent, is not ancillary to priority. The court rested its decision on the cases of Herthel v. Dubbs,\textsuperscript{175} and Ellis v. Maddox, supra. In Herthel v. Dubbs, there was involved Dubbs' renewal application filed thirty-three months after his original application had been passed for allowance, and seventeen months after the expiration of the time for payment of the final fee. With his renewal application, Dubbs amended his claims. Herthel contended that the Dubbs' renewal application presented subject matter not disclosed and claimed in the original application.\textsuperscript{176} The court held that this issue "presented broadly the question of the extent to which this court may consider patentability in an interference proceeding."\textsuperscript{177} It would seem that this is another instance of the court invoking the patentability rule to forestall consideration of an issue which goes solely to the right of one of the parties to be a claimant for the sub-

\textsuperscript{172} 132 F. 2d 1001 (C. C. P. A. 1942).
\textsuperscript{173} In holding that the Bramley disclosure was inoperative, the court announced a useful rule: "... Lack of clear disclosure is not supplied by a speculation as to what one skilled in the art might do or might not do if he followed the teaching of the inventor. The disclosure should be clearer than to suggest that one skilled in the art might construct the device in a particular manner." 132 F. 2d 1001, 1006 (C. C. P. A. 1942). The rule had initially been laid down in Brand v. Thomas, 96 F. 2d 301 (C. C. P. A. 1938).
\textsuperscript{174} 141 F. 2d 518 (C. C. P. A. 1944).
\textsuperscript{175} 65 F. 2d 138 (C. C. P. A. 1933).
\textsuperscript{176} Applications allowed prior to August 9, 1939, but which did not issue as patents because the final fee was not paid, could be renewed within one year of the allowance. Rev. Stat. § 4897 (1875), as amended, 44 Stat. 1335 (1927). But a renewal application might not contain new matter not covered by the original application, and the claim of the renewal could not be amended so as to cover matter not claimed or intended to be claimed in the original application. In re Kaisling, 44 F. 2d 863 (C. C. P. A. 1930). A later case, Doherty v. Dubbs, 68 F. 2d 373 (C. C. P. A. 1934) seemed by implication to modify In re Kaisling, to the extent that a renewal applicant might be allowed additional claims so long as they were supported by the disclosure of the original application. The renewal statute was repealed effective August 9, 1939, 53 Stat. 1293 (1939).
\textsuperscript{177} 65 F. 2d 138, 141 (C. C. P. A. 1933).
ject matter. It would not seem that the Patent Office would be any less able to consider that issue when it arose in an interference proceeding than it would ex parte—as the matter is one of disclosure and not of fact—and if the party against whom it is invoked has no right to make the claims he should have no standing to contest priority of those claims against an adversary who does have the right to make them. In a reissue case, if it is shown that the reissue applicant is attempting to broaden his claims by embracing matter not claimed or intended to be claimed in the original patent, it may be a fair inference that the subject matter sought to be secured by the new claims was never part of the original conception he had of his invention. If he never conceived this particular subject matter as part of his invention—as evidenced by his failure to claim it, what right has he to contest priority as a rival claimant with one who has conceived, comprehended, and claimed that subject matter?

178 See discussion of Manley v. Williams, supra. See also note 150, supra.

179 Even in Lowry v. Allen, 203 U. S. 476 (1906), cited by the court in the Herthel v. Dubbs case, the Supreme Court did not exclude from a proper determination in an interference proceeding such an issue. "It would seem upon general principles of law," the Court said at p. 481, "that Lowry could then present for determination by his appeal any question which in his opinion vitally affects the question which party is entitled to the patent." [Emphasis supplied.] The reasoning of the court in Podlesak v. McInnerney, is a buttress also. "If it be incorrectly held that such party has a right to make the claim, priority may be awarded to him, and his adversary be deprived of a substantial right in that he is not given a claim where he necessarily is the prior inventor, his adversary never having made the invention." 26 App. D. C. 399, 405 (1906).

180 See Wollensak v. Reiher, 115 U. S. 96, 99 (1885). "It follows from this, that if, at the date of the issue of the original patent, the patentee had been conscious of the nature and extent of his invention, an inspection of the patent when issued, and an examination of its terms, . . . would have immediately informed him that the patent had failed fully to cover the area of his invention."

181 Rev. Stat. § 4888 (1875), as amended, 35 U. S. C. § 33 (1946), requires an inventor in filing his application to "particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery."

182 It is not a sufficient basis for a reissue that the patentee might have claimed the new subject matter of the reissue in his original patent. A reissue may not be granted for the mere purpose of broadening the patent claims unless there has been a clear mistake, inadvertently made, in wording the patent claims. Mahn v. Harwood, 112 U. S. 354 (1884). Furthermore, the inventor must be diligent in discovering the mistake. A patentee has no absolute right to a reissue, and where he is wanting in diligence he may not secure a reissue even though the reissue application is filed within the time measured by analogy to the statutory bar of public use. In re Seabury 108 F. 2d 232 (C. C. P. A. 1939). That period is now one year. Application of Croskey, 165 F. 2d 797 (C. C. P. A. 1948).
If the two parties were adversaries in an infringement action, the reissue applicant (there a reissue patentee) would not be permitted under such circumstances to assert that by means of his reissue patent he has captured the subject matter not claimed or intended to be claimed in his patent. On the contrary, such claims in the reissue patent would be invalid. It is submitted that the court's decision in *Koch v. Lieber*, *supra*, is out of harmony with the *Podlesak* line of cases, is out of harmony with the settled law of reissues as laid down by the Supreme Court, and denies a substantive right to the reissue applicant's adversary in the interference proceeding, where the reissue applicant may have no right to come as one entitled to be a rival claimant.

**Intervening Rights**

An interference proceeding involving an improvement in printing machines was declared between the application of Wood, filed October 28, 1893, and the application of Bechman, filed October 26, 1895. The Patent Office tribunals concurred in awarding priority to Wood on the basis of conception on November 8, 1892, and constructive reduction to practice on his filing date. Bechman was held to have conceived on November 30, 1892, but was not diligent in reducing to practice any time prior to 1895. On appeal to the court, Bechman contended, as he had before the lower tribunals, that his device was not the equivalent of Wood's, and that there was no interference between the two. The court held, *Bechman v. Wood*[^184] that its decision might embrace all questions essential to determine the substantial rights of the parties, that there could be no proper interference where there was lacking identity of subject matter, that the prima facie and *ex parte* adjudication of identity, a requisite precedent to the declaration of the interference, might be erroneous, that it was competent for the parties, and served the ends of justice, to show that it was erroneous, and that such a showing entered into the substance of the cause, and was a proper matter for the court to consider on appeal. The court then reviewed these facts: the broad claim constituting the issue in the interference was made by Bechman in his application filed October 26, 1895. Wood did not make such a claim in his original


application, filed nearly two years earlier, October 28, 1893, the broad claim being first made by him April 29, 1896, after Bechman's application had been filed. "But it was not then competent," said the court, "for Wood so to alter his specification as to interfere with other inventions made prior to the alteration,"185 citing Railway Co. v. Sayles,186 and holding that there should be no judgment of priority for either party. A petition for rehearing was granted by the court, and briefs were filed on behalf of both parties, and as amicus curiae by the Patent Office, which regarded certain of its rules of practice "seriously affected" by the decision, and other counsel. The court's decision was attacked for declaring that no interference in fact existed which, it was contended, exceeded the court's jurisdiction in interference cases. The court adhered to the views expressed in its decision, and explained that it did not question the propriety of Patent Office practice permitting applicants with narrow claims subsequently to broaden them into generic claims, but said that "through misapprehension of the extent of his discovery, he may . . . have confined himself to the narrow or restricted claim of his special device."187 The court developed this point as follows:

"By making only the narrow claim for a special device in the first instance he (Wood) left the field open for all who would make other different devices to accomplish the same purpose and it would not be right and just that he should, after the invention of such another device by another person, be permitted to go back and broaden his claims so as to sweep this second device within the scope of his own original application, even though the broad claim might properly have been advanced in the beginning, and even though under other circumstances, he might have effectively broadened his claim in the course of the prosecution of the application and procured or entitled himself to a patent for such broad claim. . . .

The question, it seems to us, is not one of the right of amendment, but of the effect of amendment upon intervening right. We do not think that it is just that rights, which have previously accrued, should be overthrown by amendments subsequently made. And this we understand to be the positive decision of the Supreme Court of the United States in the case of Railroad Co. v. Sayles, 97 U. S. 554. . . .

That case is precisely in point. It was, it is true, a suit for infringement; but it deals specifically with this question of the enlargement of an original application by subsequent amendment, and it was upon this point that the law was laid down, as stated. We are bound by that statement of the law, and it is not

185 Id. at 491.
186 97 U. S. 554 (1878).
open to us to disregard it. As said by Mr. Justice Bradley in that case, the principle is precisely the same as in reissue cases, in which it has repeatedly been held that the patentee is not entitled to broaden his claim so as to include in it the inventions of others made subsequently to the grant of his patent.”¹⁸⁸
[Emphasis supplied.]

The court concluded that neither party was entitled to judgment of priority for the broad claim of the issue.

In McBerty v. Cook¹⁸⁹ the interference was between McBerty’s application dated March 22, 1897, for a reissue of his patent granted August 13, 1895, and the application of Cook, filed July 29, 1896. McBerty contended that the case fell within the rule of Bechman v. Wood, supra, in that Cook’s application of July 29, 1896, contained no claim whatever to the invention of the issue, but that, five months later, Cook amended his application by setting up the claim of McBerty’s patent in issue. The court held that the amended claims of Cook were clearly shown and described in the specification of his original application, and that his amendment did not depart therefrom so as to subordinate him to the claim of an intervening party, as it said was the case in Bechman v. Wood, supra. The court further distinguished the case from that case by pointing out that McBerty did not come into the Office originally after Cook, but before, and when McBerty made his reissue application, Cook’s claim had already been made. The court did not call Bechman v. Wood, supra, into question, but merely distinguished the instant case on the facts.

The case of Newton v. Woodward¹⁹⁰ in holding that the issue of patentability would not be considered in an interference proceeding commented on Bechman v. Wood, supra, as a case not involving the question of intrinsic patentability of the device apart from the position in which the parties there had placed themselves. This would seem to admit the inference that patentability as a subject is divisible into intrinsic and extrinsic patentability, the former considering whether the subject matter is inherently patentable over the art whereas the latter would embrace the matter of extrinsic barriers to the inventor’s right to a patent: publication, public use or sale, abandonment, sufficiency of disclosure. Such a conclusion is in harmony with the position developed elsewhere in this paper that many issues bearing on an applicant’s right to a patent ought not be excluded from consideration

¹⁸⁸ Id. at 501-503.
¹⁸⁹ 16 App. D. C. 133 (1900).
¹⁹⁰ 16 App. D. C. 568 (1900).
in an interference proceeding where the effect of the malady is unilateral.

In Seeberger v. Dodge the appellant contended that the invention as claimed by him was not disclosed or claimed in the original application of Dodge, but was introduced by Dodge in amended claims after Seeberger's application had been filed; hence, that Dodge should not be given his original filing date as a constructive reduction to practice. The court considered the problem as a matter of "identity", held that ordinarily the decisions of the Patent Office tribunals on such an issue would be conclusive, but that in extreme cases where palpable error has been committed, such a decision would be reversed. The court in support of its decision cited Bechman v. Wood, supra, as a case where the Office had been reversed where one party had been allowed by amendment to broaden an application for a specific invention into a generic one and thereby dominate the invention of an applicant who filed after the first party's original application. The court then held that inasmuch as Dodge made no change in the description of his invention as set out in his original specification, and as most of the amendments were made in the course of examination to meet references to other patents, and as the amendments were within the original scope of his application, they were properly filed.

The high point in the law of intervening rights as applied in interference proceedings was reached in Skinner v. Carpenter involving an interference between the application of Skinner, filed July 1, 1907, and the reissue application of Carpenter, filed August 9, 1907, relating to his patent of February 20, 1906, on an original application filed June 22, 1905. On Skinner's assignment of error that the Commissioner erred in holding that Carpenter had the right to make the claims in issue in his reissue application, the court held that such a question went to the foundation of the interference and would be considered by the court on appeal, citing Podlesak v. McInnerney. The court found that two weeks after Skinner showed his invention to Carpenter, who had ceased manufacture under his patent, Carpenter filed an application for reissue with claims dominating Skinner's device, which was not an infringement of the Carpenter patent. The court reversed the Commissioner's award of priority to Carpenter, holding:

192 36 App. D. C. 178 (1911).
"It is well settled law that to warrant a valid reissue of a patent there must not only have been a mistake by the patentee, with no want of reasonable diligence in its discovery, but also that no third person has in the meantime acquired the right to manufacture and sell what the patentee had failed to claim."194

Having advanced to the liberal position established by Skinner v. Carpenter, supra, the court lost little time in making a retreat. The case of Norling v. Hayes,195 decided that same year, provided the vehicle. Patent issued to Hayes on July 21, 1903, on an application filed December 4, 1902. Patent issued to Norling June 21, 1904, on an application filed September 21, 1903. Norling's patent came to Hayes' attention and on August 2, 1906, he filed a reissue application copying the claims of Norling's patent, but making no changes in his specification or drawings. The Examiner of Interferences held that Norling was the first to conceive, but the last to reduce to practice, and that Norling was lacking in diligence at and after the time Hayes entered the field. He held that notwithstanding Hayes had established priority, the evidence showed a clear case of intervening rights on the part of Norling, and that Hayes' reissue application should be refused. The examiners-in-chief awarded priority to Hayes and as to the intervening rights held that the existence "of a statutory bar" has nothing to do with the question of priority. The Commissioner affirmed the award of priority to Hayes, holding that the "statutory bar of intervening rights" was a question subsidiary to priority, to be deferred until after the interference was concluded. The court, noting the case of Skinner v. Carpenter, supra, proceeded to consider the matter de novo, that is, as if no precedent had been established concerning intervening rights. The court upheld the award of priority to Hayes, holding that it had no jurisdiction to consider the question of intervening rights, on the following reasoning:

"The distinction between the situation in the Podlesak Case and that in the present case is apparent. In the former, if one of the parties had no right to make the claims of the issue, that is, if his application did not disclose the invention, and the application of his adversary did disclose it, the finding of that fact necessarily resulted in an award of priority. In the present case, a finding that a patent ought not to be issued to Hayes, notwithstanding he is the prior inventor, in no way affects the sole question involved in the interference, namely, the question of priority; in other words, such a finding would not entitle Norling to an award of priority."196

195 37 App. D. C. 169 (1911).
196 Id. at 178. The case is noted with approval in Mortimer, supra note 139, at 244.
It should be borne in mind, in considering this decision as a holding that the question of intervening rights may not be considered as ancillary to priority, that the court considered Hayes to be the first inventor, and the fact that no changes were necessary in the Hayes patent specification presumably buttressed the conclusion that the subject matter of the counts was a part of the original Hayes inventive conception. Having conceived that subject matter and constructively reduced it to practice by his patent disclosure, he could be considered the prior inventor. If the facts of the case had warranted a conclusion that the subject matter of the counts lay outside his original conception and reduction to practice, no matter how plausibly that disclosure might later be considered to be the nucleus of the then claimed as well as later claimed subject matter, it is submitted that the case should have been decided differently, on the strength of Beckman v. Wood, supra.

In Frost v. Chase, the interference was between Frost's patent of April 2, 1907, granted on a May 15, 1906 application, and Chase's reissue application of July 22, 1908, relating to his patent of September 4, 1906, issued on a December 14, 1904 application. Chase by his reissue copied Frost's patent claims. Frost filed a motion to dissolve on the grounds that Chase had no right to make the claims, laches, and intervening rights. The primary examiner sustained the motion on the ground that the Chase reissue claims were for a different invention than covered by Chase's patent. The examiners-in-chief reversed, and Chase was awarded priority. On appeal, the court considered the question of whether Chase, in the light of his original specification and drawings, had a right to make the claims in issue, noted that the description of the invention in issue was a narrow one—which fact it deemed material—and held, that Chase in the reissue application was merely describing and claiming an apparent function of the device disclosed in the patent. The court held the issue of laches not to be pertinent, and refused to consider the question of intervening rights on the authority of Norling v. Hayes, supra. It is important to note that here was no broadening of the patent claims by means of a reissue, but rather claiming that which was clearly disclosed as a function of the apparatus disclosed and claimed in the original. Since the court in Norling v. Hayes thought the case there might be covered by Skinner v. Carpenter, supra, and hence felt called

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197 37 App. D. C. 179 (1911).
upon to determine anew the rule for such a case, it follows that the claims presented by the Hayes reissue application were broader than the claims of the Hayes patent. In Frost v. Chase, supra, it appears that the scope of the reissue claims was coextensive with the patent claims. The latter case is not objectionable as a ruling that a reissue applicant may blanket the intervening rights of another by presenting claims in a reissue application which are not broader than those made or intended to be made in the original patent.198

The same year that the three preceding decisions were handed down, Manly v. Williams199 was decided, and seemed to put the sun back in the sky on the issue of intervening rights. Manly's patent issued on an application filed subsequent to Williams' filing date. Manly's preliminary statement did not allege dates of invention prior to Williams' filing date. After the Manly patent issued, the examiner notified Williams, in case he desired an interference to copy the claims of the Manly patent. Williams subsequently acted on his application, but declined to copy Manly's patent claims until more than two years after the date of the examiner's suggestion. Manly contended that Williams should be estopped because of his delay of more than two years in making the claims, and that Williams was not entitled to his original filing date as a constructive reduction to practice because the invention in issue was not disclosed therein. The court held that Williams' specification, claims, and drawings failed to disclose a conception of the invention in issue, saying:

"When we consider appellee's refusal for more than two years to make the claims suggested, and his failure to embrace the idea in amendments during that period, it is apparent that he had no conception whatever of the invention embraced in the claims in issue until after appellant entered the field.

The law is well settled that amendments will only be permitted to relate back to the date of filing of the original application, where they can clearly be sustained on the claims and specifications as originally made. The law does not permit such an enlargement of the original specifications as will interfere with other inventors who have acquired intervening rights. . . . The Rule is the same as in reissue cases with respect to intervening rights. A patentee cannot, in a reissue application, so broaden his claims as to include an invention made subsequent to the grant of his patent."200 [Emphasis supplied.]

It is worthy of note that although the issue of intervening rights was

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198 But see Mortimer, supra note 139 at 244 bracketing Norling v. Hayes and Frost v. Chase with a comment of approval.
199 37 App. D. C. 194 (1911).
200 Id. at 201.
not explicitly raised, the court considered it in a material way in deciding the case. This case brought the pendulum of the court's reasoning on intervening rights to a full cycle.201

Manly v. Williams, supra, was reaffirmed by the court in Hauss v. Merrell,202 discussed supra.203 There the court said, inter alia:

"In Manly v. Williams, . . . this court had occasion to state the rule relating to the reissue of patents, in effect that attempts to enlarge the scope of an application once filed or of a patent once granted should be frowned upon, especially where the result would be the appropriation of an intervening invention."204

It seems clear that in an interference proceeding the court should consider as dispositive of the issue of priority that a patentee will not be permitted to broaden his claims by means of a reissue application filed for interference purposes where the result would be the appropriation of an intervening invention.205

When the issue of intervening rights was raised two years later in an interference involving a reissue application, the court, however, dismissed it summarily, holding in Hayes v. Davison206 that it could not properly be considered in an interference. This case was somewhat different than the preceding one in that it involved an application not yet matured into a patent and a reissue application, rather than a patent and a reissue application as before. No intervening rights had actually vested, and the case may be distinguished on that ground. In Manly v. Williams, and Hauss v. Merrell, supra, the intervening rights were those vested in a patentee, not a mere applicant.207

201 But see 2 Rivise and Caesar, op. cit. supra note 84, at 1033, where the authors consider that the court really rested its decision on the issue of the new matter. See a discussion of that aspect of the case under the heading The Right to Make the Count, supra.


203 See The Right to Make the Count, supra.


205 The court did not hesitate to consider and hold in effect that Merrell, the reissue applicant, not only did not claim but did not intend to claim in his patent the subject matter in issue: "Merrell, on the contrary, shows no such heated walls, nor does his specification indicate that he appreciated that any advantages would result from such a construction. In short, there is nothing to indicate that the idea ever occurred to him. Hauss, on the contrary, did disclose it, and, at that time, the Patent Office evidently satisfied that this step in the process was patentably different from the prior art." [Emphasis supplied.] Id. at 437.

206 273 Fed. 325 (D. C. Cir. 1921).

207 In Skinner v. Carpenter, 36 App. D. C. 178 (1911), the interference was between
In *Earles v. Gomber*\(^{208}\) the interference involved the patent issued to Earles on April 2, 1918, and Gomber's application filed August 6, 1918, for the reissue of his patent dated November 23, 1915. Earles contended that Gomber's reissue application was barred by intervening rights, but the court disposed of the issue briefly holding it to be not available in an interference proceeding, on the authority of *Norling v. Hayes*, *supra*.

The question of intervening rights arose incidentally in *Macfarren v. Morgan*,\(^{209}\) discussed *supra*,\(^{210}\) where the court in reversing the Patent Office and awarding priority to Macfarren said:

"... In Hauss v. Merrell, ... this court held that in an interference proceeding, the claims will if possible be given an interpretation consistent with the specification in which they originate, and also that attempts to enlarge the scope of an application once filed should be frowned upon, especially when the result would be the appropriation of an intervening invention ... it appears from the record that it was not until seven years had elapsed after the filing of the earlier application, and after Macfarren had filed his present application, that Morgan made such a claim.\(^{211}\)

Since both parties were involved in the interference by applications, and there was no evidence to the contrary, this case differs from *Hauss v. Merrell*, *supra*, in that the intervening right was not based on a patent or direct knowledge by one of the other's invention. The case is illustrative of the fact that the court would consider by indirection that which it refused to consider directly.

The issue of intervening rights arose during the first year of the jurisdiction of the Court of Customs and Patent Appeals in an interference between an application and a reissue application, and the court refused to consider it, holding the issue to be so remote from the question of priority as to have no bearing on it, *Stern v. Schroeder*,\(^ {212}\) basing its decision on *Earles v. Gomber*, *Hayes v. Davison*, *Norling v. Hayes*, and *Frost v. Chase*, *supra*.

\[^{208}\] 273 Fed. 353 (D. C. Cir. 1921).

\[^{209}\] 24 F. 2d 1003 (D. C. Cir. 1928).

\[^{210}\] See *The Right to Make the Count*, *supra*.

\[^{211}\] 24 F. 2d 1003, 1004 (D. C. Cir. 1928).

\[^{212}\] 36 F. 2d 518 (C. C. P. A. 1929).
In an interference between a patent and an application for the renewal of a forfeited patent where the renewal applicant copied the claims of the patent while his renewal application was in process, the patentee filed a motion to dissolve on the ground *inter alia* that the renewal applicant had no right to make the claims being estopped by his delay in presenting broad claims where to allow such claims would be to the detriment of the intervening rights of the patentee. The examiner of interferences denied the patentee's motion for leave to take testimony in support of his motion to dissolve, and ultimately priority was awarded in the Patent Office to the renewal applicant. On appeal, the renewal applicant, the successful party below, contended that the decision of the Commissioner denying the petition to take testimony was interlocutory, not reviewable, and the motion to dissolve not having been transmitted by the tribunals below, the court could not consider the issue of estoppel. The court held, however, in *Herthel v. Dubbs*;\(^{213}\) that

"the question presented by the issue of laches creating estoppel is one which may be ancillary to priority, and that the proper tribunals of the Patent Office and this court have the authority to pass upon it, and that it is a matter of duty *so to do*. . . . It is our view that Congress intended to, and did, in its system of patent laws, clothe the tribunals of the Patent Office and this court with sufficient power to enable complete adjudication in cases such as this. . . ."\(^{214}\) [Emphasis supplied.]

