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Birdsell

BEFORE THE
Congress of the United States.

IN THE MATTER OF
JOHN C. BIRDSSELL,

1875

*Petitioner for an Act authorizing the Commis-
sioner of Patents to hear and determine his
application for extension of his Patent—*

MACHINE FOR HULLING AND THRESHING CLOVER.

15
PETITION AND STATEMENT.

Thomas McGill & Co., Printers, Washington, D. C.

1778

225. April 24/62
In the matter of JOHN C. BIRDSELL, petitioner, for an Act authorizing the Commissioner of Patents to hear and grant his application for the further extension of his Letters Patent for Machinery for Hulling and Threshing Clover.

TO THE HONORABLE THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES, IN CONGRESS ASSEMBLED:

Your petitioner respectfully represents, that on the 18th day of May, A. D. 1858, Letters Patent, No. 20,249, were issued to him for an improvement in machinery for Hulling and Threshing Clover, which Letters Patent were surrendered and reissued April 8th, 1862, No. 1299, and extended for seven years from and after May 18th, 1872. And your petitioner now prays for an Act, authorizing the Commissioner of Patents to hear and grant his application for further extension of his said Reissued Letters Patent, for a term of seven years, from and after the expiration of its present term. And in support of his application, asks leave to present the following statement and accompanying affidavits:

STATEMENT.

Prior to the date of obtaining the said Letters Patent, I was a farmer, residing near West Henrietta, in the State of New York. I owned at that time about two hundred and eighty-four acres of land, with farm houses and buildings, the bare land worth \$100 per acre, and my whole property about \$38,000. This was eventually all merged in my business of manufacturing Clover machines under this patent, and is properly chargeable against the patent.

Before that time clover heads were detached from the stems, preparatory to hulling, by the tramping of horses, by threshing with flails, by cutting with cradles, (the two first

fingers being covered with canvas and the heads cut off near the place of their attachment to the stems), by removing the heads in the field by an instrument known as a stripper, and after mowing, by ordinary threshing machines. The heads were also sometimes detached by a machine designed specially for that purpose. Hulling out the seed was a distinct process. This was usually done by a machine used for that purpose alone. Machines for threshing and those for hulling were frequently worked at the same time, side by side.

These old processes required the clover to be several times handled; they consequently took much time and labor, and to that extent added to the cost of clover seed in the market. I conceived that it would facilitate the work and cheapen the product if an implement could be made to thresh the heads from the stems, separate the stems, and pass the heads through a huller, and afterwards through sieves under the influence of a fan, all at one operation and in one machine. I began at once to shape my ideas, and made many experiments at great expense and with varying success, devoting all my time and ready means to the work. I was obliged to labor against a great number of manufacturers of threshing machines and hulling machines, whose agents already had possession of the field, and spared no pains to induce farmers and others to believe that my machines would prove a failure. Moreover, my machines could not be made for the same price as the ordinary threshing machines and accompanying hulling machines, and consequently I found that for years it was almost an utter impossibility to introduce them.

The public had to be gradually schooled into the merits of my invention. During all this period my machines were costing me more than I could get for them, and I was gradually running into debt to the extent of many thousands of dollars. I still had faith in the invention, and exhibited my machines from time to time at State and county fairs, at great expense of time and labor, and a great outlay of money. In 1855 and 1856 I engaged shop room and employed machinery. I built works at West Henrietta in 1856 and 1857, with money which I raised wherever I could. In this way I proceeded

against almost every imaginable obstacle, until in 1859 my debts amounted to over \$15,000, and with scarcely any assets. In the year 1859 I engaged with a partner, Isaac H. Brokaw, who put into the business \$500, which he soon withdrew, and for four years, viz., until the spring of 1863, he drew from the business for his support all the net profits of the concern.

Finding that the business could not be carried on with profit in New York State, because of the expenses for stock and transportation, and the fact that I had to look for a market in the West for my machines, I transferred part of my machinery to South Bend, Indiana, in the fall of 1863, and in April, 1864, moved my family to that place, all at great expense, amounting to several thousand dollars, which was necessarily added to my already large and harrassing debts.

Being constantly besieged by creditors, I was liable at any time to be placed at their mercy, and it seemed as though I must certainly be driven into bankruptcy. To add to my difficulties at this time, I had left one Harrison Ketchum to close up my business at Henrietta, agreeing that he should have a daily compensation and one fourth of the net profits; but in the latter part of April, 1864, my office at Henrietta was set on fire by an incendiary, burning and destroying the most of my books and accounts, and partially destroying the building; others of my papers were carried off, together with some of my books, by Brokaw, and have been lost or destroyed.

These losses falling heavily upon me, added greatly to my embarrassments, and seemed to cloud all my business prospects; and in August, 1864, an incendiary set fire to my storehouse at Henrietta, destroying twenty-three machines and over fifty frame works, besides machinery, tools, stock, &c., &c., which added greatly to my troubles, and swept away the last of my securities or assets, that had formed a partial basis for the leniency of my creditors.

I was engaged nearly the whole of the year 1864 in making preparations to begin manufacturing at South Bend, but in April, 1865, while with my family at the St. Joseph Hotel,

South Bend, the hotel suddenly burned, destroying many more of my books and accounts, and entailing considerable loss.

I was beginning to get under way, when, in September, 1867, my office at South Bend took fire from an adjacent burning dwelling, and was totally destroyed, together with nearly all of my books and accounts. This loss fell very heavily upon me at this time, as I was still laboring against a large debt.

In March, 1867, I took two of my sons into partnership with me, and they were to have one half of the net profits of the business.

