
 Barnard et al. v. Gibson.

"The foregoing is a correct abstract of the material facts in the above-stated cause.

"LEA & LEA, *Complainants' Sol.*
W. R. HILL, *Defendants' Sol.*

"January 8, 1845."

The case was argued (in print) by *Mr. Hill*, for the defendants, but the question of the jurisdiction of this court was not raised, and it is deemed necessary to insert the argument of the main point in the case.

Mr. Chief Justice TANEY delivered the opinion of the court.

This cause comes before us on a certificate of division. But, upon inspecting the record, it appears that the particular point or points upon which the justices of the Circuit Court differed in opinion are not distinctly stated; and the case must therefore be dismissed for want of jurisdiction.

ORDER.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the Southern District of Mississippi, and on the point and question on which the judges of the said Circuit Court were opposed in opinion, and which was certified to this court for its opinion agreeably to the act of Congress in such case made and provided, and was argued by counsel. And it appearing to this court, upon an inspection of the said transcript, that no *point in the case, within the meaning of the act of Congress, has been certified to this court, it is there- [*650 upon now here ordered and decreed by this court, that this cause be and the same is hereby dismissed, and that this cause be and the same is hereby remanded to the said Circuit Court, to be proceeded in according to law.

FREDERICK J. AND SAMUEL W. BARNARD AND HENRY Q. HAWLEY, APPELLANTS, v. JOHN GIBSON.*

Where a decree in chancery refers the matters to a master to ascertain the amount of damages, and in the mean time the bill is not dismissed, nor is

*Mr. Chief Justice Taney did not sit in this cause, being indisposed at the time it was argued.

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there a decree for costs, the decree is not a final one, from which an appeal will lie to this court, although there is a perpetual injunction granted.¹ The amount of damage which will follow from restraining a party from using a machine held under a patent right is a proper consideration to be addressed to the Circuit Court, but does not constitute a ground of appeal.

THIS was an appeal from the Circuit Court of the United States for the Northern District of New York.

The question being, whether or not the decree of the Circuit Court was final, the Reporter thinks it proper to insert the whole of that decree, together with the statement of facts, as he finds it prepared by Mr. Justice Nelson.

Circuit Court, United States.

JOHN GIBSON

v.

FREDERICK J. BARNARD and others.

} In Equity.

I. W. W. Woodworth conveyed to John Gibson the exclusive right to the Woodworth planing-machine in and for the city and county of Albany, with the single exception of two rights in the town of Watervliet, in said county. With this exception, the whole right of the county was in Gibson.

II. The two machines, the right to use which was thus excepted, consisted, first, of a machine in use at the time in said town by Rousseau and Easton, which had been erected under the first term of the patent, and the right to continue which they claimed during any extension of the grant, and, second, of a machine which Gibson had conveyed to Woodworth, and by him to Rousseau and Easton.

III. Woodworth, on the 19th of May, 1842, agreed with *651] Rousseau and Easton to make an assignment to them by which they would become vested more fully with the right of running the machine in the town of Watervliet, which they claimed under the first term of the patent; and also to assign to them the right to use the other machine which had been conveyed to him by Gibson, of even date with this agreement. In consideration of which, Rousseau and Easton paid at the time \$200; and, in case the extension should be obtained, and assignment of the two machines, as above stipulated for, made, they would pay, in addition, \$2,000, in four equal annual instalments.

¹ APPLIED. *Reeves v. Keystone Bridge Co.*, 2 Bann. & A., 257; s. c., 11 Phil. (Pa.), 498. FOLLOWED. *Grant v. Phoenix Ins. Co.*, 16 Otto, 431. CITED. *Humeston v. Stainthorp*, 2 Wall., 110; *Rumford Chemical Works v. Hecker*, 2 Bann. & A., 359; *Brown v. Deere et al.*, 6 Fed. Rep., 490; s. c., 2 McCrary, 428. *S. P. Beebe v. Russell*, 19 How., 283. And see note to *McCollum v. Eager*, 2 How., 61.

