

Equity—Doctrine of Clean Hands as Applied to Separate Causes of Action—[Federal].—In a suit for infringement of five patents, the first a basic one and the others for improvements, plaintiff's lack of clean hands was set up as a defense. Before plaintiff had conceived of the device embodied in the first improvement, a supposed prior use thereof had been made. Several years later plaintiff learned of this fact, and secured from the prior user an assignment of all his rights and an agreement to suppress evidence as to the use. Subsequently, in a suit against one Byers, plaintiff obtained a decree of validity and infringement of three patents, including the one supposedly invalidated by the prior use. Immediately thereafter he instituted the present suit, alleging infringement by the defendants of the same patents as were involved in the prior action, and sought a temporary injunction, partly on the basis of the prior decree. The injunction was refused. Plaintiff later amended his complaint to include claims of infringement of the remaining two patents, and continued to trial. *Held*, the transaction with the prior user, and the employment of the prior decree (secured in part by suppressing evidence) in applying for a temporary injunction, were so unconscionable as to bar plaintiff from relief, in this suit, as to any patent. *Keystone Driller Co. v. General Excavator Co.*, 54 Sup. Ct. 146 (1933).

The maxim that he who comes into equity must come with clean hands arose in early times when exercise of the powers of a court of equity was largely a matter of discretion. 1 Pomeroy, *Equity Jurisprudence* (4th ed. 1918), 739, § 398. Generally the maxim will be applied only in favor of a person substantially injured by the acts of which he complains. *Meyer v. Yesser*, 32 Ind. 294 (1869); *Halladay v. Faurot*, 8 Ohio Dec. Rep. 633 (1883); *Langdon v. Templeton*, 66 Vt. 173, 28 Atl. 866 (1893); *Langley v. Dealin*, 95 Wash. 171, 163 Pac. 395 (1917). The maxim has not been applied where the harm to the defendant is small, and the injury to the plaintiff through denying relief would be great. *Valley Smokeless Coal Co. v. Manufacturers' Water Co.*, 302 Pa. 232, 153 Atl. 327 (1930); *McNair v. Benson*, 63 Ore. 66, 126 Pac. 20 (1912); *Bias v. Bias*, 155 S.E. 898 (W.Va. 1930); *Huntzicker v. Crocker*, 135 Wisc. 38, 115 N.W. 340 (1908).

Several exceptions to this general rule have evolved. It has been suggested that where plaintiff has a fraudulent intent and commits an overt act in attempting to effectuate that intent, he comes within the maxim irrespective of injury to the defendant. See *Curtin v. Benson*, 222 U.S. 78, 85, 32 Sup. Ct. 31, 56 L. Ed. 102 (1911); *Peltzer v. Gilbert*, 260 Mo. 500, 521-522, 169 S.W. 257 (1914); *Cook v. Chapman*, 30 N.J. Eq. 114, 118 (1878).

It has also been held sufficient for the maxim to be applied to show that plaintiff's acts constituted a fraud on the public, or were criminally punishable. *Worden & Co. v. California Syrup Co.*, 187 U.S. 516, 23 Sup. Ct. 161, 47 L. Ed. 282 (1903); *American University v. Wood*, 294 Ill. 186, 128 N.E. 330 (1920); *Munn & Co. v. American Co.*, 83 N.J. Eq. 309, 41 Atl. 87 (1914); but cf. *General Electric Co. v. Minn. Electric Lamp Co.*, 10 F. (2d) 851 (D. C. Minn. 1924); *Carson Inv. Co. v. Anaconda Copper Co.*, 26 F. (2d) 651 (C.C.A. 9th 1928); 1 Walker, *Patents* (6th ed. 1929), 720, § 625.

It is not sufficient, however, to show that plaintiff has committed a reprehensible, fraudulent or criminal act; that act must be closely related to the subject matter of the suit in which the defense is set up. 1 Pomeroy, *Equity Jurisprudence* (4th ed. 1918), 741, § 399. Thus, inequitable conduct with respect to one claim or "cause of action" has been held not to bar other claims or "causes of action" in the same suit.

