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RELIEF IN FEDERAL COURTS AGAINST STATE JUDGMENTS OBTAINED BY FRAUD*

WHILE equitable considerations would favor relief to the litigant against whom a judgment has been fraudulently obtained in a state tribunal,¹ the grant of a remedy by a federal court raises the problems of (1) the applicability of state requirements governing impeachment of judgments for fraud, and (2) the extent to which previous state decisions on the point of fraud between the same parties should control. These issues confronted the Circuit Court of Appeals for the Second Circuit in the case of *Griffith v. Bank of New York*.² In the court below, the complaint alleged that the defendant

* *Griffith v. Bank of New York*, 147 F. (2d) 899 (C. C. A. 2d, 1945).

1. The administration of justice brings into conflict the social objective of assuring a conclusive determination of litigious claims—such as will bring stability and certainty to legal situations—with the equitable imperative that fairness prevail in the judicial combat, implying relief from judgments obtained by fraud. In most jurisdictions, a compromise appears to have been worked out on the basis of avoiding relitigation of the issues that were once before a competent court, while at the same time allowing the unsuccessful party to bring an independent action upon the facts which his opponent's fraud prevented him from exposing (as where the defrauded litigant has been kept away from court by a false promise of compromise, or his attorney connives at his defeat). Cf. *United States v. Throckmorton*, 98 U. S. 61, 65 (1878).

2. 147 F. (2d) 899 (C. C. A. 2d, 1945).

bank, as administrator of a testamentary trust, had compelled the beneficiary, under threat of withholding the funds, to submit to a consent decree from the Supreme Court of New York County which distributed the estate and discharged the trustee from all liability. Subsequently the beneficiary petitioned the Surrogate's Court for a compulsory accounting, alleging that the bank's "duress" had prevented her from contesting the administration accounts. Upon the Surrogate's granting of a motion on the pleadings to dismiss, on the ground that the New York Supreme Court judgment was conclusive and could not be collaterally attacked, the present action³ for money damages was instituted in the federal forum. The district court dismissed for failure to state a cause of action upon which relief could be

3. While cases of attack upon state judgments in federal courts generally take the form of independent bills in equity, either brought before it, as in *Simon v. Southern Ry.*, 236 U. S. 115 (1915), and *Wells Fargo & Co. v. Taylor*, 254 U. S. 175 (1920), or removed from a state court (a) for reasons of diversity of citizenship, *Marshall v. Holmes*, 141 U. S. 589 (1891), or (b) on a federal question, *American Surety Co. v. Baldwin*, 287 U. S. 156 (1932), the present case was presented as an action at law, based on a tort claim. Since there could be no recovery of damages unless the previous judgment was found to have been in fact fraudulently obtained, the case is clearly one of collateral attack. The antinomy of "legal" form (claim for damages) and "equitable" nature (relief against fraud) here involved brings out the difference between those attempts to avoid the effects of a judgment by means of an action at law [e.g., the ejectment suit in *Pennoyer v. Neff*, 95 U. S. 714 (1877), the action of partition in the Illinois adoption case, *Keal v. Rhydderck*, 317 Ill. 231, 148 N. E. 53 (1925)] which are generally based upon strictly legal grounds: lack of jurisdiction of the court, nullity of the proceedings for want of service or defect in the constitution of the court [RESTATEMENT, JUDGMENTS (1942) § 11, comment b; VANFLEET, THE LAW OF COLLATERAL ATTACK (1892) 5], and the proceedings to enjoin enforcement of a state judgment obtained by fraud, which are founded upon the inequitableness of allowing the guilty party to take advantage thereof, so that the merits of the case—irrelevant in a typical collateral attack—have a controlling influence in the adjudication. The apparent incongruity of the situation outlined above should not create substantial difficulty. The equity jurisdiction of the federal courts [Judiciary Act of 1789, § 11; 28 U. S. C. § 41(1) (1940); see *Atlas Life Ins. Co. v. W. I. Southern Inc.*, 306 U. S. 563 (1939), and cases cited] could be exercised to dispose of incidental issues at law [Equity Rule 23, 28 U. S. C. A. § 723 app. (1941); 28 U. S. C. § 398 (1940)] once the court had acquired jurisdiction for any purpose, *Camp v. Boyd*, 229 U. S. 530 (1913), *McGowan v. Parish*, 237 U. S. 285 (1915), *Greene v. Louisville & Interurban R. R.*, 244 U. S. 499 (1917), *Rice & Adams v. Lathrop*, 278 U. S. 509 (1929). See CHAFEE, CASES ON EQUITABLE RELIEF AGAINST TORTS (1924) 258-63 for a review of English and American statutes authorizing specific and substitutional redress in the same proceeding and cases collected, *id.* at 246-80. The new FED. RULES OF CIV. PROC., 28 U. S. C. following § 723c (1940), Rules 1 and 2, broaden the traditional doctrine, and under Rule 54(c) ". . . every final judgment shall grant the relief to which the party in whose favor it is rendered is entitled, even if the party has not demanded such relief in his pleadings." *Cohen v. Randall*, 137 F. (2d) 441 (C. C. A. 2d, 1943), *cert. denied*, 320 U. S. 796 (1943); *United States for the use of Susi Contracting Co. Inc. v. Zara Contracting Co. Inc.*, 146 F. (2d) 606 (C. C. A. 2d, 1944). Therefore, the particular theory upon which the complaint may be drawn does not constrain the court; it is enough that the facts entitle the plaintiff to some form of relief. *Atwater v. North American Coal Corp.*, 36 F. Supp. 975 (S. D. N. Y. 1940); *Liquid Carbonic Corp. v. Goodyear Tire and Rubber Co.*, 38 F. Supp. 520 (N. D. Ohio 1941); *Kansas City St. L. & C. R. R. v. Alton R. R.*, 124 F. (2d) 780 (C. C. A. 7th, 1941); *Truth Seeker Co. Inc. v. Durning*, 147 F. (2d) 54 (C. C. A. 2d, 1945).

granted, but the circuit court of appeals reversed. Characterizing the review of judgments for fraud as procedural, and hence outside the scope of *Erie Railroad v. Tompkins*,⁴ it held that the district court had jurisdiction to entertain a collateral attack upon a state judgment.⁵

4. 304 U. S. 64 (1938).

5. If the attack upon the first state court judgment had been carried directly to the federal forum, it could be entertained on the grounds of fraud as long as the following conditions were present:

(1) The jurisdictional requirements of diversity and amount were met.

(2) The action was not founded upon procedural defects of the previous judgment, over which the original court exercises supervisory powers, *Barrow v. Hunton*, 99 U. S. 80, 85 (1878) (holding that the decision as to whether the vice of the judgment is one of procedural form or of fraud is one for the federal courts to make, and that they are always competent to examine the nature of the defect in order to settle the issue of their jurisdiction *ratione materiae*).

(3) The circumstances of the state judgment are such that its enforcement would be contrary to the standards of equity and good conscience. Federal courts will then interpose to prevent the party who has been guilty of fraud from getting the benefit of his action. *Johnson v. Waters*, 111 U. S. 640 (1884). The theory of the equitable remedy provided by federal courts is that in granting injunctions against the enforcement of state judgments they are not discussing their formal validity nor interfering with state courts and their officials in any way, but merely acting upon one of the parties to arrest any measures he may take under the judgment to secure the advantages thereof. If this rationalization is proper, the "no-injunction" rule, 36 STAT. 1162 (1911), 28 U. S. C. § 379 (1940), which received a strict interpretation in *Toucey v. New York Life Ins. Co.*, 314 U. S. 118 (1941), Note (1942) 52 YALE L. J. 150; see 1 MOORE, FEDERAL PRACTICE (Supp. 1942) 304-13, would still not apply when the object of the injunction is no longer a "proceeding in a state court" but a judgment tainted with fraud. *Simon v. Southern Ry.*, 236 U. S. 115 (1915); *Wells Fargo & Co. v. Taylor*, 254 U. S. 175 (1920). Mr. Justice Frankfurter does not seem to discard this argument entirely, but rather to leave the issue in suspense. See the *Toucey* case, 314 U. S. at 136. For possible effect of *Toucey* decision on the administration of equitable remedies by federal courts against state judgments fraudulently obtained see 1 MOORE, FEDERAL PRACTICE (Supp. 1942) 351-2, distinguishing that situation (where no further remedy is available) from the "relitigation" basis of the *Toucey* case (where the holder of a federal judgment always has the chance of pleading it as *res judicata* in the state court, with the further possibility, if the plea is disregarded, of getting review by certiorari in the Supreme Court on the grounds of denial of full faith and credit).

(4) No adequate remedy at law is available in state courts, *Ellis v. Davis*, 109 U. S. 485 (1883) (Louisiana action in revendication available at law). Suits in equity for the cancellation of insurance policies on the grounds of fraud serve to illustrate this requirement. The bills in equity were dismissed in *Insurance Company v. Bailey*, 13 Wall. 616 (U. S. 1871); *Cable v. U. S. Life Ins. Co.*, 191 U. S. 288 (1903); *Enelow v. New York Life Ins. Co.*, 293 U. S. 379 (1935); the remedy was granted in *American Life Ins. Co. v. Stewart*, 300 U. S. 203 (1937). The want of remedy exists regardless of the recourse that may be open in the state court in equity. *Arrowsmith v. Gleason*, 129 U. S. 86 (1889). The state remedy need not have been exhausted when it appears that the claim for relief is prompted by the state court's refusal to declare itself incompetent in the original suit. *Atchison, Topoka & Santa Fe Ry. v. Wells*, 265 U. S. 101 (1924). The test of the adequacy of the legal remedy is that afforded by federal rather than by state courts. *Di Giovanni v. Camden Fire Ins. Ass'n*, 296 U. S. 64 (1935); *Russell v. Todd*, 309 U. S. 280 (1940). For the instant case, no remedy at law was specifically provided under New York law. Section 48(5) of the Civil Practice Act merely established a six-year statute of limitations for fraud (tort) actions. To

To reach this result the circuit court of appeals had first to overcome whatever conclusiveness the Surrogate's disposition of the case might have as against a subsequent attempt to impeach the original judgment.⁶ The court stressed the fact that the import of the Surrogate's dismissal was not clear, for although his opinion said that, since one of two concurrent courts had exercised jurisdiction in the premises⁷ and the parties had submitted to the proceedings through final judgment, they were bound, he continued: "If fraud or newly discovered evidence or other grounds for the vacatur of that judgment is claimed, the attack upon it must be made by a direct application to the Supreme Court."⁸ In the circuit court of appeals' view, it was not possible to interpret this decision beyond saying that it did not go to the merits of the case.⁹ Applying the rule that a dismissal not on the merits concludes only the question actually decided by the holding,¹⁰ the court held that the parties could renew their action in another tribunal¹¹ without being bound as to any facts which were or could have been determined by the previous judgment.

that extent, the federal court could be justified in saying that remedy was lacking (147 F. (2d) 899, 904). But the cases cited in connection with this point indicate that through a broad interpretation of the provisions of the New York Civil Practice Act, § 528, concerning the motion to set aside a judgment for error of fact not arising on the trial, it is possible to obtain review of a judgment obtained by fraud beyond the two-year limitation of that section. Section 528 is derived from Sections 1290 and 1291 of the Code of Civil Procedure, which were held not to bar review in cases of fraud. *Furman v. Furman*, 153 N. Y. 309, 47 N. E. 577 (1897), *People v. Santa Clara Lumber Co.*, 60 Misc. 150, 113 N. Y. Supp. 70 (Sup. Ct. 1908). *Cf. Eichner v. Metropolitan Street Ry.*, 114 App. Div. 247, 99 N. Y. Supp. 870 (1st Dep't 1906); *Matter of William Tilden*, 98 N. Y. 434 (1885). Under Section 528, review has been granted, on the ground of fraud, after the expiration of the two-year period. *Gysin v. Gysin*, 263 N. Y. 509, 189 N. E. 568 (1934); *Matter of Humpfner*, 166 Misc. 672, 3 N. Y. S. (2d) 143 (Surr. Ct. 1938).