IV. This agreement of the 19th of May, 1842, was modified by an indorsement on the same, signed by all parties, 26th April, 1843, in which it was recited that Rousseau and Easton had, on that day, executed and delivered to Woodworth eight promissory notes, of \$250 each, payable at different periods, the last one 1st July, 1846; in consideration thereof, the said Woodworth agreed that, upon payment of said notes as they became due, he would make the assignments stipulated for in the said agreement referred to.

V. On the 12th of August, 1844, Woodworth assigned all his interest in this contract with Rousseau and Easton in respect to the two machines, and all right and title to the use of the same, to J. G. Wilson, by which he took the place of Woodworth.

VI. On the 13th of November, 1844, Gibson renounced and released all right or claim, if any, to these two machines, to J. G. Wilson, this having been supposed necessary to enable Wilson to sue Rousseau and Easton for breach of their contract, or for an infringement of the Woodworth patent and extension by the use of the machines in the town of Watervliet, after refusing to fulfil their contract; Gibson claimed no right to the use of the two machines in said town, as he had already passed to Woodworth all the right which he ever had in the same. The release was given for abundant caution, the better to secure to Wilson the right which he had acquired by the assignment from Woodworth.

VII. On the 5th of December, 1845, J. G. Wilson granted to F. J. Barnard & Son a license to construct and use two machines in the town of Watervliet, for which he was to receive \$4,000; but it was then and there agreed, that, if the decision of the Supreme Court of the United States, in a case then pending between Wilson and Rousseau and Easton, should be against Wilson, so as to exclude him from the use of the said two machines in the said town, then he was to repay to Barnard & Son \$2,000, paid to him on that day in part *satisfaction of the purchase-money; but if the decision should be in favor of Wilson, and Barnard & Son should be put in possession of the right to erect and use the two machines in said town, then they were to pay to Wilson a further sum of \$2,000.

VIII. Upon the foregoing state of facts, and upon the pleadings and proofs in the case, it is quite clear, that, down to the time of the grant of Wilson to Barnard & Son, the 5th of December, 1845, Gibson, the complainant, possessed the exclusive right and title to the planing-machine in and for the county of Albany, with the exception of the two rights

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in the town of Watervliet, namely, the right to use one claimed by Rousseau and Easton, under the first grant, and more effectually secured to them by Woodworth, and the one sold and assigned by Gibson to Woodworth, and by him to Rousseau and Easton.

And, further, that Wilson possessed no interest in any right to the use of the planing-machine in the town of Watervliet, except in the two so derived from Woodworth by assignment on the 12th of August, 1844, and which had before been sold to Rousseau and Easton, and of which they were in the actual use and enjoyment. Wilson therefore could grant his interest, whatever it might be, in these two rights, and nothing more; and this was all that could pass to Barnard & Son under the grant of the 5th of December, 1845. The terms of that agreement also establish, that it was the interest of Wilson in these two rights which he intended to sell, and Barnard & Son to purchase.

IX. The failure of Rousseau and Easton to fulfil their agreement of purchase with Woodworth, the interest in which belonged to Wilson, did not, of itself, operate to annul and cancel the contract. It was a contract partly executed; \$200 of the purchase-money had been paid, and promissory notes given for the residue. The machines had been erected, and were in operation; and although a court of equity might have decreed the contract to be delivered up and cancelled upon terms, until then Rousseau and Easton must be deemed in the lawful use and enjoyment of the two rights under the patent. And even assuming the contract to be annulled, and the parties remitted to their original rights, it is clear that Wilson had power to grant but one of the rights in said town of Watervliet, as the other was secured to Rousseau and Easton, under the decision of the court in *Wilson v. them*.

An injunction was accordingly issued.