The court then examined the affidavits and arguments submitted by Herthel in support of their motion, and concluded that the decision of the tribunal below, on the facts, was proper. The significance of this case lies in the fact that the issue of laches creating estoppel which the court held ancillary to priority was based on the renewal applicant's delay in presenting broadened claims *in the face of the intervening patent rights* of Herthel. It is submitted that this case provides some support for the position that where the late filer of broadened claims has had knowledge of his adversary's invention, either through the constructive knowledge of an issued patent, or direct knowledge through disclosure of the invention, the intervening rights of the adversary are a proper subject for *consideration* by the court, and where it is found that the subject matter lies outside of his original conception, or where

\(^{213}\) 65 F. 2d 138 (C. C. P. A. 1933).

\(^{214}\) Id. at 143.
Laches can be attributed to the late filer, that fact may found an estoppel against his assertion of priority.

The last case in this category is that of Ackerman v. Light215 where in an interference between a patent and a reissue application, Ackerman's contention that Light was not entitled to a reissue patent because of intervening rights, the court held briefly that the issue was not ancillary to priority, and could not be raised in an interference proceeding, citing Norling v. Hayes, and Earles v. Gomber, supra.

**Concealment Followed by Spurring into Activity**

The leading case in this category, and one of the most celebrated in interference practice, is Mason v. Hepburn.216 An interference was declared between the patent of Hepburn granted September 11, 1894, on an application filed April 3, 1894, and an application of Mason, filed December 31, 1894. The subject matter in issue related to a detachable end piece for closing the outer end of a firearm magazine. Mason conceived the invention in issue in June of 1887, and reduced it to practice in July 1887, or at least the device was actually completed and ready for use in July 1887, although there was a conflict as to whether it had been tested by firing in a manner calculated to demonstrate its completeness and utility. Mason's assignee did not manufacture or use the clip. Mason himself applied for and received patents on a detachable gun and a different clip subsequent to his work on the first clip. The examiner of interferences awarded priority of invention to Mason. Two of the board of examiners-in-chief agreed on reversing that decision because they were not satisfied with the evidence of reduction to practice. The third member of the board held that priority should be awarded to Hepburn because of Mason's conduct in withholding his invention from the public without excuse for seven years. The Commissioner concurred in that view. On appeal, the court held that Mason's right to claim of priority was barred by his designed or negligent concealment of his invention from the public and the subsequent entry of his rival in the apparently unoccupied field. The court based its decision on principles announced by the Supreme Court of the United States in an infringement suit, Kendall v. Winsor.217 It is noteworthy that if the court had refused to consider the equitable rights

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215 96 F. 2d 304 (C. C. P. A. 1938).
216 13 App. D. C. 86 (1898).
217 21 How. 322 (U. S. 1858).
of the junior party—as it has done in the intervening rights cases—on the ground that such an issue was not ancillary to priority it would have had to hold for Mason.\footnote{218}

This issue was involved in the consideration of the court in an unusual way in \textit{Cain v. Park}.\footnote{219} An interference was declared between Cain's patent, issued June 2, 1896, on a December 11, 1895, application, and an application of Park filed June 30, 1896. Park had previously filed an application on May 8, 1895, which disclosed but did not claim the subject matter in issue. That May 8, 1895, application was allowed on November 16, 1895, but was never issued as a patent, Park failing to pay the fee. On July 30, 1896, Park filed the application involved in the interference adding drawings and matter thereby to the specification of the forfeited application. He subsequently filed three amendments, each calling attention to the fact that the subject matter of his claim six was disclosed in his original, and now forfeited, application, and had never been abandoned. Priority was awarded to Park by the Patent Office tribunals. On appeal to the court, the question of priority turned on whether or not Park was entitled to the filing date of his original—and forfeited—application as a constructive reduction to practice, and affirmed the award of priority on that ground. But it added, significantly:

"From what has been heretofore said we are not to be understood as holding that a renewal application filed within the two years given therefore will, under all circumstances, relate back to the original and cut off all intermediate applicants and patentees. The statute contemplates the possible existence of facts and circumstances attending the action of the original applicant that might show an abandonment of the invention itself, notwithstanding there may have been no formal abandonment or withdrawal of his application. In such a case it would be wrong to allow him to come into the Office, instigated by the entry of a new and independent inventor into the field, and revive his original invention for the purpose of defeating his rival, for reasons

\footnote{218} "The true ground of the doctrine," said the court, "lies in the policy and spirit of the patent laws and in the nature of the equity that arises in favor of him who gives the public the benefit of the knowledge of his invention, who expends his time, labor, and money in discovering, perfecting, and patenting, in perfect good faith, that which he and all others have been led to believe has never been discovered, by reason of the indifference, supineness, or wilful act of one who may, in fact, have discovered it long before." [Emphasis supplied.] 13 App. D. C. 86, 96 (1898). See generally, O'Brien, \textit{Mason v. Hepburn.—A Critical Review}, 18 J. Pat. Off. Soc'y 257, 339 (1936).

\footnote{219} 14 App. D. C. 42 (1899).
similar in their nature to those which controlled the decision of . . . Mason v. Hepburn . . . ." 220 [Emphasis supplied.]

The court in effect considered whether or not a party to an interference was barred by his conduct from relying on his original application as a constructive reduction to practice of subject matter claimed in the renewal application in interference. Although it here held that the renewal applicant was so entitled, the court said in the course of its decision that its approval of the principle would not extend to cases where there were intervening rights under circumstances showing that the party was attempting to use the date of his original application in order to defeat his rival. It is submitted that this reasoning should extend with equal applicability to one who endeavors to use a reissue application in the same manner.

In Matthes v. Burt221 the court applied the doctrine of Mason v. Hepburn, supra, even though the diligent second party’s application had not ripened into a patent before the dilatory applicant filed his application.222 Matthes had reduced to practice by June 1899, but did not file until February 19, 1902. Meanwhile, Burt, without knowledge of Matthes’ discovery conceived and disclosed his invention in 1901, reduced to practice by August 1901, and between August and his filing date, December 5, 1901, sold a great number of pool balls manufactured from the mold which was the subject matter of the interference. The court affirmed the award of priority to Burt, holding that Matthes had deliberately concealed his invention from the public until he learned of Burt’s exploitation of the same invention, and that Matthes’ right had become subordinate to that of Burt who was the first to invent in keeping with “the true policy and ends of the patent laws,” citing, inter alia, Mason v. Hepburn, supra.

Matthes v. Burt, supra, was followed in Gordon v. Wentworth,223 where the interference likewise was between two applications rather than an application and the patent of a second party. Gordon’s machine as conceived in 1901 and constructed in 1902, when it was tested for one-half day. Later it was sent to a school operated by a manufacturing firm and used for several weeks. Wentworth’s date of conception was April 1904, with reduction to practice on November 2, 1904,
and application filed December 8, 1904. Gordon filed his application on March 23, 1905. The court held that "the mere fact alone that the invention was concealed and suppressed for a period of more than two years, during which time appellee invented his machine and put it upon the market, is sufficient, in our opinion, to defeat the right of appellant to priority over appellee."224

Failure by an inventor to file an application a little more than a year after completing his invention was held fatal where a second party filed for the same invention in the interim, and the first inventor was prompted to come into the Patent Office upon seeing his rival's device in public use. Thus in Howard v. Bowes,225 Bowes conceived his invention in May 1904, reduced to practice in September 1904, and filed his application for patent in February 1905. Howard conceived in December 1902, reduced to practice in September 1904, but did not file his application until November 1905, eight months after Bowes, after he had seen the Bowes invention in public use. The court awarded priority to Bowes, saying: "Howard was under no obligation to give the public the benefit of his discovery, but by failing to do so he assumed the risk that some other inventor might do so and thus in the eyes of the law become the prior inventor, and as such entitled to a patent,"226 citing inter alia the cases of Mason v. Hepburn, and Matthes v. Burt, supra.

Both the intent to conceal and the spurring into activity factors were held to be essential to the Mason v. Hepburn doctrine in the case of Lederer v. Walker.227 There, Walker conceived the invention in issue in October 1901, reduced to practice by May 1902, but did not file his application until October 23, 1905. Lederer meanwhile filed his application in April 1905 and received a patent on November 21, 1905. Priority was awarded to Walker in the Patent Office and before the court on appeal Lederer contended Walker should be denied priority on the "sole ground of negligence in applying for a patent," and relied in part on Mason v. Hepburn, supra. The court held that the doctrine of that case applied only where there was an intent to suppress or conceal the invention followed by activity induced by the entry of a subsequent inventor into the unoccupied field, and that where those factors were

224 Id. at 153.
226 Id. at 625.
absent, mere delay might be explained in accordance with the principles applicable to the equitable doctrine of laches. 228

The Court of Appeals of the District of Columbia applied the doctrine of Mason v. Hepburn, supra, consistently during the remaining years of its jurisdiction, denying priority to the one who thought first to conceive and reduce to practice, could not be considered the first inventor in "the eyes of the law" by reason of having suppressed his invention until spurred into activity by knowledge of the patent or commercial activity of a rival. 229

A most important case, in view of later developments, was decided by the Court of Customs and Patent Appeals early in its jurisdiction of interference appeals. That case, Miller v. Hayman, 230 is worthy of extended consideration. Hayman filed his application February 15, 1927; Miller, April 5, 1927. Hayman conceived on March 1, 1926, and reduced to practice on July 1, 1926. The invention in issue was an interlocking seam for stovepipes. Miller conceived the invention and reduced it to practice prior to 1914. He kept a section of stovepipe embodying the invention in his basement from 1913 to 1917, when he took it out to be shown to the general manager of a manufacturing firm. The latter expressing no interest in the invention, Miller returned the stovepipe to his basement and kept it there until 1927. On the authority of Mason v. Hepburn, supra, the Patent Office awarded priority to Hayman, holding that Miller had concealed the invention until spurred into action by knowledge of Hayman's activities in the field. On appeal to the court, Miller contended that the doctrine of estoppel could not be applied in an interference proceeding, and that the doctrine of Mason v. Hepburn, supra, should be overruled. The court denied Miller's contention, upheld Mason v. Hepburn, and affirmed the award of priority to Hayman, laying down an excellent statement of the law and the reasoning upon which it is based. The highlights of the court's opinion there, so fully in harmony with the liberal precedents in this

228 See Laches, infra.

229 Brown v. Campbell, 41 App. D. C. 499 (1914) (suppression of the earlier invention until aware that it was marketed by a rival inventor's assignee); Luellen v. Clausen, 43 App. D. C. 444 (1915) (failure to file for five years after reduction to practice and until learning of rival's commercial activity); Hambuechen v. Schorger, 10 F. 2d 1006 (D. C. Cir. 1926) (failure to file for four years after reduction to practice until learning of issuance of rival's patent.)

230 46 F. 2d 188 (C. C. P. A. 1931).
as well as other equitable issues, developed over the years by its predecessors in jurisdiction over interference appeals, follow:

"... If the principle of estoppel is applicable to an interference proceeding at all, it is clear that in a proper case it may be the determining factor in deciding a question of priority of invention. That is to say, if the conduct of appellant was such, in concealing and suppressing his invention, as to give rise to the application of the doctrine of equitable estoppel, then he cannot be heard to say in such proceeding that he was the first inventor, and any evidence produced by him tending to prove that fact cannot be considered. It would, therefore, necessarily follow that priority must be awarded to appellee."\textsuperscript{231}

"While it is true that the doctrine of estoppel was not invoked in this case in express terms, it is clear that such conduct of an inventor as would invalidate his patent should prevent him from receiving an award of priority in an interference proceeding, upon the ground that by his conduct he had estopped himself from claiming to be, in the eyes of the law, the first inventor. [Emphasis supplied.]"

"If, as the court said in the Kendall v. Winsor case, supra, an inventor 'may forfeit his rights as an inventor by a wilful or negligent postponement of his claims, or by an attempt to withhold the benefit of his improvement from the public until a similar or the same improvement should have been made and introduced by others,' it seems clear that among the rights forfeited by the conduct described is the right to claim and prove priority of invention in an interference proceeding."\textsuperscript{232}

"... It would seem clear that, if one has forfeited by his conduct the right to receive a patent, it necessarily must follow that he has forfeited his right to have considered any proof of priority of invention in an interference proceeding.\textsuperscript{233}[Emphasis supplied.]

"If, as the court said, a principle akin to the doctrine of equitable estoppel applies, to invalidate a patent because of the conduct of the patentee before filing his application, it would seem that the same principle must apply in an interference proceeding where priority of invention is the only issue. Appellant is a party to this interference only because he claims rights under the patent laws. If, by reason of his conduct before the filing of his application, he lost any rights that he once had, how can he in an interference proceeding be permitted to prove priority of invention? The whole purpose of an interference proceeding is to determine certain rights of the parties under the patent laws, and, if the evidence produced in the proceeding establishes that appellant has no existing rights, how can it be held that he is entitled to an award of priority of invention? [Emphasis supplied.]"

"If, by reason of appellant's conduct, 'a principle akin to the doctrine of

\textsuperscript{231} Id. at 193.
\textsuperscript{232} Id. at 194.
\textsuperscript{233} Ibid.
equitable estoppel applies,' he cannot be permitted to assert or prove that he was a prior inventor, and any evidence in the record that he was such prior inventor cannot be considered in determining the question of priority of invention. . . ."\textsuperscript{234}

The court applied the doctrine it described as "akin to equitable estoppel," and awarded priority to Miller; however, in concluding its discussion of the principle it made the following statement, which was later to be used by the court greatly to restrict the doctrine of \textit{Mason v. Hepburn}:

"We think it proper to state that, as estoppels preclude a party from showing the facts do not clearly justify their application."\textsuperscript{235} [Emphasis supplied.]

Concurrently with \textit{Miller v. Hayman, supra}, the court decided \textit{Seppmann v. Roden},\textsuperscript{236} denying priority to the party first to conceive and reduce to practice by applying the principle "akin to" equitable estoppel, on the authority of \textit{Miller v. Hayman} and \textit{Mason v. Hepburn, supra}, where the facts established concealment followed by spurring into activity. Those cases are significant in that they are the only cases where the Court of Customs and Patent Appeals has applied the doctrine of \textit{Mason v. Hepburn}.

In \textit{Xystrom v. Mancuso}\textsuperscript{237} the court held that the burden of proof is on the one contending for the application of the doctrine of \textit{Mason v. Hepburn, supra}, to prove suppression and concealment of the invention by his rival, and that mere delay in filing an application after reduction to practice is not enough to invoke the bar.

In \textit{Severson v. Olson}\textsuperscript{238} the court declined to apply the doctrine of \textit{Mason v. Hepburn, supra}, where the spurred into activity factor was lacking in the proof or "the circumstances as a whole are equally persuasive of the inequitable position of the first inventor."\textsuperscript{239} The court concluded there that it was "not disposed to extend the doctrine or make more liberal application of it in interference cases than was made in Mason v. Hepburn, supra."\textsuperscript{240}

\textsuperscript{234} Id. at 195.
\textsuperscript{235} Id. at 197.
\textsuperscript{236} 64 F. 2d 186 (C. C. P. A. 1931).
\textsuperscript{237} 64 F. 2d 698 (C. C. P. A. 1933).
\textsuperscript{238} 64 F. 2d 694 (C. C. P. A. 1933).
\textsuperscript{239} Id. at 697-698.
\textsuperscript{240} Id. at 698.
It remained for the court in *Altorfer v. Haag*\(^{241}\) to impress upon the *Mason v. Hepburn* doctrine a restrictive interpretation which has continued to the present day. Altorfer filed his application on May 21, 1925, and on November 21, 1927, he copied claims from Haag's reissue patent, dated September 27, 1927. Altorfer's date of conception and reduction to practice was in the spring of 1921. Haag contended before the Patent Office tribunals that if it be held that Altorfer had completed the invention, he, having delayed filing an application more than four years after his conception and reduction to practice, by virtue of suppressing and concealing the invention, and coming forward after knowledge of Haag's activities, was barred under the rule of *Mason v. Hepburn* from contesting priority. The examiner held there was no suppression or concealment. The board reversed, holding in the alternative that either Altorfer had not reduced to practice and was not diligent, or, if he did reduce to practice in 1921, his subsequent activities amounted to concealment and warranted applying the rule of *Mason v. Hepburn*. On appeal the court held that Altorfer conceived and reduced to practice in the spring of 1921, tested the machine frequently between 1921 and 1923, and, when the machine was not being tested, kept it in the vaults of the Altorfer Brothers Company. Haag contended that the fact that Altorfer did not file his application until after he became aware of the fact that Haag had placed a machine embodying his invention on the market, and did not claim the invention for interference purposes until November 21, 1927, after Haag had repeatedly warned him to refrain from infringing his patent, and after Altorfer had sought to lease the Haag patent, established that Altorfer did not regard himself the first inventor. Altorfer had seen Haag's machine in February 1925, and Altorfer's engineer had seen it as early as the fall of 1924. Altorfer contended that he was not "spurred into activity," and Haag rejoined that even so it was not essential to the rule of *Mason v. Hepburn* that there be any "spurring into activity." The court held that *Mason v. Hepburn* would not be extended, that it had said in *Miller v. Hayman, supra*, that the doctrine of estoppel was not favored, since estoppels preclude a party from showing the truth, and that the case at bar was ruled by *Severson v. Olson, supra*. The court said:

"Conceding that Altorfer's activities and delay, when considered with the explanations offered, do not show such promptness and diligence as the

\(^{241}\) 74 F. 2d 129 (C. C. P. A. 1934)."
framers of the patent laws might hope for, and conceding such delay has worked a hardship upon Haag . . . nevertheless, . . . we do not think there are such inequities shown as to bar the first inventor in fact from being regarded as such for patent purposes."\textsuperscript{242}

The court concluded that Altorfer had not so suppressed or concealed his invention "as to make applicable the doctrine akin to equitable estoppel."\textsuperscript{248}

The court has often had the rule of \textit{Mason v. Hepburn} invoked by parties in interference appeals, and it has more than once commented on the rule with approval, characterizing it as a "wholesome one," yet since the two cases\textsuperscript{244} decided in 1931, it has never \textit{applied} the rule as dispositive of a case.\textsuperscript{246}

\section*{Laches\textsuperscript{246}}

An early indication of the applicability of the rule of laches in interference proceedings was given by the Court of Appeals of the District of Columbia in \textit{Lederer v. Walker}.\textsuperscript{247} There Walker had delayed over three years after reduction to practice of the invention in issue before filing an application. Lederer contended that Walker's right to priority had been lost by unreasonable neglect. The court held that mere delay, 

\begin{footnotesize}
\textsuperscript{242} Id. at 135.
\textsuperscript{243} Ibid.
\textsuperscript{244} Miller v. Hayman, 46 F. 2d 188 (C. C. P. A. 1931); Seppman v. Roden, 46 F. 2d 186 (C. C. P. A. 1931).
\textsuperscript{245} See O'Brien, supra note 218, at 354, who foresaw in 1936 that the rule, as applied by the Court of Customs and Patent Appeals, was "endowed with a none too certain virility." "Instead of new principles or norms, sprung from the vital power of the doctrine, it appears that the tendency in this Court is to restrict and narrow its field of application." Typical of the many cases where \textit{Mason v. Hepburn} has been raised from 1936 to 1945 are: Nelson v. Lenning, 96 F. 2d 508 (C. C. P. A. 1938); Brown v. Edeler, 110 F. 2d 858 (C. C. P. A. 1940); Bogoslovsky v. Huse, 142 F. 2d 75 (C. C. P. A. 1944); Baker v. Alther, 149 F. 2d 942 (C. C. P. A. 1945). \textit{Mason v. Hepburn} has not been cited by the court during the past four years, 1946-1949, inclusive.
\textsuperscript{246} Laches, in general, may be thought of as an "inexcusable delay in asserting a right; an unexcused delay in asserting rights during a period of time in which adverse rights have been acquired under circumstances that make it inequitable to displace such adverse rights for the benefit of those who are bound by the delay." 30 C. J. S. § 112, p. 521. Laches is also thought of in terms of estoppel: as "a species of estoppel," "in the nature of an estoppel," and that "the elements of laches are short of estoppel." But laches and estoppel are not equivalent concepts—the rules governing laches being more flexibly applied and less clearly defined than those governing estoppel. 30 C. J. S. § 112, p. 522.
\textsuperscript{247} 39 App. D. C. 122 (1912).
\end{footnotesize}
not induced by an intent to conceal and followed by a spurring into activity as required to invoke the rule of Mason v. Hepburn, supra, might be explained "in accordance with the general principles governing the equitable doctrine of laches." The court then reviewed the facts incident to Walker's delay in filing and held that as his application had not been stimulated by knowledge of Lederer's invention, his delay under the circumstances of the case, "was not so inexcusable as to estop him from claiming the reward of his earlier invention." The doctrine of laches was applied by the court to deny to the ostensible first inventor the award of priority in Rowntree v. Sloan. Sloan filed in October 1907, and Rowntree filed seven months later, in May 1908, and patent issued to him on October 5, 1909, containing the claims of the issue. Three years later, Sloan, on October 7, 1912, copied claims from Rowntree's patent and requested an interference. The Commissioner reversed the lower Patent Office tribunals and awarded priority to Sloan. The court reversed the Commissioner, and awarded priority to Rowntree, holding that:

"Sloan's laches, in failing within a reasonable time after the issuance of the Rowntree patent to make these claims, estopped him to make them at all. . . . By his delay, if his present contention should be accepted, the life of the monopoly would be extended for a period of three years. If he thought these claims read upon his application, it was his duty promptly to make them, at least within the time allowed for amendment after office action, and his failure to do so is fatal to his present contention." The question of laches was decisively established in the celebrated case of Wintreath v. Chapman. There Chapman's application was filed in 1909, disclosing but not claiming

248 Id. at 128.
249 Id. at 130.
251 Id. at 211. One writer approves of the decision and agrees that the one first to file may not by silence and inaction acquiesce in the patentee's claims and then, after an unreasonable period, oust the patentee by a belated interference contest, but he considers the extension of the monopoly statement by the court unsatisfactory as the proper theory of the estoppel. If that were the actual basis of the decision, the question would have been one for ex parte consideration by the Patent Office as representative of the public in granting the monopoly. Actually it is a proper inter partes issue to determine as between rival inventors which shall have the monopoly. The question of laches is therefore properly ancillary to priority. MEIGS, TIME, THE ESSENCE OF PATENT LAW, 133-5 (1940).
the invention of the issue. Wintroath's patent issued in 1913. Twenty months later, July 1915, the Chapmans filed a divisional application presenting the claims of the issue. The court followed *Rowntree v. Sloan*, *supra*, and held that the failure for more than one year to make a divisional application, by analogy to the time allowed by the statute for amendments to applications,\(^{253}\) amounted to laches, and barred its allowance, unless the delay was excused on a showing that it was unavoidable. The Chapmans contended that the court, being confined to the question of priority in interference proceedings, had no right to consider the question of laches. The court held that before the question of priority can be reached it is usually necessary to decide ancillary questions, and that laches was a justiciable question in an interference proceeding. The Chapmans took the case to the Supreme Court of the United States, and the decision was reversed, *Chapman v. Wintroath*,\(^{254}\) the Court holding the lower court's analogy of a divisional application to an amendment to be improper, and that a divisional application may be made at any time within two years of the publication of a patent claiming subject matter disclosed but not claimed in the divisional applicant's original application, by analogy to the statutory limit of two years in *Revised Statutes* § 4886 (1875).\(^{255}\) Although the Supreme

\(^{253}\) *Rev. Stat.* § 4894 (1875), as amended, 35 U. S. C. § 37 (1946). Prior to the Act of March 3, 1897, c. 391, § 4, 29 Stat. 693, the time limit was two years; from 1897 until 1927, the time limit was one year, when it was changed by the Act of March 2, 1927, 44 Stat. 1335, to six months.