6. See 3 FREEMAN, JUDGMENTS (5th ed. 1925) 2896-7.

7. The Supreme Court of New York County and the Surrogate's Court in this case. The Surrogate cites *Matter of Runk*, 200 N. Y. 447 (1911); *Colson v. Pelgram*, 259 N. Y. 370 (1932); *Matter of Malloy*, 278 N. Y. 429 (1938), in support of his concurrent jurisdiction over trustee's accounts.

8. *Estate of Anna R. Morison*, N. Y. L. J., Oct. 26, 1943, p. 1087, col. 7.

9. *Griffith v. Bank of New York*, 147 F. (2d) 899, 903 (C. C. A. 2d, 1945).

10. *Converse v. Sickles*, 146 N. Y. 200, 40 N. E. 777 (1895); *Genet v. President, etc., of Delaware and Hudson Canal*, 163 N. Y. 173, 57 N. E. 297 (1900); 170 N. Y. 278, 63 N. E. 828 (1902); *Rudd v. Cornell*, 171 N. Y. 114, 63 N. E. 823 (1902); *Clark v. Scoville*, 198 N. Y. 279, 91 N. E. 800 (1910); *Cohen & Sons, Inc. v. Lurie Woolen Co. Inc.*, 232 N. Y. 112, 133 N. E. 370 (1921); *Richard v. American Union Bank*, 253 N. Y. 166, 170 N. E. 532 (1930); *Bliss v. Omnibus Corp.*, 169 Misc. 662, 7 N. Y. S. (2d) 979 (Sup. Ct. 1938); *Brick v. Cohn-Hall-Marx Co.*, 283 N. Y. 99, 27 N. E. (2d) 518 (1940). See 2 FREEMAN, JUDGMENTS (5th ed. 1925) 1546. See also *Shaw v. Broadbent*, 129 N. Y. 114, 29 N. E. 238 (1891); *Rose v. Hawley*, 141 N. Y. 366, 36 N. E. 337 (1894). *Fogarty v. O'Reilly*, 56 Misc. 192, 107 N. Y. Supp. 234 (Sup. Ct. 1907) (dismissal of complaint for insufficiency); *Thorburn v. Gates*, 103 Misc. 292, 171 N. Y. Supp. 198 (Sup. Ct. 1918) (dismissal for want of jurisdiction); *cf. Bradner v. Howard*, 75 N. Y. 417 (1878); *In re Lesser's Will*, 159 Misc. 598, 288 N. Y. Supp. 598 (Surr. Ct. 1936).

11. RESTATEMENT, JUDGMENTS (1942) § 49.

Under New York law, a court other than the original one may not entertain an attack upon a judgment unless the fraud alleged is "extrinsic."¹² Thus, a decision by the Surrogate that there had been "extrinsic" fraud would have given him jurisdiction over the independent action; but, if the fraud had been "intrinsic," the injured party would have had to seek relief in the original court.¹³ Upon examination of the facts alleged in the complaint, and accepting them as true for the purposes of decision upon the motion to dismiss, the Surrogate would seem to have characterized the fraud as "intrinsic," and therefore ordered the motion granted.¹⁴ Such a

12. The Surrogate's opinion contains the statement that ". . . If fraud or newly discovered evidence or other grounds for the vacating of that judgment is claimed, the attack upon it must be made by a direct application to the Supreme [original] Court. (*Crouse v. McVickar*, 207 N. Y. 213 (1912))." *Estate of Anna R. Morison*, N. Y. L. J., Oct. 26, 1943, p. 1088, col. 1. The circuit court of appeals says that this ". . . seems to be going beyond the ancient distinction between forms of fraud." *Griffith v. Bank of New York*, 147 F. (2d) 899, 903 (C. C. A. 2d, 1945). The criticism appears justified by the trend of New York precedents. *Crouse v. McVickar*, 207 N. Y. 213, 100 N. E. 697 (1912), held not open to collateral attack a judgment rendered in pursuance of a settlement, which the winning party had obtained on the strength of the evidence he was to present at the trial, when his defrauded opponent discovered that the witnesses had been suborned to perjure themselves. The court said that such intended perjury was equivalent to perjury at the trial, and that the only remedy lay in the original action. (*Id.* at 219, 100 N. E. at 698.) The opinion cites *United States v. Throckmorton*, 98 U. S. 61 (1878), in connection with the inadmissibility of an attack founded on perjured testimony, forged instrument or "any matter which was actually presented and considered in the judgment assailed." (*Id.* at 66.) It is apparent, as the circuit court of appeals concludes, that *Crouse v. McVickar* merely restates the classical distinction between extrinsic and intrinsic fraud, holding that perjury, as a form of the latter, is not a proper basis for an independent action to set aside the judgment. Subsequent New York cases cited in the *Griffith* opinion [147 F. (2d) at 903] reaffirm the doctrine, and support the conclusion that on the point of extrinsic fraud, as a ground for impeachment, the New York and the federal doctrine substantially coincide. Therefore, even if the Surrogate saw fit to deny his jurisdiction in the premises, the federal court might proceed without contradicting New York law. But the indefiniteness of the Surrogate's opinion left doubt as to whether he had characterized the fraud involved, and if so, how. If his dismissal meant that the duress complained of belonged in the category of intrinsic fraud, this holding would be the latest adjudication of New York courts previous to the bringing of the present action, and the question would then arise as to what authoritative force the federal court should recognize in it. See 147 F. (2d) at 902.

13. It could be argued that the false accounts involved in the administration of the estate, on the strength of which the defendant bank had obtained a settlement through the consent judgment, were a matter of intrinsic fraud.

14. As the Surrogate's decision was rendered upon a motion on the pleadings, it might be approached from the point of view of a dismissal having to do with the formal sufficiency of the complaint. The case would be analogous, in this respect, to any other dismissal founded on procedural defects apparent on the face of the pleadings, such as formal mistakes, misjoinder or non-joinder of parties, incapacity of the plaintiff, etc. See *RESTATEMENT, JUDGMENTS* (1942) § 50, comments b, d; 2 *FREEMAN, JUDGMENTS* (5th ed. 1925) 1561-2, 1567-8. A dismissal in these circumstances is not on the merits. Where the absence of sufficient jurisdictional allegations is grounds for a dismissal for want of jurisdiction, the plaintiff is not precluded from renewing his action in the same court once the difficulty is remedied. *Smith v. McNeal*, 109 U. S. 426 (1883); *cf. Gould v. Evansville & Crawfordsville R. R.*, 91 U. S. 526 (1875).

judgment has not generally been deemed one on the merits¹⁵ and has not barred a new action in which the facts could be properly pleaded so as to allow a full determination of the controversy.¹⁶ If, as in this case, however, the plaintiff decided to carry his complaint with the same allegations of fact to a different court, could it not be said that despite the limited conclusiveness of the previous dismissal, the second tribunal should hold the complaint barred? The function of a dismissal not on the merits, to allow the litigant to amend without prejudice, is no longer served when he simply reiterates in another court a claim that has already been considered insufficient.¹⁷ This argument, however, appears available only when both courts are bound to apply the same rules as to the legal sufficiency of the complaint. If it is otherwise, the interpretation of the same facts by a second court in the light of different legal principles may lead to a contrary result even though the complaints are identical. In the actual case, New York decisions pointed to a strict distinction between "intrinsic" and "extrinsic" fraud,¹⁸ admitting only the latter as a basis for independent ac-

15. The conclusiveness of a judgment not on the merits extends only to the precise point presented by the pleadings and decided by the ruling upon the motion or demurrer. *Dennison Mfg. Co. v. Scharf Tag, Label & Box Co.*, 121 Fed. 313, 318 (C. C. A. 6th, 1903). The limited extent of a dismissal not on the merits is to be ascertained from the ground upon which it was granted. *Mayor of Vicksburg v. Henson*, 231 U. S. 259 (1913); *Swift v. McPherson*, 232 U. S. 51 (1914).

16. In this connection, the function of a dismissal not on the merits appears to be that of preventing a case from reaching the trial stage when the pleadings fail to provide the necessary elements for a valid adjudication of the claims and to safeguard the substantive rights of the parties by relieving them from the consequences of a formal mistake which would otherwise bar their presenting the cause of action in proper form. This result is achieved by limiting the scope of conclusiveness to the actual holding, so that while the particular complaint may be dismissed, nothing precludes the litigant from supplying in a new and amended complaint the elements required for a proper trial of the cause on its merits.

17. The ample powers granted judges by modern rules of procedure in respect to authorizing amendments in the pleadings should lead to a more infrequent use of dismissals not on the merits. It is also to be expected that judges will not allow the litigant whom they have already ordered out of court on the grounds of lack of jurisdiction, to return time and again with new allegations of facts purporting to establish it. The plaintiff cannot present his case piecemeal. Just as a judgment on the merits precludes the parties from bringing up in a new proceeding on the same cause of action all the facts concerned in the previous adjudication, which either were or could have been actually litigated, a dismissal on the pleadings for want of jurisdiction should be conclusive upon the issue, from the moment that the litigant failed to show, when he first had a chance to, the elements with which to establish jurisdiction. Under this view, the Surrogate's dismissal would appear final to the extent of excluding the litigants from his court. In federal courts, the finality of a dismissal for want of jurisdiction is held to be equivalent to that of a decision in favor of jurisdiction, within the scope of the *Baldwin* case, *American Surety Co. v. Baldwin*, 287 U. S. 156 (1932); the jurisdictional facts remaining as they were, the plaintiff cannot again sue in the same court. *Ripperger v. A. C. Allyn & Co. Inc.*, 113 F. (2d) 332 (C. C. A. 2d, 1940). Otherwise, a dismissal for want of jurisdiction is not a bar to a new action. *Walden v. Bodley*, 14 Pet. 156 (U. S. 1840); *Hughes v. United States*, 4 Wall. 232 (U. S. 1866); *Sylvan Beach, Inc. v. Koch*, 140 F. (2d) 852, 860 (C. C. A. 8th, 1944).

18. The fraud complained of is extrinsic when ". . . the very duress by which the

tion in a different tribunal,¹⁹ while federal courts have allowed such actions when the fraud was merely "intrinsic."²⁰ The difference in legal standards made the outcome of the case dependent upon a choice of the law which should govern federal judicial relief against fraud.

The circuit court of appeals held that the federal courts are not bound by state rules.²¹ This view gains support from the fact that the right to seek review of a judgment generally depends on whether the injured party had the opportunity of bringing before the court in the original action the facts and issues that constitute fraud.²² If he had, the policy of avoiding relitigation would generally cause the review to be limited by the framework of the original action and its ancillary proceedings,²³ excluding any action before a different tribunal; the latter would be appropriate only when the fraud itself prevented the litigant from fairly presenting the facts in his favor to the original court. Consequently, the classification of fraud resolves itself into a determination of which court is the proper one for the case to be brought in, and the dichotomy between "intrinsic" and "extrinsic" fraud becomes a device for effecting a distribution of the power of review over judgments. This power, essential to the functioning of court systems, is allocated by rules strictly procedural in nature. The category in which state courts may place the particular case for the purpose of review should have no influence

release or consent is obtained also prevents the coerced party from challenging before or at the trial the statements or conduct of its adversary. Thus in the original action the issue of duress never is before the court. Indeed, the case differs little, if at all, from those where a witness is forcibly prevented from testifying, or an attorney is bribed to fight a losing battle or give his client false advice." *Griffith v. Bank of New York*, 147 F. (2d) 899, 902 (C. C. A. 2d, 1945). There is a large literature on the distinction between intrinsic and extrinsic fraud. See 3 MOORE, FEDERAL PRACTICE (1938) 326S; Notes (1927) 12 CORN. L. Q. 385, (1934) 23 CALIF. L. REV. 79, (1935) 49 HARV. L. REV. 327, (1942) 36 ILL. L. REV. 894.