On the 11th of April, 1848, the Circuit Court of the United States for the Northern District of New York was in session at Utica, when the following decree was passed:—

*653] “This cause having been brought on to be heard upon pleadings and proofs, and Mr. Wm. H. Seward having been heard on the part of the plaintiff, and Mr. Marcus T. Reynolds on the part of the defendants, and due deliberation having been had, it is ordered, adjudged, and decreed, that the defendants in this cause be, and they are hereby, perpetually enjoined from any further constructing or using in any manner, and from selling or disposing in any manner, of the two planing-machines mentioned in said bill as erected

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by them in the town of Watervliet, in the county of Albany, or either of said machines, which machines are machines for dressing boards and plank, by planing, tonguing, or grooving, or either, or in some separate combination, constructed upon the principle and plan specified and described in the schedule annexed to letters patent issued to Wm. W. Woodworth, administrator of William Woodworth, on the 8th day of July, 1845; which letters were a renewal upon a formal surrender for an imperfect specification of letters patent issued to Wm. Woodworth on the 27th day of December, 1828, and extended on the 16th day of November, 1842, to take effect on the 27th day of December, 1842, and again extended by act of Congress on the 26th day of February, 1845, and from infringing upon or violating the said patent in any way whatsoever.

“And it is further ordered, adjudged, and decreed, that it be referred to Julius Rhodes, Esq., of Albany, counsellor at law, as a master *pro hac vice* in this cause, with the usual powers of a master of this court, to ascertain and report the damages which the plaintiff has sustained, arising from the infringement of his rights by the defendants, by the use of the said two machines by them.

“And it is further ordered, that the report of the said master herein may be made, either to this court in term time, or to one of the judges thereof at chambers in vacation; and that either party may, on ten days’ notice to the other of time and place, apply, either to this court in term time, or to one of the judges thereof at chambers in vacation, for confirmation of such report.

“And it is further ordered, that either party may at any time, on ten days’ notice of time and place to the other, apply to this court in term time, or to one of the judges thereof in vacation, for further directions in the premises.

“And the question of costs, and all other questions in this cause, are hereby reserved until the coming in of the said report.

“And the complainant shall either pay to the defendants, or set off against the damages to be awarded, the sum of two thousand dollars, which he offered in his bill to pay [*654 them, with interest from the 5th of December, 1845.”

An appeal from this decree brought the case up to this court.

Mr. Seward moved to dismiss the appeal, upon the ground that the decree was not a final one, which motion was opposed by *Mr. Taber*.

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Mr. Seward stated the case, and then said that it was admitted that an appeal would not lie except from a final decree. The only question is, what is the distinction between final and interlocutory decrees. The same principle may be applied which governs the construction of judgments at law; those are final which grant a remedy upon the whole matter, and dismiss a party from the court. But in equity there is some difficulty, owing to the different nature of the relief which is granted. A final decree in equity may be defined to be one which definitely adjudges the whole subject-matter; an interlocutory decree, one which disposes of some parts and reserves others for future decision. (2 Dan., Ch. Pr., Part 2, pp. 631, 632, 635, 638, 641, London ed. of 1840.) The present decree is not final, when tested by the principles laid down by Daniel.

1. It expressly reserves the question of costs. They do not depend upon any statute, but upon judicial discretion.

2. It does not determine the amount of damages, but refers the subject to a master to ascertain and report.

3. Even if the master decides, still the decree does not adjudge them to be according to the report.

4. It does not settle any principles upon which damages can be computed; whether they are for one machine or two, &c.

5. It reserves a decision upon the rights of the respective parties. The complainant offered, in his bill, to pay \$2,000; the decree says he shall do so, but does not say whether it is an extinguishment of the claim, or only a set-off.

6. The bill prays that the machines and their produce may be delivered to the plaintiff; but the decree is silent upon this point. The question is reserved. It may be said that a perpetual injunction is decisive of the rights of the parties. But it is only an order, which the court may revoke at any time. It cannot be pleaded in bar. We think the parties are still in court.

7. The decree does not give all the relief which is prayed for in the bill. Whatever is asked and not granted is left undecided, because the bill is not dismissed as to that.

(*Mr. Seward* then commented on 10 Wheat., 502; 11 Wheat., 429; 8 Pet., 318; 9 Pet., 1; 6 Cranch, 51; *655] 15 *Pet., 287; 2 How., 62; 5 How., 51; 6 How., 203; Id., 208, 209.)

Mr. A. Taber, against the motion.