\(^{254}\) 252 U. S. 126 (1920).

\(^{255}\) 35 U. S. C. § 31 (1946). This is the basic patent statute. "Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, . . . not patented or described in any printed publication in this or any foreign country . . . more than one year prior to his application, and not in public use or on sale in this country for more than one year prior to his application, . . . may, . . . obtain a patent therefor." [Emphasis supplied.] Prior to August 5, 1939, the italicized words read "two years," they being amended by the act of that date, 53 Stat. 1212 (1939). The Court based its rule of laches in *Chapman v. Wintroath* on an analogy to the statutory bar of *Rev. Stat.* § 4886 (1875). It will be observed that there are four events recited in § 4886 which, taken in conjunction with a time interval of one year (then two years) will operate as a "bar" to a patent. Those four events are: (1) patented or (2) described, in any printed publication in this or any foreign country more than one year (formerly two years) prior to the application; and (3) in public use, or (4) on sale in this country, more than one year (formerly two years) prior to the application. The Court, of course, was emphasizing the bar of a prior patent, but if one of the four is sufficient to ground laches ancillary to priority, why not the other three, where the printed publication, public use, or sale is that of the interference
Court reversed the Court of Appeals on the length of time available to a division applicant following the issuance of a patent claiming subject matter disclosed but not claimed in that applicant's original application, it did not reverse the Court of Appeals on the point that the question of laches is ancillary to priority in an interference proceeding.

The Supreme Court had said in the Chapman case that it did not intend "to intimate that there may not be abandonment which might bar an application within the two year period allowed for filing," and Kane v. Podlesak illustrates that situation. Kane filed on February 2, 1910. Podlesak filed April 15, 1912, and his patent issued March 4, 1913. On December 23, 1914, Podlesak applied for a reissue of his patent, and his reissue patent was granted February 9, 1915. Meanwhile, Kane filed a divisional application on January 14, 1915. After Podlesak's reissue patent was granted, Kane, two months later, amended his divisional application, copying Podlesak's reissue claims for interference purposes. Podlesak moved to dissolve the interference on the ground that Kane had no right to make the claims of the issue because of laches and estoppel. The examiners-in-chief held that Kane was estopped from making the claims because of laches. On appeal, the court held that Podlesak's reissue patent was for the same invention as the original patent, of which Kane had notice from the date of its issue, that he should have moved promptly, and having failed to do so, was estopped to make the claims. After losing the interference contest, Kane, a month and a half later, on June 17, 1918, filed another amendment to his divisional application, this one presenting new and broader claims (seven and eight) even than were involved in the interference proceeding, and embracing matter disclosed but not claimed by Podlesak in his reissue patent. The Patent Office allowed the claims, seven and eight, ex parte and patent issued on September 24, 1918, to Kane's assignee, the Webster Electric Co. That firm, one month and a

adversary? It seems inappropriate that only the public can raise such a bar, through the Patent Office in an ex parte proceeding, when the interference adversary "publisher," "user," or "seller" is the one who there will primarily benefit.

256 252 U. S. 126, 139 (1920).
258 The case was decided, however, while Chapman v. Wintroath was pending before the Supreme Court.
259 Note that here Kane did not have knowledge of Podlesak's reissue claims, as that matter was not claimed by the patent. Mere knowledge of the subject matter of the disclosed invention would seem therefore to be enough upon which to found an estoppel.
day later brought a bill in equity against the Splitdorf Electrical Co. alleging infringement of claims seven and eight. The District Court held the claims valid and infringed, but the Circuit Court of Appeals reversed. The Supreme Court granted certiorari because it was claimed that the Circuit Court of Appeals in resting its decision on *Chapman v. Wintroath* had misapplied it by holding that the holding there fixed the period within which a divisional application *must* be filed at two years from the date of the other patent. The Supreme Court held, *Webster Electric Co. v. Splitdorf Electrical Co.*, that Kane's delay—five years after the date of the original Podlesak patent, and three and one third years after the date of the Podlesak reissue patent—in asserting the broad claims seven and eight was unreasonable, and constituted laches by which Kane lost whatever rights to which he might otherwise have been entitled. The Court then turned to the lower court's interpretation of *Chapman v. Wintroath* and said that it was the effect of its decision there that "the two years' delay . . . may be overcome where it 'is accounted for and excused by special circumstances which show it to have been not unreasonable';" the Court restated the rule as being "that in cases involving laches, equitable estoppel or intervening private or public rights, the two-year time limit prima facie applies to divisional applications and can only be avoided by proof of special circumstances justifying a longer delay. In other words, we follow in that respect the analogy furnished by the patent reissue cases."

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261 Splitdorf Electric Co. v. Webster Electric Co., 283 Fed. 83 (7th Cir. 1922).
262 264 U. S. 463 (1924).
263 *Id.* at 471.
264 *Ibid.* The Court's decision in *Chapman v. Wintroath* had been based on the reasoning developed by the Court in considering the effect of laches on a reissue patent where delay after the original patent issues of two years or more in filing the reissue application, without proof of special circumstances to excuse the delay, is fatal to the validity of the reissue claims. (See note 182 *supra*). In the instant case, the Court reviewed the leading reissue cases supporting that rule, Miller v. Brass Co., 104 U. S. 350 (1881); Mahn v. Harwood, 112 U. S. 354 (1884); Wollensak v. Reiher, 115 U. S. 96 (1885); Ives v. Sargent, 119 U. S. 652 (1887); as well as Topliff v. Topliff, 145 U. S. 156 (1892); and Wollensak v. Sargent, 151 U. S. 221 (1894), and said: "While the analogy between the case of a reissue patent and that of copying for interference is not always an exact one, it is sufficiently so, as applied to the present case, to make these decisions pertinent, and the principle which they announce is controlling." *Id.* at 469. What the Court has done in the instant case, an infringement action, as in *Chapman v. Wintroath*, an interference pro-
An interesting extension of the rule was made in *DeFerranti v. Harmatta*.265 There, patent issued to one Rietzel in 1909. Harmatta copied Rietzel’s claims, and in the ensuing interference, Harmatta was awarded priority. Patent issued to him December 3, 1912. DeFerranti had a divisional application, filed December 29, 1911, of his original May 14, 1904, application pending, and on July 29, 1913, he copied the claims in issue from Harmatta’s patent, they being the same claims Harmatta had copied from Rietzel. This was four years after Rietzel’s patent date, but only seven months after Harmatta’s. DeFerranti contended that his delay in making the claims should only be counted from the date of Harmatta’s patent. The court, however, held that DeFerranti had constructive notice of Rietzel’s patent, Harmatta had derived the claims from that patent, and DeFerranti was estopped to contest priority of those claims.

In *Wahl v. Main*266 a delay of four and one half years by Wahl in copying the claims of the Main patent was held to be an estoppel. In *Leonard v. Everett*267 it was held that the rule of *Chapman v. Wintroath*, supra, did not embrace delay in filing measured from a prior public use by a third person where the applicant copied the patentee’s claims within the two year period. Prior knowledge by the applicant’s attorney of the patentee’s claims, and the intervening commercial use of the invention by the patentee was held in *Harbridge v. Perrin*268 not to constitute an estoppel where the patentee’s claims were copied 14 months after the patent issued.269

cceeding, is to base its reasoning on an analogy to the rule of laches applicable to reissue patents as the rule has been developed in infringement actions. *Chapman v. Wintroath* was an interference proceeding, and the decision there was founded by analogy to a rule of law developed in infringement actions involving reissue patents. *Webster Electric Co. v. Splitdorf Electrical Co.* was an infringement action and the decision there was based on a rule of law, stated in an interference proceeding, made clear by reference to the infringement cases whence the rule there applied by analogy evolved. This equivalence in the mind of the Supreme Court is of interest in view of a present day tendency to consider rules of substantive patent law first announced in infringement actions wholly inapplicable in *ex parte* and *inter partes* cases decided by the Court of Customs and Patent Appeals.

265 273 Fed. 357 (D. C. Cir. 1921).
266 280 Fed. 974 (D. C. Cir. 1922).
267 281 Fed. 594 (D. C. Cir. 1922).
268 295 Fed. 927 (D. C. Cir. 1924).
269 Bearing in mind that the rule is based on analogy to the rule of laches applying in reissue cases, it would seem, in view of *In re Seabury*, 108 F. 2d 232 (C. C. P. A. 1939) (see note 182 supra) that a delay in filing of less than two years (now one year) might,
The rule was distinguished in *Chapman v. Beede*.270 Beede filed first, in November 1914. Chapman filed in November 1916 and patent issued to him in January 1918. In December 1920, nearly three years later, Beede copied Chapman’s claims and provoked the interference. Beede contended that the rule of *Chapman v. Wintroath* did not apply to him because his original application disclosed and claimed the subject matter in issue, the rule applying only where the original application disclosed but did not claim the subject matter of the interference counts. The court considered whether the original Beede application disclosed and claimed the subject matter in issue, held that it did, sustained Beede’s contention, and affirmed the award of priority to him.

*Keith v. Land*271 is a memorandum decision wherein the court held Keith estopped from claiming the invention where they had delayed four years after the grant of the Land patent before copying his claims and seeking an interference, and there was not present any satisfactory reason for the delay.272

The court held the applicability of the rule to be jurisdictional in *Sundstrand v. Gubelmann*.273 Gubelmann copied Sundstrand’s patent claims two months more than two years after the patent issued. Before the Patent Office, Sundstrand contended Gubelmann had no right to make the counts, claiming they were not within Gubelmann’s original disclosure, but did not raise the ground of laches. He made it an issue before the court on appeal, however, Gubelmann objecting. The court (2 1) held that “Unless a showing is made of special circumstances justifying the delay in copying claims from an issued patent, the two-year limit applies, and there is no basis for the declaration of an interference, so that the award of a patent in such a situation would be an

under certain circumstances, be sufficient to constitute laches, especially where the record establishes that the applicant had knowledge of the patentee’s disclosure or claims for a period of time in excess of two years (now one year).

270 296 Fed. 956 (D. C. Cir. 1924).

271 2 F. 2d 1013 (D. C. Cir. 1924).

272 Rive and Caesar, *Interference With a Patent*, 20 J. Pat. Off. Soc’y 768, 785 (1938) associate this case for comparison with *Chapman v. Beede*. Keith attempted to avoid the estoppel by showing that his original application contained a claim directed to the subject matter in issue; but the Commissioner held that claim to be so broad as to be unpatentable, and it could not save the applicant from the estoppel arising out of laches. The court in affirming agreed with that holding.

273 4 F. 2d 166 (D. C. Cir. 1925).
idle ceremony. It is apparent, therefore, that this jurisdictional question may be raised at any time.\textsuperscript{274}

O'Brien v. Bonelli,\textsuperscript{275} the last case in this category decided by the Court of Appeals of the District of Columbia, affirms the rule of Sundstrand v. Gubelmann, supra. O'Brien copied Bonelli's patent claims two and one half years after Bonelli's patent issued. The examiner declared an interference, and priority was awarded to O'Brien. The examiner subsequently vacated the award of priority on the ground that O'Brien had no right to maintain the interference, more than two years having elapsed after Bonelli's patent issued before O'Brien acted. O'Brien then filed an affidavit purporting to show special circumstances to excuse the delay. Priority was awarded in the Office to Bonelli. On appeal, the court held, following Sundstrand v. Gubelmann that the question of whether there was properly any interference in the face of more than two years delay without proof of special circumstances to excuse the delay is jurisdictional, and can be raised at any time, that the affidavit was insufficient to that purpose, and that the order of the examiner declaring an interference was void.

The Court of Customs and Patent Appeals in an early group of cases followed Harbridge v. Perrin and Leonard v. Everett, supra, and held that mere long delay in presenting claims is not fatal, Dorer v. Moody;\textsuperscript{276} an applicant's own prior public use for more than two years did not shorten the time interval allowed by Chapman v. Wintroath, supra, Robinson v. Heising;\textsuperscript{277} and refused to extend the rule to embrace the statutory bar of printed publications where the division applicant had been continuously asserting claims to the subject matter in issue. Southgate v. Greene.\textsuperscript{278}

A significant case in the jurisdiction of the Court of Customs and Patent Appeals is Phelan v. Green.\textsuperscript{279} It was originally a three party interference involving Phelan's patent of September 7, 1926, Green's application of February 28, 1921, and Mailey's application of June 17, 1924, filed as a division of an earlier application filed October 10, 1923, which issued as a patent on May 12, 1925. The tribunals of the Patent

\textsuperscript{274} Id. at 167.

\textsuperscript{275} 18 F. 2d 190 (D. C. Cir. 1927).

\textsuperscript{276} 48 F. 2d 388 (C. C. P. A. 1931).

\textsuperscript{277} 55 F. 2d 472 (C. C. P. A. 1932).

\textsuperscript{278} 57 F. 2d 374 (C. C. P. A. 1932).

\textsuperscript{279} 71 F. 2d 298 (C. C. P. A. 1934).
Office held that Green conceived and reduced to practice before Phelan’s date of conception. Phelan did not dispute that but urged laches by Green, arising as follows: Mailey did not contest the interference beyond the motion period. His patent of May 12, 1925, disclosed the invention in issue. In April 1928, Green copied from Phelan’s patent the claim corresponding to the count in issue. Phelan contended that Green, having failed to copy the claim corresponding to the count in issue within two years of the issuance of Mailey’s patent disclosing, but not claiming, that subject matter, was estopped to assert priority. The court acknowledged that as between a patentee and an applicant, the failure of an applicant to copy his adversary’s patent claims within two years of its issue constitutes prima facie laches, and an estoppel stemming therefrom is, in an interference proceeding, ancillary to priority. The court held, however, that it was “not disposed to extend the rule to a case such as here involved, for we are unable to discern . . . any ground upon which an estoppel could rest in favor of appellant.”

Any estoppel which existed not being in favor of appellant, the court would not consider it as ancillary to priority. When Phelan cited Webster Electric Co. v. Splittdorf Electrical Co., supra, as illustrative of laches arising through long delay in claiming subject matter disclosed but not claimed in an adversary’s patent, and DeFerranti v. Harmatta, supra, as illustrative of an estoppel founded on a published patent of a third party placed in privity with the interference adversaries through the circumstances of the case, the court dismissed his contentions, holding the Webster Electric case was not material because it was an infringement action, and even though any patent which might issue to Green might be invalid on the authority of that case, no grounds for awarding priority to Green thereby existed. Such an observation seems clearly inconsistent with the origin of the Supreme Court’s decision in the Webster case. As has been pointed out, the basic reason for the Supreme Court’s grant of certiorari in that case was to clarify the rule of law it had laid down in an interference proceeding, Chapman v. Wintroath, supra; to hold that such a rule has no material bearing in another interference proceeding is to ignore its origin and nature. As

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280 Id. at 302. The court reasoned that Green had copied Phelan’s patent claims within two years of the issuance of his patent, that no privity existed between Mailey and Green, that Mailey had not claimed the invention in issue, and that if any estoppel existed, it was in favor of the public, not appellant.

281 See, note 264 supra.
for *DeFerranti v. Harmatta, supra*, the court distinguished the instant case from it in that the Rietzel patent in the *DeFerranti* case claimed the subject matter, whereas here Mailey did not claim, though he disclosed the subject matter. The court conceded that there might have been an estoppel against Green in favor of Mailey, but held that Phelan could not raise it. The *DeFerranti* case is thought to identify the basis for privity which reasonably would permit Phelan to raise the issue.

A case in which it appeared that the court would be warranted at last in applying the rule of laches was presented in *Rauen v. Aiken.*

Aiken’s patent issued September 7, 1926, on a September 16, 1924, application. Rauen filed his original application May 29, 1923, and on September 18, 1926, Rauen’s then attorney wrote him that he proposed to copy claims from the Aiken patent in Rauen’s patent application and ask for an interference. The claims were presented in Rauen’s divisional application filed May 9, 1927, but no interference was requested or declared. Rauen became represented by new counsel, several amendments were made to the divisional application, and on February 17, 1930, nearly three and one half years after the issuance of the Aiken patent, Rauen’s new counsel called the attention of the Patent Office to the fact that an interference should be declared. This was done, and Aiken, under an order to show cause, moved to dissolve the interference, contending that Rauen was estopped by the more than two years delay after the issuance of the Aiken patent before requesting an interference, citing *Chapman v. Wintroath, supra*. Although the motion period had elapsed, the examiner held, on the authority of *Sundstrand v. Gubelmann, supra*, that the motion was timely, and he held Rauen estopped to assert priority. The board affirmed, and Aiken appealed. The court reviewed the cases *supra*, from *Rowntree v. Sloan* through *Keith v. Land* and held that the determining fact in each of them had been the failure of the applicant to copy the claims of a patent within two years of the date of its issuance, and since Rauen had copied Aiken’s claims within that period, there was no basis for applying the rule of the cited cases. The Patent Office tribunals were reversed and priority was awarded to Rauen.

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282 74 F. 2d 956 (C. C. P. A. 1935).

283 The court laid stress on the fact that the proceedings before it were not equity proceedings, and that even when the doctrine of estoppel and that “akin to equitable estoppel” had been applied in the past, it had been done “only to facilitate the work of the Patent Office” and in furtherance of the objects of Art. I § 8 of the United States Constitution,
In holding that a prior publication was not sufficient to start the time period of the rule of laches running against an applicant in an interference, the court, in Hendrickson v. Romning,\textsuperscript{284} summarized its position with respect to the rule of laches as a matter ancillary to priority, as follows:

"Latterly it has been held that laches, consisting of the failure of a party to make his claims in a timely way, may and should be considered in such interference proceedings. Although this question is, primarily, one for \textit{ex parte} consideration on the question of patentability, the right to assert and decide it in interference proceedings has been upheld by the courts. . . . We have assented to and followed this practice. . . .

This doctrine, primarily, is based upon section 4886, Revised Statutes, as amended (35 USCA § 31), which authorizes an inventor to claim his invention by application in the United States Patent Office at any time within two years after patent has been granted to another, which contains claims covering the same invention. The two-year provision of this statute is one of repose, and laches is ascribed to him who does not bring himself within the statutory terms. . . . Although the lapse of more than two years will, in ordinary circumstances, be held to constitute laches, a delay for more than that period may be so explained by other facts as to refute the imputation of laches. \textit{Webster Electric Co. v. Splitdorf Electrical Co., supra.}

Although the courts have gone thus far in sustaining the claim of laches in interference proceedings, no adjudged case has been found where the other statutory bars to the issuance of a patent, as named in section 4886, Revised Statutes, as Amended (35 USCA § 31), namely, publication or public use, have been admitted as properly offered in an interference proceeding."\textsuperscript{285}

[Emphasis supplied.]

Since laches consists of failure of a party to make his claims in a timely way, the question arises, "timely with respect to what?" \textit{Webster Electric Co. v. Splitdorf Electrical Co., supra}, here cited by the court despite its disavowal in Phelan v. Green, \textit{supra}, concerned an estoppel stemming from delay in presenting claims to subject matter disclosed \textit{but not claimed} in an issued patent. That plus the fact that \textit{Revised Statutes} § 4886 (1875), 35 U. S. C. § 31 (1946), does not

\textsuperscript{284} 76 F. 2d 137 (C. C. P. A. 1935).

\textsuperscript{285} Id. at 140-1.
specify that the patent which constitutes the bar after two years must "contain claims covering the same invention" and the presumption, reenforced by the Webster case, is that it is sufficient if the subject matter of the claims be disclosed in the patent. The better rule then would be, "timely with respect to any disclosure of the patentee's invention comprising the subject matter of the interference counts—whether by publication of the patent itself, or a printed publication, public use, or sale." The same reasoning would seem to support such a doctrine as provides support for the rule of the Mason v. Hepburn line of cases.

The severity of the court's rule is illustrated in Ronning Machinery Co. v. Winsor. There the interference was between the application for the reissue of Ronning's patent, issued in March 1929 on a March 1921 application, and Winsor's application of April 7, 1923. An interference had previously been declared in Canada in December 1924 between the Ronning application and the Winsor application. After a conference of the attorneys, Winsor signed a concession of priority, the Canadian interference was terminated, and Ronning's Canadian patent including the claims at bar issued September 21, 1925. Winsor was familiar with Ronning's application through information communicated by his attorney as a result of the conference. Ronning considered the Canadian concession as an admission by Winsor that he was not the first inventor of the subject matter of the counts, and he expected the Winsor application to be abandoned. Acting on that belief, Ronning, with Winsor's knowledge, entered into agreements with manufacturers, extended its business, and jointly with Winsor's licensee, issued a statement to the trade. Later, after Ronning's United States Patent issued, Winsor copied claims of the patent and requested an interference. Ronning contended that Winsor had placed himself in such an inequitable position that he was estopped from claiming priority. The court, upholding the decision of the Patent Office tribunals, held that there was no authority for considering the foreign concession of priority as a basis of estoppel against a party in a United States interference proceeding, and the fact that Winsor's delay in claiming the invention, after

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286 See note 255 supra.
287 See note 218 supra.
288 76 F. 2d 392 (C. C. P. A. 1935).
289 The court also held that the Canadian concession of priority was executed by Winsor with the understanding that it would not affect his United States interests.
knowledge of Ronning’s invention, misled Ronning to his injury, could not form the basis of an estoppel.

In Bechtold v. Lanser, the reissue application had been filed fifteen months after the date of Bechtold’s patent, and two years and one month after the date of Lanser’s patent. Bechtold urged that Lanser was estopped by his delay in filing the reissue application. The board held such an issue not ancillary to priority. The court cited Phelan v. Green, supra, to the effect that an estoppel in favor of the public was not ancillary to priority, while estoppel against a party and in favor of his opponent was, and that Lanser’s delay in filing his reissue application after the issue of his own patent created an estoppel in favor of the public, while the delay in filing after the issue of Bechtold’s patent, fifteen months, was not sufficient to invoke the rule of Chapman v. Wintroath. That case, as has been explained, was based on an analogy to the rule of laches in reissue cases, and it would seem proper to consider Lanser’s laches in filing his reissue application, it being more than two years after his own patent issued, and if the reissue application in the absence of facts excusing the delay is invalid, it is prima facie invalid and can scarcely be held with logic to confer on Lanser the right to claim priority. What is the basis of his right, an application prima facie invalid? In such a case, the interference never should have been declared, and should be considered void ab initio.

In Jenks v. Knight, the appellant’s patent issued on June 17, 1930, on an application filed December 13, 1927. On November 17, 1931, Knight’s patent issued. On July 25, 1933, Knight filed a reissue application, copying Jenks’ claims. This was less than two years after his

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290 82 F. 2d 415 (C. C. P. A. 1936).
291 Cf. Sundstrand v. Gubelmann, 4 F. 2d 166, 167 (D. C. Cir. 1925). Cf. De-Ferranti v. Harmatta, 273 Fed. 357, 358 (D. C. Cir. 1921) where the court said that delay of more than two years in taking claims from an issued patent—which question is ancillary to priority—“is not different by analogy from a reissue case, where the public is in adverse possession. In both instances, the applicant has stood by and permitted others to assert rights which he now negligently seeks to monopolize for himself. See Richard, Preparation For Interference With a Patent, 18 J. Pat. Off. Soc’y 159, 161-2 (1936): “It is often said that the primary purpose of an interference between a patent . . . and an application is, not to determine priority of invention per se, but to ascertain if a patent should be granted to applicant with claims previously granted to another. . . . It follows that if for any reason the proposed claims are finally held not patentable to applicant, that fact precludes an interference.” But cf. McCabe v. Scheele, 112 F. 2d 800, 805 (C. C. P. A. 1940).
292 90 F. 2d 654 (C. C. P. A. 1937).
patent issued, but more than three years after the issuance of the Jenks patent. Jenks moved to dissolve the interference on the ground that Knight was estopped to make the counts because he had failed to copy the claims of Jenks' patent within two years of its issue, citing Chapman v. Wintroath, supra. The court held that if there were any estoppel, it would operate in favor of Jenks, and hence the question was ancillary to priority. The court then held in essence that the case was taken out of the rule of the Chapman case because the facts were analogous to those in Chapman v. Beede, supra, in that Knight was claiming from the outset substantially the same subject matter as the counts in issue. Having disposed of the issue of laches by so holding, the court then concluded its opinion by saying that if in fact Knight's invention was already in the claims of his issued patent, he would not be entitled to a reissue thereof, but that was a matter for ex parte consideration. The court refused to hold Knight estopped and affirmed the award of priority to him.