In this way we struggled along until the spring of the year 1870, making barely enough to keep our shops running a part of the time, but not clearing our indebtedness.

At this time, with a view to escape the burden of debt resting upon the individual members of the firm, the partnership was converted into a Joint Stock Company, and called the Birdsell Manufacturing Company, composed of myself and my three sons, with \$50,000 capital stock, of which \$31,000 belonged to me, \$18,500 to my three sons, and \$500 to our foreman, Charles McNeal, which Company, as respects the stockholders, is the same at the present day.

In the progress of my work, infringers had sprung up, and when I was about to attack them I was advised by my counsel that my patent should first be put into proper shape by a re-issue. This was done in April, 1862, and in 1863 I brought a suit for infringement against the St. Joseph Iron Co. of Mishawauka, Indiana, and recovered a small judgment. In 1864, E. K. Collins, of Chili, New York, brought a suit against me for infringement of his Letters Patent for screening clover. I pleaded my patent and made other defenses, and after two years' expensive contest the suit was decided in my favor in 1866. In 1867 I began suit for infringement against Charles Whittaker, of Chelsea, Michigan, which was settled in my favor, and the defendant was enjoined, but no account taken. In October, 1871, I was obliged to bring suit for infringement against Greggs, Plyer & Co., of Trumansburg,

New York, which was terminated in my favor, but the amount recovered was all absorbed by my counsel. About the same time I began suit against Whittaker & Bryan, of Penn Yan, New York, for infringement. I obtained injunction, but recovered nothing.

By this time infringers had become so bold that their machines were flooding the market, necessitating a large increase in commissions to agents, greatly increasing the cost of manufacturing and selling, and utterly ruining the trade, so that the expenses of necessary litigations were much in excess of the profits upon the machines.

I should here state that for a few years prior to 1871, having had a fair trade and regained a certain degree of business credit, and presuming, in view of the successful issue of my various suits that others would be deterred from infringing, and concluding, also, that our own business would correspondingly increase, we erected extensive works in 1871, at South Bend, at very great expense, and assumed the indebtedness created thereby. But our outlay resulted in no adequate return, for our enemies took advantage of our utter financial depletion and very burdensome debts to renew their attacks and to wilfully infringe my patent, relying apparently upon our distressed financial condition for their safety, thinking to crush opposition by destroying our business and crippling all our means of defense.

Large establishments backed by great capital opened up in many places, and it finally came to that point where we must close our own doors or else close the doors of our competitors, who were boldly infringing my patent.

I applied for an extension of my patent in 1872, and the said infringers combined to defeat my application. In this combination against me, were the Ashland Machine Co., of Ashland, Ohio; McDonald & Co., of Wooster, Ohio; Russell & Co., of Massillon, Ohio; Garr, Scott & Co., of Richmond, Indiana; McConnell, Raymond & Co., of Tecumseh, Michigan; Glen & Hall Manufacturing Co., of Rochester, New York; George Westinghouse & Co., of Schenectady, New York, and the Hagerstown Agricultural Implement Manu-

facturing Co., of Hagerstown, Maryland. These companies, possessed of a very large capital, contributed equally to contest my application. They employed able and influential counsel, and a large mass of testimony, which with the briefs amounted to upwards of 550 pages of print, was taken, involving an expense of many thousand dollars on my own part before I finally procured my extension.

Burdened with this additional debt, it is apparent under what almost insurmountable obstacles I was obliged to begin my extended term of seven years.

These parties continued, and greatly increased, their infringements after the said extension was granted, and I saw at once that we would have to stop them before we could hope to do any business ourselves. To this end I brought suit in 1872 against McDonald & Co. *et al.*, of Wooster, Ohio, and against The Ashland Machine Co. *et al.*, of Ashland, Ohio, in the United States Circuit Court for the Northern District of Ohio.

The same combination above named contributed equally in money and means for the defense. The contest was prolonged by every means known to Patent litigations. An enormous amount of testimony was taken, amounting to about 2600 pages of print, and costing me about \$65,000, as nearly as I can determine from the data that I have.

Two years of the life of my extension were thus expended in exhausting litigation at the greatest odds against us, in the way of money and resources.

The cases were finally heard before his Honor Noah H. Swayne and His Honor Martin Welker, and I append the decision of Justice Swayne hereto.

My patent was strongly sustained in all its material and essential features, but five years elapsed before a final decree was obtained. In the meantime the defendants, in both cases becoming insolvent, made assignments, and were not able to respond to my claims against them to any extent whatever.

My extension was rapidly expiring, the others of the said combination were still actively infringing my patent, and, during the whole period of my said suits were continu-

ally flooding the market with their infringing machines, which having a life of from five to ten years or longer, still exist to destroy the market for my machines, and will necessarily so exist during the remainder of the term of my extension, thus depriving me of a single moment of undisputed enjoyment of my patent.

After the said opinion of Justice Swayne sustaining my patent, I brought suits, separately, against each of the remaining parties constituting the said combination, and although the same combination assisted in defraying the expenses of the defendants, I procured injunctions against all of them.

The said Birdsell Manufacturing Company was by this time burdened with a debt of over one hundred and thirty thousand dollars, (\$130,000,) and was obliged to pay an enormous sum as interest, although deprived of interest upon the capital which it had invested.

The market having been destroyed and there being no work for our large and expensive shops, we were obliged to shut down during most of the years 1873, 1874, and 1875.