19. See note 12 *supra*.

20. The doctrinal conflict of the Supreme Court in its leading cases on the subject, *United States v. Throckmorton*, 98 U. S. 61 (1878), and *Marshall v. Holmes*, 141 U. S. 559 (1891), is reviewed in (1921) 21 COL. L. REV. 268, noting *Chicago, R. I. & P. Ry. v. Callicote*, 267 Fed. 799 (C. C. A. 8th, 1920), *cert. denied*, *Callicote v. Chicago, R. I. & P. Ry.*, 255 U. S. 570 (1921). Reference is made there to *Graver v. Faurot*, 76 Fed. 257 (C. C. A. 7th, 1896), *certif. dism'd*, 162 U. S. 435 (1896), where an attempt to secure a decision from the Supreme Court failed on technical grounds. In the meantime, federal courts have taken the matter into their own hands; see *Publicker v. Shallcross*, 106 F. (2d) 949 (C. C. A. 3d, 1939), *cert. denied*, 308 U. S. 624 (1940) (involving perjury). And the Supreme Court seems to have committed itself in the direction of eliminating the *Throckmorton* doctrine by its decision in *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U. S. 233 (1944).

21. *Griffith v. Bank of New York*, 147 F. (2d) 899, 904 (C. C. A. 2d, 1945).

22. The requirement that the impeachment be limited to those issues which the party injured by the fraud was prevented thereby from bringing before the original court has been criticized as excessively strict, inasmuch as it fails to take into account the actual impossibility to defend himself which the fraud may have brought upon a litigant, even where the perjured witness or the forged document was before the court. 3 MOORE, FEDERAL PRACTICE (1938) 3269.

23. *United States v. Throckmorton*, 98 U. S. 61, 65 (1878); *Barrow v. Hunton*, 99 U. S. 80 (1878).

outside the forum because it serves merely to characterize the fraud with reference to the availability of state remedies in either the original tribunal or another court; state criteria of procedural organization could not properly settle the scope of federal powers.²⁴ The review of judgments on grounds of fraud may then be considered, under the authority of the present case, as a procedural matter, exempted by the *Erie* doctrine from subordination to state law.²⁵

The same result would obtain if, instead of being considered procedural, the setting aside of a judgment on the grounds of fraud could be characterized as an exercise of the federal court's equity jurisdiction,²⁶ invoked under a plaintiff's "equitable remedial right." To the determination of

24. Compare *Barrow v. Hunton*, 99 U. S. 80 (1878); see 1 MOORE, FEDERAL PRACTICE (1938) 210.

25. In exercising its independent judgment over such matters, there may be one limitation for the federal court to observe: the conditions under which the substantive right to seek review of a judgment must be exercised by the litigant. This requirement seems consistent with the theory that the grant of relief against judgments is a procedural matter, inasmuch as, quite apart from what court shall entertain the petition, there lies the question of whether there is any fraud involved at all; the elements of fraud required before it becomes operative as ground for review, set the limits of the plaintiff's substantial right, which he, under state law, carries the burden of proving in order to state a cause of action when he comes into a federal court on diversity jurisdiction. The "full faith and credit" clause, U. S. CONST. Art. IV, § 1, has been interpreted as imposing upon federal courts an obligation no greater than that to which courts of different states are subject among each other. *Pennoyer v. Neff*, 95 U. S. 714 (1877), *Union & Planter's Bank v. City of Memphis*, 111 Fed. 561 (C. C. A. 6th, 1901), 3 FREEMAN, JUDGMENTS (5th ed. 1925) 2797-8. The rule being that a judgment given by a court which had jurisdiction both over the persons and the subject matter is entitled to full faith and credit in another state (and consequently in a federal court) unless obtained through fraud or collusion [see *Ball v. Warrington*, 108 Fed. 472 (C. C. A. 3d, 1901), *American National Bank of Denver v. Supplee*, 115 Fed. 657 (C. C. A. 3d, 1902)], it could be said, by analogy, that a federal court will hold a state judgment valid only to the extent that the courts of the same state where it was rendered will themselves uphold its finality. The threshold of validity would therefore be the set of least conditions which state law requires for a review of the judgment. Thus, if the Surrogate in the instant case had adjudged himself competent and dismissed the petition on the grounds that no fraud had been committed, his determination would be final as *res judicata*, and the federal court would not be able to find in that decision the "minimum amount" of fraud required for setting aside the original judgment. With the federal court precluded from overriding this finding, it is unlikely that either party would succeed in avoiding it by means of a collateral attack on the grounds of lack of jurisdiction of the Surrogate's Court, because, though this form of impeachment was originally accepted, *Thompson v. Whitman*, 18 Wall. 457 (U. S. 1873), *Pennoyer v. Neff*, 95 U. S. 714 (1877), see 3 FREEMAN, JUDGMENTS (5th ed. 1925) 2809-14, 2832-9, it has been strongly curtailed; a federal court must take as conclusive the state court's determination of its jurisdiction over the subject matter, *Forsyth v. Hammond*, 166 U. S. 506 (1897), as well as over the parties, *American Surety Co. v. Baldwin*, 287 U. S. 156 (1932), Note (1932) 42 YALE L. J. 427, if the issue was made and open to litigation in the original action. See also *Baldwin v. Iowa State Travelling Men's Ass'n*, 283 U. S. 522 (1931); *Chicot County Drainage District v. Baxter State Bank*, 308 U. S. 371 (1940); *Sunshine Anthracite Coal Co. v. Adkins*, 310 U. S. 381, 403 (1940); Comment (1936) 45 YALE L. J. 1235, 1245.

26. Judiciary Act of 1789, § 11; 28 U. S. C. § 41(1) (1940).

such a right state law is said not to apply.²⁷ The litigant who seeks redress for fraud under these circumstances puts into operation the "general principles, rules and usages of equity"²³ developed by the English Court of Chancery up to the time of the Revolution,²³ which uniformly guide federal courts in the administration of their equitable remedies and proceedings.²³ In enforcing these principles the federal courts will not allow a state statute to impair their power;³¹ nor will they give effect to an equitable remedy provided by a state statute.³² Though recently subordinated to state statutes of limitations,³³ equitable remedial rights seem to retain an independence

27. Section 34 of the Judiciary Act of 1789, known as the "Rules of Decision Act," applies, by its own terms, to trials at common law. Nevertheless, being considered declaratory of the law that would obtain even in the absence of a statute, *Mason v. United States*, 260 U. S. 545, 559 (1923), it extends to suits in equity, and under that doctrine substantive rights in equity established by state law will be enforced in federal courts. *Pusey & Jones Co. v. Hanssen*, 261 U. S. 491 (1923). While the interpretation of § 34 in *Erie Railroad v. Tompkins*, 304 U. S. 64 (1938), has brought diversity suits, both at law and in equity, under state law, *Ruhlin v. New York Life Ins. Co.*, 304 U. S. 202 (1938), the field of equitable remedial rights is said to remain outside the scope of the rule. *Guaranty Trust Co. of New York v. York*, 65 Sup. Ct. 1464 (U. S. 1945), *rev'g* 143 F. (2d) 503 (C. C. A. 2d, 1944); *Russell v. Todd*, 309 U. S. 280 (1940). See 1 MOORE, FEDERAL PRACTICE (Supp. 1944) 404 *et seq.*

28. *Guffey v. Smith*, 237 U. S. 101, 114 (1915).

29. In *United States v. Howland*, 4 Wheat. 103, 115 (U. S. 1819) Chief Justice Marshall stresses the uniformity of equity doctrine throughout the federal judiciary.

30. *Payne v. Hook*, 7 Wall. 425, 430 (U. S. 1868), emphasizes the role of federal courts as a parallel of the High Court of Chancery.

31. *United States v. Howland*, 4 Wheat. 103 (U. S. 1819).

32. *Pusey & Jones Co. v. Hanssen*, 261 U. S. 491 (1923); *Kelleam v. Maryland Casualty Co.*, 312 U. S. 377, 382 (1941); see 1 MOORE, FEDERAL PRACTICE (1938) 210. The attitude of Mr. Justice Brandeis, who spoke for the Court in both the *Pusey & Jones* and the *Erie* cases, is discussed by Judge Frank in *York v. Guaranty Trust Co.*, 143 F. (2d) 503, 524 (C. C. A. 2d, 1944).

33. Reversing the Circuit Court of Appeals for the Second Circuit (opinion cited *supra* note 32) the Supreme Court held, in *Guaranty Trust Co. of New York v. York*, 65 Sup. Ct. 1464 (U. S. 1945) that a diversity action cannot be entertained by a federal court under the *Erie v. Tompkins* rule when such action is barred by the statute of limitations of the state where the federal court is sitting. See *Russell v. Todd*, 309 U. S. 280 (1940). In the majority opinion Mr. Justice Frankfurter reaffirms the philosophy of *Erie v. Tompkins* upon the non-existence of a general federal law, saying that "in giving federal courts 'cognizance' of equity suits in cases of diversity jurisdiction, Congress never gave nor did the federal courts ever claim, the power to deny substantive rights created by state law, or to create substantive rights denied by state law."

The opinion goes on to say that "this does not mean that whatever *equitable remedy* is available in a state court must be available in a diversity suit in a federal court, or conversely, that a federal court may not afford an equitable remedy not available in a state court. Equitable relief in a federal court is of course subject to restrictions: the suit must be within the traditional scope of equity as historically evolved in the English Court of Chancery . . . ; a plain, adequate and complete remedy at law must be wanting . . . ; explicit Congressional curtailment of equity powers must be respected . . . ; the constitutional right to trial by jury cannot be evaded. . . . That a state may authorize its courts to give equitable relief unhampered by all such restrictions cannot remove these fetters from the

which, projected against a background of long judicial tradition,³⁴ affords a broad base for the operation of a federal power of review over judgments tainted with fraud. If this theory were applied, it would be without reference to requirements of state law for setting aside judgments, since the right to seek review of a judgment—being considered “remedial” instead of “substantive”—would not be subject to any limitation flowing from the rule of *Erie Railroad v. Tompkins*.

Whatever the relative merits of the applicable rationales, the result obtained by the circuit court of appeals seems appropriate. The independence claimed for federal courts' dealing with fraud in state judgments, is qualified in the opinion³⁵ by an assertion of discretionary powers over petitions for equitable relief.³⁶ In the exercise of such discretion, a federal district

federal courts. . . . State law cannot define the remedies which a federal court must give simply because a federal court in diversity jurisdiction is available as an alternative tribunal to the State's courts. *Contrariwise, a federal court may afford an equitable remedy for a substantive right recognised by a State even though a State court cannot give it . . .* the body of adjudications concerning equitable relief in diversity cases leaves no doubt that the federal courts enforced State-created substantive rights if the mode of proceeding and remedy were consonant with the traditional body of equitable remedies, practice and procedure, and in so doing they were enforcing rights created by the States and not arising under any inherent or statutory federal law." *Id.* at 1468 (emphasis supplied). The withdrawal of rights extinguished by statutes of limitations from the category of equitable remedies, brought about by the present case (though it may fail to achieve its purposes of legal uniformity; see J. Rutledge's dissent, *id.* at 1471) does not seem to go beyond that point in dealing with the doctrine of equitable remedial rights, which it appears to recognize as subsisting (*Ibid.*, especially the statement "But nothing that was decided, unless it be the *Kirby* case [*Kirby v. Lake Shore & M. J. Co.*, 120 U. S. 130 (1887), where the Court, considering its application unequitable, disregarded a state statute of limitations] needs to be rejected.") Assuming that relief against fraud in the obtaining of judgments is administered in accordance with that theory, an interesting problem would arise if the right to seek avoidance of a state judgment were subject to extinction by a state statute.

34. See *Neves v. Scott*, 13 How. 268 (U. S. 1851); *In re Sawyer*, 124 U. S. 200 (1888); *Dodge v. Tulleys*, 144 U. S. 451 (1892); *Mississippi Mills v. Cohn*, 150 U. S. 202 (1893); *Matthews v. Rodgers*, 284 U. S. 521 (1932); *Gordon v. Washington*, 295 U. S. 30 (1935).

35. 147 F. (2d) 899, 904.