The court continued to narrow the scope of the rule in Malm v. Schneider293 where Malm's contention that Schneider was guilty of fatal laches in copying the claims in issue in June 1933, more than two years after Malm's Australian patent became open to the public in the United States on March 19, 1931, was dismissed by the court on the ground that the question "seems to be one of patentability." In so holding, the court appears to ignore its statement in Rauen v. Aiken, supra, that "Although this question (laches) is, primarily, one for ex parte consideration on the question of patentability, the right to assert and decide it in interference proceedings has been upheld by the courts."294 Revised Statutes § 4886 (1875)295 states: "... not patented ... in this or any foreign country ..." and it would seem on principle that the prior foreign patent of an interference party should be just as efficacious as any domestic patent as a basis for an estoppel arising out of the delay of his adversary in presenting the claims of the issue.296

The most recent case reported by the court where the issue of laches was raised is that of Ware v. Carlton297 where the court held that since

293 101 F. 2d 201 (C. C. P. A. 1939).
294 See note 285 supra.
296 Where the foreign patent is that of the party against whom it is sought to be raised as a bar it is not a matter ancillary to priority. Normann v. Schmidt, 125 F. 2d 162 (C. C. P. A. 1942).
appellees had filed their divisional application within a year of the issuance of the patent with which interference was sought, they were guilty of no laches.

It will be observed from the foregoing that there has not been during its entire jurisdiction a single case where the Court of Customs and Patent Appeals has held an interference party estopped to contest priority because of his laches—unexcused delay in timely presenting claims to the subject matter in issue in the interference. Moreover, the court has in its twenty years of interference jurisdiction narrowed and restricted the applicability of the principle which was used frequently as a bar to an award of priority by its predecessor in jurisdiction, so that today it seems evident that the only type of inequitable delay that will be considered under the rule of laches is that occasioned by an applicant in failing for more than a year (formerly two years) to file an amendment presenting claims set out in the issued patent of his interference adversary, and which subject matter was disclosed in the applicant's original application.

**V**arian v. Llewellyn—A **C**onsequence and a **C**onclusion

We have seen that the court in recent years has contracted the two vital principles stemming from equitable considerations to the point of virtual non-applicability. Neither the rule of laches nor the doctrine of *Mason v. Hepburn, supra*, has been applied as an actual bar to an interference litigant in the past eighteen years. The consequences of this trend are rather dramatically illustrated in a decision of the court handed down during the current term.298 Llewellyn filed his original application July 31, 1937, and patent issued February 20, 1940. Varian filed his original application October 11, 1937, and patent issued to him May 20, 1941. On February 19, 1942, Llewellyn applied for a reissue of his patent, and subsequently amended his reissue application three times, copying claims from Varian's patent as well as other patents. Ultimately, in an interference proceeding between Varian's patent and Llewellyn's reissue application, judgment of priority on three of the six counts in issue was awarded by the board of interference examiners to Llewellyn. Varian appealed to the court, and in an opinion handed down April 12, 1949, the court reversed the Patent Office and awarded priority to Varian. Subsequently a petition for rehearing was filed, the Commissioner of Patents filed a brief *amicus curiae*, a rehearing was

granted, and oral argument was held October 17, 1949. Then, on December 12, 1949, the court handed down a second opinion reversing its former position and affirming the Patent Office’s award of priority to Llewellyn. Two of the judges who voted with the unanimous court in the first opinion did not join in the second opinion: one, because of illness did not sit at the reargument, his place being filled by a substitute judge; the other dissented from the majority opinion in the second decision, filing a lengthy, detailed opinion setting forth his dissenting views.

The facts and issues, as taken from the majority and dissenting opinion in the court’s second decision of the case, appear to be these: Varian’s invention is an oscillating or amplifying tube know as the Klystron. By 1938 Varian’s assignee, the Sperry Gyroscope Company, was engaged in the development of high frequency devices at Stanford University. In April 1939, Sperry established a separate laboratory at San Carlos to handle the engineering development of the Klystron improvements resulting from the research at Stanford. Sperry’s activity in the field was apparently well known to those skilled in the electronics art, and it was the practice for electrical engineers to visit Stanford and San Carlos to keep abreast of the developments there. Among the visitors were two electrical engineers in the employ of Llewellyn’s assignee, the Bell Telephone Laboratories. During the first visit, in June 1939, the Bell engineer was shown in detail the construction of the Klystron, parts of the tubes, the manner of their assembly, and completed tubes. That engineer also attended a three day scientific meeting where personnel of the Sperry-Stanford research group lectured on the Klystron and demonstrated its construction. Following that first visit by a Bell Laboratories research engineer, Sperry received a purchase order from Bell Laboratories for a Klystron tube for experimental use. Sperry shipped a tube to Bell in January 1940. A second visit to San Carlos by a Bell research engineer followed in September 1940, and that engineer was likewise shown the parts and completed tubes of the Klystron. Llewellyn himself knew of the Klystron and Sperry’s activity in the field, as is evidenced by a letter which he wrote to Sperry’s Chief Research Engineer in September 1939, with a view to arranging a discussion of Klystron developments at a forthcoming electronics conference of a group of radio engineers. The board held that the knowledge of the assignee, Bell, was imputed to the employee, Llewellyn, and that Llewellyn had a constructive knowledge
of the Klystron as a result of the foregoing disclosures to Bell engineers as well as the shipment of the Klystron to Bell.

Varian contended that Llewellyn should not prevail in the interference because of his unreasonable delay in claiming the subject matter in issue after disclosure of the Klystron to him by Varian. The board held that the issue of estoppel thus raised was ancillary to priority, but decided that no estoppel arose from such disclosure because "Llewellyn was asserting claim to the invention in issue prior to any actual or constructive notice of the Klystron to him." 299 The board followed the decision of the examiner, holding that the counts in issue were merely broader subcombination claims of the complete combination claimed in the original, and would not have been divisible from the subject matter of those claims. The majority of the court adopted that holding, relying for support on two cases cited by the examiner. 300 With regard to the board's statement, supra, the dissenting judge pointed out that the Varian and Llewellyn applications had been co-pending for two years and four months in the Patent Office without the declaration of an interference; that all of the claims of the original Llewellyn application, which matured into the patent upon which the reissue application in interference is based, were clearly and specifically limited by a combination of two of four limitations; that the limited concept of the claims was contained also in a clearly and specifically restricted and limited disclosure in the specification. In order to make the broader claims of the reissue application, the dissenting judge pointed out that Llewellyn had to introduce new matter into his specification, removing the limitations expressed there, in order to provide a foundation for the "broader subcombination claims" of the reissue. A comparison of the original and reissue specification in parallel columns is made in the dissenting opinion, showing the altered nature of the specification, and the removal of Llewellyn's disclosure from the specific field of oscillators into the generic category of electronic devices. It seems clear that Llewellyn originally had no concept of the broad subject matter in issue, but rather was preoccupied with a specific and limited concept which he painstakingly set out and claimed as so limited. The cases cited by the examiner and accepted as authoritative by the majority of the court were shown by the dissenting judge

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299 Id. at 285.  
to stand for nothing more than the proposition that division may not be required of claims in a single application where they are directed to separate inventions so long as they are closely related.\textsuperscript{301} Obviously a close relation of distinct inventions is not equivalent to substantial identity of the subject matter. The dissenting opinion reviews four Supreme Court decisions\textsuperscript{302} establishing that the invention claimed in the reissue is not the same invention as claimed in the original patent unless it clearly appears from the face of the patent that what was covered by the reissue was intended to have been covered and secured by the original, and that the requisite intention to claim a broad sub-combination does not appear where the patentee has deliberately and with care confined his disclosure and his claims to a specific embodiment confined by express limitations. It is submitted that under the decisions of the Supreme Court\textsuperscript{303} the Llewellyn reissue claims could not be considered as being for the same invention as the original patent. Accordingly, the basis upon which the board and the majority of the court in the second decision held that no estoppel against Llewellyn existed is wholly erroneous. The majority opinion buttressed its reasoning in denying Varian’s contention of laches by stating that “Patents are measured by their claims, and appellee had no means of knowing what the claims of appellant might embrace until the patent of appellant issued.”\textsuperscript{304} The dissenting judge pointed out that more extensive than any knowledge of Varian’s claims was Llewellyn’s “knowledge of Varian’s invention itself, its structure, uses, and principle of operation” which put Llewellyn on notice that rights to matter not covered by his patent were in existence and being exploited. In the face of such knowledge, Llewellyn in equity and good conscience should have moved promptly to file a reissue application—if his failure to claim the matter originally was in fact due to inadvertence, accident, or mistake—and his delay of more than two years in doing

\textsuperscript{301} In re Rundell, 55 F. 2d 450 (C. C. P. A. 1932); In re Pedersen, 73 F. 2d 928 (C. C. P. A. 1934); In re Allatt, 121 F. 2d 545 (C. C. P. A. 1941).


\textsuperscript{303} That the substantive patent law announced by the Supreme Court of the United States in its review of patent cases should be given controlling weight by the Court of Customs and Patent Appeals is a proposition which should require no citation of authority for its support. See page 290, supra note 298.

\textsuperscript{304} Varian v. Llewellyn, 84 USPQ 277, 282 (C. C. P. A. 1949).
so, it is submitted, warranted a decision by the court that Llewellyn was estopped by laches to contest priority with Varian by means of a reissue application.\(^{305}\)

The words of the dissenting judge in summarizing what he considers the court's position should have been on the issue of laches and estoppel in Varian v. Llewellyn, *supra*, are thought to constitute a fitting conclusion to this paper, for they recapture the spirit with which the more liberal decisions in the past have applied equitable doctrines in interference proceedings:\(^{306}\)

"If under the conditions recited above, a reissued patent is, as the Supreme Court has held, void, it is void *ab initio*. This court, faced with equivalent circumstances in an interference proceeding, should not give to a reissue application which would be void in the supreme contest as a patent, any greater effect in a contest of priority. For here, as there, the one seeking to assault the bona fide intervening rights of another should not be allowed to extinguish the rights of one who has pursued, captured, and disclosed to the public that which the other may have known but failed to reserve in his own patent. He should not be permitted to prevail here to the detriment of one who has independently established his right to the art which the other might have secured mayhaps but publicly disavowed by a narrow patent until knowledge of the development trod upon but unnoticed until his adversary informs him of its presence, sends him belatedly into the Patent Office seeking a reissue. Where, as here, appellant has established by uncontradicted evidence


\(^{306}\) As to whether the application in interference was for the same or a different invention than the original application, see: Otis v. Ingoldsby, 35 App. D. C. 102 (1910); Manly v. Williams, 37 App. D. C. 194 (1911); Hauss v. Merrell, 48 App. D. C. 433 (1919); Cf. Macfarren v. Morgan, 24 F. 2d 1003 (D. C. Cir. 1928); Morgan v. Drake, 36 F. 2d 511 (C. C. P. A. 1929); Kollman v. Carbonara, 88 F. 2d 966 (C. C. P. A. 1937). As to whether a party may by a reissue application broaden his claims so as to dominate the rights of intervening parties, see: Bichman v. Wood, 15 App. D. C. 484, 499, 501-3 (1899); Skinner v. Carpenter, 36 App. D. C. 178 (1911); Manly v. Williams, 37 App. D. C. 194 (1911); See Hauss v. Merrell, 48 App. D. C. 433, 436 (1919); Herthel v. Dubbs, 65 F. 2d 138, 143 (C. C. P. A. 1933) (semble); See Miller v. Hayman, 46 F. 2d 188, 193, 194, 195 (C. C. P. A. 1931).
that appellee had knowledge of appellant’s invention, where it is apparent that appellee did not claim or intend to claim the subject matter of appellant’s invention, where the entire theory of appellee’s patent emphasizes a preoccupation with a limited concept of his invention excluding a realization of the independently useful and patentable nature of a subcombination thereof, where appellee delays more than two years to assert his rights in the face of the knowledge of appellant’s invention embracing matter which appellee believes he might have claimed and reserved for himself by timely action, we should not hesitate to ascribe laches to the appellee and estop him from asserting priority of invention.”307

EUGENE L. STEWART

WHAT ARE THE LIBERTIES OF CITIZENS OF PUERTO RICO UNDER THE CONSTITUTION?

In attempting the answer to this question it is necessary to advert to the fact that Puerto Rico has had a history and background somewhat different from those areas of continental United States which have been incorporated into the Union. The history of Puerto Rico reveals that the ancient rights and liberties of a people are not something peculiar to our Anglo-Saxon tradition. The clearest expression of the hard won liberties of the Spanish people lies in the pages of the Spanish Constitution of 1876,1 a contract between King and people securing to the people their ancient rights and liberties. Within Article I of the Constitution the liberty of persons and freedom of trade are clearly recognized. Subsequent articles provide for checks on the power of the King and culminate in the affirmation of equality under law. The Constitution is specifically extended to the overseas provinces.2

The rights of the Puerto Ricans were further extended by a royal decree instituting self-government in the island of Puerto Rico. It is evident from the whole tenor of this document that the Spanish Government sought to extend to the Antilles the full measure of liberties enjoyed by the Spaniards of the Peninsula. It is expressly stated that the old colonial system would gradually be replaced by a policy of equalization and autonomy for the Puerto Ricans. These people were citizens of Spain and their rights were to be determined accordingly.

307 84 USPQ 277, 295 (C. C. P. A. 1949) (dissenting opinion).

1 AITON, MANUAL OF THE SPANISH CONSTITUTION (1808-1931).
2 SPANISH CONSTITUTION, Titles IV, VI, IX, XII, Article 88 (1876).
Thus at the time of cession to the United States Puerto Rico held seats in the Senate and in the Congress of Delegates at Madrid. At this time, in addition to representation, Puerto Rico had an autonomous government and could bargain with Spain with respect to its industries and trade. Its citizens were Spanish citizens endowed with all the rights arising from that dignity. There was a bill of rights as part of the Spanish Constitution much like our own Bill of Rights. The commercial system of exploitation of the colony was being abolished. Such an examination of history shows that when the United States entered the picture in 1898 civil liberties were strong in Puerto Rico.

Yet more of the background is filled in when we realize that the Spanish American War was preached and proclaimed as a crusade of liberty. The Treaty of Paris, by which the United States acquired the territory of Puerto Rico was made in Paris, December 10, 1898.\(^3\) The treaty provided in Article IX that "The civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by the Congress."\(^4\) It is in the determination of these very rights by Congress that we are presently interested. The subsequent determinations of Puerto Rico's rights are highlighted by the Foraker Act in 1900 which provided that "The laws and ordinances of Porto Rico" were to continue "in full force and effect . . . so far as the same are not inconsistent or in conflict with the statutory laws of the United States."\(^5\) Further, the laws of the United States other than those of purely local application were to have, "the same force and effect in Porto Rico as in the United States."\(^6\) The Organic Act (1917)\(^7\) which has taken the place of the Foraker Act and its subsequent amendments have been a continuance of the effort of the United States Government to live up to its promise to the people of Puerto Rico to insure their liberty.

However, the way to liberty for Puerto Rico has not always been a straight and easy one. For example, due process has been held not to extend so far as to grant Puerto Rican citizens the right to trial by

\(^3\) Ratifications were completed and proclaimed in 1899.

\(^4\) 30 Stat. 1754 (1898).


\(^6\) Id. at 80.

jury. The obvious reason for this is the civil law background of Puerto Rico. Thus, the reason for not imposing the procedure of trial by jury is, according to \textit{Balzac v. Porto Rico}, that “the Constitution . . . contains grants of power and limitations which in the nature of things are not always and everywhere applicable. . . .”\textsuperscript{9} The court here pointed out that it was not a matter of withholding a fundamental right but that the government of the United States has been “sedulous to avoid forcing a jury system upon a Spanish and civil law country until it desired it.”\textsuperscript{9}

In the same case a principle that has consistently been applied by the Supreme Court is reiterated; that is, that the “Constitution of the United States is in force in Porto Rico as it is wherever and whenever the sovereign power of the government is exerted.”\textsuperscript{10} Indeed, the question has never been whether or not the Constitution applied to the territories as a review of the decisions of the Supreme Court before the famous Insular cases will show.\textsuperscript{11} For this we need go no further than the famous \textit{Dred Scott} case\textsuperscript{12} which contains a thorough treatise on the powers of Congress when legislating for the territories. Mr. Chief Justice Taney, speaking for the court, pointed out that Congress enters into its task of legislating subject to the limitations and in the character given to it by those who created it. The Chief Justice then added that this prohibition against taking life, liberty, and property is not confined

“. . . to the States, but the words are general and extend to the whole territory over which the Constitution gives . . . power to legislate. . . . It is a total absence of power everywhere within the dominion of the United States, and places the citizens of the territory, so far as these rights are concerned, on the same footing as citizens of the States and guards them as firmly and plainly against any inroads which the general government might attempt.”\textsuperscript{13}

However, as an examination of later cases will show, there has been

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\item \textsuperscript{8} \textit{Balzac v. Porto Rico}, 258 U. S. 298, 312 (1922).
\item \textsuperscript{9} \textit{Ibid}.
\item \textsuperscript{10} \textit{Ibid}.
\item \textsuperscript{12} \textit{Scott v. Sandford}, 19 How. 393, 450 (U. S. 1856). This part of the opinion was ratified in subsequent cases.
\item \textsuperscript{13} \textit{Ibid}.
\end{itemize}
some question as to which particular sections of the Constitution do apply to the territories. It was when the sun of empire began to dawn over the United States after the Spanish American War that Americans were faced with a problem already old to Great Britain; how to govern an insular dependency? A partial answer lay in the Foraker Act which, among other provisions for organizing the new territory of Puerto Rico, included a provision that a duty of fifteen per cent of the ordinary duties on foreign imports would be levied on imports from Puerto Rico. The purpose of the duty was to fill the treasury of the Puerto Rican government to defray the cost of insular administration. An attack on the provision resulted in the pivotal case on the subject of the territories and the enunciation of a new doctrine with regard to the possible types of governmental organization in the United States. This case was Downes v. Bidwell in which five of the nine Supreme Court justices concurred in holding that, although the island of Puerto Rico came within the sovereignty of the United States by a treaty of cession, when regarded from an internal point of view the island did not become a part of the United States in a constitutional sense.

It was claimed that Puerto Rico was a part of the United States and as such fell under the constitutional provision that "... all Duties, Imposts and Excises shall be uniform throughout the United States. ..." Four of the justices, White, Shiras, McKenna and Gray drew a distinction between an incorporated and an unincorporated territory. They backed up this distinction by holding that, though by the treaty making power territories could be annexed to the United States, that is could be brought under our national sovereignty, yet that same treaty power is not potent in itself to incorporate such lands into the United States. To do this there must be some actual or implied consent of Congress. Finally, they concluded, Congress in legislating for the unincorporated territories is not subject to many of the limitations that apply when it deals with the states and incorporated territories. It is hard to determine just where the justices got the idea of an unincorporated territory, but it is clear what they wanted to accomplish by it. Justice Brown saw no such distinction, though he concurred in

15 182 U. S. 244 (1901).
17 Nor did their colleague, Mr. Justice Harlan, who said, "I am constrained to say that this idea of 'incorporated' has some occult meaning which my mind does not
the conclusion reached by the other four Justices. It was his contention that no territory was included in the United States in the constitutional sense of the words but his vote was sufficient to make up the majority. It is odd that this distinction, for which the case is most often relied upon in subsequent decisions such as *Balzac v. Porto Rico*, supra, and others, is not really a majority opinion, being the mind of but four justices with a fifth, for quite different reasons, reaching the same conclusion and four others flatly opposed.\(^{18}\) Indeed, five justices saw nothing in the distinction at all and Brown, whose vote made the conclusion majority, was even more radically opposed to the notion of an "incorporated territory" with constitutional rights than were the dissenting justices. Brown held that no territories fell within the constitutional United States whereas Fuller, Harlan, Brewer and Peckham held to the old view that the territories enjoyed all the rights of the several States.

Justice White, who wrote the majority opinion, said that it seems impossible to conceive that the treaty making power by the mere cession can incorporate an alien people into the United States without the express or implied power of Congress. He seems to be ignoring the fact that if Congress did not want to bring a certain area within the realm and protection of the Constitution it could quite easily reject the article of cession in a treaty.

In his dissenting opinion Justice Fuller begins by an appeal to the language of *Marbury v. Madison*\(^{19}\) in support of his argument that the powers of Congress are severely limited.\(^{20}\) He then goes on to say that, "The powers delegated by the people to their agents are not enlarged by the expansion of the domain within which they are exercised,"\(^{21}\) and concludes by saying that to assert otherwise is to say that the states and not the people created the government.

The majority opinion did recognize that certain constitutional principles were of such general and fundamental character or so absolutely laid down as to restrain Congress no matter in what capacity it may

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\(^{18}\) *Id.* at 312.

\(^{19}\) 1 Cranch 137 (U. S. 1803).


\(^{21}\) *Ibid.*
be acting, whether for states or territories. These principles are those concerning liberty and property of citizens. In his criticism Mr. Chief Justice Fuller takes advantage of this admission pointing out that the majority are saying one thing in one sentence and taking it back in the next. They say the right to property is protected but that Congress is not bound to follow the rules of taxation.

"And yet the power to tax involves the power to destroy, and the levy of duties touches all our people in all places under the jurisdiction of the government.

"The logical result is that Congress may prohibit commerce altogether between the States and territories, and may prescribe one rule of taxation in one territory, and a different rule in another."22

Justice Harlan, in his rather pungent criticism of the majority opinion, reduces the problem to a basic constitutional concept. He says that he cannot assent to the proposition that the Constitution envisions a government by the states or that the prohibitions and limitations of the Constitution are addressed only to the States.23 He says that if the Constitution is in any sense a compact among the people of the United States establishing the national government, then "The Constitution speaks, not simply to the states in their organized capacities, but to all peoples whether of states or territories, who are subject to the authority of the United States."24

The net result of *Downes v. Bidwell*, supra, was that the tax on Puerto Rican imports was upheld. As a matter of constitutional law its effect has been, as Mr. Chief Justice Taft has put it, not to place in issue, "whether the Constitution extended to . . . Porto Rico when we went there, but which of its provisions were applicable. . . ."25 Thus the question of just which provisions of the Constitution protect Puerto Rico is not now a closed one and these questions are to be decided as they arise.26 Each new act of Congress will be tested according to the nature and aims of each act.27

Since the case of *Downes v. Bidwell*, the progress of Puerto Rico toward the realization of full and complete liberty has been steady if not

22 *Id.* at 373.
23 *Id.* at 378.
rapid. Most notable in the stages toward this goal have been the passage of the Organic Act to succeed the Foraker Act in 1917, the proclamation of a bill of rights for Puerto Rico\textsuperscript{28} and finally the extension of the liberties of citizens of a state to the citizens of Puerto Rico.\textsuperscript{29}

Of these possible constitutional questions, we have seen, so far, that at least two of them have been settled, the matter of trial by jury and that of taxation of imports for the benefit of the territory. In a case recently decided by the Supreme Court new questions were raised.\textsuperscript{30} For the purposes of our discussion of the rights of Puerto Rican citizens this case raised some extremely interesting and vital points.