The infringers had up to this time made the bulk of all the machines, and there remained nothing now to be done but to attack the users of the said machines, and, by obliging them to stop their use, to compel them to come to our works for machines which they could lawfully use. This final movement against users has necessitated the bringing of several hundred suits in different States, and at large expense. Some parties, it is true, settled without suit, at the rate of one hundred dollars a machine. But all sums thus collected or recovered from infringing users will be offset by the expenses incurred in looking up the machines, enforcing collections, and in the compensation of agents and attorneys.

This course of action began, for the first time in all our career, to command respect for my rights under said patent, and to direct the trade to our establishment at South Bend, so that during the year 1876 we managed to do a good business, while infringers were kept moderately quiet. But in 1877 two of said companies, viz., the Hagerstown Company

and the Ashland Company, began again to infringe my rights, and shipped large quantities of machines, which did not differ in principle, but varied slightly in mechanical construction from their former machines, from the manufacture of which they were enjoined. This necessitated a new action against the successors of the Ashland Machine Co., and active steps against the Hagerstown Agricultural Implement Manufacturing Company of Hagerstown, Maryland, both at great expense, and with the prospect of a renewal and repetition of the large expenses that were incurred in my former Ohio suits, for we were informed, at a recent hearing before the United States Circuit Court at Cleveland, Ohio, by the judge then presiding, that he understood they were expecting again to go over the whole controversy.

We declared no dividends at the end of the year 1876, because the amount owed by us on accounts and bills payable, was more than the amount due us on accounts and bills receivable.

During the present season of 1877, our works have been kept busy, and we expect to realize from all sources a fair profit, although owing to hard times and the bad condition of the market, we are obliged to sell our machines for about an average of one sixth cash and the balance in one and two years.

It should be remembered that at the present time, and for six years past, we have had tied up or invested in buildings, stock, machinery, tools, &c., &c., not less than one hundred and eighty-one thousand nine hundred and forty-two dollars and seventy-one cents, (\$181,942.71) at actual cost price, so that with the necessary expenses of labor, it requires the manufacture and sale of about 181 machines each year to cover the interest upon the capital invested, and to defray the necessary expenses besides insurance, taxes on property, and expenses of watchmen.

I am still the owner of the said Letters Patent, and will own the entire patent, if extended. I expect that, as heretofore, the machines will be manufactured by the Birdsell Manufacturing Company. The said Company has increased

its capital to one hundred and forty thousand dollars, much of which will be a total loss if the extension herein asked for be refused. I am President of the said Company, and own \$88,200 of the said \$140,000, the balance of which is owned by my three sons, with the exception of \$1,400, owned by our foreman, Charles McNeal.

I here give a list of the manufacturers who were infringing my said patent, and whom I was obliged to stop. Some necessitated suits at law or in equity, and others stopped upon threat of suit. I also give as near as I can estimate, from data in my possession, the number of machines that each has put into the market.

IN NEW YORK STATE.

Joseph Hall, Rochester.....	85	machines.
A. F. Whittaker, Penn Yan.....	107	"
Sayles & Ellsworth, Clyde.....	35	"
Glen & Hall, Rochester.....	535	"
George Westinghouse, Schenectady.....	50	"
Whittaker & Bryan, Penn Yan.....	104	"
Geo. Westinghouse & Co., Schenectady.....	237	"
Gregg, Plyer & Co., Trumansburg.....	23	"
Wickson & Van Wicker, Lyons.....	43	"
E. K. Collins, Chili.....	7	"
George Taft, Lyons.....	19	"
Darwin Stattock, Branchport, N. Y.....	5	"
Geo. W. Hildreth, Lockport.....	9	"
Stephen M. Feezler, Seneca Falls.....	1	"
Birdsell & Strowbridge, Penn Yan.....	13	"
Henry Heckman, Dansville.....	6	"
Mr. Hudnett, Geneseo.....	4	"
I. V. Blackwell, Ovid.....	5	"
M. Hubblett, Reynoldsville.....	3	"
Mr. Bundy, Ithaca.....	2	"

IN OHIO.

Ashland Machine Co., Ashland.....	657	Machines.
McDonald & Co., Wooster.....	717	"

Russell & Co., Massillon.....	175	Machines.
Francis E. Cook, Seville.....	23	"
Christy & Sons ".....	29	"
Woodson, Teney & Co., Dayton.....	14	"
Clark & Leser, Canal Fulton.....	6	"
John W. Smith, Bryan.....	16	"
Lippy & Stocking, Mansfield.....	7	"
James Nichols, Gomer.....	4	"
Z. Miller, Canal Fulton.....	6	"
Henry Ries, Norwalk.....	3	"
J. H. Galladay, New Lisbon.....	1	"
Brown & Grotty, Seville.....	15	"

IN INDIANA.

Garr, Scott & Co., Richmond.....	147	Machines.
Isaac N. Young, Swan.....	37	"
St. Joseph Iron Co., Mishawauka.....	16	"
Rumley Brothers, Laport.....	2	"

IN MICHIGAN.

Cox & Thorp, Three Rivers.....	17	Machines.
Burlingame & Yager, Tecumseh.....	65	"
John Richards & Co., Tecumseh.....	45	"
McConnell, Raymond & Co., Tecumseh.....	160	"
D. K. Raymond & Co., Tecumseh.....	17	"
Posdie & Crawford, Dowagiac.....	11	"
I. T. Barton, Union City.....	5	"
Augustus Dewey.....	2	"
Charles Whittaker, Chelsea.....	18	"

IN MARYLAND.

Jones & Miller, Hagerstown.....	131	Machines.
Miller, Protzman & Co., Hagerstown.....	170	"
Hagerstown Agl. Impl. Mfg. Co., Hagerstown.....	290	"

IN PENNSYLVANIA.