1. The decree in question is a "final decree," upon a sound construction of the Judiciary Act of 1803, chap. 93, § 2. The

fundamental purpose of this act was to give an appeal, if required, where the amount in controversy was sufficient, to the end that the substantial rights of parties should not be finally disposed of by Circuit Courts. Not so of the English statutes of limitations, authorities construing which have been cited on the other side. Their leading object was, not to give or take away an appeal, but to restrict by a short limitation appeals taken *pendente lite*, allowing a longer one to those taken after the cause was ended. Wherefore, the words "final decree," in these English acts, are justly interpreted to mean one which is a *finis* of the cause, and in our act, one which is a *finis* of substantial rights of the parties, which, unless immediately appealed from, would take away property from one and give it to another, or work irreparable mischief. (6 How., 202, 203, 206; 13 Pet., 15; 3 Cranch, 179; 2 Smith, Ch. Pr., 187, 188.)

The decree in question would do both. It was intended by the Circuit Court finally to adjudge and determine the patent rights in controversy. It takes them away from the defendants, and vests them in the complainant; and, by the perpetual injunction it directs, immediately renders worse than valueless,—an encumbrance upon the ground,—the expensive erections of the defendants for their enjoyment.

For the costs of the cause, no appeal would hereafter lie. (4 Russ. Ch., 180; 3 Pet., 307, 319; 2 How., 210, 237.) The other matters reserved are merely in execution of the decree already passed. Before these matters could have been adjusted, and an appeal prosecuted to effect, our patent rights would have expired by their own limitation, and nothing remain for the appellate offices of this court but a *post mortem* examination of our rights for the vindication of abstract law.

The perpetual injunction, the main relief prayed, is a final execution; not the mere extension of a preliminary injunction, which latter has been repeatedly denied in this cause, and is wholly inapplicable to a contest between assignees under the same patent, which is, therefore, no more *prima facie* evidence for one party than the other. (4 Burr., 2303, 2400; 1 Vern., 120; Id., 275; 7 Ves., 1; 3 Meriv., 622; 14 Ves., 130-132; Drewry on Injunctions, 223, § 5, 221, § 3, 223, § 4; Eden on Injunctions, 207.)

*2. But if this is not a case for an appeal under the act above cited, it assuredly must be one of "all [*656 other cases," provided for by the seventeenth section of the patent act of 1836, chap. 747. In patent causes, evidently for the reasons above alluded to, there is no limitation of an appeal except the safe one, that "the court shall deem it

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reasonable to allow the same." If the act means this honorable court, this appeal has been allowed by it, by one of its justices at chambers. If, as is more probable, the Circuit Court was intended (6 How., 458, and note, and 477), then Justice Nelson, being a quorum of that court (Laws of 1837, ch. 801, § 3), acted as such, judicially, in allowing it at chambers. (1 Brock., 380.) Or if error has occurred in the manner of taking this appeal, no statute restriction being in the way, it should be allowed, in furtherance of justice, to be amended now. (Laws of 1789, ch. 20, § 32; 16 Pet., 319; 7 Wend. (N. Y.), 508.) And this, according to the last-cited case, would be properly done by simply denying this motion.

3. If it be replied to the last point, that this is not a case arising under the patent law, but under the common law of contracts and assignments, then the Circuit Court never had jurisdiction, the cause being between residents of the same State, and an appeal lies at any time, to reverse its decision already made, and dismiss the cause. (2 How., 244; 3 Id., 693; 8 Pet., 148; 16 Id., 97; 3 Dall., 19.)

Mr. Justice M'LEAN delivered the opinion of the court.

This is an appeal from the decree of the Circuit Court for the Northern District of New York.

The parties claim conflicting interests as assignees of Woodworth's patented planing-machine. The cause was submitted to the circuit judge, who decreed, that the defendants below be perpetually enjoined from any further constructing or using in any manner the two planing-machines, &c., and the case was referred to a master to ascertain and report the damages which the plaintiff has sustained, arising from the infringement of his rights by the defendants by the use of the said two machines. The report of the master to be made in term time, or to one of the judges at chambers in vacation, and on ten days' notice either party to move for confirmation of the report, &c. The question of costs was reserved until the coming in of the report, &c.