The case, involving the Government of Puerto Rico in conflict with the Secretary of Agriculture, arose out of the Sugar Act of 1948.\textsuperscript{31} The suit was originated by the Central Roig and Western Sugar Refining Companies, and the Government of Puerto Rico sought and was granted permission to intervene. There were really two questions, one as to the fairness of the Secretary's action and the other, the one of greater interest, the question of the constitutionality of Section 207b of the Sugar Act. However, to understand the real issues in the case it is necessary to understand why Congress took legislative action.

The sugar market was for many years left to regulate itself. However, since the sources of supply were widely scattered and home production was not sufficient for United States needs, the great bulk of sugar was purchased on the world market. Due to tropical growth and other factors the supply of sugar outran the demand and the market was in a condition of chaos. Constant fluctuation of price left many of the producers in a state of bankruptcy with the result that the Government had to regulate the market. A series of acts and amendments led up to the present act which specified that of the total estimated requirements of the United States certain offshore areas were to be allotted substantial quotas to fill. Puerto Rico does not complain of its allotment of total tonnage of raw sugar allowed for market on the mainland. However, an additional restriction that Puerto Rican producers could market in refined form only 126,033 tons of their total quota of 910,000 tons of raw sugar seems to them unfair and a violation of their consti-

\textsuperscript{30} Puerto Rico v. The Secretary of Agriculture, 18 U. S. L. Week (U. S. Feb. 6, 1950).
tutional rights inasmuch as producers within the United States were left free to market their entire quotas in refined form. This means that of the total quota of sugar that may be shipped into the United States only a small portion can be refined in Puerto Rico and even within that figure the Puerto Rican refiners must compete with the mainland refiners. The limitation on refined sugar to be sold in the United States, they claim, is discrimination smacking of the old colonial system which drove the American colonies into rebellion.32

The Court of Appeals for the District of Columbia was presented with a twofold issue (1) was the Secretary's allocation to the Puerto Rican refineries within the 126,033 ton limit a fair one and, (2) was the ceiling on total refined sugar as laid down by Congress unconstitutional in discriminating against insular citizens in favor of those who lived on the mainland? The Court of Appeals decided the first question in favor of the complaining refineries and held that it was unnecessary to pass on the second question although Judge Edgerton held that it should have been decided. It is the failure to decide this second, and more vital issue that has moved the Government of Puerto Rico to petition the Supreme Court for a hearing.

The narrower question of the division of the allotment among Puerto Rican producers is of little concern to the Government of Puerto Rico, but when we consider the economic position of Puerto Rico it is quite obvious why they are concerned over restriction of their home industry. Puerto Rico is an island one hundred miles long and thirty-five miles wide at its widest point. One third of its area is arable land and its people number 2,200,000. Its population density is 600 per square mile, fourteen times that of continental United States. It is readily apparent that agriculture alone is not enough for the support of so many persons. If Puerto Rico is to grow and advance it must look to industry and commerce with the United States. It is no answer to their problem to say that they can market their products somewhere else in the world for they lie within the United States tariff wall. They must, whether they have a right to or not, look to the United States for opportunity to develop. In truth, it is not too much to say that the whole future of Puerto Rico is most intimately dependent upon this decision by the Supreme Court. For what is to prevent Congress from saying that Puerto Rico can market no refined sugar on the mainland? In-

32 See the excellent Brief for Petitioner, Puerto Rico v. The Secretary of Agriculture, 18 U. S. L. Week 4135 (U. S. Feb. 6, 1950).
deed it has already done so for the Virgin Islands. In this connection we must remember that, as Puerto Rico has no representation in Congress, it will be powerless to prevent such a move if it is made. Puerto Rico's last resort in the fullest sense of the words, is in the Supreme Court.

No one would claim that Congress could do to a State what it is here attempting to do to a territory. In other words, Congress could not pass a law telling Texas or some other state that it could sell only so much refined sugar to the rest of the United States. However, it would seem under the present decisions that Congress can do just that in a matter concerning a territory. It has long been settled that Congress can regulate foreign exports and imports. In the Downes case the Court did hold that imports from Puerto Rico can be taxed but we must note that the tax was levied solely for the good of Puerto Rico itself. This decision was cited with approval in the case of Hooven and Allison Co. v. Evatt, in which the Court said that "Congressional legislation governing trade relations of the United States with the Philippines . . . has often treated articles brought from the Philippines to the United States as imports." The Court goes on to say that our tariff laws in their operation have often treated Philippine imports as articles brought from foreign countries. Congress, says the Court, is free to regulate imports from the Philippines. Of course, in the case of purely foreign exports there is no due process problem. It must be pointed out, though, that in the Hooven case Mr. Chief Justice Stone was careful to state that the decision was limited to the Philippine Islands. Justice Reed dissented in part for he thought the language was so broad that it might apply to Puerto Rico. Justices Black, Douglas, Murphy, and Rutledge dissented on the ground that there is a special privilege granted to merchandise not yet foreign.

Of course application of the principles enunciated in a Philippine case is also open to the simple objection that the Philippine Islands are not Puerto Rico. This objection is strengthened by a consideration of the

35 324 U. S. 652 (1945).
36 Id. at 678.
respective policies toward the two territories. As Mr. Chief Justice Stone in the Hooven case points out, all our policy with regard to the Philippines has been aimed at eventual independence. The same cannot be said for our policy with regard to Puerto Rico which in time may well gain the status of full statehood. The only contrary indication in our policy has been the passage of the sugar regulation.

A case similar in significance to the Hooven case is that of Cincinnati Soap Co. v. United States,49 In that case the cry of discrimination against Philippine industry was urged. The court explicitly held, however, that "Congress has power to levy a tax with the collateral purpose of thereby protecting the industries of the United States..."40 And the Court ends with a notion that is familiar to those acquainted with it saying that Congress may balance the interests of the people of a territory against those of the people of continental United States and that the decision for or against one or the other is "not for judicial but for Congressional consideration and determination."41

This latter case is also open to the already mentioned objections to drawing a parallel between the Philippine and Puerto Rican situations. The people of the Philippine Islands never were American citizens and the Philippines have never been included within our customs union.

Furthermore, there is another essential distinction which makes the instant case of Puerto Rico v. The Secretary of Agriculture different from those we have just been citing. All of those cases have been concerned with tariff measures and the taxation of imports. The instant case is a matter of direct regulation, direct restriction of commerce between the United States and Puerto Rico. The Supreme Court has never set its seal of approval on that unless the taxation of the Philippine imports can be stretched far enough to say that what can be done by indirect action to the Philippines can be done by direct action to Puerto Rico.

Directly on the point of inequality between the citizens of a territory we have a very clear statement from the Dred Scott case, where the court says that Congress is denied the power "to establish inequalities... by creating privileges in one class of those citizens and by the disfranchisement of other portions or classes."42

49 Cincinnati Soap Co. v. United States, 301 U. S. 308 (1937).
40 Id. at 320.
41 Ibid.
42 Scott v. Sandford, 19 How. 393, 450 (U. S. 1856).
At this point a review of the actual decision handed down by the Supreme Court will prove helpful in summing up the present status of Puerto Rico with regard to its rights under the United States Constitution.

The first part of the Court's opinion is a long disquisition on the power and functions of administrative agencies wherein Justice Frankfurter sets forth the difficulties encountered by one who attempts to make a particular economic allotment. In view of the difficulties and the specialized knowledge required for such a determination the Court feels that the decision below should be reversed and the Secretary of Agriculture upheld in his determination of the refinery quotas.

On the constitutional issue Justice Frankfurter has recourse to a doctrine that has long been a favorite of the present court. The decision reached here and the basis for it was foreshadowed in a similar case, that of Cincinnati Soap Co. v. United States, where the Court said that such matters are "not for the judicial but for the Congressional consideration and determination." This, of course, is but one case among many where the Court has said that in an area where Congress has the constitutional power to act the Court will not take it upon itself to review the wisdom of the act.

Nor does Justice Frankfurter feel that this regulation is justified particularly by the power to regulate the territories, for he constantly refers to the "great Commerce Clause" and the "unfolding of the Commerce Clause." He does not claim that resort to the Commerce Clause can defy the standards of due process expressly stating that the Due Process Clause applies to regulation of commerce with Puerto Rico. However, the Court cannot find "... discrimination of such injurious character as to bring into operation the due process clause. ..." The doctrine relied upon in this case might be summed up in Justice Frankfurter's own words:

"Suffice it to say that since Congress fixed the quotas on a historical basis it is not for this Court to reweigh the relevant factors, and perchance, substitute its notion of fairness and expediency for that of Congress. ... This Court is

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not a tribunal for relief from the crudities and inequities of complicated experimental economic legislation."46

Now let us look for a moment at what the Court has allowed Congress "in its discretion" to do. The Puerto Rican refiners must surrender more than five-sixths of the raw sugar produced in Puerto Rico to the refiners on the mainland. But that is not all, as regards the remaining sixth the Puerto Rican refiners must compete with the mainland refiners for contracts. Thus the mainland refiners have the range of the entire continental and offshore production of sugar within which to operate while the Puerto Rican refiners are confined to a limit of one-sixth of Puerto Rico's small allotment of the raw sugar market. Puerto Rico finds it hard to see in such legislation "a quota system." Its right to refine sugar is frozen at the production figure as of the year 1937 when the industry was in its infancy; there is no allowance for an increase in the market, no chance to expand the industry.47

Another consideration which did not seem to weigh very heavily with the Court is that of the way in which the admitted inequality came about. The people of the territory were singled out and, as a group residing in a particular part of the United States, deprived of a certain right. There is a difference between doing this indirectly by a quota system which will be applied universally and doing it by a so-called quota system which in reality is a flat restriction on one group. It seems clear that no such law could be permitted limiting the citizens of Georgia in their production of cotton textiles, or limiting the citizens of Minnesota in an attempted manufacture of automobiles.

From this latter consideration it might be fair to draw the inference that the Supreme Court does not consider the island of Puerto Rico to be part of the United States within the meaning of the phrase "all Duties, Imposts and Excises shall be uniform throughout the United States.48 Although the Court never discusses the point it is plain that it does not consider the citizens of Puerto Rico to be on the same plane as the citizens of the states.

This is precisely what Chief Justice Fuller foresaw with alarm when, as previously stated, he wrote in his dissent in the Downes case that, "The logical result is that Congress may prohibit commerce altogether between the States and the territories, and may prescribe one rule of

46 Puerto Rico v. The Secretary of Argriculture, 18 U. S. L. Week 4135 (U. S. Feb. 6, 1950).
47 Id., Brief for Petitioner, p. 55.
taxation in one territory, and a different rule in another."49 Such a concept of unequal treatment of United States citizens was most abhorrent to these earlier justices because they were so close in time and spirit to the basic doctrine announced by Justice Story in the case of Martin v. Hunter's Lessee50 and quoted by Justice Harlan in the Downes case when he said that the Constitution spoke to all the people subject to the authority of the United States in the same way, whether they were in states or territories, and not to the states in their organized capacities.

It will be recalled that in the Downes case, Chief Justice Fuller said that "the power to tax involves the power to destroy."51 This is no less true of the power to regulate. Why cannot Congress say "none" to Puerto Rico where it has already said "only one-sixth." And where it has said this in the case of sugar, why can it not say the same in every other branch of industry open to Puerto Rico? It would seem that Congress has that power under the great, the expanding Commerce Clause. It requires no great imagination to see that by regulation or limitation of a man's trade you can deprive him effectively of the right to life, liberty or property. The extent to which regulation can abridge human rights is well dramatized in the regulation of the tobacco growing industry in the United States.52 Indeed, here is a question we might do well to pose not just in the case of Puerto Rico but also with regard to our home interstate commerce. How far can Congress go? Is there no limit to the regulatory power?

At this point the consideration of a principle long familiar to Supreme Court jurisprudence is very much in point. Justice Holmes put it very well in the case of Hudson County Water Co. v. McCarter:

"It constantly is necessary to reconcile and to adjust different constitutional principles, each of which would be entitled to possession of the disputed ground but for the presence of the others. . . ."53

The great Justice's idea becomes peculiarly apt when we examine more fully his meaning:

50 1 Wheat. 304 (U. S. 1816).
51 See note 49 supra.
52 See Fortune for December, 1949, where the effect of regulation of the industry is shown to be such as to vest in the present owners of tobacco farms an all but exclusive right to grow tobacco.
"All rights tend to declare themselves absolute to their logical extreme, yet all in fact are limited by the neighborhood of principles of policy which are other than those on which the particular right is founded, and which become strong enough to hold their own when a certain point is reached."54

And his example fits our case well,

"For instance, the police power may limit the height of buildings in a city, without compensation. To that extent it cuts down what otherwise would be the rights of property. But if it should attempt to limit the height so far as to make an ordinary building lot wholly useless, the rights of property would prevail over the other public interest, and the police power would fail."55

The argument in the present case is simply that by limiting Puerto Rico's refined sugar market to one-sixth of its raw production the limit of the public interest has been passed and the private interest becomes paramount. There is no absolute right of limitation given Congress by the Commerce Clause.

However, aside from the above considerations the status of Puerto Rico is at present still as much an open question as it ever was. All the confusion and questions raised by the Downes and subsequent cases have been left untouched.

On the other hand Puerto Rico is left in the hands of Congress subject to a power the limits of which are not yet in sight. Puerto Rico might well ask itself what would be a violation of its due process rights if the one-sixth limitation is not. So vital to the life of Puerto Rico is the sugar industry and the need for industrial development that the limitation in that industry alone will go far to check the advancement and growth of the territory, the poverty of which is universally known. To say the least, this decision that there are no unconstitutional violations of the rights of Puerto Rico is in ill accordance with the traditional American rejection of a colonial servitude and the modern policy of developing backward areas.

The effect of this decision is to affirm as constitutional the very policy which induced our founding fathers to say that they could no longer endure "the patient suffering of these Colonies", the very policy against which our Constitution was to be a lasting protection.

PAUL P. HARRECHT, S.J.

54 Id. at 355.
55 Ibid.
RECENT DECISIONS

CONSTITUTIONAL LAW—INTRA-DISTRICT OF COLUMBIA CARRIAGE OF PASSENGERS BOUND TO AND FROM DEFENSE ESTABLISHMENTS OF THE FEDERAL GOVERNMENT LOCATED IN VIRGINIA IS PART OF AN INTERSTATE MOVEMENT AND THEREFORE SUBJECT TO INTERSTATE COMMERCE COMMISSION REGULATION THROUGHOUT UPON PROPER FINDINGS BY THAT AGENCY.

At the expiration of its temporary certificate of public convenience and necessity on March 31, 1947, the Capital Transit Company discontinued all bus operations to and from the several national defense office buildings and installations located in Arlington County, Virginia, just across the river from Washington, D. C., where the company's principal bus and streetcar operations were carried on. The company was then operating under an Interstate Commerce Commission order with respect to this service, calling for the establishment of joint fare with three suburban bus companies which also connected Washington with this portion of Virginia. Capital Transit attempted unsuccessfully to cancel its participation in the joint fare concurrent with its termination of service to Virginia. An increase in District of Columbia fares awarded by the Public Utilities Commission prompted the company to demand from the Virginia companies the full District of Columbia fare as its share of the joint rate. Refusing this demand, two of the Virginia companies petitioned the ICC to cancel the joint rate; Capital Transit supported them. The Commission determined that the joint fare should continue in effect, with the division to be the amounts previously voluntarily agreed upon by all the carriers up to July 7, 1948, the date of the order, and a higher fare (with a larger sum for each carrier) thereafter. The Public Utilities Commission ordered the company to accept only the fares prescribed by its order (higher than the division allowed under the ICC order). Immediately thereafter the company brought suit before a three-judge district court to enjoin enforcement of the original and the new orders by the ICC. The issuance of the injunction was appealed directly to the Supreme Court by the United States (on behalf of the Commission). Held, Intra-District of Columbia carriage of passengers bound to and from defense establishments of the federal government located in Virginia is part of an interstate movement and therefore subject to Interstate Commerce Commission regulation throughout upon proper findings by that agency. United States v. Capital Transit Co., 70 Sup. Ct. 115 (1949), rehearing denied, 70 Sup. Ct. 247.

The decision in the instant case is a logical sequel to the holding by the Supreme Court in United States v. Capital Transit Co., 325 U. S. 357 (1945) (appeal from the company's attempt to restrain the ICC from exercising jurisdiction over this particular service in the first instance) that the trip of an
employee from the District of Columbia to the defense buildings in Arlington County and return was interstate in the commonly accepted sense of the transportation concept. The fact that on all routes except those at that time operated by Capital Transit the passenger was required to pay a combination of two rates and to use different vehicles of different companies did not change the essential character of the commerce from interstate to intrastate; consequently, it was held in the principal case that neither the discontinuance by the company of physical operations to Virginia nor the reduction in numbers of people using the service affected its essential character as interstate. The difficulty, more apparent than real, results from the comparatively recent case of United States v. Yellow Cab Co., 332 U. S. 218 (1947), an anti-trust case wherein it was held that intra-city operation of taxicabs between railroad stations and offices, hotels, and homes, although the majority of such trips preceded or followed interstate railroad journeys, is not an integral part of interstate transportation.

Provided that the prerequisite facts are by proper procedure found to exist, United States v. Chicago, M., St. P., & P. R.R., 294 U. S. 499 (1935), the ICC is given broad regulatory powers over various surface carriers in the country. See the Interstate Commerce Act as amended, 24 Stat. 379 (1887), 49 U. S. C. § 1 et seq. (1946). The state may, under its police power, regulate local matters which have a real relation to the protection of the public, even if such regulations incidentally affect interstate commerce, provided that it neither burdens nor discriminates against such commerce. South Carolina Hwy. Dept. v. Barnwell Bros., 303 U. S. 177 (1938). The landmark case of Gibbons v. Ogden, 9 Wheat. 1 (U. S. 1824), however, firmly established the now undisputed principle that the federal power to regulate interstate commerce is paramount and must prevail when exercised. The crucial question becomes one of determining under what circumstances intrastate movement becomes an integral part of interstate commerce. Whether certain commerce is interstate or intrastate is determined by its essential character, not by the mere billing or forms of contract used. Baer Bros. v. Denver & R. G. R.R., 233 U. S. 479 (1914), Atlantic Coast Line R.R. v. Standard Oil Co., 275 U. S. 257 (1927). The billing, however, may be material as an indication of intention. Intention is probably the most important single determinant of the character of the movement; it is usually said to “govern”. Baltimore and Ohio S. W. R.R. v. Settle, 260 U. S. 166 (1922), Texas v. Anderson, Clayton and Co., 92 F. 2d 104 (5th Cir. 1937), cert. denied, 302 U. S. 747 (1937), rehearing denied, 302 U. S. 780 (1937). This intention is a question of fact; with respect to goods, the intention required is that the particular shipment be started on its journey in interstate or foreign commerce in continuous transportation from starting point to final destination with only such stops as are required for preparation or treatment so as to make the goods fit for delivery. Oregon-Washington R.R. & Nav. Co. v. Farmers Nat. Grain Corp., 25 F. Supp. 667
Uninterrupted movement is not essential to interstate commerce. *Baer Bros. v. Denver & R. G. R.R.*, *supra*. With respect to passenger travel, it has been held that the destination intended by the passenger when he begins his trip which is made known to the carrier determines the character of the commerce. *Sprout v. South Bend*, 277 U. S. 163 (1928). Furthermore, the interstate character of a passenger travelling on an interstate ticket is not affected by the fact that he is on a merely local train and will have to change to another to reach his ultimate destination. *Washington, B. & A. E. R.R. v. Waller*, 289 Fed. 598 (D. C. Cir. 1923). From the foregoing, it becomes apparent that the holding in the principal case is not new law, but is a modern pronouncement of principles established in preceding cases. In view of the facts of the case, the Supreme Court came to the inescapable conclusion that:

"Transit's intra-District streetcar and bus transportation of passengers going to and from the Virginia establishments is an integral part of an interstate movement." *United States v. Capital Transit Co.*, *supra*, at 117.

Consequently, it follows that the ICC may regulate such operations within the policy and authority laid down in the Interstate Commerce Act.

The Chief Justice was joined by Justices Reed and Jackson in a vigorous dissent, based largely on the practical consideration that it is extremely difficult to ascertain precisely where to draw the line between interstate and intrastate commerce, especially in many large metropolitan areas. Such a consideration does, indeed, loom large in the present day when large portions of the population travel relatively appreciable distances with a great degree of regularity in connection with business or pleasure. The cases which tend to support the dissent and deny interstate character to the movement involved are generally distinguishable on their facts from the majority holding in the instant case.

Thus in *Gulf C. & S. F. R.R. v. Texas*, 204 U. S. 403 (1907); *Bracht v. San Antonio & A. P. R.R.*, 254 U. S. 489 (1921); and *Pennsylvania R.R. v. P. U. C. of Ohio*, 298 U. S. 170 (1936) the common carriage was in fact an intrastate movement—all interstate travel, insofar as was contemplated by the shippers, was actually at an end before the intrastate transportation started. In the instant case, the transportation involved was a continuous movement from a home in the District of Columbia to an office in Virginia or return. It was interstate in character and did not come to an end until the ultimate destination was attained.

In *New York Central R.R. v. Mohney*, 252 U. S. 152 (1920); *Southern Pacific Co. v. Arizona*, 249 U. S. 472 (1919); and *United States v. Yellow Cab Co.*, *supra*, the intention to consummate an interstate trip was clear, but only in the instant case was this intention communicated to the carrier (by means of tickets specially sold for this purpose). Therefore, it is apparent that the precedents which support the result of the dissent are confined to those cases where the intention is in fact to engage only in intrastate commerce or where
the intention to engage in interstate commerce is not communicated to the carrier concerned.

The importance of the principal case lies in its reaffirmance of the holding of the 1945 Capital Transit case, supra, despite the fact that the Transit Company no longer conducted bus operations to the Virginia establishments and that the cessation of hostilities had been declared.

A. STUART YOUNG, JR.

CONSTITUTIONAL LAW—STATE CORPORATE NET INCOME TAX DISCRIMINATES AGAINST SECURITIES OF THE UNITED STATES BECAUSE INTEREST RECEIVED ON THESE SECURITIES IS INCLUDED IN TAX COMPUTATION WHILE THAT RECEIVED ON SECURITIES ISSUED BY THE STATE IS NOT INCLUDED.

The Curtis Publishing Company was the holder of large amounts of both federal and state securities. In the net income as reported for federal tax purposes, the interest received on the federal securities was included while that received from the state securities was not included because of the federal income tax law which exempts from taxation interest received by a corporation on state and municipal securities. By state statute the figure used since 1939 in computing income tax due Pennsylvania had been the “adjusted net income” as reported to the Federal Government. The Public Debt Act passed by Congress in 1941 changed existing regulations so that the interest on practically all United States securities issued on or after March 1, 1941, became wholly subject to federal income tax liability. Held, The Pennsylvania law discriminates against securities of the United States and the fact that this result was brought about by a change in the federal law and not by any affirmative action on the part of Pennsylvania does not give this discrimination any greater validity. Commonwealth v. Curtis Publishing Co., 69 A. 2d 410 (Pa. 1949).