36. Federal courts have long reserved discretionary powers for themselves in regard to petitions for injunction against state judgments, so that the complainant will have to make out a meritorious case before such powers are exercised on his behalf. See *Marine Insurance Co. of Alexandria v. Hodgson*, 7 Cranch 332 (U. S. 1813). They have required the complainant to show, in his prayer for relief, that he had a good defense on the merits. *White v. Crow*, 110 U. S. 183 (1884); *Knox County v. Harshman*, 133 U. S. 152 (1890); *Massachusetts Benefit Life Ass'n v. Lohmiller*, 74 Fed. 23 (C. C. A. 7th, 1896); *Christy v. Atchison, Topeka & Santa Fe Ry.*, 214 Fed. 1016 (D. Colo. 1914); *Lane v. Selby Shoe Co.*, 45 F. (2d) 581 (C. C. A. 2d, 1930); *Matheson v. National Surety Co.*, 69 F. (2d) 914 (C. C. A. 9th, 1934). The same principle, applied to accident and mistake, instead of fraud, has been stated in *Pickford v. Talbot*, 225 U. S. 651 (1912). The complainant must also prove himself to be free from negligence, *Brown v. County of Buena Vista*, 95 U. S. 157 (1877); *McIntosh v. Wiggins*, 123 F. (2d) 316 (C. C. A. 8th, 1941), or his petition will be dismissed for want of equity, *Nitkey v. S. T. McKnight Co.*, 87 F. (2d) 916 (C. C. A. 8th, 1937). The rule of discretion, in another aspect, is discussed by the Supreme Court in *Di Giovanni v. Camden Fire Ins. Ass'n*, 296 U. S. 64 (1935).

The need of meritorious grounds in order to sustain equitable interference with a judg-

court would be able not only to dismiss cases not warranting its interposition, but also to look to the remedies available in state courts, and the use made thereof by the litigants, to determine whether or not state procedure was adequate and intended to be exclusive. On this basis, there should be little ground left for conflict with state jurisdictions, with no impairment of the traditional equity powers of federal courts.³⁷

NECESSITY OF INTENT FOR INFRINGEMENT OF COMMON-LAW COPYRIGHT*

UNIMPAIRED by the terms of the federal statute,¹ copyright protection at common law is extended to all unpublished literary property.² This so-called

ment has been emphasized by Justice Roberts in his dissent in *Hazel-Atlas Co. v. Hartford-Empire Co.*, 322 U. S. 238, 260 (1944). The majority opinion expresses adherence to the same rule (*id.* at 244, 246) and the difference in results must be accounted for on the basis of the respective appraisals of the merits of the case.

37. Compare Note (1944) 53 YALE L. J. 788, 795.

* *De Acosta v. Brown*, 146 F. (2d) 408 (C. C. A. 2d, 1944), *aff'g* 50 F. Supp. 615 (S. D. N. Y. 1944), *cert. denied*, 65 Sup. Ct. 1197, 1198 (U. S. 1945).

1. "Nothing in this Act shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor." 35 STAT. 1076 (1909), 17 U. S. C. § 2 (1940). *Cf.* the English law, 2 GEO. V, c. 46, § 31 (1911), which abrogates all common-law rights. See note 52 *infra*.

The present copyright law was basically enacted on March 4, 1909, 35 STAT. 1075 (1909), 17 U. S. C. §§ 1-62 (1940), after extended Congressional conferences. See H. R. REP. No. 2222, 60th Cong., 2d Sess. (1909) 1-4.

Federal control of copyright is based on the constitutional provision that "The Congress shall have power . . . To promote the progress of science and useful arts by securing for limited times to authors . . . the exclusive right to their respective writings. . . ." U. S. CONST. ART. I, § 8, cl. 8. Prior to the adoption of this clause in 1787, the states legislated individually on copyright. See *Fisher Music Co., Inc. v. Witmark & Sons*, 318 U. S. 643 (1943); BOWKER, COPYRIGHT (1912) 35; WEIL, AMERICAN COPYRIGHT LAW (1917) 16-7. On the motion of James Madison, however, the Continental Congress in May 1783 recommended that the states pass uniform acts securing copyright for a period of fourteen years. 24 JOURNALS OF THE CONTINENTAL CONGRESS (Hunt, ed., 1922) 326-7. See also Fenning, *Copyright Before the Constitution* (1935) 17 J. PAT. OFF. SOC. 379; *Proceedings in Congress During the Years 1789 and 1790, Relating to the First Patent and Copyright Laws* (1940) 22 J. PAT. OFF. SOC. 243.

2. *Wheaton v. Peters*, 8 Pet. 591 (U. S. 1834); *Ferris v. Frohman*, 223 U. S. 424 (1912); *Press Pub. Co. v. Monroe*, 73 Fed. 196 (C. C. A. 2d, 1896); *RCA Mfg. Co., Inc. v. Whiteman*, 114 F. (2d) 86 (C. C. A. 2d, 1940); *Baker v. Libbie*, 210 Mass. 599, 97 N. E. 109 (1912); *State v. State Journal Co.*, 77 Neb. 752, 110 N. W. 763 (1906); *Oertel v. Wood*, 40 How. 10 (N. Y. Sup. Ct. 1870); *Duke of Queensberry v. Shebbeare*, 2 Eden 329, 28 Eng. Rep. R. 924 (Ch. 1758); *Macklin v. Richardson*, Amb. 694, 27 Eng. Rep. R. 451 (Ch. 1770); *Thompson v. Stanhope*, Amb. 737, 27 Eng. Rep. R. 476 (Ch. 1774); *Gee v. Pritchard*, 2 Swans. 403, 36 Eng. Rep. R. 670 (Ch. 1818); *Jefferys v. Boosey*, 4 H. L. Cas. 815, 10 Eng. Rep. R. 681

common-law copyright³ rests upon a judicial recognition that creators of artistic works,⁴ like those of scientific,⁵ call into being an incorporeal property

(1854). See BALL, *LAW OF COPYRIGHT AND LITERARY PROPERTY* (1944) c. 18; COPIER, *LAW OF COPYRIGHT* (7th ed. 1936) 3, 4, 21; DRONE, *THE LAW OF PROPERTY IN INTELLECTUAL PRODUCTIONS* (1879) c. I; Doozan, *Pre-Copyright Rights* (1939) 14 NOTRE DAME LAWYER 391; Pickard, *Common-Law Rights Before Publication* (1940) 11 OKLA. B. A. J. 679.

One of the great legal controversies of all time took place during the eighteenth century when the courts of England were called upon to determine whether copyright, independent of royal grant, existed at common law and if it did, whether the first British copyright statute, 8 ANNE, c. 19 (1710), had destroyed it. The first case squarely presenting this issue, *Tonson v. Collins*, 1 Bl. W. 301, 321, 96 Eng. Rep. R. 169 (K. B. 1760), was dismissed as collusive before the judges gave opinions. In *Millar v. Taylor*, 4 Burr. 2303, 98 Eng. Rep. R. 201 (K. B. 1769), a majority of the court decided that common-law copyright did exist and that it survived both a general publication of the work concerned and registration under the Statute of Anne, *supra*. The reign of "perpetual copyright" was short-lived, however, for in the famous case of *Donaldson v. Becket*, 4 Burr. 2408, 98 Eng. Rep. R. 257 (K. B. 1774), the House of Lords held that the Statute of Anne restricted the rights of another registering a work under it to the term of years therein provided. Though this decision affirmed the existence of common-law copyright after publication, cases during the following century strongly opposed it. See, e.g., *Jefferys v. Boosey*, *supra*; *Southey v. Sherwood*, 2 Mer. 435, 35 Eng. Rep. R. 1006 (Ch. 1817); *Prince Albert v. Strange*, 1 Mac. & G. 25, 41 Eng. Rep. R. 1171 (Ch. 1849). In the United States the law has always been adverse to an author's possessing common-law rights after a publication of his work. *Wheaton v. Peters*, 8 Pet. 591 (U. S. 1834). For excellent accounts of this controversy see 6 HOLDSWORTH, *HISTORY OF ENGLISH LAW* (2d ed. 1937) 360-79; BALL, *supra*, at 16-27; Kilgore, *Oulline of Lecture on Copyright Legislation before the Practising Law Institute of New York*, Nov. 17, 1944, at 18-28.

3. The term "common-law copyright" is a misnomer, because the exclusive right to make copies for publication arises only by a securing of statutory copyright. See Finkelstein, *Book Review* (1939) 48 YALE L. J. 712, 713.

4. The early cases involved books. See *Tonson v. Collins*, 1 Bl. W. 301, 96 Eng. Rep. R. 169 (K. B. 1760); *Millar v. Taylor*, 4 Burr. 2303, 98 Eng. Rep. R. 201 (K. B. 1769); *Donaldson v. Becket*, 4 Burr. 2408, 98 Eng. Rep. R. 257 (K. B. 1774). Nevertheless, there has been little doubt that the works of composers, sculptors, painters, photographers, and miscellaneous others are similarly protected. See *Baker v. Libbie*, 210 Mass. 599, 97 N. E. 109 (1912) (personal letters); *Brown v. Ferris*, 122 Misc. 418, 204 N. Y. Supp. 190 (Mun. Ct. 1924) (dramatic work); *Patterson v. Century Productions, Inc.*, 93 F. (2d) 489 (C. C. A. 2d, 1937) (motion picture); *Fashion Originators' Guild of America, Inc. v. FTC*, 114 F. (2d) 80 (C. C. A. 2d, 1940) 27 VA. L. REV. 230 (dress designs); *Stern v. Laemmle Music Co.*, 74 Misc. 262, 133 N. Y. Supp. 1082 (Sup. Ct. 1911) (musical composition); *Nutt v. National Institute for the Improvement of Memory*, 31 F. (2d) 236 (C. C. A. 2d, 1929) (text of lecture); *Werckmeister v. American Lithographic Co.*, 134 Fed. 321 (C. C. A. 2d, 1904) (painting); *Associated Press v. International News Service*, 245 Fed. 244 (C. C. A. 2d, 1917), *aff'd*, 248 U. S. 215 (1918) ("news"); *Kurfiss v. Cowherd*, 233 Mo. App. 397, 121 S. W. (2d) 282 (1938) (architectural plans); *Simmons Hardware Co. v. Waibel*, 1 S. D. 488, 47 N. W. 814 (1890) (code used in business); *Waring v. WDAS Broadcasting Station, Inc.*, 327 Pa. 433, 194 Atl. 631 (1937) (performer's rendition). The common law thus gives protection to many forms of literary property not copyrighted by statute.

The *Waring* case, *supra*, an important extension of common-law copyright, has been widely discussed. See Baer, *Performer's Right to Enjoin Unlicensed Broadcasts of Recorded Renditions* (1941) 19 N. C. L. REV. 202; Clineberg, *Protection Afforded by the Law of Copyright to Recording Artists in Their Interpretation of Musical Compositions* (1941) 20 NEB. L. REV. 79; Pforzheimer, *Copyright Protection for the Performing Artist in his Interpretive*

which is separable from the material substances utilized⁶ and which in the interests of fairness and the encouraged propagation of culture should be reserved to them.⁷ Lasting as long as the work is not disclosed to the general public without statutory copyright,⁸ common-law rights enable an author,

Rendition (1940) 9 LAW SOC. J. 327, 468, 575; Traicoff, *Rights of the Performing Artist in his Interpretation and Performance* (1940) 11 AIR L. REV. 225; Comment (1941), 37 ILL. L. REV. 245; Notes (1938) 26 GEO. L. J. 504, (1938) 6 GEO. WASH. L. REV. 237, (1937) 51 HARV. L. REV. 171, (1938) 24 VA. L. REV. 333, (1938) 23 WASH. U. L. Q. 283.

