

## EARL v. SOUTHERN PAC. CO. et al.

(Circuit Court, N. D. California. August 17, 1896.)

No. 12,191.

## 1. FEDERAL COURTS—JURISDICTION IN PATENT CASES—RESIDENCE OF DEFENDANT.

The provision in the judiciary act of 1837-38, requiring suits to be brought in the district whereof the defendant is an inhabitant, does not apply to patent suits, whether the defendant is a corporation or an individual, and either may be sued wherever valid service can be had. In *re Hohorst*, 14 Sup. Ct. 221, 150 U. S. 659; In *re Keasbey & Mattison Co.*, 16 Sup. Ct. 273, 160 U. S. 221, followed.

## 2. PATENT SUITS—PRELIMINARY INJUNCTION—EFFECT OF PRIOR ADJUDICATIONS.

Upon a motion for a preliminary injunction in a patent suit, a prior final adjudication in the same circuit, sustaining the patent, after earnest contest, whether in equity or at law on the verdict of a jury, is conclusive on that question, unless new evidence is presented, of such a conclusive character that if introduced in the former case it probably would have led to a different result. The burden is on the defendant to establish this, and every reasonable doubt must be resolved against him. *Edison Electric Light Co. v. Electric Manuf'g Co.*, 57 Fed. 616, etc.

This is a bill in equity brought by Edwin T. Earl against the Southern Pacific Company and Robert Graham and others for alleged infringement of letters patent numbered 465,615, issued December 22, 1891, and reissued letters patent numbered 11,324, dated April 19, 1893, for a ventilator and combined ventilator and refrigerator car. The cause was heard upon a motion for a preliminary injunction, and upon motions to dismiss, as against the Southern Pacific Company and Robert Graham for want of jurisdiction, on the ground that they are not inhabitants of the Northern district of California.

John H. Miller (John L. Boone, of counsel), for complainant.

Wheaton, Kalloch & Kierce (L. L. Coburn and E. S. Pillsbury, of counsel), for Robert Graham.

J. E. Foulds (E. S. Pillsbury, of counsel), for Southern Pacific Co.

MORROW, District Judge (after stating the facts). The patent in this suit was involved in an action at law in this court wherein Edwin T. Earl, the complainant herein, was the plaintiff, and Robert Graham, one of the defendants herein, was the defendant. That action was brought on for trial in March last, and resulted in a verdict and judgment in favor of the plaintiff, and against the defendant. The plaintiff thereupon brought this action to restrain the defendants from making, using, and selling any cars or ventilators containing the patented invention. The bill charges that the defendants in the Northern district of California have jointly used large numbers of cars containing and embracing the invention described and patented in and by said reissued letters patent, and the claims thereof numbered 3, 4, 5, 7, and 8, and have infringed upon the exclusive rights secured to the complainant by the said claims, and that the defendants are now using said cars contain-

ing said patented invention, and threaten to continue using them. The bill further charges that the Southern Pacific Company is a railway corporation engaged in transporting and hauling for hire the cars containing the said patented invention, and in operating and manipulating the ventilators while hauling said cars. The Southern Pacific Company has appeared specially for the purpose of objecting to the jurisdiction of the court, and moves to dismiss the bill of complaint on the ground that the court has no jurisdiction of the person of said defendant, in that it appears upon the face of the bill that the defendant is a corporation organized and existing under the laws of the state of Kentucky, and is therefore an inhabitant of the state of Kentucky, and not an inhabitant of the Northern district of California. The motion is based upon the provisions of the act of March 3, 1887, as corrected by the act of August 13, 1888 (25 Stat. 433). The act provides:

"But no person shall be arrested in one district for trial in another in any civil action before a circuit or district court; and no civil suit shall be brought before either of said courts against any person by any original process or proceeding in any other district than that whereof he is an inhabitant."

The supreme court has held that under this act a corporation incorporated in one state only, and doing business in another state, is not thereby liable to be sued in a circuit court of the United States held in the latter state. *Southern Pac. Co. v. Denton*, 146 U. S. 202, 13 Sup. Ct. 44. But it has also been held that this exemption does not apply to an alien or a foreign corporation sued here, and especially in a suit for the infringement of a patent right, exclusive jurisdiction of which is conferred upon the circuit court by the fifth subdivision of section 711 of the Revised Statutes, and jurisdiction of the defendant may be obtained in any district where a valid service can be made on the defendant. *In re Hohorst*, 150 U. S. 659, 14 Sup. Ct. 221; *In re Keasbey & Mattison Co.*, 160 U. S. 221, 16 Sup. Ct. 273; *Smith v. Manufacturing Co.*, 67 Fed. 801; *Button Works v. Wade*, 72 Fed. 298. The motion of the Southern Pacific Company to dismiss the action as against that corporation will therefore be denied.

The defendant Graham also objects to the jurisdiction of the court on the ground that he is not an inhabitant of the Northern district of California. He was a defendant in the original action at law in this court, and he submitted to the jurisdiction of the court without objection on this ground, and a judgment was rendered against him. The present action is based upon alleged infringements in this district, and the defendant was personally served in this district. This is sufficient to give jurisdiction in this case. Aside from this, the same reasons upon which the motion of the Southern Pacific Company to dismiss has been denied are applicable to the defendant Graham. *Button Works v. Wade*, *supra*.

We come now to the question whether, on the showing made upon the order to show cause, the complainant is entitled to a preliminary injunction. The right to such an injunction is based upon the prior