D. M. Heiks, Franklinton.....	12	Machines.
M. A. Keller, Littleton.....	3	"

In the present year the firm of Whiting & Shearer of Ashland, Ohio, have made about 50 machines.

The Hagerstown Agricultural Implement Manufacturing Company of Hagerstown, Maryland, about 113 machines.

Total, 4277 machines.

The market is in such a condition, because of the existence of these machines, that I cannot receive a reasonable profit from my invention for several years to come, and the profits that I should have derived have been reaped by the above-named infringers.

Nor will the public interests be impaired by granting the said extension. It should be borne in mind that this invention was a new thing; not merely a new step, but a radical departure from what had ever before been done; that it decreased the cost of threshing and hulling clover seed at least one dollar per bushel, and to that extent cheapened the cost of seed in the market, and has in that way spread its benefits and extended its influence all over the country and to millions of people. The invention effected such a revolution in the methods of getting out the seed, and did the work so effectually, that at the present time not one of the old appliances can be found in the country.

The fact that infringers have found a demand that has enabled them to flood the country with their machines, to the extent of 4,277, is the best evidence that can be adduced of the great industries created by the invention, and the estimation and value in which the said invention has been held and regarded by the public at large.

If I had been unmolested, and had not been obliged to spend all my resources to stop these infringers, it is reasonable to presume that I would have made \$100 clear upon each machine. Now estimate that upon the machines thus made and sold by my infringers, and it is apparent that they have defrauded me out of at least four hundred and twenty-seven thousand seven hundred dollars, (\$427,700,) clear profit.

The following statement of receipts and expenditures will show that I have reaped no benefit or remuneration from my said patent:

*Statement of Receipts from Every Source on Account of the In-
vention.*

Up to January, 1859, sold 26 machines, at an average of \$220 each.....	\$5,720
In 1859, sold 33 machines, at \$220 each.....	7,260
" 1860, " 41 " 280 "	11,480
" 1861, " 54 " 230 "	12,420
" 1862, " 102 " 235 "	23,970
" 1863, " 34 " 260 "	8,840
" 1864, " 38 " 270 "	10,260
" 1865, " 42 " 305 "	12,810
" 1866, " 39 " 350 "	13,650
" 1867, " 105 " 350 "	36,750
" 1868, " 73 " 350 "	25,550
" 1869, " 193 " 360 "	69,480
" 1870, " 296 " 370 "	109,520
" 1871, " 303 " 370 "	112,110
" 1872, " 270 " 370 "	99,900
" 1873, " 181 " 370 "	66,970
" 1874, " 139 " 370 "	51,430
" 1875, " 68 " 370 "	25,160
" 1876, " 433 " 370 "	160,210
" 1877, " 590, estimated, 370 "	218,300
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Total... 3,060, at.....	\$1,081,790 00
Present estimated value of Buildings, Grounds, &c., (costing, as shown by list of expenses, \$181,942,71,) or present value of stock.....	90,971 35
Received from Perrigo, Avery & Field, Royalty...	2,000 00
Received from Perrigo & Avery.....	4,000 00
Received from Harrison Ketchum.....	325 00
Received from O'Farrell, Daniels & Co.....	250 00
Received from St. Joseph Iron Co.....	240 00
Received from Hagerstown Agricultural Imple- ment Manufacturing Co.....	2,000 00
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Total receipts from every source on account of the patent.	\$1,181,576 35

Statement of Expenditures on Account of the Patent.

Up to the beginning of 1864, had expended over \$15,000 more than I had received, in addition to whatever I had expended in shops, tools, machinery, &c. I had sold to this time 290 machines, which had returned \$69,690, but which had cost \$15,000 additional, or \$84,690, or an average of \$292 each; therefore expended prior to 1864, in making and introducing 290 machines, at \$292.....	\$84,690 00
Loss of office, shops, machinery, tools, &c., in 1864 fires, over and above insurance.....	5,790 00
Loss by St. Joseph Hotel fire, April, 1865.....	500 00
Loss by September, 1867, fire.....	1,000 00
Expenses of extension contest in 1872, testimony, exhibits, counsel, traveling, hotel expenses, witnesses, notaries, printing, Government fees, &c., about.....	12,500 00
Expenses of two years' litigation against McDonald & Co. <i>et al.</i> , and against Ashland Machine Co. <i>et al.</i> , in Northern District of Ohio, and before Master, about.....	65,000 00
Expenses of proceedings against George Westinghouse & Co., testimony, counsel, time, and travelling expenses, &c., about.....	3,800 00
Expenses against Hagerstown Agricultural Implement Manufacturing Company.....	2,000 00
Expenses in two suits against McConnell, Raymond & Co.....	1,200 00
Expenses in suit against Garr, Scott & Co.....	700 00
Expenses in suit against Perrigo, Avery & Field..	1,500 00
Expenses in suit against St. Joseph Iron Co....	250 00
Expenses in suit with E. K. Collins.....	2,000 00
Expenses in suit against Charles Wittaker.....	1,200 00
Expenses in suit against Gregg, Plyer & Co.....	500 00
Expenses of suit against Whittaker & Bryan.....	600 00
Government tax on sales and income tax during 1863 to 1868, at 10 per cent.....	10,786 00

Expended in buildings, grounds, &c.	\$64,781	46
Engines and Boilers.....	10,766	00
Line Shafting, Pulleys, &c..	5,310	39
Patterns and Flasks.....	4,300	00
Machinery in Factory.....	19,040	00
Tools for Shop.....	2,683	83
Horses, Wagons, &c.....	596	67
Steam Fixtures.....	4,891	38
Miscellaneous Articles.....	3,288	67
Shafting, &c.....	6,173	36
Pulleys, Leather, &c.....	608	70
Feed Rollers and Cylinders.....	2,022	93
Malleable Castings and Wire	236	82
Iron.....	788	35
Lumber Account.....	4,631	17
Lumber Account.....	1,299	63
Stock of Materials for Machines...	50,531	35

Total carried each year from 1871, inclusive... \$181,942 71

The money thus tied up consisted partly of what we had managed to realize from the business of the two preceding years, but principally of money borrowed at the rate of ten per cent.; work and materials that had been advanced by builders and contractors, and machinery, stock, &c., that had been sold to us on credit, for which we had not paid, and upon which we were paying interest at the same rate.