5. "Each individual, by the *natural rights* of mankind, is entitled to exercise an uncontrolled power over every kind of property of which he is once legally in possession; whether obtained by purchase, or produced by labour." GODSON, *LAW OF PATENTS FOR INVENTIONS AND OF COPYRIGHT* (1823) 1 (emphasis supplied). See *Crown Dye & Tool Co. v. Nye Tool & Machine Works*, 261 U. S. 24, 35, 36 (1923); *Bauer v. O'Donnell*, 229 U. S. 1 (1913); *Becher v. Contoure Laboratories, Inc.*, 279 U. S. 388, 390, 391 (1929); *E. I. du Pont de Nemours Powder Co. v. Masland*, 244 U. S. 100 (1917); BARNETT, *PATENT PROPERTY AND THE ANTI-MONOPOLY LAWS* (1943) 26-7; CORYTON, *LAW OF LETTERS-PATENT* (1855) 25-8. Cf. *The Clothworkers of Ipswich Case*, Godbolt 252, 78 Eng. Rep. R. 147 (K. B. 1614). The best analogy, though imperfect, to common-law copyright is the protection afforded trade-secrets. See *Victor Chemical Works v. Iliff*, 299 Ill. 532, 132 N. E. 806 (1921); *Progress Laundry Co. v. Hamilton*, 208 Ky. 348, 270 S. W. 834 (1925); *Bell & Bogart Soap Co. v. Petrolia Mfg. Co.*, 25 Misc. 66, 54 N. Y. Supp. 663 (Sup. Ct. 1898).

6. *Paige v. Banks*, 13 Wall. 608 (U. S. 1871); *Kortlander v. Bradford*, 116 Misc. 664, 190 N. Y. Supp. 311 (Sup. Ct. 1921); *Clay County Abstract Co. v. McKay*, 226 Ala. 394, 147 So. 407 (1933); *American Tobacco Co. v. Werckmeister*, 207 U. S. 284 (1907); see WEIL, *AMERICAN COPYRIGHT LAW* (1917) 109. Cf. the express provision of the Copyright Act: ". . . The copyright is distinct from the property in the material object copyrighted, and the sale or conveyance, by gift or otherwise, of the material object shall not of itself constitute a transfer of the copyright, nor shall the assignment of the copyright constitute a transfer of the title to the material object. . . ." 35 STAT. 1084 (1909), 17 U. S. C. § 41 (1940).

7. *Packard v. Fox Film Corp.*, 207 App. Div. 311, 202 N. Y. Supp. 164 (1st Dept. 1923); *Kurfiss v. Cowherd*, 233 Mo. App. 397, 121 S. W. (2d) 282 (1938); see BALL, *LAW OF COPYRIGHT AND LITERARY PROPERTY* (1944) 474. See note 19 *supra*.

The copyright laws of England and the United States do not recognize a moral or privacy right in the author, but only a property right. Cf. *Warren and Brandeis, The Right of Privacy* (1890) 4 HARV. L. REV. 193.

8. *Donaldsons v. Becket*, 4 Burr. 2408, 98 Eng. Rep. R. 257 (K. B. 1774); *Caliga v. Inter Ocean Newspaper Co.*, 215 U. S. 182 (1909); *Ferris v. Frohman*, 223 U. S. 424 (1912); *Tribune Co. of Chicago v. Associated Press*, 116 Fed. 126 (N. D. Ill. 1900); *Loews, Inc. v. Superior Court of Los Angeles County*, 18 Cal. (2d) 419, 115 P. (2d) 983 (1941). See ARMOUR, *COPYRIGHT LAW AND PRACTICE* (1936) 32-5, 351-2.

There is no definition in the present copyright act of "publication." A publication sufficient to destroy common-law copyright has been defined as "one which communicates a knowledge of [the work's] contents under conditions expressly or impliedly precluding its dedication to the public." *Werckmeister v. American Lithographic Co.*, 134 Fed. 321, 324 (C. C. A. 2d, 1904). In the following cases the author's action was considered a "publication": *Stern v. Remick Co.*, 175 Fed. 282 (S. D. N. Y. 1910) (sale of a single copy); *D'Ole v. Kansas City Star Co.*, 94 Fed. 840 (W. D. Mo. 1899) (leaving copies in hotel lobby for gratuitous distribution); *Blanchett v. Ingram*, 3 T. L. R. 687 (Q. B. Div. 1837) (gratuitous distribution of song copies in music hall); *Jewelers' Merc. Agency v. Jewelers' Weekly Pub. Co.*, 155 N. Y. 241, 49 N. E. 872 (1898) (leasing of copies); *Kurfiss v. Cowherd*, 233 Mo. App. 397, 121 S. W. (2d) 282 (1938) (building of house from architect's plans); *Fashion Origina-*

for example, without forfeiture to circulate copies privately among his friends for their enjoyment⁹ or among publishers for their criticism,¹⁰ to license a reproduction for restricted distribution,¹¹ to enjoin an unauthorized publication of whatever sort,¹² and to sell or assign his rights imposing such conditions as he sees fit.¹³

During this qualified circulation, however, ample opportunity for infringement of the common-law copyright is afforded those directly or indirectly gaining access. That an intentional appropriation of protected property renders the malfactor liable in damages is beyond cavil;¹⁴ yet, because of the obvious difficulties of determining whether material, apparently in the public domain, is actually protected at common law, the liability of one who innocently infringes seems not equally clear. In a recent case squarely presenting this question,¹⁵ plaintiff De Acosta had written an historical screen play with the life story of Clara Barton, founder of the American Red Cross, as the underlying theme, improving the plot by the creation of several major characters and events, and without previous copyright registration had submitted the completed work to a movie producer for approval. Defendant Brown later wrote a novel also fictionizing Clara Barton's life, which defendant Hearst Magazines, Inc., extracted and published in *Cosmopolitan* under a department heading of "The Nonfiction Book Digest." Affirming the decision of the district court that Brown's work clearly infringed De Acosta's,¹⁶ a divided Second Circuit Court of Appeals¹⁷

tors' Guild of America v. FTC, 114 F. (2d) 80 (C. C. A. 2d, 1940) (exposure for sale of garment made from patterns); Ladd v. Oxnard, 75 Fed. 703 (C. C. D. Mass. 1896) (loan of copies to anyone desiring them).

9. Prince Albert v. Strange; 2 De G. & S. 652, 64 Eng. Rep. R. 293 (Ch. 1849), *aff'd*, 1 Mac. & G. 25, 41 Eng. Rep. R. 1171 (Ch. 1849); Bartlett v. Crittenden, 2 Fed. Cas. 967, No. 1076 (C. C. D. Ohio 1849).

10. Kenrick v. Danube Collieries & Minerals Co., 39 W. R. 473 (Ch. 1891); Bobbs-Merrill Co. v. Straus, 147 Fed. 15 (C. C. A. 2d, 1906); Press Publishing Co. v. Monroe, 73 Fed. 196 (C. C. A. 2d, 1896).

11. Thompson v. Stanhope, Amb. 737, 27 Eng. Rep. R. 476 (Ch. 1774).

12. Southey v. Sherwood, 2 Mer. 435, 35 Eng. Rep. R. 1006 (Ch. 1817); Prince Albert v. Strange, 2 DeG. & S. 652, 64 Eng. Rep. R. 293 (Ch. 1849), *aff'd*, 1 Mac. & G. 25, 41 Eng. Rep. R. 1171 (Ch. 1849); Press Publishing Co. v. Monroe, 73 Fed. 196 (C. C. A. 2d, 1896).

13. Palmer v. DeWitt, 47 N. Y. 532 (1872). The following "publications" were held also too limited to destroy common-law copyright: O'Neill v. General Film Co., 152 N. Y. Supp. 599 (Sup. Ct. 1915) (display of posters showing scenes of play); Dentacura Co. v. N. J. State Dental Society, 57 N. J. Eq. 593 (1898), *aff'd*, 58 N. J. Eq. 582 (1899) (reading of paper to professional group); Ferris v. Frohman, 223 U. S. 424 (1912) (public performance of play); Bartlett v. Crittenden, 2 Fed. Cas. 967, No. 1076 (C. C. D. Ohio 1849) (lecture to pupils).

14. See AMDUR, COPYRIGHT LAW AND PRACTICE (1936) cc. 20, 21; BALL, LAW OF COPYRIGHT AND LITERARY PROPERTY (1944) cc. 13-5; WEIL, AMERICAN COPYRIGHT LAW (1917) c. 17.

15. De Acosta v. Brown, 146 F. (2d) 408 (C. C. A. 2d, 1944), *aff'g* 50 F. Supp. 615 (S. D. N. Y. 1944).

16. De Acosta v. Brown, 50 F. Supp. 615 (S. D. N. Y. 1944).

17. Clark, J., wrote the opinion for the majority of himself and Chase, J. Learned Hand, J., dissented.

also held that the defendant publisher was liable for both damages and profits despite its established good faith in the infringing publication.

On the basis of legal reasoning and precedent this disregard of the publisher's condition of mind appears sound.¹⁸ The remedy for infringement of copyright lay at common law in action on the case¹⁹ or in equity in a bill for an injunction and accounting,²⁰ for neither of which was an allegation or proof of intent necessary to state an actionable cause;²¹ and, while there have been occasional expressions of opinion to the contrary,²² the American

18. Compare (1945) 58 HARV. L. REV. 615.

19. *Millar v. Taylor*, 4 Burr. 2303, 2396, 98 Eng. Rep. R. 201, 251 (K. B. 1769); *Novello v. Sudlow*, 12 C. B. 177, 138 Eng. Rep. R. 869 (C. P. 1852); *Roworth v. Wilkes*, 1 Camp. 94, 170 Eng. Rep. R. 889 (C. P. 1807). See SHIPMAN, COMMON-LAW PLEADING (3d ed. 1923) 85 *et seq.*

20. *Clement v. Maddick*, 1 Giff. 98, 65 Eng. Rep. R. 841 (Ch. 1859); *Colburn v. Simms*, 2 Hare 543, 67 Eng. Rep. R. 224 (Ch. 1843).

21. *Mansell v. The Valley Printing Co.*, [1908] L. R. 1 Ch. D. 567 *aff'd*, [1908] L. R. 2 Ch. D. 441; see *Mayall v. Higbey*, 1 H. & C. 148, 158 Eng. Rep. R. 837 (Ex. 1862); *Caird v. Sime*, 12 App. Cas. 326 (1887).

In *Donaldsons v. Becket*, 4 Burr. 2408, 98 Eng. Rep. R. 257 (K. B. 1774) nine of the twelve judges agreed that "at common law, an author of any book or literary composition had the sole right of first printing and publishing the same for sale; and might bring an action against any person who printed, published and sold the same without his consent." *Id.* at 2408, 98 Eng. Rep. R. at 257. (Emphasis supplied.) Inferentially demonstrating that the issue of intent was argued, two of the judges (Mr. Baron Perrott and Mr. Baron Adams) said that an action could not be brought "unless such person obtained the copy *by fraud or violence.*" *Id.* at 2413, 98 Eng. Rep. R. at 260. (Emphasis supplied.) The declaration in *Millar v. Taylor*, 4 Burr. 2303, 98 Eng. Rep. R. 201 (K. B. 1769), alleged that the "latter books had been *injuriously printed* by some person or persons *WITHOUT the license or consent* of the plaintiff *Millar*; the defendant knowing 'that they had been so injuriously printed. . . .'" *Id.* at 2309, 98 Eng. Rep. R. at 205. (Emphasis as in original.) Several of the judges, however, apparently regarded the allegation as unnecessary. See, e.g., the opinion of Mr. Justice Aston: "The *invasion* of this sort of property is as much against every man's sense of it, as it is against *natural reason* and *moral rectitude*. It is against the conviction of every man's own breast, who attempts it. He *knows* it, not to be his own: he *knows*, he injures another; and he does not do it for the sake of the public, but *mala fide et animo lucrandi.*" *Id.* at 2342-3, 98 Eng. Rep. R. 222. (Emphasis as in original.)

22. *Leader v. Strange*, 2 Car. & K. 1010, 175 Eng. Rep. R. 425 (C. P. 1849); cf. *Casino Productions, Inc. v. Vitaphone Corp.*, 163 Misc. 403, 295 N. Y. Supp. 501 (Sup. Ct. 1937); *Fendler v. Morosco*, 253 N. Y. 281, 171 N. E. 56 (1930).

"The literary larcenist must do more than filch ideas, imitate mannerisms, repeat information, borrow phrases, utilise quotations; you must be able to attribute to him the *felonious* intention of appropriating without independent labour a material part of a protected work." BIRRELL, THE LAW AND HISTORY OF COPYRIGHT (1899) 169-70 (emphasis supplied).