The court in the principal case points out that if the Pennsylvania Corporate Net Income Tax is considered a property tax, the inclusion of interest on United States securities in the tax base constitutes a direct tax on those securities and is unconstitutional under the historic principle set forth in the case of McCulloch v. Maryland, 4 Wheat. 316 (U. S. 1819), that the states may not retard, impede or burden the instrumentalities of the Federal Government. In most decisions involving a levy similar to this corporate net income tax, however, the levy has been held to be an excise tax upon the privilege of doing business in a state. Commonwealth v. Warner Bros. Theatres, Inc., 345 Pa. 270, 27 A. 2d 62 (1942). In such cases the Supreme Court of the United States has determined the validity of the tax by determining whether it is discriminatory. Thus, if a state tax upon corporation franchises does not discriminate between securities of the State and Federal Governments, the
tax is valid. Educational Films Corp. v. Ward, 282 U. S. 379 (1931); cf., Society for Savings v. Coite, 6 Wall. 594 (U. S. 1867). Similarly, only those systems of state taxation which discriminate in practical operation against national banking associations or their shareholders as a class are invalid. Tradesmen’s National Bank of Oklahoma v. Oklahoma Tax Commission, 309 U. S. 560 (1940). In the case of Missouri ex rel. Missouri Insurance Co. v. Gehner, Assessor, et al., 281 U. S. 313, 321 (1930), the Court said, “It necessarily follows from the immunity created by federal authority that a state may not subject one to a greater burden upon his taxable property merely because he owns tax-exempt government securities.” The United States Supreme Court has been consistent in ruling that there must be equality of treatment by the state imposing taxes, either direct or indirect, on the respective securities of the state and nation. McCulloch v. Maryland, supra; Missouri ex rel. Missouri Insurance Co. v. Gehner, Assessor, et al., supra.

The Commonwealth of Pennsylvania laid great stress upon the fact that the state made no affirmative change in legislation nor reversed any policy. Instead, the result complained of was brought about by the action of the Federal Government. However, as the court pointed out in the instant case, supra, at 419, “A change of circumstances may make a constitutional statute unconstitutional or a lawful act unlawful.” By the Public Debt Act passed by Congress in 1941, the operative effect of the Pennsylvania law became discriminatory since it now was taxing income received from federal securities but left untouched that portion gained from the Pennsylvania securities. The constitutionality of a law must be determined by the facts of each case, and a law which depends on a certain state of facts for its validity may cease to operate when those facts change, even though valid when passed. Chastleton Corporation et al. v. Sinclair et al., 264 U. S. 543 (1924).

The federal securities in the instant case were searched out as such, and the interest on them was taxed while interest on state securities was specially exempt. In effect, the state was attempting to tax the federal government in exercising a governmental function, that of raising money by the issuance of bonds. The principal of reciprocal immunity does not extend to proprietary functions as where a state enters a certain type of business such as liquor sales. South Carolina v. United States, 199 U. S. 437 (1905). Yet the principle of dual sovereignty requires that the governmental functions of the one cannot be burdened directly or indirectly by taxation imposed by the other sovereign. Discrimination is determined by the facts of each case and can relate to anything which is not equality of treatment. The common example of a state discriminating against holders of federal government bonds is shown by the case of Miller v. Milwaukee, 272 U. S. 713 (1927). A state law provided that in a corporation whose income was made up both of tax exempt interest and taxable items, the stockholder who received the dividend was taxed only on the portion of his dividend represented by tax exempt securities. Justice Holmes declared in his opinion in the Miller case, supra, at 715 that,
"If the avowed purpose or self-evident operation of a statute is to follow the bonds of the United States and to make up for its inability to reach them directly by indirectly achieving the same result, the statute must fail even if but for its purpose or special operation it would be perfectly good."


A case not reconcilable in this pattern of decisions is *Macallen v. Massachusetts*, 279 U. S. 620 (1929), wherein it was held that a state may not impose a franchise tax upon a domestic corporation without permitting the exclusion from such income of the interest on United States bonds; and this even though the legislation had provided that the interest on Massachusetts bonds was also to be included and taxed. This holding is inconsistent with other decisions and is said to have been brought about by the supposed conduct of the Massachusetts legislature in its desire to reach United States bonds which were formerly non-taxable. The better rule is that if the state tax is based on all interest received from federal, state, municipal or other bonds, there is no discrimination. *Educational Films Corp. v. Ward*, supra.

Thus the primary significance of the instant case lies in the fact that the Supreme Court of Pennsylvania, in protecting the interest of the Federal Government, ruled the application of a state law invalid because of its discriminatory effect. The decision reemphasizes the principle that in a dual sovereignty, one sovereign may not favor himself to the detriment of the other; however, he may discriminate against himself, as the Federal Government has done, in taxing income from federal bonds while not taxing like income from state bonds.

ROBERT A. MARMET

EVIDENCE—Duly Authenticated Suicide Note in Which the Author Before Committing Suicide Admitted Certain Embezzlements and Implicated Another Is Not Admissible to Inculpate Defendant Mentioned in the Note.

In the course of criminal proceedings against Dominic Antonini, an employee in the amusement tax division of a city Office of the Receiver of Taxes, accused of making false and untrue entries in the city tax ledger with intent to defraud the commonwealth, the prosecution introduced into evidence a suicide note of one Foss, head of the amusement tax department, which note inculped Antonini and was instrumental in producing a verdict of guilty. On defendant's motion for a new trial claiming that said evidence should have been excluded as hearsay, a new trial was granted solely on the question of law raised by the admission of the note. Commonwealth's appeal from this
order granting defendant a new trial was denied. Held, a suicide note which admits crime on the part of its author and also inculpates a present defendant is not admissible as evidence against that defendant because of the hearsay rule. Commonwealth v. Antonini, 69 A. 2d 436 (Pa. 1949).

As an exclusionary rule of evidence the hearsay rule has been distinguished by a variety of exceptions. The instant case represents a fact situation which would satisfy certain of the required elements for several of the exceptions but not all the necessary elements to constitute one valid or recognized exception and therefore otherwise competent and material evidence is excluded.

As a dying declaration the evidence proffered by the prosecution is deficient since the defendant is not on trial for the homicide of the declarant. 5 Wigmore, Evidence §§ 1432, 1433 (3rd ed. 1940).

As a declaration of a co-conspirator the offer fails since any possible conspiracy terminated prior to the writing of the note by Foss. 4 Wigmore, Evidence § 1079 (3rd ed. 1940), United States v. Pugliese, 153 F. 2d 497 (2nd Cir. 1945).

As a declaration against interest this suicide note fails to qualify as an exception to the hearsay rule since the proceedings in which it is sought to be used are criminal in nature and since even if they were not criminal the interest of the declarant to which it is adverse is not the pecuniary or proprietary interest which is technically requisite. The latter type of necessary interest is dependent on privity of title or estate, Yentis v. Mills, 299 Pa. 25, 148 Atl. 909 (1929), blood or in law. Frazier v. Foreman, 269 Pa. 13, 111 Atl. 923 (1920), Rudisill v. Cordes, 333 Pa. 544, 5 A. 2d 217 (1939).

Not only to inculpate an accused are the extrajudicial admissions or confessions of others excluded, Commonwealth v. Epps, 298 Pa. 377, 148 Atl. 523 (1929), Commonwealth v. Ashton, 227 Pa. 112, 75 Atl. 1019 (1910), 4 Wigmore, Evidence § 1076 (3rd ed. 1940), but also to exculpate an accused have they been excluded. Donnelly v. United States, 228 U. S. 243 (1913). Referring to the latter case the court in the instant case observed,

"Professor Wigmore severely criticizes the majority opinion, and states that the Holmes dissent represents what the law is or ought to be, i.e., that a declaration against penal interest only is admissible. But neither Justice Holmes in his dissent, nor Professor Wigmore in his treatise, ever contended that such declaration against interest, to wit, a confession, by a party deceased, could be received in evidence to inculpate another." Commonwealth v. Antonini, supra, at 439.

As Holmes and Wigmore hold for a relaxation or revision of the hearsay rule in one of its facets, the present case exhibits circumstances which speak loud for further revision lest the rules of our courts might actually be employed to defeat justice by their technical application.

The background of the instant case concerns a political upheaval and investi-
gation into graft and corruption in public places. The suicide of Foss, a political appointee, head of the amusement tax division of the Office of Receiver of Taxes, was an upshot of this investigation. That his suicide, which naturally eliminated him as a source of information as to other guilty parties, should be complemented by a technical rule of evidential exclusion, is representative of such legal anomalies as are responsible for apparent lapses in law enforcement.

JOSEPH M. F. RYAN, JR.

LABOR LAW—THE TRUSTEES OF A WELFARE AND RETIREMENT FUND CREATED BY A COLLECTIVE BARGAINING AGREEMENT MAY BRING SUIT THEREON AS DONEE BENEFICIARIES TO RECOVER MONEY OWED TO THE FUND UNDER THE TERMS OF THE AGREEMENT.

The National Bituminous Coal Wage Agreements of 1947 and 1948 which were entered into by defendant mine operators and the United Mine Workers of America provided among other things for the establishment of union shops in defendants' mines and for payment into the United Mine Workers' of America Welfare and Retirement Fund of ten cents (twenty cents in the 1948 Agreement) per ton of coal produced by defendant operators for use or for sale. Plaintiffs sue as trustees of this fund to collect sums due and unpaid to the fund under the terms of the agreement. Defendants contend that the plaintiffs' cause of action is based on the agreements which are illegal and therefore, unenforceable. Held, no trust has arisen as to the money herein sued for, because it has never been transferred or delivered to the fund, and while plaintiffs have a standing as donee beneficiaries under the agreements and may maintain their suits as such, recovery is denied because these closed shop agreements are invalid and unenforceable under Arkansas law. Lewis v. Jackson & Squires, Inc., 86 F. Supp. 354 (W. D. Ark. 1949).

In considering the trust aspect of this case the court distinguished between money already delivered to the fund and that which was unascertainable or having been ascertained, had never been delivered in accordance with the agreements. It found that the sums for which suit was brought were of the latter category and in accordance with well established trust law could not be the subject of a valid trust. Brainard v. Comm'r Int. Rev., 91 F. 2d 880, 881 (7th Cir. 1937); RESTATEMENT, TRUSTS §§ 26, 74 (1935).

As the agreements were found to contain a promise to create a trust, the court, citing RESTATEMENT, TRUSTS § 30 (1935), said:

"... such a promise is enforcible only if the requirements of an enforcible contract are complied with..."

"Even though the plaintiffs are not suing as trustees under an executed trust, they have a standing as donee beneficiaries under the Agreements, and, in the
opinion of the court, may maintain these suits as such." Lewis v. Jackson & Squires, Inc., supra, at 360.

The court found that although some earlier Arkansas cases held that a donee beneficiary under a contract cannot maintain a suit to enforce the promise made for his benefit, the better view is to the contrary. Freer v. J. G. Putman Funeral Home, Inc., 195 Ark. 307, 111 S. W. 2d 463 (1937); Restatement, Contracts §§ 133-136 (1932). As no attempt was made to distinguish between a collective bargaining agreement and the usual common law contract, the agreements in this instance were apparently treated in all respects as a normal contract. In considering the validity of the agreements the court found that the provisions for a union shop are illegal in Arkansas, being expressly prohibited by statute, Ark. Stat. § 81-203 (1947), and that recovery cannot be had upon illegal contracts. As the parties had declared the contract to be integrated, it is by their intent nonseverable, and being illegal in part, is void in toto. Bourland v. First Nat. Bank Bldg. Co., 152 Ark. 139, 237 S. W. 681 (1922).

The right of third parties to sue on collective bargaining agreements between management and labor presents a question which has resulted in several divergent and irreconcilable lines of cases. The basis of this conflict is found in the determination of the exact nature of the agreement itself which the courts have been reluctant to accept as a complete and enforceable contract. See Rentschler v. Missouri P. R.R., 126 Neb. 493, 253 N. W. 694, 95 A. L. R. 1 (1934); Chamberlain, Collective Bargaining and the Concept of Contract, 48 Col. L. Rev. 829, 832 (1948). Some courts have denied an employee's right to bring suit on such an agreement. Young v. Canadian Northern Ry., [1931] A. C. 83; Kessell v. Great Northern Ry., 51 F. 2d 304 (W. D. Wash. 1931). Others in denying recovery have held that the agreement when not ratified by the union members individually did not create such a contract between them and the employer as could be the basis of an action by the employee. West v. Baltimore & Ohio R.R., 103 W. Va. 417, 137 S. E. 654 (1927).

Where recovery has been allowed, the courts have relied on a number of theories. The oldest and most generally accepted of these is that the agreements establish a usage or custom of trade which becomes incorporated in the individual contracts of employment without reference thereto. Rentschler v. Missouri P. R.R., supra; Piercy v. Louisville & N. R.R., 198 Ky. 477, 248 S. W. 1042, 33 A. L. R. 322 (1923). Another view which the courts have adopted is that the labor association acts for its members as an agent procuring a contract of employment. Amsterdam & Co. v. Devery, 168 Misc. 478, 5 N. Y. S. 2d 427 (Sup. Ct. 1938); Ribner v. Racso Butter & Egg Co., 135 Misc. 616, 238 N. Y. S. 132 (Sup. Ct. 1929). While still others have treated the agreement as one made for the benefit of third parties and have allowed recovery on that basis. Hall v. St. Louis - San Francisco Ry., 224 Mo. App.
administrators was parking zone businessmitted the of variance agreements, still of agreements, recover on fits if, within the as one Sideboard, v. welfare the contract are negotiated as a beneficiary when court found this applying williston, contracts § 379a (rev. ed. 1936). however, in applying this principle to labor agreements the courts have generally been considering the rights of union member employees.

in yazoo & m. v. r.r. v. sideboard, 161 miss. 4, 133 so. 669 (1931), the court went a step further in applying this latter doctrine of third party beneficiary when it not only recognized the existence of a valid contract between the employer and the union but also allowed an employee to recover thereon as a donee beneficiary although he was not a member of the union which had negotiated the agreement. in deciding whether a particular case would come within the rule allowing a third party to recover directly on a contract, the court found that recovery would be allowed: first, where the terms of the contract are expressly broad enough to include the third party either by name as one of a specified class, or second, where the third party was evidently within the intent of the terms so used, such party will be well within its benefits if, third, the promisee had, in fact, a substantial and articulate interest in the welfare of the said third party in respect to the subject of the contract.

the present case is a logical extension of the doctrine of yazoo & m. v. r.r. v. sideboard, supra, in that the court recognizes the right of a third party to recover on the collective bargaining agreements as donee beneficiary even though he is neither a union member nor an employee of the defendant. in view of the present trend towards incorporating retirement provisions in labor agreements, still another impetus has been added to the growing demand that such agreements, as safeguards of industrial peace, should be broadly construed so as to accomplish their intended purpose, and ought on both sides to be kept faithfully and without subterfuge.

james f. schremp

municipal corporations—restriction of public parking lots in fringe district between residential and business zones by city council is an arbitrary exercise of police power and therefore void.

in june of 1948 the city council of beverly hills revoked for cause a temporary variance from the comprehensive zoning ordinance which had permitted the operation of parking lots in the residential zone. although these parking lots were located in the residential zone, they also bordered on the business zone and were used by a majority of the customers and business men of the bordering business district. testimony by many parking and zoning administrators was all to the effect that these parking lots were indispensable
in any attempt to furnish adequate parking for the business district. Surveys showed that even by utilizing every available area in the business district for off-street parking there would still remain a deficiency of over 1200 parking spaces. Held, the ordinance revoking the variance which had permitted the parking was an arbitrary and unreasonable exercise of the police power of the municipal corporation and therefore void as to the said properties. Saks & Co. v. Beverly Hills, 18 U. S. L. Week 2365 (Cal. Super. Ct. Jan. 23, 1950).

Since the case of Euclid v. Ambler Realty Co., 272 U. S. 365 (1926) the trend has been to sustain the constitutionality of fair and reasonable comprehensive zoning as a proper exercise of police power, until today there is little, if any, dissident judicial opinion. However, the city through its police power may not restrict an owner in the use of his property arbitrarily or discriminatorily, but the restriction sought to be imposed must bear a substantial relation to public health, safety, morals or general welfare. Alexandria v. Texas Co., 172 Va. 209, 1 S. E. 2d 296 (1939).

Although a lawful business is never a nuisance in fact if reasonably carried on with due regard for the rights of others, it has been held generally that a commercial garage or parking lot becomes a nuisance per se when conducted in a residential zone, Ladner v. Siegel, 296 Pa. 579, 146 Atl. 710 (1929); and a municipality may exclude such parking lots from residential zones as a valid exercise of its police power. 7 McQuillan, Municipal Corporations § 24.341 (3rd ed. 1949).

The case of Monument Garage Corp. v. Levy, 266 N. Y. 339, 194 N. E. 848 (1935) presented facts very similar to the Saks case, supra. There also the parking lot, although located in a residential zone, bordered on the business zone. The court said, however, that the use of any land in any residential zone for commercial parking was illegal, and no possible construction of the specified uses permitted in the residence districts could be said to include public parking. This holding was followed in the case of Boardwalk Corp. v. Murdock, 286 N. Y. 494, 36 N. E. 2d 678 (1941).

The California court in the Saks case, supra, did not follow the Monument Garage case, supra, but quoted at great length from the case of Burke v. Hollinger, 296 Pa. 510, 146 Atl. 115 (1929). The Pennsylvania court there decided that a public garage or parking lot in a fringe district between a business and a residential neighborhood was not a nuisance per se despite the fact that a garage in a residential district generally has been held a nuisance per se. That court went on to say that a public parking lot has become a necessity, that it often cannot be located in the business district, that it cannot be located in the outlying districts for that would defeat its purpose, and that the logical location for commercial parking facilities is in the fringe districts. It is to be noted, though, that this Pennsylvania case is a nuisance case, not a zoning case.

Zoning is properly within the exercise of police power, but every section of the ordinance must be given a strict construction since they are in derogation of common law rights. 102nd St. Corp. v. Murdock, 285 N. Y. 298, 34 N. E.
2d 329 (1941). The essential purpose of zoning ordinances is to stabilize property uses and any change in such ordinances should be made only when new or additional facts appear. Strain v. Mims, 123 Conn. 275, 193 Atl. 754 (1937). Nor is it necessary to the validity of zoning statutes that excluded businesses or industries be characterized as public nuisances. But the validity depends instead on the suitability of districts for purposes for which they are zoned, on the designation of appropriate and adequate districts for business and on the reasonableness and relationships to the public health, safety, and good of the general plan of zoning with such factors as traffic problems and transportation requirements to be considered insofar as the public safety and welfare are concerned. 8 McQuillin, Municipal Corporations § 25.129 (3rd ed. 1950).

The problem of off-street parking in business districts has become one of the greatest problems confronting the municipalities in recent years. The zoning power is a power to stabilize, not a power to destroy, that which is for the general welfare of the city and its people; it must not be arbitrary, unreasonable or oppressive and judicial relief will be given where beyond doubt the zoning restrictions are arbitrary. Euclid case, supra.

However, the mere existence of adjacent property devoted to business uses does not destroy the restriction of property for residential purposes or render the restriction arbitrary. Wilkins v. San Bernardino, 29 Cal. 2d 332, 175 P. 2d 542 (1946). Furthermore, since the determination of the public good as it relates to zoning ordinances is primarily within the discretion of the municipal body to which the power is committed, unless an abuse of discretion has been clearly shown, it is not the province of the court to interfere. Zadworny v. Chicago, 380 Ill. 470, 44 N. E. 2d 426 (1942); Otis v. Los Angeles, 52 Cal. A. 2d 605, 126 P. 2d 954 (1942). Those instances where exclusion has been held arbitrary have been limited generally to cases arising before comprehensive zoning came to be recognized or in instances not under the comprehensive zoning system. 8 McQuillin, Municipal Corporations § 25.178 (3rd ed. 1950).

Was the exercise of police power so arbitrary and oppressive in the Saks case, supra, that the court should declare void the ordinance of the City Council? Considering the fact that most instances where the courts have declared the ordinance arbitrary arose before and not under comprehensive zoning, the better procedure appears to be as declared in Miami v. Rosen, 151 Fla. 677, 10 So. 2d 307 (1942) where the court stated that the authority and the positive duty to construct and change zoning lines of property to meet the requirement of a growing city lies in the municipal board.

EDWARD E. MAJERONI
NEGLIGENCE—UNITED STATES HELD LIABLE UNDER FORESEEABILITY FOR TENANT'S DEATH FROM TYPHUS, WHILE TENANT WAS EXCUSED FROM LIABILITY AS HAVING NO KNOWLEDGE OF THE SPECIFIC DISEASE.

The United States Government sub-leased a series of old houses to various defense workers, one of whom died of endemic typhus resulting from the bite of a flea which had contracted the germ from a rat in the basement of deceased's house. The widow of the deceased sued the United States under the Federal Tort Claims Act, 28 U. S. C. § 921 et seq. (1946), now 28 U. S. C. § 2671 et seq., on the basis of the Government's negligence in failing to take proper and adequate measures to clear up the rat menace. The trial court found for the Government on the ground that its negligence, if any, was not the proximate cause of the death. Plaintiff appealed. Held, defendant's negligence, based on notice of the existence of the rats and of the disease, was the cause in fact and the legal cause of deceased's death, and the deceased was not deemed to assume the risk, because of the rare nature of the disease, and also because the pressing housing conditions did not leave him free to quit the dangerous location. State of Maryland v. Manor Real Estate & Trust Co., 176 F. 2d 414 (4th Cir. 1949).

The evidence conclusively proved that the basements were infested with many large and bold rats, and that the deceased and other tenants had often complained of their presence to the real estate agent in charge. Deceased, nevertheless, continued to make use of the basement. The Government received no actual notice of the infestation of rats until early in November, 1946, when both the existence of the rodents and the likelihood that they were carrying typhus was made known to the Housing Authority by the city's health department. Steps taken to exterminate the rats were highly inefficient, and as a result the conditions were not improved when sometime in early January the plaintiff's husband fell ill with typhus and died.

Three defenses to the complaint were raised by the Government: (1) no obligation as landlord to keep the premises safe, (2) denial of negligence and proximate cause, and (3) contributory negligence on the part of plaintiff. As to the defense that the Government was not liable as landlord because it owed no duty to the tenant, both the district court and the circuit court decided that the basements were part of the common way for which a landlord is liable. However, the district court found for the Government on the grounds that its negligence was not the legal cause of the deceased's illness and death. The finding was based on the fact that for a period of twenty years there had been in this city a negligible incidence of endemic typhus, a relatively rare disease. Further, although there had occurred several recent cases of the disease in this project, less than two per cent of the tenants had been affected, no case being fatal. In view of these findings in favor of defendant the court did not consider at length the Government's contention that the deceased had been contributorily negligent.
The Court of Appeals reversed the decision of the trial court, and declining to return the case for new trial on the issues of negligence, held the Government liable as a matter of law. In doing so, the appellate court ruled that the Government’s receipt of actual notice of the presence of the disease made the possibility of death from typhus reasonably foreseeable. Having concluded that the defendant’s negligence was the proximate cause, the court speedily disposed of defendant’s other contention that plaintiff had been contributorily negligent by holding that plaintiff had not assumed the risk. This was based on the fact that deceased had no actual knowledge of the particular risk involved and also because of difficulty of finding other housing. The interchangeable use of the two terms assumption of risk and contributory negligence, seemingly in the same sense, leads to confusion. At first blush it would seem that the appellate court had utterly disregarded the latter defense which was the one put in issue. To comprehend fully why the circuit court did not treat directly the issue of contributory negligence, it is necessary to read the two opinions in conjunction. Upon a close scrutiny of the trial court’s opinion, it appears that the lower court found that knowledge of the presence of the rats without more, did not constitute negligence. Thus, since the evidence failed to show that plaintiff had received such notice directly or indirectly, he could not be considered to have acted negligently in the situation. Consequently, the appellate court must have considered any possibility of contributory negligence on the part of the plaintiff as inferentially precluded from discussion.