Interest at 10 per cent. for seven years on above sum of \$181,942 71 at 18,194.....	127,385	00
Expense of making and selling 1,089 machines, from 1864 to date of extension in the beginning of 1872, at \$258.24	281,223	36
Expense of manufacturing and selling 1,681 machines from date of extension to include 1877, at \$270.....	453,870	00
Total expenditures on account of patent....	\$1,238,437	07

Recapitulation.

Total expenditures on account of the patent...	\$1,238,437 07
Total receipts on account of the patent.....	1,181,576 35
Excess of expenditures over receipts.....	56,860 72

My proportion of this indebtedness on account of the Patent is $\frac{88200}{149000}$ or \$55,809. Add to this what I was worth when I made the invention, viz: \$38,000, and which, though used up, is not embraced in the above sum, and it is seen that my personal expenditures on account of the Patent have exceeded my receipts from the Patent to the amount of \$73,809.

There have been no receipts on account of the invention from foreign countries.

I have been unable to arrive at a more detailed presentation of the receipts and expenditures, on account of my patent. So many of my books and accounts have been destroyed by fire or carried off and lost, that I have very imperfect data relating to the early days of my patent, and some of the amounts have to be estimated, but the above presentation is substantially correct.

Having finally succeeded in a great degree in stopping infringers, I feel confident that I can, if my patent is again extended, reap a sufficient reward from my invention to compensate me for my time, ingenuity, and expense bestowed upon it and for its introduction into public use.

It is apparent from the foregoing showing of expensive litigations, that instead of deriving a sufficient remuneration for my invention during my extension, all my means have been swallowed up in contesting for my rights, and that before they could be secured by decrees of the Courts, the infringers had used up my short extended term, and had so flooded the market with their long-lived machines as to

effectually prevent me from securing the advantage which my extension was designed to give me.

I append hereto the opinion of Justice Swayne sustaining my said Patent.

JOHN C. BIRDSELL.

SOUTH BEND, INDIANA,

December 20th, 1877.

DISTRICT OF COLUMBIA, }
County of Washington. } ss:

Before me, a notary public in and for said District of Columbia, personally appeared the said JOHN C. BIRDSELL, and being by me duly sworn, deposes and says that the foregoing statement by him subscribed is true to the best of his knowledge and belief.

FRANK GALT,
Notary Public.

WASHINGTON, D. C., *January 10, 1878.*

[SEAL.]

United States Circuit Court,

NORTHERN DISTRICT OF OHIO.

JOHN C. BIRDSSELL

VS.

ANGUS McDONALD ET AL.

THE SAME

VS.

ASHLAND MACHINE COMPANY ET AL.

OPINION OF THE COURT

BY

MR. JUSTICE SWAYNE.

FISHER & DUNCAN,

For Complainant.

GEO. WILLEY & GEO. REX,

For Defendants.

CLEVELAND:

LEADER PRINTING COMPANY, 146 SUPERIOR STREET.

1876.

Circuit Court of the United States

FOR THE NORTHERN DISTRICT OF OHIO.

April Term, 1874.

JOHN C. BIRDSELL,

vs.

ANGUS McDONALD, ET AL.

THE SAME,

vs.

THE ASHLAND MACHINE COMPANY, ET AL.

SWAYNE, *Justice:*

These are suits in equity founded upon certain patents issued to the complainant, touching machinery for getting out clover seed. Except in one particular, hereafter mentioned, the bills in both cases contain the same allegations.

The parties agree as to the state of the art down to the period of the alleged inventions of the complainant.

Before that time clover heads were detached from the stems, preparatory to hulling, by the tramping of horses, by threshing with flails, by cutting with cradles (the two first fingers being covered with canvas and the heads cut off near the place of their attachment to the stems), by removing the heads in the field by an instrument known as a stripper, and, after mowing, by ordinary threshing machines. The heads were also sometimes detached by a machine

designed specially for that purpose. Hulling out the seed was a distinct process. This was usually done by a machine used for that purpose alone. Machines for threshing and those for hulling were frequently worked at the same time, side by side.

These instrumentalities were irrespective of the machines to which our attention has been called by the learned counsel for the defendants. They were intended, it is claimed, each to combine the processes of detaching the heads, hulling out the seeds, and removing the chaff, without the aid of any other instrumentality.

In regard to the date of the complainant's original invention, the proofs satisfy us of the following facts:

He made his first combined threshing and hulling machine in the summer or forepart of the fall of the year 1855. It was not entirely successful. It cut the seeds to some extent, and had other defects, subsequently corrected. He made one or two more machines in the year 1856. His model for the Patent Office was completed about the 1st of December, 1855. He made oath to his application for a patent January 19, 1856. He exhibited a machine at the State Fair at Buffalo in 1857, and took the first premium.

There is some conflict in the testimony as to this branch of the case, but it is much less than is usual where the invention involved is so important, where the adverse interests are so numerous and potent, and where the preparation for the defence has been so thorough. The effect of the evidence is such as to leave no doubt in our minds upon the subject.