In *Barry v. Hughes*, 103 F. (2d) 427 (C. C. A. 2d, 1939), *cert. denied*, 303 U. S. 604 (1939), the court said: "It has been held that one who copies from a plagiarist is himself necessarily a plagiarist, however innocent he may be . . . , but that would be a harsh result, and contrary to the general doctrine of torts. . . . Laying aside a possible action for unjust enrichment, or for an injunction after discovery, we should hesitate a long while before holding that the use of material, apparently in the public demene, subjected the user to damages, unless something put him actually on notice."

cases in both statutory²³ and common-law²⁴ copyright have uniformly followed this principle. Moreover, if one accepts the analogy of infringement to conversion used by both majority and dissent in the *De Acosta* case,²⁵ the holding is strengthened by the fact that in trover the will to convert is never in issue.²⁶ It is true that under the federal act the existence of intent to

23. "Intention to infringe is not essential under the Act." *Buck v. Jewell-La Salle Realty Co.*, 283 U. S. 191, 198 (1931). See also *Douglas v. Cunningham*, 294 U. S. 207 (1935); *Westermann Co. v. Dispatch Printing Co.*, 249 U. S. 100 (1919); *Chappell & Co., Inc. v. Costa*, 45 F. Supp. 554 (S. D. N. Y. 1942).

24. *American Press Association v. Daily Story Publishing Co.*, 120 Fed. 766 (C. C. A. 7th, 1902), *appeal dismissed*, 193 U. S. 675 (1904); *Norris v. No-Leak-O Piston Ring Co.*, 271 Fed. 536 (D. Md. 1921), *aff'd*, 277 Fed. 951 (C. C. A. 4th, 1921).

"This is not a criminal case, and intent is not a necessary element of the cause of action." *Dieckhaus v. Twentieth Century-Fox Film Corp.*, 54 F. Supp. 425, 431 (E. D. Mo. 1944).

The leading English case is *Mansell v. The Valley Printing Co.*, [1908] L. R. 1 Ch. D. 567, *aff'd*, [1908] L. R. 2 Ch. D. 441.

25. "Here the analogy of the cases has always been that of the conversion of literary property; and as in the *American Press* case cited above [*American Press Ass'n v. Daily Story Pub. Co.*, 120 Fed. 766 (C. C. A. 7th, 1902), *appeal dismissed*, 193 U. S. 675 (1904)], that analogy here is complete to justify recovery as against even an innocent copier." Judge Clark for the majority in *De Acosta v. Brown*, 146 F. (2d) 408, 412 (C. C. A. 2d, 1944).

"I accept the analogy of conversion; it is true that if, for instance, I carry off as mine another's watch in my bag, it is no excuse that I think it mine. However, I do not convert it, whatever acts of dominion I exercise over my bag, if I do not know, or am not chargeable with notice, that there is a watch in the bag, though I may have equally denied the owner's right. RESTATEMENT OF TORTS, § 222 Comment (d) 'Necessity of Intention,' Comment (d) (sic) 'Character of Intent Necessary.'" Judge Learned Hand, dissenting in *id.* at 413. Judge Hand's example, however, may be distinguished in that Hearst knew it was dealing with "literary property," whoever the owner, whereas the above converter of the bag was unaware by hypothesis that a watch was inside. See note 26 *infra*.

In *Clay County Abstract Co. v. McKay*, 226 Ala. 394, 147 So. 407 (1933). The court held that no cause of action lay in trover for infringement of common-law copyright, but that the proper form was action on the case.

26. "However hard it may be on those who deal innocently and in the ordinary course of business with a person in possession of goods, yet, as long as the law, as laid down in *Hartman v. Booth*, 1 H. & C. 803 (Ex. 1863) is unimpeached, I think it is clear law, that if there has been what amounts in law to a conversion of the plaintiff's goods, by anyone, however innocent, that person must pay the value of the goods to the real owners, the plaintiffs. See *Stephens v. Elwall*, 4 M. & S. 259 (K. B. 1815) and *Garland v. Carlisle*, 4 Cl. & F. 693 (H. L. 1837)." *Hollins v. Fowler*, 7 L. R. H. L. 757 (1875). See SHIPMAN, COMMON-LAW PLEADING (3d ed. 1923) 227 *et seq.*

"Unless the actor intended so to deal with the chattel as to deprive the other of its possession, no action can be maintained under the rule stated in this Section although the actor may be liable under some other rule of law." RESTATEMENT, TORTS (1934) § 222, Comment (d). "The intention necessary to subject to liability one who deprives another of the possession of his chattel is merely the intention to deal with the chattel so that such dispossession results. *It is not necessary that the actor intend to commit what he knows to be a trespass or a conversion.* It is, however, necessary that his act be one which he knows to be destructive of any outstanding possessory right, *if such there be.*" RESTATEMENT, TORTS (1934) § 222, Comment (d) (sic) (emphasis supplied).

Section 244 of the Torts Restatement removes liability from a converter for "mistake" only if he is induced by the owner that he is the possessor or is entitled to immediate possession, has the consent of the owner, or is otherwise privileged to act.

infringe is material when the required notice of copyright has inadvertently been omitted²⁷ and when the penal provisions of the act are invoked,²⁸ but such instances are readily distinguishable on grounds of the involvement of a statute,²⁹ the absence of any requirement at common law that notice of reserved rights be given,³⁰ and the necessity under the criminal law for proving at least a general intent in order to sustain a conviction.³¹ Furthermore, though once again distinguishable on the basis of statutory involvement, those provisions of the act dealing generally with damages do not require that an infringement be wilful.³²

As a matter of practical policy, however, the *De Acosta* case may be criticized as giving an unnecessarily harsh solution to the problem; a publisher acting in good faith upon an infringer's assurance of the originality of his work is held absolutely liable even though no alternative method of determining the existence of possible common-law copyright is feasible. The majority opinion met this objection by saying, "if it be suggested that other more effective means of inquiry are not conveniently available to publishers, then that seems an additional reason for not depriving authors so easily of the fruits of their labors."³³ In an attempt to avoid placing "an appreciable incubus upon the freedom of the press,"³⁴ however, the dissenting judge distinguished the copying of a known original, as by a thus deliberately infringing author, from the copying of a purported original, as by an innocent publisher relying upon the assurances or "license" of an infringer:

27. "Where the copyright proprietor has sought to comply with the provisions of this Act with respect to notice, the omission by accident or mistake of the prescribed notice . . . shall prevent the recovery of damages against an innocent infringer who has been misled by the omission of the notice. . . ." 35 STAT. 1080 (1909), 17 U. S. C. § 20 (1940). See Comment, *Innocent Participants in Copyright Infringement* (1939) 8 FORDHAM L. REV. 400.

28. ". . . Any person who willfully and for profit shall infringe any copyright secured by this Act, or who shall knowingly and willfully aid or abet such infringement, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment for not exceeding one year or by a fine of not less than \$100 nor more than \$1000, or both, in the discretion of the court. . . ." 35 STAT. 1032 (1909), 17 U. S. C. § 28 (1940). See also 35 STAT. 1082 (1909), 17 U. S. C. § 29 (1940).

29. See Reply Brief of Defendant-Appellant, *Hearst Magazines, Inc.*, p. 5. *De Acosta v. Brown*, 146 F. (2d) 408 (C. C. A. 2d, 1944).

30. See DRONE, *THE LAW OF PROPERTY IN INTELLECTUAL PRODUCTIONS* (1879) 97-104; WEIL, *AMERICAN COPYRIGHT LAW* (1917) c. V; Pickard, *Common-Law Rights Before Publication* (1940) 11 OKLA. B. A. J. 679, 682-3.

31. "Generally it is a principle of the common law that a crime is not committed if the mind of the person doing the act in question is innocent. 'Actus non facit reum, nisi mens sit rea' is a maxim of the criminal law." MILLER, *CRIMINAL LAW* (1934) 52. See *Regina v. Tolson*, 23 Q. B. Div. 168, 172 (1889); *Chisholm v. Doulton*, 22 Q. B. Div. 736 (1889).

32. Section 25 of the Copyright Act provides that "any" person infringing a copyright protected by the law of the United States shall be liable to an injunction and damages. In a few specified cases, however, if the infringement is innocent, the damages are limited in amount. 35 STAT. 1081 (1909), 37 STAT. 489 (1912), 17 U. S. C., § 25 (1940).

33. *De Acosta v. Brown*, 146 F. (2d) 408, 412 (C. C. A. 2d, 1944).

34. *Id.* at 413.

upon a defendant's establishing that the latter were the case, the plaintiff should be limited to an injunction and accounting of profits and denied damages.³⁵ Whether one accepts this novel³⁶ and somewhat tenuous distinction, it seemingly provides a more satisfactory basis for determining upon which of two innocents the harm shall fall. Literary property, unlike most other forms of personalty, is pervasive, existing simultaneously in all countries giving it legal recognition, and since it is so easily capable of being mistakenly appropriated by any person at any time, practicability and fairness to publishers would place part of the burden on the author for not taking all steps possible to make himself known.³⁷ After all, the present act provides for registration and copyright of unpublished works,³⁸ by which authors and other creators may give at least constructive, if not actual,³⁹ notice of their reserved rights. Such registration would, in fact, redound to their benefit, for statutory damages for infringement are often larger than those provable at common law.⁴⁰

Additional criticism of the *De Acosta* case may be directed at the district court's decree, affirmed without question by the circuit court majority, which granted an accounting of *both* profits *and* damages to the plaintiff.⁴¹ Formerly, when the jurisdiction of courts lay either at law or in equity, the type of remedy obtainable, *either* profits *or* damages, was predetermined by the court in which suit was brought.⁴² With the general abolition of distinc-

35. *Id.* at 414.

36. No case was discovered which drew the same distinction, although in *Barry v. Hughes*, 103 F. (2d) 427 (C. C. A. 2d, 1939), *cert. denied*, 308 U. S. 604 (1939), the court used something of the same idea. See note 22 *supra*.

37. ". . . In copyright, property has reached a more abstract expression. The right to exclude is not directed to an object in possession or owned, but is *in vacuo*, so to speak. It restrains the spontaneity of men where, but for it, there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles of the party having the right. It may be infringed a thousand miles from the owner and without his ever becoming aware of the wrong. It is a right which could not be recognized or endured for more than a limited time, and therefore, I may remark in passing, it is one which hardly can be conceived except as a product of statute, as the authorities now agree." Mr. Justice Holmes in *White-Smith Mus. Pub. Co. v. Apollo Co.*, 209 U. S. 1, 19 (1908).

38. 35 STAT. 1078 (1909), 37 STAT. 488 (1912), 17 U. S. C. § 11 (1940).

39. In accordance with the provisions of the Copyright Act, 35 STAT. 1086 (1909), 17 U. S. C. § 56 (1940), the Copyright Office publishes frequent catalogues of copyright entries, containing the titles and authors of both published and unpublished copyrighted works. Many publishing firms keep a scrupulous check on the entries listed, both to detect infringements of their publications and to prevent their own infringing of others'. Communication to YALE LAW JOURNAL, from Harwood Publishing Co., Hollywood, Cal., Apr. 16, 1945.

40. Section 25 of the Copyright Act provides generally for statutory, in lieu of actual, damages of not less than \$250 nor more than \$5,000. 35 STAT. 1081 (1909), 37 STAT. 489 (1912), 17 U. S. C. § 25 (1940). *Cf.* "But generally speaking, damages will be difficult of proof and the amount of recovery is likely to be small." Judge Clark for the majority in *De Acosta v. Brown*, 146 F. (2d) 408, 412 (C. C. A. 2d, 1944).

41. *De Acosta v. Brown*, 146 F. (2d) 408, 410 (C. C. A. 2d, 1944).