*Maatschappij etc. v. Kosloff*, 45 F. (2d) 94 (C. C. A. 2d 1930); *In re Meyerfeld*, 46 F. (2d) 665 (D.C. N.D. Cal. 1931); *Barnes v. Barnes*, 282 Ill. 593, 118 N.E. 1004 (1918).

It is somewhat difficult to reconcile the present case with these principles. There is some doubt as to whether the defendant was substantially injured by the acts of the plaintiff. In the first place, the facts involved in the agreement to suppress evidence were brought to light during the course of the present suit; hence it may be said the agreement did not prejudice the defendant. Cf. *Conn. Tel. Co. v. Brown & Came*, 10 F. (2d) 823 (D.C. Ill. 1926). Although the agreement to suppress evidence did not prejudice the defendant, it could still be argued that the use of the decree in the Byers suit had produced an injury, inasmuch as on motion for a temporary injunction a prior decree of validity is entitled to considerable weight. *Leeds & Callin v. Victor Co.*, 213 U.S. 301, 319, 29 Sup. Ct. 495, 53 L. Ed. 805 (1909). The injunction was not granted in the present case, but defendants were required to post a heavy bond instead; and the Supreme Court considered this sufficiently burdensome.

In the second place, it would seem that if plaintiff had secured only an assignment of rights from the prior user the result as to suppression of evidence would have been substantially the same as that which developed under the express agreement to suppress; and the court made no criticism of the assignment. Third, after the evidence came to light in the present suit, the defendants in the Byers case attempted to have the decree therein set aside, but it was held that the prior use was an abandoned experiment and that plaintiff's conduct, though hardly excusable, was immaterial. *Keystone Driller Co. v. Byers Machine Co.*, 4 F. Supp. 159 (N.D. Ohio 1932). It is possible that two courts might interpret the same evidence in different ways; however, this is improbable in view of the rule that where evidence of an anticipation is oral, as it was here, proof must be "clear, satisfactory and beyond a reasonable doubt." *Barbed Wire Patent*, 143 U.S. 275, 12 Sup. Ct. 443, 36 L. Ed. 154 (1892); *Albertson & Co. v. Alvoord Reamer Co.*, 51 F. (2d) 557 (D.C. Pa. 1931); 1 Walker, Patents (6th ed. 1929), 141-144, § 116.

Inasmuch as the plaintiff did combine a fraudulent intent with an overt act (attempt to suppress evidence), the application of the maxim may be supported on that ground. In a sense, too, plaintiff's acts were illegal; the government could sue to cancel his patent if a prior use had been made, and it appears that at the time plaintiff applied for a patent he had some knowledge of the prior user's acts. 1 Walker, Patents (6th ed. 1929), 474, §§ 383, 384. However, it would seem that in the patent field such "collateral" illegality is insufficient to invoke the maxim. *Western Glass Co. v. Schmertz Co.*, 185 Fed. 788 (C.C.A. 7th 1911); *Carson Inv. Co. v. Anaconda Copper Co.*, 26 F. (2d) 651 (C.C.A. 9th 1928), cert. den. 278 U.S. 635, 49 Sup. Ct. 32, 73 L. Ed. 551 (1928); cf. *Conn. Tel. Co. v. Automotive Co.*, 14 F. (2d) 957 (D.C. N.J. 1926), affd. 19 F. (2d) 990 (C.C.A. 3d 1927), cert. den. 275 U.S. 543, 48 Sup. Ct. 121, 72 L. Ed. 428 (1927); but cf. *Creath v. Sims*, 5 How. (U.S.) 192, 12 L. Ed. 111 (1847).