There is no foundation for the objection that the invention was abandoned to the public. The measures taken by the complainant to procure a patent, and its subsequent issue, are conclusive against the proposition. It is true, the application was not filed in the Patent Office until the 3d of February, 1858, more than two years after it was sworn to; but the delay was owing to the remissness of the agents to whom the business of procuring the patent was confided. They had the application, the model and the requisite funds in their hands during all the intervening time. The complainant was ignorant of their neglect, and should not be held responsible for the delay that occurred.

He sold no machine prior to two years before the filing of the application.

He used the one first made publicly, but to what extent and under what

circumstances is not clearly shown by the evidence. It is shown that the use, whether more or less, was tentative, and that by the light of experience thus acquired, he made the subsequent and better ones. Public use in good faith for experimental purposes and for a reasonable period, even before the beginning of the two years of limitation, cannot affect the rights of the inventor. The objection rests upon the principle of forfeiture, and is not to be favorably regarded. Every reasonable doubt should be resolved against it. But where either of the facts of this class specified in the statutes is clearly made out, the result is as if there had been the failure of a condition precedent, and the defect is fatal to the patent. Neither a court of law nor a court of equity has any dispensing power. It is alike the duty of both to give full effect to the law. Neither can interpolate a qualification with which Congress has not seen fit to temper the rules prescribed.

The complainant is not barred by laches or acquiescence.

The facts disclosed in the record are not such, we think, as to take away his right to maintain these suits.

The complainant's bill against McDonald and others is founded upon two patents, reissue No. 1,299, and original patent No. 35,209. The bill charges the defendants in that case with infringing all the claims, three in number, of the reissue, and the 3rd claim of the original patent.

As regards the reissue, the case is the same as to the defendants in both suits. The third claim of No. 35,209 is as follows:

"The spiral conveyor, W, in combination with the hulling-cylinder, for distributing the tailing from the elevator uniformly to the hulling-cylinder."

As to this claim, we deem it sufficient to remark that the evidence has failed to satisfy us of its originality with the complainant, or its infringement by the defendants as alleged. The subject is of little importance as compared with the issues arising under the other patent. We shall, therefore, say nothing further upon the subject.

The bill must be dismissed as to this claim.

In the specifications of the original patent, No. 2,024, issued May 18, 1858, of which No. 1,299 is a reissue, the invention is described as consisting of "certain new and useful improvements in machines for threshing and hulling clover." The claim is as follows: Having thus described my invention, what

I claim therein as new, and desire to secure by letters patent, is the arrangement of the slatted belt, *b b*, with the bolt, *B B'*, tattle, *T*, threshing cylinder, *D*, hulling cylinder, *L*, and fan, *F*, the whole operating in the manner and for the purpose substantially as set forth.

In the specifications of the reissue the patentee says:

"Be it known that I * * have invented a new and useful machine for "threshing clover, to separate the seed, hull, and clean it at one operation or "in one machine.

"Prior to my invention, clover was threshed by a machine which only separated the seed, with the hulls on it, from the straw and heads, and the seed "was taken, by manual labor, and put into another machine of a different construction, to remove the hulls and cleanse the seed.

"The object and purpose of my invention and improvements has been to "make a machine which would thresh the clover and separate the seed from "straw or stalks and heads, remove the hulls from the seed, and clean it ready "for use or market. And I have succeeded in making a machine which will "thresh, hull, and clean more than twice, and nearly three times as fast as it "has been done heretofore, with the same or a given quantity of labor and "power.

"The nature of my invention and improvements in machines for threshing "clover and hulling and cleaning the seed, consists in arranging and combining "in one machine the cylinder which threshes the bolls and seed from the straw "or stalks, and the cylinder which hulls the seed, so that the bolls and seed "threshed may be separated from the straw or stalks, and conveyed from "the threshing to the hulling-cylinder, and the seed hulled before it passes out "of the machine; and in combining with the above a bolting or screening and "conveying apparatus, to separate the bolls and seed from the straw or stalks, "and deliver them to the hulling-cylinder; also in combining with the threshing and hulling cylinders, a screening and fanning apparatus, to separate the "hulls or bolls, and clean the seed after it leaves the hulling cylinder."

He then proceeds to give a full and clear description of the machine and of the mode of constructing it, and concludes as follows:

"I will now state what I desire to secure by letters patent, to-wit:

"I claim the arranging and combining in one machine the cylinder which "threshes the bolls and seed from the straw or stalks and the cylinder which

"hulls the seed; so that the bolls and seed threshed may be hulled before it
 "(the seed) passes out of the machine.

"And in combination with the threshing and hulling cylinders above claimed,
 "I claim the bolting or screening and conveying apparatus, which separates the
 "bolls and seed from the straw or stalks, and delivers them to the hulling-
 "cylinder.

"And in combination with the threshing and hulling-cylinders, I claim the
 "screening and fanning-apparatus, which separates the hulls or bolls and cleans
 "the seed after it leaves the hulling-cylinder."

It is objected that the reissue is broader than the original patent, and, therefore, void.

The Commissioner of Patents awarded the reissue. The subject was placed by the law within his jurisdiction. His decision is to be held *prima facie* correct in all cases, and it is conclusive unless impeached for fraud, or unless it is clear upon the face of the several specifications that the reissue is not for the same thing as the original patent. Where a remedy is sought for fraud it must be in an independent proceeding had directly for that purpose by a bill in equity in the name and by the authority of the United States.—*Goodyear vs. Bowen*, 9 Wall., 799; *Whitney vs. Mowery*, 14 Wallace, 434.