One might be inclined to differ with the view of the two courts on the question of the basis of negligence. This is, however, a question of fact in this case. It seems that notice of the rats, without knowledge of any present disease, could reasonably be the basis for the subsequent failure to take precautions amounting to negligence for either party. It is possible that a reasonable man might be well aware that dangers of the general class of diseases, plagues, poisons and the like are normally present wherever rats roam at will. On the other hand, a reasonable man, even with such awareness, might have acted just as the deceased did here, given the same set of circumstances. Deceased had to balance the remote possibility of incurring some injury with the chances of finding other housing free from such difficulties. In all probability this is what the appellate court had in mind in its discussion of excuse from assumption of risk because of pressing housing conditions. Whatever view be taken of this, it was a factual question, and since the facts were tried by the trial judge without a jury, his findings thereupon are conclusive unless clearly erroneous. It is fundamental that whenever the issue of the reasonableness of the particular standard of conduct is in doubt, it is a question of fact and must be decided by the jury (or found by the court if no jury sitting). Boase v. Windridge & Handy, Inc., 102 F. 2d 628 (D. C. Cir. 1927).

In mentioning assumption of risk the appellate court apparently meant either to point out that a fortiori lack of knowledge would preclude that defense at
NEGOTIABLE INSTRUMENTS—Purported Release from Liability for
Payment through Inadverence, Accident or Oversight, Obtained
by Bank from Depositor as Condition of Order to Stop Payment
on Check Is Void for Want of Consideration.

On October 14, 1947, Joseph Michaels, plaintiff in this action, drew and
delivered to the payee a check on the defendant bank. The next day plaintiff
went to the bank and orally informed the clerk to stop payment on the check.
He was told that it would be necessary to sign a form provided for that pur-
pose by the bank, and plaintiff signed a stop-payment order which provided as
follows:

"The undersigned agrees to hold the above bank harmless and to indemnify it
against any loss, expenses and costs resulting from nonpayment of the said
check. Should the check be paid through inadverence, accident or oversight, it
is expressly agreed that the bank will in no way be held responsible. The bank
receives this request upon the express condition that it shall not be in any way
liable for its act should the check be paid by it in the course of its business."

The check arrived at defendant bank through a correspondent bank on
October 17, was marked paid and charged to the plaintiff's account. Plaintiff,
upon receipt of the cancelled check, protested and defendant sought unsuccess-
fully to recover the payment from the correspondent bank, but refused to
reimburse the plaintiff for the amount paid out, whereupon the plaintiff brought
the present action. The defendant made no showing of facts which justified a
finding that the check had been paid in good faith and in the exercise of due
care. Held, that the purported release from liability for the payment of plain-
tiff's check contained in the stop-payment order was void for want of con-
sideration, and the burden of proof was on the bank to show that it acted in
good faith and exercised due care. Michaels v. First National Bank of Scranton,
18 U. S. L. Week 2223 (Pa. C. P. Nov. 4, 1949).

In view of the fact that the stipulation limiting the liability of a bank in-
volved in the instant case is in everyday use, it is surprising to note that in
only six states has the validity of such a limitation been passed upon by the
appellate courts. It seems probable that the majority of depositors finding themselves in the situation of the plaintiff consider that the unequivocal terms of the release are binding on them, and that they have no legal remedy.

Of the six states which have considered the question, the validity of the stipulation is sustained in New York, Massachusetts and Indiana. It has been said,

"The common law liability of a bank . . . may be limited provided the limitation has the assent of the depositor. In such a situation the clearly expressed intention of the parties will prevail and the rule of 'freedom of contract' will be enforced." Gaita v. Windsor Bank, 251 N. Y. 152, 154, 167 N. E. 203, 204 (1929), most recently applied in In re Rousos' Will, 91 N. Y. S. 2d 551 (Sur. Ct. 1949).

In the New York cases the court does not expressly consider the issue of whether there has been a consideration for the promise of the depositor to release the bank, although in New York, as well as in the other states that have passed on the validity of the stipulation under discussion, it is recognized that the bank is bound to heed an unqualified stop-payment order. In Tremont Trust Co. v. Burack, 235 Mass. 398, 126 N. E. 782 (1920), such a stipulation was held valid and the court found that the consideration sprang from the reciprocal rights and obligations attached by law to the mercantile relationship of the parties. This holding was cited and followed in Hodnick v. Fidelity Trust Co., 96 Ind. App. 342, 183 N. E. 488 (1932). Such a holding is difficult to support when it is considered that it is this very relationship which imposes on the bank the duty to heed a stop-payment order not so qualified. Speroff v. First-Central Trust Co., 149 Ohio St. 415, 79 N. E. 2d 119 (1948).

Of course the bank might, if it chose, terminate its relationship with its depositor, rather than assume the liability imposed by an unqualified order, Gaita v. Windsor Bank, supra, and in Calamita v. Tradesmen's National Bank, 135 Conn. 326, 332, 64 A. 2d 46 (1949) the bank did so contend. The court rejected this contention, pointing out that the bank had made no such representations to the depositor at the time he placed the order, and that, consequently, refraining from terminating the contract of deposit could not form the consideration for the promise of the depositor.

The courts which have held such a stipulation void proceed on the ground that the bank, on receipt of an unqualified stop-payment order, is bound to stop payment or pay at its peril, and that the stipulation introduces a new element into the contract for which there is no consideration on the part of the bank. Hiroshima v. Bank of Italy, 78 Cal. App. 362, 248 Pac. 947 (1926); Speroff v. First-Central Trust Co., supra; Calamita v. Tradesman's National Bank, supra. Both the Hiroshima and Speroff cases go further in holding that the stipulation is void as against public policy in that it purports to relieve a party from liability for the consequences of his own negligence. The holding
to that effect in the Hiroshima case was based on a statute. Cal. Civil Code §§ 1668, 1670. In the instant case the court declined to consider the question of public policy as affecting the stipulation, holding the question one properly for the legislature.

Should the doctrine of the instant case be sustained by the highest court of Pennsylvania, a virtual stand-off of judicial authority on the issue will result. It appears probable that courts of other states will be asked to pass on this question in the near future, and it is a matter for conjecture which, if any, of the previous holdings will be embraced by a majority. The doctrines thus far applied may be briefly summarized as follows: (1) the holding of the New York cases, which enforces freedom of contract and ignores the question of consideration; (2) that of the Massachusetts and Indiana courts which discover a somewhat dubious consideration; (3) the California and Ohio cases which place emphasis on the public policy aspect of the problem; (4) that of the Connecticut case and of the principal case, which negative the purported release of the bank from liability for its own negligence as void for want of consideration—which was extended in the principal case to recognize that the possible liability to the bank is created by the depositor, and makes good faith and due care an affirmative defense available to the bank.

MARTIN P. DETELS, JR.

STATUTES—The Leased Military Base at Newfoundland Is in a Foreign Country Within the Meaning of the Federal Tort Claims Act.

Mark Spelar, a flight engineer of American Overseas Airlines, died as a result of injuries received in a take-off crash at Harmon Field, Newfoundland, on October 3, 1946. This field is one of the areas leased from Great Britain by the United States for ninety-nine years pursuant to executive agreement. Spelar’s administratrix, alleging that the fatal accident was caused by the United States Government’s negligent operation of the airbase, brought suit against the United States under the Federal Tort Claims Act for wrongful death. Held, this claim arose in a foreign country, and hence is barred by the provision of the Federal Tort Claims Act which makes the act inapplicable to any claim arising in a foreign country. United States v. Spelar, 70 Sup. Ct. 10 (1949).

The holding in the instant case is noteworthy in that the majority opinion cites and approves Vermilya-Brown Co. v. Connell, 335 U. S. 377 (1949) wherein it was held that a similar leased military base was a possession of the United States within the meaning of the Fair Labor Standards Act, 52 Stat. 1060 (1938), 29 U. S. C. § 201 et seg. (1946). Thus, as Mr. Justice Jackson points out in his concurring opinion,
“To those uninitiated in modern methods of statutory construction it may seem a somewhat esoteric doctrine that the same place at the same time may legally be both a possession of the United States and a foreign country.” United States v. Spelar, supra, at 14.

To understand how the Court reached this apparently anomalous position one must look to the roads traversed by the Court in the two cases. In the Vermilya-Brown case the Court split 5 to 4 in holding that the term “possession”, used by Congress to bound the geographical coverage of the Fair Labor Standards Act, fixes the limit of the act’s scope so as to include the Bermuda base. The Court, while conceding that the leased base was outside the sovereignty and territorial jurisdiction of the United States, stated that the term “possession” is not a word of art, descriptive of a recognized geographical or governmental entity.

Words generally have different shades of meaning, and are to be construed if reasonably possible to effectuate the intent of lawmakers and the meaning in particular instances is to be arrived at not only by consideration of the words themselves, but by considering context, purposes of the law, and circumstances under which the words were employed. Puerto Rico v. Shell Co., 302 U. S. 253 (1937).

Pursuant to this principle of statutory construction, the Court in the Vermilya-Brown case studied the legislative history of the Fair Labor Standards Act. As the bases were not in existence in 1938 when this legislation was enacted, it was necessary to decide whether Congress, when it used the term “possession”, intended that it include areas such as the leased bases, or whether it used the term in a more restricted sense. The Court finally concluded that Congress intended to have the act apply to an employee-employer relationship on the leased foreign territory. Mr. Justice Jackson, joined by the Chief Justice, Mr. Justice Frankfurter, and Mr. Justice Burton, dissented.

In the instant case, the Court was called upon to construe the term “foreign country”, 28 U. S. C. § 2680 k (Supp. 1948). The Court stated that it knew of no more accurate phrase in common English usage than “foreign country” to denote territory subject to the sovereignty of another nation. Attention was directed to the definitions of the term given many years ago by Mr. Chief Justice Marshall and Mr. Justice Story who held a foreign country to be one exclusively within the sovereignty of a foreign nation, and without the sovereignty of the United States. The Eliya, 8 Fed. Cas. 455, No. 4346 (C. C. Mass. 1813); The Adventure, 1 Fed. Cas. 202, No. 93 (C. C. Va. 1812); Taber v. United States, 23 Fed. Cas. 611, No. 13,722 (C. C. Mass. 1839). Thus the question of sovereignty was made controlling, and in line with the Vermilya-Brown case, it was held that, as the lease did not confer upon the United States sovereignty over the base areas, they remained foreign country within the meaning of the Federal Tort Claims Act.

What is the political status of this territory which has been called both a
foreign country and a possession? Both bases were leased by Britain to the United States in 1941 in the famous destroyers-for-bases deal between Winston Churchill and Franklin D. Roosevelt. The basic agreement, 55 Stat. 1560, was signed on March 27, 1941. The terms of the formal leases clearly indicate that the United States was granted sweeping powers in order to control, defend and utilize the bases, but, as was pointed out by the Court, the leases were not intended to transfer sovereignty over the leased areas from Great Britain to the United States. The determination of sovereignty over an area is a function of the legislative and executive departments. Jones v. United States, 137 U. S. 202 (1890). The State Department's Legal Adviser, in a letter to the Attorney General dated January 30, 1948, clearly indicated that the United States does not have sovereignty over the leased areas and that they should not be construed to be possessions of the United States in the political sense. Vermilya-Brown Co. v. Connell, supra, at 401.

What is the effect of the decisions in the Spelar and the Vermilya-Brown cases? It is a settled rule of statutory construction that Congress will be presumed to have used a word in its usual and well settled sense. United States v. Stewart, 311 U. S. 60 (1940). Also, in construing an act of Congress, the court seeks the legislative intent, and will give words their natural significance unless that leads to unreasonable results plainly at variance with the evident purpose of the legislation. City of Lincoln v. Ricketts, 297 U. S. 373 (1935). It is regrettable that the Court has found it necessary to give two seemingly incompatible designations to a single area. Had the Spelar case overruled the Vermilya-Brown case, the issue would have been resolved. The two decisions standing together, however, cannot help but cause uncertainty as regards the applicability of present and future laws to the leased areas.

Hugh M. Durham


In 1938 P. G. Wodehouse, well known English novelist and short-story writer, residing at the time in France, assigned to his wife an undivided one half interest in two unpublished novels, The Cow Creamer and Uncle Fred in the Springtime. Subsequently, in 1938, the American and Canadian magazine serial rights to the novels were sold by his American agent to the Curtis Publishing Company for $40,000 each. The agent, after deducting commissions and other charges, remitted one half the proceeds to the taxpayer and one half to his wife. The Commissioner of Internal Revenue sought to tax the author on the full proceeds. Held, (1) Assignment by author to his wife of interest in the publications was ineffective; (2) Portion of lump sum payment received for serial rights by the non-resident alien author was properly allocable to Canada.

The decision of the Fourth Circuit is diametrically opposed to the conclusion reached by the Second Circuit in a separate appeal taken by the same parties from the same Tax Court decision, but involving the sale in 1940 of another novel, *Quick Service*. *Wodehouse v. Comm'r Int. Rev.*, 177 F. 2d 881 (2nd Cir. 1949). There, as with the two earlier novels, the net proceeds of the sale of the American and Canadian serial rights were remitted to Mr. and Mrs. Wodehouse, one half to each, in accordance with a prior written assignment. The separate appeals to the two Circuits from the single Tax Court decision arose from the circumstances that the tax return for the year 1938 was filed with the Collector of Internal Revenue in Baltimore, while that for 1940 was filed with the Collector in New York. With respect to the validity of the assignment, the majority of the Second Circuit (Swan, J. and Learned Hand, J.), reversed the finding of the Tax Court and held the assignment valid for the conceded purpose of permitting the Wodehouses to split the income resulting from the sale of the novel (Clark, J., dissenting). On the question of the allocation of a part of the proceeds of the sale to the Canadian rights, a different majority sustained the finding of the Tax Court that sufficient proof to support such an allocation was lacking. (Learned Hand, J., and Clark, J., with Swan, J., dissenting).

In that part of its decision dealing with the validity of the assignment, the Fourth Circuit Court of Appeals split 2 to 1, with Soper, J., dissenting. On the question of the allocation of a portion of the proceeds of the sale to the Canadian rights, the Fourth Circuit was unanimous.

This interesting division of opinion between the two Circuit Courts, and within the courts themselves, will likely require resolving by the United States Supreme Court. The cases present a striking demonstration of the results flowing from the repudiation of the rule laid down in *Dobson v. Comm'r Int. Rev.*, 320 U. S. 489 (1943). In that case the Supreme Court sought to relieve itself of at least a portion of the rapidly increasing burden of reviewing tax cases on narrow fact issues by laying down the rule that findings of fact by the Tax Court were to be treated as final by the Circuit Courts of Appeal if supported by substantial evidence. After five years of rather hit-and-miss applications, the rule was finally eliminated by Congress in Public Law 773, approved June 25, 1948, *Int. Rev. Code § 1141(a)*, which provides that the Circuit Courts of Appeal shall have the same jurisdiction to review Tax Court findings of fact as they have in appeals from non-jury cases in the Federal District Courts, *i.e.*, power to ascertain whether such findings are "clearly erroneous". See *Fed. R. Civ. P. 52(a).*

Although the situation in the *Wodehouse* litigation is quite unique, involving as it does appeals to two different Circuit Courts from a single Tax Court decision, it affords a graphic illustration of one effect of the statutory elimi-
nation of the Dobson rule, which may result in the Supreme Court again being swamped with petitions for review of tax controversies involving relatively narrow issues of fact. This is particularly likely in the area of intra-family tax avoidance arrangements where a broad area for disagreement is left open by the flexibility of the principles laid down by the Supreme Court in Helvering v. Clifford, 309 U. S. 331 (1940); Helvering v. Horst, 311 U. S. 112 (1940); Helvering v. Eubank, 311 U. S. 122 (1940); and most recently, Comm'r Int. Rev. v. Culbertson, 337 U. S. 733 (1949).

Of the decisions, that which appears most closely applicable to the instant situation is Helvering v. Eubank, supra, although, curiously, there was no discussion of the case in the lengthy opinion of the Tax Court. In the Eubank case, the taxpayer, a retired insurance agent, made an irrevocable assignment to his wife of his entire interest in a contract held by him with the insurance company under which he was entitled to receive renewal commissions on policies previously sold by him. Because he had performed the personal services giving rise to the income, the taxpayer was held liable for the income tax despite the assignment to his wife. Previously the Court had denied validity for federal income tax purposes of an attempt by a husband to assign to his wife one-half of his future earnings as an attorney. Lucas v. Earl, 281 U. S. 111 (1930).

In the Wodehouse situation, the majority of the Second Circuit Court of Appeals sought to distinguish the Eubank case, supra, on the ground that,

"There the donor assigned the right to collect insurance commissions on a contract already performed by him. Here the donor had no contract right to royalties when he made the gift." Wodehouse v. Comm'r Int. Rev., supra, at 884.

This distinction failed to carry conviction not only with the dissenting member of the Second Circuit Court of Appeals (Clark, J.), but also with the majority of the Fourth Circuit Court of Appeals, who approved the answer given by Judge Clark in his dissenting opinion as follows:

"The power to dispose of income is the equivalent of ownership of it', Helvering v. Horst, 311 U. S. 112 (1940); and my brothers concede, as in the light of Helvering v. Eubank, 311 U. S. 122 (1940), they must, that if Wodehouse had given his wife a half-interest in the royalties after he had sold the novel, the income would be taxable to him. To let him escape taxation because the assignment was made before, rather than after, the assured sale of the novel seems to me to rely on the kind of nice distinction which the Supreme Court has often told us is not to be permitted to inhibit the taxing power."

"Our decision seems to me to provide a very easy way around taxes from property over which in the eyes of the world the taxpayer retains full control." Wodehouse v. Comm'r Int. Rev., supra, at 885.

Applicability of the Eubank decision to the Wodehouse situation was left cloudy in all opinions, both majority and minority, with respect to that aspect
of the *Eubank* case which appears to hold that income resulting from personal effort, *i.e.* earned income, is to be taxed to the one who earns it regardless of any assignment made either before or after the actual earning has taken place.

Carefully analyzed, the difference between the Second and Fourth Circuits as to the effectiveness of the almost identical assignments appears to revolve about the bona fide nature of the assignments and the amount of control over the property retained by the taxpayer. The dissenting views of Judge Clark of the Second Circuit, quoted with approval in the majority opinion of the Fourth Circuit, suggest the existence of a disagreement on a possibly more fundamental question—that is, whether there can be any effective assignment of an interest in property created by the personal efforts of the assignor and deriving its income-producing potential from that fact. That question may receive clarification in the event the *Wodehouse* litigation is given Supreme Court review.

JAMES P. NASH

TORTS—CONTRARY TO THE COMMON LAW OF THE STATE AND WITHOUT STATUTORY CHANGE, MISSOURI COURTS DIVIDE LIBEL INTO LIBEL PER SE AND LIBEL UPON PROOF OF SPECIAL DAMAGES; HERESY CHARGED TO A CLERGYMAN IS NOT NECESSARILY LIBEL PER SE.

A Missouri Baptist minister sued the deacons, pastor, and clerk of his church for libel and slander for the publication of a paper to the church membership. The paper was a request that the minister show cause why the church should not withdraw the hand of fellowship on the grounds of heresy, disturbing the peace and union of the church, and refusing to hear the church in its efforts to restore peace.

The minister contended that such a writing was *libelous per se* because of the heresy charge, holding that a clergyman, because of the nature of his profession, is clothed with special protection. The court held that defamatory imputations concerning a clergyman in his profession are *libelous per se*, but the language must consist of an imputation prejudicial to him in his special character as a clergyman. The court stated that a charge of heresy could, in some connotations, be injurious to him in his special character, but here the statement did not necessarily impute a lack of integrity or have a tendency to disqualify him and render him unfit for his office. Heresy, it was said, is not so damaging a word as it was in earlier times. Therefore proof of special damages was necessary and the judgment of dismissal in the lower court was affirmed. *Creekmore v. Runnels*, 224 S. W. 2d 1007 (Missouri, 1949).

This decision is the latest of a line of cases in the Missouri courts which have, by historical error, established two types of libel. The correct rule, historically, is that there is no such thing as defamation *per se*. It may or
may not be *actionable per se* or *per quod*. Slander, in general, is actionable per quod, i.e., upon proof of special damages. There are four exceptions which have been with us from the early common law, and thus there is slander actionable per se.

However, in libel, damage was presumed from the fact of written publication, and therefore was actionable per se. There were no exceptions to this rule. *Thorley v. Lord Kerry*, 4 Taunt. 355 (1812). In the United States this is the decided opinion of the better reasoned cases and treatises. *Peck v. Tribune Co.*, 214 U. S. 185 (1909); *Salmond, Law of Torts* 518 (7th ed. 1928).

“No . . . distinction exists in the case of a libel; it is enough to make a written statement prima facie libelous that it is injurious to the character or credit (domestic, public or professional) of the person concerning whom it is uttered, or in any way tends to cause men to shun his society or bring him into hatred, contempt or ridicule.” *Pollock, Treatise on Torts*, 290 (New Am. ed. 1894).

The difficulty seems to arise because courts use the correct term *libel actionable per se*, and the improper terms, *libel per se* and *libel per quod*, indiscriminately. This and the fact that there are two divisions of the sister tort, slander, seems to lead some courts into what cannot be termed other than error. The resulting confusion often has been termed regrettable. Note, 26 Geo. L. J. 468 (1938), 35 Yale L. J. 1021 (1926), 55 Harv. L. Rev. 298 (1940).

Missouri, in its early days followed the correct rule, *Nelson v. Musgrave*, 10 Mo. 648 (1847); *Price v. Whiteley*, 50 Mo. 439 (1872); and based that rule on the definition of libel made by a Massachusetts court. *Commonwealth v. Clap*, 4 Mass. 163 (1808). The present case is based on other cases. *Baldwin v. Walser*, 41 Mo. App. 243 (1890); *Legg v. Dunleavy*, 80 Mo. 558 (1883).

The error seems to have emanated from the *Legg* case. Therein the court discussed what it considered to be libelous per se and therefore actionable, basing its opinion on two cases: *McManus v. Jackson*, 28 Mo. 56 (1859); *Pollard v. Lyon*, 91 U. S. 225 (1875). The situation arose because the cases relied upon were actually slander cases and quite naturally discussed slander actionable per se and slander on proof of special damages or slander per quod.

Despite this error, the Missouri courts seem to accept this situation. Perhaps the variance is known and ignored because of a preference for two divisions of libel. However, this change in the common law appears to be properly the function of the legislature. The Missouri criminal libel statute seems to be a paraphrase of the common law definition of the tort as laid down by the early Massachusetts and Missouri decisions, *supra*.

Of course, this state is not alone in its use of the term *libel per se*. Montana, Oklahoma, North Dakota, California, Kansas and Ohio all apparently follow this rule. Some states, such as Mississippi, Illinois, Iowa and Minnesota are clearly opposed. 38 Mich. L. Rev. 253 (1939). At different times, New York has followed both rules. 35 Yale L. J. 1021 (1926).

The correct rule is stated well in a recent District of Columbia case:
"The rigid tests for what amounts to be 'libel per se' do not appear to have any real foundation in the law of libel. The true test should be whether the published materials . . . are reasonably calculated to injure the plaintiff in his trade, profession or community standing." De Savitsch v. Patterson, 81 App. D. C. 358, 360, 159 F. 2d 15, 17 (1946). But cf. Thackrey v. Patterson, 81 App. D. C. 292, 157 F. 2d 614 (1946).