Even if the nature of plaintiff's acts is such as to permit the application of the maxim, it must be shown that those acts are sufficiently closely related to the subject matter of the suit. Although it may be admitted that plaintiff's conduct was closely related to the patent included in the agreement to suppress evidence, it was far less closely related to the other four patents, and it seems doubtful whether the maxim should be invoked as to them. It is true the patents related to the same device, and thus were closely interwoven; however, the court admits that the infringement of each patent gives rise to a distinct "cause of action," and thus implies that a separate successful suit could be brought for the infringement of each patent. This the court recog-

nizes in the form of decree rendered; the suit is dismissed without prejudice to any future actions on any patent involved in the suit. The opinion of the lower court distinctly contemplates the commencement of new actions as to all five patents, or at least as to the four patents not involved in the agreement to suppress evidence; see *General Excavator Co. v. Keystone Driller Co.*, 62 F. (2d) 48, 51 (C.C.A. 6th 1932). This result, however, gives the "clean hands" maxim a very insubstantial effect; it requires plaintiff to pay the costs of the present suit, and then institute another. It would seem that, if the maxim is to be applied in a practical manner, it should result in barring plaintiff's rights as to the entire subject matter of the suit, or in barring plaintiff's rights as to part of the subject matter involved but permitting him to recover for the balance of the subject matter in the same suit. The maxim should not result only in a dismissal of the present suit, and the bringing of a new one. But see opinion of court below, denying rehearing, *General Excavator Co. v. Keystone Driller Co.*, 64 F. (2d) 39, 40 (C.C.A. 6th 1933) (maxim bars only the present suit and has no application to the future).

JOSEPH J. ABBELL

**Evidence—Hearsay—Dying Declarations—States of Mind—[Federal].**—The defendant, Dr. Shepard, was indicted for the murder of his wife who had died from poisoning. The prosecution introduced in evidence as a dying declaration the statement of the deceased: "Dr. Shepard poisoned me." Both the Circuit Court of Appeals and the Supreme Court of the United States held that sufficient ground had not been laid to make the statement admissible as a dying declaration. The Circuit Court of Appeals, however, sustained its admission on the theory that it was evidence of a state of mind, rebutting evidence of suicide introduced by the defendant. *Held*, that such statement was not admissible for this purpose. *Shepard v. United States*, 54 Sup. Ct. 22 (1933).

The evidence fell short of showing that at the time the deceased stated that Dr. Shepard poisoned her she had a settled hopeless expectation of death, and so the statement was quite properly excluded as a dying declaration. *State v. Weaver*, 57 Iowa 730, 11 N.W. 675 (1882); *Bell v. State*, 72 Miss. 507, 17 So. 232 (1895); *Smith v. State*, 161 Miss. 430, 137 So. 96 (1931); 3 Wigmore, *Evidence* (2d ed. 1923), §§ 1440, 1442; but see 82 Univ. Pa. L. Rev. 290 (1934).

The most interesting aspect of the case is the light it throws on the attitude of the Supreme Court as to the use of hearsay evidence in proving states of mind. Justice Cardozo, in whose opinion all the justices concurred, clearly sought to limit the admissibility of such evidence to show a state of mind as a step in the proof of an act consistent with that state of mind. He accepted the suggestion of Professor Maguire that the rule should be limited to cases where the argument is from a state of mind to subsequent conduct, as contrasted with prior conduct, of the speaker, or perhaps the joint conduct of the speaker and another. Maguire, *The Hillmon Case Thirty-three Years After*, 38 Harv. L. Rev. 709 (1925).

The use of the statement, that Dr. Shepard poisoned her, which the Circuit Court of Appeals allowed in this case cut far deeper into the hearsay rule than any of the cases so far decided with the exception of the cases which admit statements of a present state of mind to prove past acts in will contests. *Thompson's Estate*, 200 Cal. 410, 253 Pac. 697 (1927); *McMurtrey v. Kopke*, 250 S.W. 399 (Mo. 1923); *Behrens v.*