Inventors are a meritorious class of men. They are not monopolists in the odious sense of that term. They take nothing from the public. They contribute largely to its wealth and comfort. Patent laws are founded on the policy of giving to them remuneration for the fruits enjoyed by others of their labor and their genius. Their patents are their title deeds, and they should be construed in a fair and liberal spirit to accomplish the purpose of the laws under which they are issued. We have examined carefully the specifications of both patents and are satisfied that the Commissioner decided correctly.

It is further objected that the reissue is for a mere aggregation of old things—that the aggregation involved nothing of invention, and was without merit, and, therefore not patentable.

The slightest examination of the specifications, the model, and the evidence will at once dispose of this illusion. The machine, though made up of several elements, is a unit. Its purpose is to get out clover seed and prepare it for use. All its parts co-operate for that result and are necessary to that end. Without either there would be a failure to the extent of the function which it

performs, and the work intended to be accomplished would be imperfectly done. It is not necessary that every function should be performed simultaneously. Their connection and operation, as in this case, in immediate succession is sufficient. There is no analogy between this case and the one relied upon by the counsel for the defendants as authority upon the subject.

In order to consider intelligently the questions of novelty and infringement, it is necessary to determine in advance the proper construction of the patent.

It is for IMPROVEMENTS upon pre-existing machines. This is its most prominent point.

The *improvements* are in the combinations described.

The parts are old. There is nothing new in any of them. The novelty lies in combining them in the manner set forth, and in the striking and valuable effects thus produced.

We agree with the counsel for the defendants that we are to look to the body of the specification for the intermediary and auxiliary means of giving to the things claimed as the defendants' invention operative effect, but we do not agree with them in the inference they draw from this proposition.

The specific claims set up are—

(1) The combination of the threshing and the hulling cylinder.

(2) In combination with these the bolting, screening and conveying apparatus, which, operating between the threshing and the hulling cylinder, supplies the latter with the material upon which its function is to be wrought.

(3) In combination, also, with the two cylinders, the screening and fanning apparatus.

If any machine, of practical success and value, having these combinations, was "known and used by others before" the complainant completed his invention, then his patent is void. If, on the other hand, there had been no such machine, his patent is valid; and, in such case, every machine since constructed, having substantially the same combinations, though not using the same instrumentalities, but, instead of them, mechanical equivalents older than the invention, is a violation of his rights. This proposition assumes that the machine of the complainant was a success. The proof shows that it was a great and brilliant one. The result of his invention was his, and another cannot appropriate it by merely changing the form and shape of the appliances employed. That these appliances had long been known in the state of the art, and that

those employed by the patentee are of the same character, is immaterial. It is the combinations and their new effect that are to be regarded. Any change merely colorable, involving no new idea, requiring not invention, but only mechanical skill, to make it, a change which retains the idea of the patentee and the substance of his invention, notwithstanding the different drapery in which that substance is clothed, cannot avail to protect a party charged with infringement.

The superiority of an alleged invention in utility and effect over what had gone before it, is proof tending to establish the fact of novelty.

If the views we have expressed as to the construction of the patent, and the rules we have laid down upon the subject of infringement, are correct, it will hardly be denied, if the patent is valid, that the defendants have offended as charged in the bills.

Viewing the subject from this stand-point, no question was raised by the counsel for the defendants in the discussion before us. The main stress of their argument was upon two propositions:

That the patent was void for want of novelty.

That if it were not void, the patentee having used instrumentalities, all of which were old, in making his combinations, the defendants had a right to use other and different old instrumentalities in the same way and for the same purpose.

We shall forbear to examine in detail the evidence relating to the second proposition. In our view it supports fully the complainant's allegations and brings the case within the rules we have laid down upon the subject.

The question of novelty is the only one about which we have felt any difficulty. At first the defence struck us as formidable. Reflection and a full examination of the evidence has removed all doubt from our minds and enabled us to reach a satisfactory conclusion.

It is insisted that the complainant's alleged invention was anticipated by what were designated in the argument as—

The machine of Hizer.

The machine of Rowe.

The machine of Mathews & Kahle.

The machine of Hathaway.

The machine of Feezler.

The argument before us was directed chiefly to the two machines first mentioned, and our remarks will be confined to them.

The question relating to the Hizer machine was before the Commissioner when he granted the reissue. His opinion upon that occasion is in evidence. He says: "It only requires an inspection of these" (the model and drawing) "to show that this machine never had, and never was intended to have, a threshing cylinder. The Hizer machine was designed to take the clover heads, after they had been separated from the straw, and hull them. It was a huller, and not a thresher and huller." A large number of witnesses were examined on both sides. This view, we think, is sustained by a very decided preponderance of the evidence.

France testifies that the upper cylinder was a picker with wooden pins, and merely picked the chaff apart. He had thirteen others testify that the heads were tramped or threshed off before they were fed to the machine. None of the witnesses examined had better means of knowledge or are more trustworthy than these. Ten of them testified that they saw the machine in use and that it had but a single cylinder. The machine was used for one of them—Patterson. He saw the first combined machine he ever saw the October before his deposition was taken.

Crites, another of them, says he ran a machine on shares with Hizer two seasons—1847 and 1848. He says the heads were threshed or tramped off and fed to the machine with a scoop or shovel. He never knew of Hizer building a machine with two cylinders, and he never saw a machine with two cylinders until the Monday before he was examined.

C. H. Lizer furnished Hizer with money to enable him to get his patent, and got one of the machines. It had but one cylinder.

George H. Lizer helped Hizer to make his model. It had one cylinder. He first heard of a combined machine two years before he testified.