42. *Agawam Woolen Co. v. Jordan*, 7 Wall. 583 (U. S. 1868); *Marsh v. Seymour*, 97

tions between the legal and equitable benches, however, combined with statutory enlargement of judicial powers,⁴³ this mutual exclusion of remedy has somewhat disappeared. Most courts have continued to issue decrees granting relief in one form *or* the other⁴⁴ at the plaintiff's election, but others, apparently to inflict punishment, have awarded both forms.⁴⁵ While it is arguable that the issue of propriety in a court's so doing is largely academic because damages and/or profits are often minimal or not provable,⁴⁶ there are presumably many instances when a defendant's liability would be greatly increased by a decree granting additive, rather than alternative, relief. Such a practice is, moreover, foreign to the analogous fields of patents,⁴⁷ trademarks,⁴⁸ and unfair competition,⁴⁹ in which in the absence of statute the elements of fraud or gross wilfulness are necessary for similar treatment. While all three circuit court judges sitting on the principal case agreed that the prevention of an unjust enrichment would require Hearst to account for profits,⁵⁰ and while it appears doctrinally correct despite con-

U. S. 348 (1877); *Goldmark v. Kreling*, 25 Fed. 349, 355-7 (C. C. D. Cal. 1885); *Stevens v. Gladding*, 23 Fed. Cas. 14, No. 13,399 (C. C. D. R. I. 1856); *Social Register Ass'n v. Murphy*, 129 Fed. 148 (C. C. D. R. I. 1904); *cf. Strauss v. Penn Printing & Pub. Co.*, 220 Fed. 977 (E. D. Pa. 1915); *P. E. Sharpless Co. v. Lawrence*, 213 Fed. 423 (C. C. A. 3d, 1914). See also cases cited *supra* notes 19, 20.

43. The Copyright Act in § 25b, 35 STAT. 1081 (1909), as amended, 37 STAT. 489 (1912), 17 U. S. C. § 25b, provides that an infringer shall be liable "to pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, *as well as* all the profits which the infringer shall have made from such infringement, . . . or in lieu of actual damages and profits such damages as to the court shall appear to be just. . . ." (Emphasis supplied.)

44. See, *e.g.*, *Casino Productions, Inc. v. Vitaphone Corp.*, 163 Misc. 403, 295 N. Y. S. 501 (Sup. Ct. 1937).

In England "an account of profits and an inquiry as to damages" are not simultaneously obtainable. COPINGER, COPYRIGHT (7th ed. 1936) 159. See *De Vitre v. Betts*, L. R. 6 H. L. 319 (1873).

45. *De Acosta v. Brown*, 146 F. (2d) 408, 410 (C. C. A. 2d, 1944); *Dickhaus v. Twentieth Century-Fox Film Corp.*, 54 F. Supp. 425, 432-3 (E. D. Mo. 1944).

46. See note 40 *supra*.

47. *Root v. Railway Co.*, 105 U. S. 189 (1881). In a report of a House patents Committee it was said: "Section 25 [of the Copyright Act] deals with the matter of civil remedies for infringement of a copyright. . . . The provision that the copyright proprietor may have such damages *as well as* the profits which the infringer shall have made is substantially the same provision in section 4921 of the Revised Statutes relating to remedies for the infringement of patents. *The courts have usually construed that to mean that the owner of the patent might have one or the other, whichever was the greater.* As such provision was found both in the trade-mark and patent laws, the committee felt that it might be properly included in the copyright laws." H. R. REP. No. 2222, 60th Cong., 2d Sess. (1909) 15. (Emphasis supplied.)

48. *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U. S. 251, 259 (1916); see Trade-Mark Cases, 100 U. S. 82 (1879); *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403 (1916); *cf. L. P. Larson, Jr., Co. v. Wm. Wrigley, Jr., Co.*, 277 U. S. 97 (1928).

49. *P. E. Sharpless Co. v. Lawrence*, 213 Fed. 423 (C. C. A. 3d, 1914).

50. *De Acosta v. Brown*, 146 F. (2d) 408, 410, 414 (C. C. A. 2d, 1944).

trary considerations of policy⁵¹ to derive a liability at common law for damages, no rational basis for joinder of the remedies is anywhere indicated. An appropriate criterion would appear presented by the infringer's state of mind, which in this case being innocent would negative the need for a punitive decree.

In order to solve the problems of common-law copyright illustrated by the *De Acosta* case, there would appear necessary an amendment of the federal copyright act, perhaps on the lines of the British or Canadian laws.⁵² The result sought by the dissent could be achieved simply by making intent to infringe an element of the common-law cause of action. If common-law rights were totally abolished, however, as they have been in England,⁵³ creators for their own protection would be forced to register their works under the act, thereby serving the dual function of giving notice to all prospective users and of preserving works which through non-publication or non-registration may be lost. Since the existing common law of copyright appears in operation neither efficient nor equitable, such or similar changes by Congress seem indicated to remove the present temptation for judicial legislation.

51. See *supra* p. 700.

52. "Where proceedings are taken in respect of the infringement of the copyright in any work and the defendant in his defence alleges that he was not aware of the existence of the copyright in the work, the plaintiff shall not be entitled to any remedy other than an injunction or interdict in respect of the infringement if the defendant proves that at the date of the infringement he was not aware and had no reasonable ground for suspecting that copyright subsisted in the work." 2 GEO. V, c. 46, § 8 (1911). Under the English law registration provisions are entirely omitted, although deposit at the British Museum of one copy of each book published is compulsory. *Id.* § 15. Common-law copyright is expressly abrogated. *Id.* § 31. See BOWKER, COPYRIGHT (1912) 378; COPINGER, COPYRIGHT (7th ed. 1936) 160-3. The Canadian law contains a provision, Chapter 32, R. S. C. § 22 (1927), very similar to § 8 of the English law, above. Registration is, however, required under the Canadian act. Chapter 32, R. S. C. §§ 37-40 (1927). See FOX, CANADIAN LAW OF COPYRIGHT (1944) 458-61; Note, *Canadian Copyright in Unpublished Manuscripts* (1938) 8 FORT. L. J. 72-3.

The American Copyright Act has undergone since 1909 only minor amendments. See, e.g., 37 STAT. 488-90 (1912); 37 STAT. 724-5 (1913); 38 STAT. 311 (1914); 41 STAT. 368-9 (1919); 44 STAT. 818 (1926); 45 STAT. 713-4 (1928); 52 STAT. 6-7 (1938); 53 STAT. 1142 (1939); 54 STAT. 51 (1940); 54 STAT. 106 (1940). Various authors have discussed the need for revision of the act. See Caldwell, *A Suggested Model for a Copyright Act* (1932) 2 J. RADIO L. 315; Diamond and Adler, *Proposed Copyright Revision and Phonograph Records* (1940) 11 AIR L. REV. 29; Solberg, *Copyright Reform: Legislation and International Copyright* (1939) 14 NOTRE DAME LAWYER 343; Solberg, *The New Copyright Bill* (1940) 15 NOTRE DAME LAWYER 123; Comment (1938) 47 YALE L. J. 433; Legis. (1938) 51 HARV. L. REV. 906.

53. See note 52 *supra*.

INFORMATION AND INDICTMENT UNDER THE SHERMAN ACT*

THE Fifth Amendment to the Federal Constitution provides that "No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury."¹ The problem of defining "infamous crime" is raised by the recent circuit court of appeals decision *American Tobacco Company v. United States*² in which a criminal anti-trust action was brought against corporate and individual defendants by information rather than by the indictment of a grand jury.³ It was held that a violation of the Sherman Act⁴ is not an infamous crime and that a prosecution started by information was therefore not in violation of the Fifth Amendment.

Historically, the requirement of indictment or presentment in cases involving serious crimes⁵ was intended to protect citizens from criminal prosecutions when the prima facie case against them was either insufficient or undisclosed.⁶ While no exact rule for distinguishing infamous from lesser

* *American Tobacco Company v. United States*, 147 F. (2d) 93 (C. C. A. 6th, 1944).

1. U. S. CONST. AMEND. V.

2. 147 F. (2d) 93 (C. C. A. 6th, 1944).

3. *American Tobacco Company v. United States*, 147 F. (2d) 93 (C. C. A. 6th, 1944), appears to be the first case prosecuted to judgment under the Sherman Act, 26 STAT. 209 (1890), 15 U. S. C. § 4 (1940), in which criminal information was used. Since its decision, however, the Department of Justice has commenced a criminal suit against the Great Atlantic & Pacific Tea Co. by means of information—*N. Y. Times*, April 17, 1945, p. 29, col. 1.

The advantage to the prosecution of proceeding by information when there is sufficient evidence to obtain indictment is not very clear. Although it does not involve the delay of grand jury proceedings the use of that body's subpoena powers must be foregone. In anti-trust cases in which the defendants' own documents are often important parts of the evidence against them this power may be of considerable importance. It is true, however, that information has the advantage of being susceptible to amendment, whereas indictment does not. *Armstrong v. United States*, 16 F. (2d) 62 (C. C. A. 9th, 1926), *cert. denied*, 273 U. S. 766 (1927). For a general discussion of the respective advantage of information and indictment see *Dession, From Indictment to Information—Implications of the Shift* (1932) 42 YALE L. J. 163.

4. 26 STAT. 209 (1890), 15 U. S. C. § 4 (1940).

5. The use of information by the Attorney General was forbidden at common law, in the case of all capital crimes. "But . . . informations [of every kind] are confined by the constitutional law to mere misdemeanours only." 4 BL. COMM. *310.

Procedure by information was also forbidden by statute, 25 EDW. III, stat. 5, c. 4 (1351), in the following words: ". . . none shall be taken by petition or suggestion made to our lord the King, or to his council, unless it be by indictment or presentment of good and lawful people of the same neighbourhood where such deeds be done, in due manner, or by process made by writ original at the common law . . ." These words were repeated in the *Petition of Right*, 1640, 16 CHAS. I., c. 10, but Blackstone says of the latter statute, that it applies only to private informations, and not to those of the Attorney General. 4 BL. COMM. *308-12.

6. For an excellent short account of the history and purposes of the grand jury see

crimes was established in the United States until after the Civil War, owing perhaps to the custom of prosecuting almost all crimes by grand jury proceedings,⁷ the use of information later became more widespread. In order to place some definite limitations upon its use, the Supreme Court, in *Ex parte Wilson*,⁸ repeating the common-law doctrine that whether a given crime is infamous should be determined by the nature of the punishment which might be imposed,⁹ held that an infamous crime was one punishable by imprisonment or by hard labor.¹⁰

Mr. Justice Field's Charge to the Grand Jury, 30 Fed. Cas. 992, No. 18,255 (C. C. D. Calif. 1872). See also SOMERS, A GUIDE TO THE KNOWLEDGE OF THE RIGHTS AND PRIVILEGES OF ENGLISHMEN (1771) 91-197; REPORT ON PROSECUTION (National Committee on Law Observance and Enforcement, 1931) 23-7.

7. In 1833 Story wrote: "[Information] is rarely recurred to in America; and it has never yet been formally put into operation by any positive authority of congress . . . though common enough in civil prosecutions . . ." 3 STORY, COMMENTARIES ON THE CONSTITUTION (1891) § 1780.

In *Ex parte Wilson*, 114 U. S. 417, 425 (1885) the Court suggests that the practice of using information for more serious crimes began about 1875. ". . . the general current of opinion in the Circuit and District Courts [within the last fifteen years] has been towards sustaining them [informations] for any crime, a conviction of which would not at common law have disqualified the convict to be a witness." Some of the cases which support this statement are: *United States v. Shepard*, 27 Fed. Cas. 1056, No. 16,273 (E. D. Mich. 1870); *United States v. Maxwell*, 26 Fed. Cas. 1221, No. 15,750 (C. C. W. D. Mo. 1875); *United States v. Miller*, 26 Fed. Cas. 1257, No. 15,775 (N. D. N. Y. 1872); *United States v. Yates*, 6 Fed. 861 (E. D. N. Y. 1881); *In re Wilson*, 18 Fed. 33 (E. D. Mich. 1883).

8. 114 U. S. 417 (1885).

9. *Id.* at 423-6. "There are two kinds of infamy; the one founded in the opinions of people respecting the mode of punishment; the other in the construction of the law respecting the future credibility of the delinquent." EDEN, PRINCIPLES OF PENAL LAW (1770) c. 7, § 5. The former of Mr. Eden's criteria is to be emphasized in considering the protective purpose of the Fifth Amendment. Its predominance is recognized by the Supreme Court in *Ex parte Wilson*, 114 U. S. 417, 423, 425-6 (1885): "Whether a convict shall be permitted to testify is not governed by a regard to his rights or to his protection, but by the consideration whether the law deems his testimony worthy of credit upon the trial the rights of others. But whether a man shall be put upon his trial for crime without a presentment or indictment by a grand jury of his fellow citizens depends upon the consequences to himself if he shall be found guilty . . . having regard to the object and the terms of the first provision of the Fifth Amendment . . . this court is of opinion that the competency of the defendant, if convicted, to be a witness in another case is not the true test [of infamy]."