A motion is made to dismiss this appeal, on the ground that the decree is not final.

No point is better settled in this court, than that an appeal may be prosecuted only from a final decree. The cases are *657] numerous where appeals have been dismissed, because the decree of the Circuit Court was not final. It is supposed there was a departure from this uniform course of decision, at the last term, in the case of *Forgay et al. v. Conrad*, 6 How., 201.¹

¹ See note to case cited in the text.

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In that case the court says,—“The decree not only decides the title to the property in dispute, and annuls the deeds under which the defendants claim, but also directs the property in dispute to be delivered to the complainant, and awards execution. And according to the last paragraph in the decree, the bill is retained merely for the purpose of adjusting the accounts referred to the master. In all other respects, the whole of the matters brought into controversy by the bill are finally disposed of as to all of the defendants, and the bill as to them is no longer pending before the court.” “If these appellants, therefore, must wait until the accounts are reported by the master and confirmed by the court, they will be subjected to irreparable injury.”

The decree in that case would have been executed by a sale of the property, and the proceeds distributed among the creditors of the bankrupt, and lost to the appellants, before the minor matters of account referred to the master could be adjusted and acted on by the court. The course of procedure in the Circuit Court was irregular, and the consequent injury to the defendants would have been irreparable. Effect should not be given to its final orders by the Circuit Court, until the matters in controversy shall be so adjusted as to make the decree final. Any other course of proceeding will, in many cases, make the remedy by an appeal of no value.

The decree in the case under consideration is not final, within the decisions of this court. The injunction prayed for was made perpetual, but there was a reference to a master to ascertain the damages by reason of the infringement; the bill was not dismissed, nor was there a decree for costs. In several important particulars, this decree falls below the rule of decision in *Forgay v. Conrad*. The execution of the decree in that case would have inflicted on the defendant below an irreparable injury. The bill was dismissed as to the principal matters in controversy, and there was a decree for costs.

It is said that the decree in this case, by enjoining the defendants below from the use of their machines, destroys their value and places the defendants in a remediless condition. That in the course of a few months their right to run the machines will expire, and that no reparation can be obtained for the suspension of a right by the act of the court. It is alleged, too, that many thousands of dollars have been invested in the machinery, which by such a procedure becomes useless.

*The hardship stated is an unanswerable objection to the operation of the injunction, until all the mat- [*658

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ters shall be finally adjusted. If the injunction has been inadvertently granted, the Circuit Court has power to suspend it or set it aside, until the report of the master shall be sanctioned. And unless the defendants below are in doubtful circumstances, and cannot give bond to respond in damages for the use of the machines, should the right of the plaintiff be finally established, we suppose that the injunction will be suspended. Such is a correct course of practice, as indicated by the decisions of this court, and that is a rule of decision for the Circuit Court.

The appeal is dismissed.

ORDER.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the Northern District of New York, and was argued by counsel. On consideration whereof, and it appearing to the court here that the decree of the court below complained of is not a final decree within the meaning of the act of Congress, it is thereupon now here ordered and decreed by this court, that this cause be and the same is hereby dismissed for the want of jurisdiction.

THE UNITED STATES, APPELLANTS, v. THE HEIRS OF
LOUIS BOISDORÉ.*

The meaning of the forty-third rule of this court is, that, if a judgment or decree in the court below be rendered more than thirty days before the commencement of the term of this court, and the record be not filed within the first six days of the term, the appellee or defendant in error may docket the case, and move for its dismissal as the rule prescribes.

But if the judgment or decree of the court below be rendered less than thirty days before the commencement of the term of this court, the rule does not apply.¹

THIS was an appeal from the District Court of the United States for the Southern District of Mississippi.

Mr. Fendall moved to dismiss the appeal, upon the grounds stated in the opinion of the court, which motion was opposed by *Mr. Toucey* (Attorney-General).

Mr. Justice McLEAN delivered the opinion of the court.

**Mr. Chief Justice Taney* did not sit in this cause.

¹ Further decision, 8 How., 113.