Heck manufactured the machines in the summer and fall of 1847. They had one cylinder. They did not prove successful, and the manufacture was abandoned.

Allen Smith worked with Heck, and his testimony is to the same effect. He first heard of a combined machine in 1858 or 1859.

Knox saw a picker on the machine. Hizer took it off and laid it away before the machine was used.

Mowrey testifies that the picker was a failure and was removed.

Mrs. Hizer, the widow of the patentee, was well acquainted with the machine. Her testimony is clear upon the subject. She says: "The first machine had a roller on top—a picker they called it. Well, then the clover got tangled with the roller on top so they could not work with that on. Then it worked and cleaned the seed after he took *that* off. By *that* she says she means the picker. She says further that the picker was taken off the day Hizer began to use the machine.

Comment is unnecessary. There is some conflicting evidence, but it fails to neutralize the effect of that to which we have adverted.

The patent issued to Rowe is in evidence. It is dated April 30, 1861, nearly three years after the emanation of the patent to the complainant. The defendants rely, of course, not upon the patent to Rowe but upon machines used by him at different periods from 1845 to 1857. The complainant's counsel admit that during that time Rowe did make and use two or three machines with two cylinders, but he insists that they were both hullers; that neither was a thresher; that the machines were experimental—were failures, and that they were finally abandoned. The defendants examined eleven witnesses, and the complainant fifteen. We shall advert to only so much of the evidence taken as we deem material for the purposes of this opinion, giving the names of the several witnesses, in connection with a brief resume of their testimony respectively.

Henry C. Smale. Age, 63. Farmer in West Virginia. Had a Rowe machine to thresh clover seed for him in 1855, and for two or three years thereafter. The machine was run by Bender & Hyeronymous. It did not work at all. He had a great deal of trouble with it. It left about one-third of the seed in the straw. The clover was gathered with a cradle which had three fingers and a trough.

John B. Tites. Had a Rowe machine thresh for him in 1852. It had two cylinders. It threshed slow—gave trouble about choking, and ground the seed. The first day it threshed three and half bushels. Don't know whether this was an average day's work. The best and plumpest of the seed were broken and of no account.

Jacob Wolf. Saw the Rowe machine in 1847. First had a single huller.

First change Rowe made was by adding the screen, then the second cylinder, or stemmer, that knocked the seed off the straw. Heard Col. Lucas tell Rowe, when he attached the second cylinder, to get out a patent. Rowe said he did not want a patent as the machine then was. An average day's work, before the extra cylinder was added, was from three to five bushels. After the second cylinder was added, the machine did not thresh so much. The upper cylinder hulled out considerable seed when the clover was dry.

A. J. Read. He used one of Rowe's machines in 1850. It had two cylinders. The machine separated the hulls from the straw. The second cylinder hulled the seed. Some days the machine threshed twelve bushels, but the seed was dirty and had to be sifted. He never saw any clean seed from the machine. Some days it did not thresh more than a bushel; some days the machine threshed without breaking the seed, some days they were broken very much. Rowe often said he did not consider the machine "a genuine one," but expected to perfect it. The clover was sometimes prepared by stripping and sometimes by cradles.

Michael Wolf. He tried a Rowe machine in 1848, and could not make it work. The seed was broken so much that Rowe would not let him hull any more. He finished that job, and several others that had been begun, with a Fitz machine with one cylinder.

George W. Spotts. Knew of one of Rowe's double cylinder machines in 1855. The machine was taken to Seavel's, and left there to rot. "Rowe was most invariably altering his machines, and often told me he could perfect a better machine. The war broke out and broke the old gentleman up. *He never succeeded.*"

B. W. Kanode. The Rowe machine got out from four to six bushels of seed per day. The seed was cut.

Samuel Walton. Rowe stated "that the machines he had been working, up to the time he got his patent in 1861, were experimental. Did not consider them perfect. That he had made numerous changes in that time." He said "that he did not consider any of his machines, up to that time, worth getting a patent for."

Hiram King. Resides at Hagerstown, Maryland. Is a wheelwright. Became acquainted with Rowe in 1847 or 1848. He was then running a

huller. Worked for him in 1847 in repairing an old two-cylinder machine. Worked for him again in 1858 upon an old machine, and assisted him in building a new one.

Q. 45. Do you know anything of the practical working of the old two-cylinder machine? A. I do; as far as my judgment about machinery, they were not practical machines."

There is other testimony more favorable to the machine, but it fails to repel the force of that to which we have referred. There is also proof of the defective working of a two-cylinder Rowe machine reproduced, and expert testimony taken by the complainant.

We do not deem it necessary particularly to advert to either.

Let the Rowe machine, as described by all the witnesses, be contrasted with the machine of the complainant. The latter is capable of threshing and hulling out, and cleaning and preparing thoroughly, the seed for market. Its superiority lies alike in the quantity and the quality of the work which it performs.

We think the Rowe machine was experimental, imperfect, and of no practical value.

The line of demarcation between the Birdsell machine and those that went before it, is that which separates success from failure. There can be no better proof of this than the crowd of imitations which have followed the invention of the complainant.

There is less ground for claiming that either of the other machines which have been mentioned is a defence for the defendants, than that those are which have been considered.

The testimony of Davis and Schuyler, under the circumstances, requires no remark.

We hold that the attack on the patent for want of novelty has failed.

It appears in the evidence that there was a struggle between these parties upon this question, before the Commissioner, when the patent was extended. The proceeding was *ex-parte*. We have considered the case as if no such contest had occurred.

A decree will be entered in each case in favor of the complainant, in the usual form, for an injunction, for an account, and for costs.

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