10. "Imprisonment at hard labor . . . is, in the strongest sense of the words, 'involuntary servitude for crime' . . . our judgment is that a crime punishable by imprisonment for a term of years at hard labor is an infamous crime, within the meaning of the Fifth Amendment of the Constitution . . ." *Id.* at 429.

The term has been most liberally applied. In *United States v. Moreland*, 258 U. S. 433 (1922), it was held that confinement for six months in the District of Columbia workhouse, in which the inmates worked chiefly on a farm in plain clothes, was hard labor, and an infamous punishment. But see *Brede v. Powers*, 263 U. S. 4 (1923), for an ingenious rather than sound distinction between sentence to hard labor and actual subjection to it.

Hard labor has long been regarded as infamous punishment. 4 BL. COMM. *377; *Jones v. Robbins*, 8 Gray 329 (Mass. 1857). Other punishments considered infamous by Blackstone are whipping, the pillory, the stocks and the ducking pool, 4 BL. COMM. *377, and Dane

This definition of "infamy" was well adapted to the prison system of the time, under which the worst offenders were generally sent to state and later to federal penitentiaries, or to hard labor in some other institution, while persons convicted of misdemeanors and other minor offenses were sentenced merely to the county jails.¹¹ In 1929 and 1930, however, far-reaching changes in the federal prison system were undertaken, and legislation was enacted empowering the Attorney General, rather than the trial judge, to decide in what institution a sentence was to be served.¹² In addition, the Attorney General was given the power to ". . . make available the services of federal prisoners for the purpose of constructing and repairing roads . . . building levees and for the construction of other public works. . . ." ¹³ The purpose of this legislation was twofold: (1) to delegate to one authority the office of assigning offenders to different institutions,¹⁴ and (2) to provide "employment for all physically fit inmates of United States penal . . . institutions. . . ." ¹⁵

The federal prison system was so changed by these laws ¹⁶ that today the milder offenders are those more likely to be found at hard work, while the

adds to these branding and cropping, 2 DANE, A GENERAL ABRIDGMENT AND DIGEST OF AMERICAN LAW (1823) 569-70. Imprisonment in a penitentiary has been declared infamous punishment in *Mackin v. United States*, 117 U. S. 348 (1886); *United States v. De Walt*, 128 U. S. 393 (1888); *In re Claasen*, 140 U. S. 200 (1891). Confinement of minor offenders in penitentiaries without their consent is forbidden by a recent statute. 55 STAT. 743 (1941), 18 U. S. C. § 753(f) (Supp. 1944). See note 27 *infra*.

11. See ROBINSON, JAILS, CARE AND TREATMENT OF MISDEMEANANT PRISONERS IN THE UNITED STATES (1944) 243. The housing of short-term federal offenders in local jails is still a very common practice. "One of the glaring abuses of the present system of punishment is the confinement of short-term offenders in State and county jails and prisons, where conditions are often unsanitary and, where inmates are brought into contact with influences which tend to degrade rather than improve them. It is universally recognized that the ordinary county jail is a breeder of crime; and it is little short of disgraceful that persons who have been committed for offenses of such minor character as not to deserve a severe prison sentence should be subjected to their influence." *Report of the Judicial Conference of the Committee on Punishment for Crime* (July-Sep. 1942) 6 FEDERAL PROBATION 40, 43.

12. 46 STAT. 326 (1930), as amended by 55 STAT. 743 (1941), 18 U. S. C. § 753(f) (Supp. 1944).

13. 46 STAT. 391 (1930), 18 U. S. C. § 744(b) (Supp. 1944).

14. "It is hereby declared to be the policy of the Congress that the institutions established . . . be so planned and limited in size as to facilitate the development of an integrated Federal penal and correctional system which will assure the proper classification and segregation of Federal prisoners according to their character, the nature of the crime they have committed, their mental condition. . . ." 46 STAT. 390 (1930), 18 U. S. C. § 907 (1940).

15. "It shall be the duty of the Attorney General to provide employment for all physically fit inmates of United States penal and correctional institutions. . . ." 46 STAT. 391 (1930), 18 U. S. C. § 744(a) (1940). *Quaere* whether all involuntary prison work is not hard labor within the meaning of *United States v. Moreland*, 258 U. S. 433 (1922), cited *supra* note 10.

16. "It seems to me, Mr. Chairman, that we have come to the parting of the ways. The old prison system is being discarded." Mr. Sanford Bates, *Hearings before Committee on Judiciary on H. R. 6807, 7410, 7411, 7412, 7413, 7832*, 71st Cong., 2d Sess. (1929) 23

more serious and intractable tend to be concentrated in the more leisurely, albeit better guarded, institutions.¹⁷ The result of these changes is to alter the practical import of the doctrine of *Ex parte Wilson*.¹⁸ Since under the statute all federal prisoners may be sent to hard labor,¹⁹ the rule of that case logically requires indictment for all offenses punishable by jail sentence, but, possibly because of the difficulty of reconciling the doctrine with the existing practices of the federal prison system, the courts have not taken this logical step.²⁰

In order to resolve this difficulty the Government in the *American Tobacco* case argued that the Attorney General does not have the power to send all prisoners to road work²¹ or other hard labor. A holding to this effect, however, would be unfortunate. The new prison system has been built upon the broad discretionary powers of the Attorney General, and a decision involving retrogression toward the squalid and demoralizing idleness of the old-fashioned county jail²² is not advisable. Instead, a solution for the problem should be found in a new conception of infamous crime.

The defendants in the *American Tobacco* case contended that all crimes for which a jail sentence may be imposed should be regarded as infamous. This view, which is the logical application of the doctrine of *Ex parte Wilson*²³ to the contemporary prison system, seems commendable. Its adop-

17. For instance, only males of "minimum custody or trustworthy type and in good physical condition with fairly short sentences" are sent to federal prison camps (where road work, etc., is undertaken). Circular No. 3058 revised, October 7, 1941 (U. S. Dep't Justice) 4. Compare the remarks of the warden of Alcatraz concerning employment of prisoners. *Report of the Warden, Alcatraz Penitentiary* [1940] FEDERAL OFFENDERS 28, 31.

18. See note 8 *supra*.

19. See note 13 *supra*. There seems no doubt that the work prescribed is hard labor in a very strong sense. "An incentive is needed to get the prisoners to undergo the hardships which working on the roads and public works involves. . . . A provision has, therefore, been included in the bill permitting the Attorney General, if he sees fit, to allow three days extra time to such prisoners. This is in accordance with the precedent already approved by Congress in the bill" providing that upon written order of the Attorney General persons convicted under the laws of the United States may be transferred to such prison camps for employment upon roads and trail building, the cost of which is born exclusively by the United States. H. R. REP. No. 103, 71st Cong., 2d Sess. (1930), 9190.

That short-term prisoners are in fact sent to hard labor is made clear from the statement of Mr. James Bennett: "The prison camps [for road construction etc.] . . . form a valuable part of the diversified correctional program. For the short-term prisoner who formally served his sentence in a local jail, the camps offer a welcome substitute for months of idleness in these institutions." REP. ATT'Y GEN. (1941) 212.

20. See *United States v. Sloan*, 31 F. Supp. 327 (W. D. S. C. 1940).

21. Oral argument before Ford, J., at trial. Counsel for the Government: ". . . if this [the road work mentioned in the statute] is hard labor, a prisoner who was subjected to [it] if he was merely a misdemeanor, would have his remedy."

22. For an account of conditions in local jails see BATES, PRISONS AND BEYOND (1938) c. 3; Casey, *Missouri Jail Survey* in PROCEEDINGS OF THE 70TH ANNUAL CONG. OF AMERICAN PRISON ASS'NS (1940) 402; REPORT OF THE CALIFORNIA CRIME COMMISSION (1929) 32; ELEVENTH ANNUAL REPORT OF INSPECTION OF COUNTY JAILS OF MARYLAND (1935); FIFTEENTH ANNUAL REPORT OF INSPECTION OF COUNTY JAILS OF MARYLAND (1939).

23. See note 8 *supra*.

tion would involve only a return to the original federal practice under the Bill of Rights, and it conforms with social mores which place a particular stigma on those who have served in jail. The chief advantage, however, of such a definition is that it would secure the right of grand jury investigation to a wider class of persons than presently enjoy it. At a time when the number and variety of federal crimes, particularly of a prohibitory character, are increasing, such an argument carries weight. It is true that the right to demand the hearing of a grand jury does not always afford any great protection to the citizen; too often this assembly can be likened to an exceptionally unwieldy rubber stamp.²⁴ But institutions of the protective sort should be judged by their potential utility rather than by everyday performance.

The modern tendency, however, is to reduce the functions of the grand jury,²⁵ and since it seems unrealistic to suppose that they will be increased in the federal system, a more moderate definition may be useful. Any significant definition of "infamous crime" must be based on the punishment of which the accused stands in jeopardy. But since determination of the type of imprisonment imposed is no longer made by the courts,²⁶ and since the punishment designated by the Attorney General is not primarily related to the crime committed,²⁷ the only remaining test which can be universally applied is the length of the maximum sentence which may be imposed. There is some basis in practice and authority for classifying crimes involving a penalty of more than one year as infamous,²³ but whatever period may be

24. For an interesting criticism of the grand jury system see DESSON, *From Indictment to Information—Implications of the Shift* (1932) 42 YALE L. J. 163; REPORT ON PROSECUTION (U. S. National Commission on Law Observance and Enforcement, 1931) 124-6.

25. By 1931 nineteen states had eliminated the requirement of grand jury indictment and three more had restricted it to capital crimes. *Id.* at 35.

26. Although the 1930 act, 46 STAT. 326, paid lip service to the power of the judge to sentence to a given type of institution by directing that convicts ". . . shall be committed, for such terms of imprisonment and to such types of institutions as the court may direct, to the custody of the Attorney General. . . ." The absolute power of the Attorney General to transfer upheld in *Zerbst v. Kidwell*, 92 F. (2d) 756 (C. C. A. 5th, 1937), and in *White v. Kwiatkowski*, 60 F. (2d) 264 (C. C. A. 10th, 1932), throws some doubt upon its significance. In 1941, however, the statute was amended and the provision giving the courts power to sentence to a type of institution was omitted. "Hereafter all persons convicted of an offense against the United States shall be committed, for such terms of imprisonment as the court may direct, to the custody of the Attorney General. . . ." 55 STAT. 743 (1941), 18 U. S. C. § 753(f) (Supp. 1944). See also H. R. REP. No. 106, 71st Cong., 2d Sess. (1930), 9190 (emphasis supplied).

27. The inmates received at federal camps, for instance, are selected on the basis of: "(1) benefit . . . to the inmate, (2) security risk presented by the inmate, and (3) physical condition." Armstrong, *Prison Camps for Rehabilitation* (April-June 1942) 6 FEDERAL PROBATION 38, 39. Mr. Armstrong, supervisor of federal prison camps, Bureau of Prisons, gives no hint that selection is based in any way upon the nature of the crime committed.

28. The Bureau of Prisons apparently classified persons serving more than one year as felons, and others as misdemeanants. See ROBINSON, *loc. cit. supra* note 11.

The 1941 amendment to 46 STAT. 326 (1930) forbids any person sentenced "for an offense punishable by imprisonment for a term of one year or less" to be sent to a penitentiary without his consent. 55 STAT. 743 (1941), 18 U. S. C. § 753(f) (Supp. 1944).

adopted some definite chronological line probably provides the best criterion, as it can be applied easily to all crimes, except where indeterminate sentences are involved. It is possible that some such chronological considerations were influential in the circuit court of appeals' decision that the one-year penalty provided by the Sherman Act did not make its violation an infamous crime. Whatever the rationale of the decision, it is unfortunate that it was not made explicit.