Even under the Missouri division of libel the judgment of dismissal seems open to question in the light of the Missouri statute. "Libel is the malicious defamation of a person made public by any printing, writing . . . tending to provoke him to wrath or expose him to public hatred, contempt or ridicule. . . ." 13 Mo. Rev. Stat. § 4758 (1939). This is the criminal libel statute but decisions hold that its definition also applies to civil libel. Link v. Hamlin, 270 Mo. 319, 193 S. W. 587 (1917), Hylsky v. Globe Democrat Pub. Co., 348 Mo. 83, 152 S. W. 2d 119 (1941).

The imputation of heresy to a minister made in a publication to the members of his church would seem to impeach positive damage to him in his profession. The court would appear to be on doubtful ground in stating that a charge of heresy directed at a clergyman is of insufficient weight and importance to be given consideration in a trial court.

HARRY H. HEFFERAN, JR.

TORTS—FEDERAL TORT CLAIMS ACT PERMITS ACTION AGAINST THE UNITED STATES BY EXECUTRIX OF SERVICEMAN WHO WAS KILLED THROUGH NEGLIGENCE OF ARMY SURGEONS WHILE ON ACTIVE BUT NOT COMBAT DUTY.

An officer on active duty in the United States Army was admitted under official order to an army hospital for treatment. Death allegedly resulted from negligent acts of members of the Army Medical Corps. The widow, as executrix, brought this action for his wrongful death. Upon trial the court sustained a motion to dismiss on the grounds that the complaint did not state a claim for relief under the Federal Tort Claims Act, upon which the case of the plaintiff relied, and plaintiff appealed. Held, that the United States is liable under the Federal Tort Claims Act for the death of a member of the armed forces on non-combatant active duty, allegedly caused by negligence of government employees while acting in the scope of their office or employment. Griggs v. United States, 178 F. 2d 1 (10th Cir. 1949).

The instant case is the first decision in a circuit court allowing recovery against the United States under the Federal Tort Claims Act for service-connected disabilities. It is important to note that in Brooks v. United States, 337 U. S. 49 (1949), the claims arose while the soldiers were on furlough and not in any way incident to their military service. The Supreme Court thus drew a narrow line between service-connected and non-service-connected dis-
abilities, leaving for future consideration the question of whether claims based on service-connected disabilities were to be allowed.

The Federal Tort Claims Act expressly sets out twelve exceptions to the liability of the United States. The only exception which might apply to the exclusion of claims of service men as a class is Section 421 (j) which provides that the United States will not be liable for: "Any claim arising out of the combatant activities of the military or naval forces or the Coast Guard during time of war." 60 Stat. 846, 28 U. S. C. § 943 (1946). However, this exception, as the others with it, relate to the cause of the injury rather than the character of the plaintiff who may seek relief under the Act. As a result it can hardly be said that the exception excludes the claims of servicemen as a class.

The question of primary importance becomes one of statutory construction and the problem thus presented is whether the phrase "any claim against the United States for money only" in Section 410 (a) of the Act, 60 Stat. 843, 28 U. S. C. § 931 (a) (1946) should, without words of limitation, be narrowed by construction to exclude claims made by members of the armed forces arising from service-connected disabilities in view of the Government-service man relationship. This question the instant case answers in the negative, basing its decision on the maxim expressio unis est exclusio alterius. This maxim holds that where express exceptions are made there is a legal presumption that no other exceptions were intended by Congress. George Moore Ice Cream Co. v. Rose, 289 U. S. 373 (1933). In such a case the inference is a strong one that no other exceptions were intended, United States v. City National Bank of Duluth, 31 F. Supp. 530 (D. Minn. 1939), and exemptions from the operation of a statute made in detail as a general rule preclude their enlargement by implication. Addison v. Holly Hill Fruit Products, 322 U. S. 607 (1944).

Previous to the Griggs case, supra, all claims of servicemen under the Act for non-combatant disabilities have been overruled on the grounds set out in Jefferson v. United States, 77 F. Supp. 706 (D. Md. 1948). In this decision it was held that the literal reading of the Act must be narrowed by construction where the court can see that the literal reading is contrary to the established policy and intention of Congress. This contrary intent was said to be evidenced by the special relationship traditionally existing between the United States and servicemen and by the comprehensive legislation providing for recovery for such disability through disability and pension allowances.

The Brooks case, supra, pointed out that there were eighteen tort claims bills introduced in Congress in the decade 1925 to 1935. All but two of these contained provisions expressly exempting the United States from claims of servicemen. But when Congress, in an attempt to rid itself of the constant flood of private bills authorizing payment of tort claims, conferred upon the district courts the jurisdiction over such claims by the passage of the Federal Tort Claims Act, exceptions concerning servicemen were conspicuously omitted. The last vestige of express exclusion of the claims of members of the armed
services thus vanished. With respect to those exceptions expressed, the statutory language is clear and it has been held that "there is no need to refer to the legislative history when the statutory language is clear." Ex parte Collett, 337 U. S. 55, 61 (1949).

Neither can the comprehensive legislation providing for disability benefits to servicemen and gratuity payments to their survivors be said to be indicative of Congressional intent to exclude servicemen's claims. The provisions in other statutes for such payments indicate no purpose to forbid tort actions under the Federal Tort Claims Act. 48 Stat. 8 (1933), as amended, 38 U. S. C. § 701 (1946). The Act itself makes no provision for exclusiveness of remedy, nor did Congress provide for an election of remedies as it did in the Federal Employees' Compensation Act. 39 Stat. 742 (1916), 5 U. S. C. § 757 (1946). And even if such election had been provided for, the case of Wham v. United States, D. C. Cir., January 30, 1950, has held that that doctrine only applies where inconsistent remedies are pursued to enforce the same cause, and where there are two or more consistent and concurrent remedies, one or all may be prosecuted until a full satisfaction is reached. As the Brooks case, supra, clearly points out, this lack of provision for an election does not mean that the amount payable under the servicemen's benefit laws should not be deducted, or taken into consideration when the serviceman obtains judgment under the Federal Tort Claims Act.

The instant case merely follows the reasoning in the Brooks case to its logical conclusion extending liability of the United States for claims of servicemen to include service-connected as well as non-service-connected disabilities. There would appear to be nothing intrinsically or extrinsically justifying a limitation on the claims of servicemen and certainly there is not enough evidence of manifest intention to overcome the presumption that Congress, after expressly asserting exceptions, intended no implied exceptions. The Jefferson case, supra, since affirmed at 178 F. 2d 518 (4th Cir. 1949), which is in direct conflict with the instant case, expressed fear that a failure to imply an exception regarding claims of servicemen as a class may lead to dire consequences and absurd results. As the Griggs case points out, if such is the result, it is for Congress and not the courts to provide limitations.

GEORGE HADLEY HIMES

TORTS—Privately Conducted Religious and Charitable Institution Is Not Entitled to Any Immunity from Liability for Negligent Injury.

Plaintiff sustained injuries in a fall on a public sidewalk, allegedly as a result of defendant's negligent construction and maintenance of a cement driveway causing ice to form upon the sidewalk in wet weather. The trial court overruled plaintiff's demurrer to the first count of the answer which
pleaded immunity from all liability. This count asserted that defendant was a private corporation organized solely for charitable and religious purposes; that plaintiff was a member of the parish returning home after religious worship at the time of the accident, therefore a beneficiary; and that defendant used due care in the selection of its servants. Held, there is no immunity from liability for negligence merely because defendant was a privately conducted religious and charitable institution. Foster v. Roman Catholic Diocese of Vermont, 70 A. 2d 230 (Vt. 1950).

This case is without precedent in Vermont courts and the problem involved has not been the subject of legislative enactment in the state. Unfettered by stare decisis or statute, the court decided to settle the question in the broadest manner, namely: Is a privately conducted charity liable for injury caused by negligence? The court pointedly declined to consider the narrower issues as to whether plaintiff was or was not a beneficiary and whether defendant had selected its servants with due care holding these questions to be immaterial to the broad issue of liability or nonliability.

The majority of the courts in this country bestow a qualified immunity upon charities in general with regard to that class of persons which accepts their benefits, although they hold the charities to the usual standard of care toward strangers and employees. Bianchi v. South Park Presbyterian Church, 123 N. J. L. 325, 8 A. 2d 567, 124 A. L. R. 814 (1939); Hoke v. Glenn, 167 N. C. 594, 83 S. E. 807 (1914); Freezer, The Tort Liability of Charities, 77 U. of Pa. L. Rev. 191 (1928); Zollman, Damage Liability of Charitable Institutions, 19 Mich. L. Rev. 395 (1921). In the beneficiary cases, the charity is not liable for the negligence of its servants who were selected with due care, but it is fully liable for injuries resulting from negligence in the selection of incompetent servants. White v. Providence Hospital, 80 F. Supp. 76 (D. D. C. 1943).

The weaknesses in this theory are plain. There is the obvious difficulty of determining whether one is or is not a beneficiary. Assuming plaintiff to be a beneficiary, non-liability is based either on the presumption that he has waived the right to recover, Thomas v. German General Benevolent Society, 168 Cal. 183, 141 Pac. 1186 (1914), Farrigan v. Pevear, 193 Mass. 147, 78 N. E. 855 (1906) or upon the theory that the doctrine of respondeat superior does not apply, Hearns v. Waterbury Hospital, 66 Conn. 98, 33 Atl. 595 (1895).

The waiver theory is objectionable in that it would presuppose that the recipient of benefits from the charity impliedly contracts to exempt his beneficiary from liability for negligence. Thomas v. German General Society, supra. Such a hypothesis is a fiction and does violence to the facts. The theory that the doctrine of respondeat superior does not apply to a private charity, in the relationship between its servants or agents and a beneficiary, is inherently dangerous. If the charity is not liable to beneficiaries, then by application of the same theory it is equally immune against strangers; if it is exempt from
liability for the negligence of employees, why should it be answerable for the negligence of an agent in selecting incompetent servants? Followed to its logical conclusion, the theory becomes so comprehensive as to breed neglect. *Sheehan v. North Country Community Hospital*, 273 N. Y. 163, 7 N. E. 2d 28 (1937).

Some courts have decided that public policy demands that the fund of a private charity should not be depleted by individual actions which would deprive the public of its benefit. *Vermillion v. Woman's College*, 104 S. C. 197, 88 S. E. 649 (1916). However, private charities today frequently have considerable resources and are well able to insure themselves against legal actions. Moreover, public policy would seem more reasonably to demand the proper performance of charitable duties rather than the insulation of a fund. *Nicholson v. Good Samaritan Hospital*, 145 Fla. 360, 199 So. 344 (1940). The court in the case of *Mulliner v. Evangelischer Diakonissenverein*, 144 Minn. 392, 175 N. W. 699 (1920), said:

"We are of the opinion that public policy does not favor exemption from liability."

In any event the requirements of public policy can best be satisfied by the legislature, not by the courts. *Bachman v. Y.W.C.A.*, 179 Wis. 178, 191 N. W. 751 (1923); *Glavin v. Rhode Island Hospital*, 12 R. I. 411, 34 Am. Rep. 675 (1880).

It is unlikely that the decision in the instant case will upset the scales of justice upon which the weight of authority is overwhelmingly in favor of qualified immunity for private charities responsible for negligent injury. But it may hasten the end of a rule which has outlived its usefulness.

ARTHUR R. BARRY
BOOK REVIEWS


In 1946 the Faculty of Laws at University College, London, established a series of lectures dealing with recent developments in the legal field. *Current Legal Problems 1949*, the second volume in the series, contains, primarily, the weekly public lectures delivered at University College during the Session 1948-1949.

A relatively small book, it contains sixteen essays covering a host of completely unrelated subjects, ranging from a dissertation upon one aspect of the fortunes of Roman law in England to a consideration of the fate of applicants for membership in the United Nations. Many of the articles deal with legal problems of vital importance in present day world affairs. Although it must be conceded that a few of the essays, because of their subject matter, are not likely to have strong appeal outside the British Isles, much that is said should prove of more than passing interest to the American lawyer.

The editors have made a somewhat unfortunate choice in their selection of an initial essay, at least from the viewpoint of stimulating the curiosity of American readers. “The Final Court of Appeal” by Rt. Hon. Lord du Parcq deals with various changes that have come about in the House of Lords, particularly in the last half century. Unless one is on speaking terms with the procedure for perfecting an appeal under the British system much of the discussion can have little meaning. That the House of Lords passed a resolution requiring petitions for appeal to be presented to an Appellate Committee “during the emergency,” and that the emergency continues will concern American practitioners no more than the abolition of the Writ of Error in federal procedure will interest English barristers.

Two essays that follow, devoted to the criminal field, are less restricted in their appeal. One, by Rt. Hon. Lord Porter is concerned with the issue of whether a prisoner should be not only a competent but also a compellable witness. The other, entitled “The Reform of the Law of Murder”, contains certain suggestions for changes in the English law of homicide that might well merit consideration here.

Other lectures deal with topics such as “The Charity Muddle”, in which the author warns, after reviewing the cases, that: “In conveyancing, as in other things, the golden rule is to say what you have to say,
as plainly and concisely as possible, and then stop.”⁷ In “The Problem
of Finding”, old friends like Armory v. Delamirie² and Bridges v. Hawkesworth³ are compared with more recent developments in personal
property law. “Mens Rea and Bigamy” by J. L. Edwards and “Codifying
English Law” by Dennis Lloyd deserve special mention.

In the international field the essays make stimulating reading in the
light of world events. They include: “The Twilight of Dominion Status”,
“Law in the British Zone”, “Membership in the United Nations”, and
“Private Law Aspects of Western Union”. In the last mentioned article
F. H. Lawson discusses the problem of whether the diversity of legal
systems constitutes an obstacle to a union of countries west of the Iron
Curtain. In proving his point that a variety of private laws is no obstacle
to federal union, Lawson cites the United States as an example of
cooperation. It is regrettable that the Full Faith and Credit Clause of
the Constitution and the doctrines of Comity are not distinguished.

A high point in Current Legal Problems 1949 is “The Philosophy of
the Common Law” by Richard Sullivan. The author justifies the claim
of Mr. Justice Holmes that the common law of England is “a far more
developed, more rational, and mightier body of law than the Roman”⁴
by pointing out that the common law of England “was throughout the
whole period of its creative life and power, in touch with, sensitive to,
and nourished by the tradition of classical and Christian philosophy and
theology.”⁵ It is no surprise at this late date to read that the natural
law is the basis of English law⁶ but Sullivan’s extensive review of his-
torical precedent shows conclusively the strong influence which Christian
ideals had upon the legal minds responsible for shaping the development
of the common law. For instance, we learn that Saint Thomas More
lectured on the de Civitate Dei of Augustine and that, in the Utopia
he adopted for his own the arguments of Aquinas. The author concludes
that the philosophy of the common law is condensed in the oaths that
the Serjeants took: “to give counsel according to law, that is to say,
the law of God, the law of reason, and the law of the land.”⁷

The Law Faculty of University College, London, are to be commended

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¹ P. 88.
² 21 L. J. Q. B. 75 [1851].
³ 1 Strange 505 [1721].
⁵ P. 120.
⁷ P. 126.
for the high standard of legal scholarship and literary excellence they have attained in *Current Legal Problems 1949*. There is much that can be read with profit in this collection of essays. It is hoped that the work has a favorable reception in this country.

THOMAS H. WALL*


For a full evaluation and an adequate appreciation of this latest effort of Jerome Hall in the field of legal jurisprudence it is suggested that the reader equip himself with an earlier work of the same author entitled *Readings in Jurisprudence*.¹ This companion work bears a relationship to the present work akin to that of an exhaustive footnote appendix to the main textual treatment of a subject. *Readings in Jurisprudence* consists of a collection of law review articles with their various authors grouped according to the school of legal jurisprudence which they best represent. The index of that volume exhibits a graphic and integrated picture of the divisions and subdivisions of the many philosophies of jurisprudence. That earlier volume merely republishes the expressions of a variegated assortment of legal writers, past and contemporaneous, and identifies them with the schools of thought to which they pay or are attributed to pay homage. In that volume Mr. Hall simply categorized the philosophies of others while in his most recent volume, *Living Law of Democratic Society*, he definitely attempts to expound his own philosophy of legal jurisprudence. This latter work then is the pure treatise to which the earlier volume is but a compendium of footnote material, and this fact is evidenced by the many references to the earlier work in the recent volume.

Three major and, in respect to page length treatment, approximately equal subdivisions of his title *Living Law of Democratic Society* are made by Mr. Hall: Law and Legal Method, Law as Valuation, and Law as a Cultural Fact. The burden of the book seems to consist in establishing what Mr. Hall considers to be the true concept of positive law. In accomplishing this objective the author strikes down among others the positions of the Legal Positivists,² the Schools of Naturalistic

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¹ HALL, READINGS IN JURISPRUDENCE (1938).
² Pp. 67, 68.
Ethics,\(^3\) and Cultural Relativism,\(^4\) finishing by assuming a position close to that of Scholastic Natural Law.\(^5\) His modification of the latter philosophy would be in the direction of enhancing the accepted precepts of that school "by analysis, discussion and reflection, coherence with wider experience, the consensus of informed unbiased persons and the universality of the solution among diverse cultures."\(^6\)

Mr. Hall, espousing with qualifications,\(^7\) "This position—that moral knowledge exists, that there are better and worse answers to moral problems, and that the better ones (justice) are rationally defensible ('objectively valid'), in short, that valuation makes sense—may be regarded as a modern version of a central thesis of perennial natural law philosophies,"\(^8\) then proceeds by footnote\(^9\) to license himself for a criticism of natural law schools in general. This represents a fault common in jurisprudential approach as has been indicated by a leading scholastic natural law authority, Francis E. Lucey, S.J.\(^10\) Since the views of that authority were published subsequent to Readings in Jurisprudence, it is natural that they could not have been anticipated, but the reason for denying them mention in Living Law and Democratic Society, published some seven years later, is not quite understandable.

Regarding his first subdivision, Law and Legal Method, Mr. Hall decries "the fallacy of separating substantive law from legal method, of imagining that interpretations of the one can be valid even though the other is unsound. . . ."\(^11\) Of this term, legal method, the author observes, "Of all the various components of legal method, the most important is simple honesty. Even the correct use of logic requires a degree of honesty, enough, at least, to follow the implications of com-

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\(^3\) P. 69.
\(^4\) P. 78.
\(^5\) Pp. 80, 81, 82.
\(^6\) P. 80.
\(^7\) P. 81.
\(^8\) P. 81.
\(^9\) P. 81, fn. 76.
\(^10\) Francis E. Lucey, S.J., Natural Law and American Legal Realism: Their Respective Contributions to a Theory of Law in a Democratic Society, 30 Geo. L. J. 493 (1942).
\(^11\) P. 54.
mately on intelligence, factual knowledge, and a disinterested desire to discover the truth and to do what is right. It implies that ‘better answers’ exist, that wise policies can be discovered, and that substantially correct factual determinations can be arrived at.”12 Here in the style of Horace’s Ars Poetica Mr. Hall is making the very mistake that he is criticizing—the only difference consists in that we know Horace did it intentionally for the purpose of instruction. The fact that mathematicians make mistakes does not necessarily mean that there is any intrinsic defect in the laws and principles of mathematics. Moreover, the rules of syllogistic reasoning when properly followed defy error in the resulting conclusion, provided the premises are valid. This attack on logic as a legal method might be disposed of on a quid libiter assertitur, est libiter negatur basis. It seems that even legal writers of note who criticize logic and scholastic reasoning are often unacquainted with all that the science represents. One such writer in the introduction to a text for law students, in a part of which he labels the logical process as admissible of error, actually includes two fallacious syllogisms both of which are violative of fundamental rules of syllogistic reasoning.13

In considering “Law as Valuation”, the second subdivision, the author states his principal conclusions: “. . . positive law consists of propositions stated in the form of hypothetical-imperative judgments; the formal source and the enforcer of these bilateral rules is the maximum power center in the society; the rules of law stand highest in the hierarchy of norms in the sense that, in case of conflict with other norms, law prevails; the sanction of legal rules is enforced, ultimately, by physical power which operates unconditionally; the rules of law, by and large, implement interests inclusive of the entire society; the rules of law are coalescences of the ideas, signified by rules with value; and this attribute is divisible into (a) conformity to ethical principles and (b) self-rule—the distinctive quality of the law of democratic society.”14 These conclusions were broadened to include error by the author so as to embrace those who did not think of God as a Law Giver, a Commander.15 This of course is where Kant also fell to fallacy—he would postulate a God who would require men to follow laws which He did not implant in their beings.

The theological natural law theory which assumes the temporal

12 P. 53.
13 Wigmore, Evidence 10, § 3 (Student ed. 1935).
14 P. 100.
15 P. 82.
priority of Natural Law over Positive Law cannot be attacked on logical grounds, according to Hall. The author further maintains: "Granted that God exists and has always existed, whereas man is a recent arrival, and that God is the Perfect Commander whose will permeates the universe as Divine Law, then his norms of goodness and right, all subsumable under the injunction, 'do good and avoid evil', antedate all human enactments. The latter should certainly conform to the Natural Law, i.e., to the will of God insofar as man can comprehend it." Had he stopped here Mr. Hall would be squarely in the Scholastic Natural Law camp but in order to satisfy those who would have us think of God as a paradoxically indifferent First Cause and of man as a cause capable of producing an effect greater than himself, he attributes to man not only the power to discover the law of God in himself but also the power to invent, create law which is to be engrafted on that which came from the Infinite and Unchangeable One.

Lest the critical tenor of this review be misunderstood, let it now be said that Living Law of Democratic Society is more than welcome, and is a considerable contribution in the field of jurisprudence. That the author comes so close but does not quite follow the thinking of Scholastic Natural Law elicits such an emotion from this reviewer as would be felt if a partner in a game of horseshoes pitched a shoe very close to the stake—he would be quite pleased that his comrade in a common pursuit had come so close, but that would not preclude him from wishing that his friend had thrown a "ringer".

If the author's sole purpose was to produce a literary work he would not have missed his objective. The language, the style, the sentence structure are collectively appealing, however, since the entire effort is expository in nature, the movement must necessarily be slow. Mr. Hall in Living Law of Democratic Society has written for the lawyer who is a student of jurisprudence or for the philosopher; as a consequence, this is definitely not a book for the layman. It should be required reading in any course on jurisprudence and should be included in the library of every serious student of the law.

JOSEPH M. F. RYAN, JR.

16 P. 82.  
17 P. 82.

This book is not, and does not purport to be, a treatise on the analysis and interpretation of financial statements. It is simply a summary of basic and generally accepted principles of accounting. It begins with the essentials of double-entry bookkeeping, treats separately the subjects of accounting for cash, income, expenditures, inventories, fixed assets, depreciation, and reserves, and ends with a detailed breakdown and explanation of a typical balance sheet. There is also a separate and particularly useful chapter on cost accounting.

Accountants will find this well-written book interesting because of its unusual historical approach, its chatty style, and the broad range of subjects covered in a minimum of space. On the other hand, it cannot be expected that it will be of value as a reference work, for the treatment of each topic is necessarily general and sketchy. Students of accounting should find it useful as an adjunct to their text-book study and problem work, but they cannot hope to learn accounting from it alone, just as a law student cannot hope to learn law merely from a study of the bold-face type in a few Hornbooks. Business executives, bankers, investors, and lawyers, the groups for which the book was designed, will find it helpful only if they already have some accounting background. For those uninitiated in the mysteries of this increasingly important science the book will be of little value, for to compress so vast a field into so few words is necessarily to presuppose a certain amount of training and comprehension and to give light treatment to many important aspects.

Lawyers with some knowledge of accounting who suddenly must call it into play in a particular case will find this book a most helpful and time-saving means of brushing up on their general principles and at the same time adding to their understanding and their store of knowledge. Here a word of caution is necessary. It is conceivable that a lawyer who is essentially a novice in the field of accounting may read the book and conclude that he grasps most of its implications. The chances are he is gravely mistaken.

RICHARD B. BUHRMAN