
NOTES

TRADE REGULATION

THE DOCTRINE OF MISUSE OF PATENT

As part of the consideration for an exclusive patent license, the licensee promised to submit any improvements it might make on the basic patent to the licensor, who had an option to take out patents on the improvements in its own name. Any improvement patents thus obtained were to be licensed to the licensee without additional royalties. The license was to run for a term of ten years and was renewable by the licensee for periods of five years, as long as any pertinent patent, basic or improvement, remained in effect. The licensee violated its agreement by taking out improvement patents without submitting them to the licensor. The licensor, pursuant to a provision of the license contract, gave notice of its election to terminate the license. The licensee sued in United States District Court for a declaratory judgment that by requiring submission of improvements to be patented the licensor had misused its basic patent, and that therefore the requirement was illegal. The licensor counter-claimed for an assignment of the improvement patents. The District Court upheld the legality of the provision and directed the licensee to assign the improvement patents. The Circuit Court of Appeals reversed, holding that the licensor had misused its patent and that consequently the provision was illegal.¹ On certiorari,² the Supreme Court reversed and remanded.³ The license provision by which the licensor

1. *Stokes & Smith Co. v. Transparent-Wrap Mach. Corp.*, 156 F.2d 198 (C.C.A. 2d 1946). Notes, 59 Harv. L. Rev. 996 (1946), 14 U. of Chi. L. Rev. 116 (1946).

2. Certiorari was granted "because of the public importance of the question presented and of the apparent conflict between the decision below and *Allbright-Nell Co. v. Stanley Hiller Co.*, 72 F.2d 392" (C.C.A. 7th 1934). In the *Allbright-Nell Co.* case defendant refused to assign an improvement patent, in violation of a term of a license contract. Relief was granted to plaintiff and defendant was ordered to assign. The defense of misuse of the basic patent was not raised or discussed.

3. The instant case is noted in 47 Col. L. Rev. 321 (1947), 42 Ill. L. Rev. 377 (1947), 95 U. of Pa. L. Rev. 804 (1947), 33 Va. L.

was to become the owner of improvement patents was not within the doctrine of misuse of patent and therefore was valid. *Transparent-Wrap Mach. Corp. v. Stokes & Smith Co.*, 329 U.S. 639 (1947). (Black, Murphy, Rutledge, Burton, JJ., dissented.)⁴

The facts before the Court raised the problem of whether the doctrine of misuse of patent is applicable to invalidate a patent license which requires the licensee to "submit"⁵ to the licensor all improvements made on the basic patent. Although the case was one of first impression,⁶ the Circuit Court of Appeals and the Supreme Court confined the issue rather narrowly to considerations of previous misuse cases, in which each found controlling principles for its decision.⁷

The Circuit Court of Appeals recognized that the licensor in no way attempted to exercise any control over articles

Rev. 361 (1947). In remanding, Mr. Justice Douglas stated that all questions not decided were left open. He specifically indicated that the license contract might be examined to ascertain whether it was in violation of the anti-trust laws. The Circuit Court of Appeals affirmed the decision for the licensor. *Stokes & Smith Co. v. Transparent-Wrap Mach. Corp.*, 161 F.2d 565 (C.C.A.2d 1947). Licensee's complaint, evidence, and arguments had all been directed to the misuse contention and had asserted no anti-trust violation. The Circuit Court of Appeals deemed itself not justified in remanding the case to the District Court in order that the licensee might make a record to support the anti-trust argument. Since the original record contained no evidence to support a conclusion of illegality based on the anti-trust laws, the court held that the licensee must abide by the decision on the point on which it had staked its case, viz., the misuse doctrine.

4. Black, Rutledge, Burton, JJ., dissented for reasons set forth in the opinion of the Circuit Court of Appeals. Murphy, J., dissented, believing that the majority's decision "unduly enlarges the scope of patent monopolies, and is inconsistent with the philosophy enunciated in *Mercoid Corp. v. Mid-Continent Co.*, 320 U.S. 661, and similar cases."
5. Although the license required the licensee to submit improvements before a patent was obtained, the Supreme Court treated the provision as one requiring assignment of a patent and used the terminology of assignment. For convenience of expression, the word "assignment" will be used hereafter.
6. Other courts have faced the same fact situation, but in no case have considered the applicability of the misuse doctrine. *Allbright-Neil Co. v. Stanley Hiller Co.*, 72 F.2d 392 (C.C.A. 7th 1934); *Bunker v. Stevens*, 26 Fed. 245 (C.C.D.N.J. 1885); *American Refinery Co. v. Gasoline Products Co.*, 294 S.W. 967 (Tex. Civ. App. 1927).
7. The Circuit Court of Appeals, through Judge Learned Hand, relied on the principle of the most recent Supreme Court misuse case, *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944). Mr. Justice Douglas, who wrote the opinion in the *Mercoid* case, held that it was not authority for the instant case.

not covered by the basic licensed patent. In finding a misuse which vitiated the license, it looked ahead to the time when the license term of ten years will have elapsed and the basic patent expired. At that time, if the licensee has assigned its improvements and wishes to produce the machine which had been protected by the basic patent, but in its most improved form, the licensee will be forced to pay the licensor for the privilege of using the improvement patents, which were the fruits of its own ingenuity. Thus, said the court, the licensor has required the licensee to purchase something in addition to the use of the basic patent. Nor does the fact that the licensee can, as an alternative, escape the necessity of paying for the privilege of using improvement patents by exercising its option to renew the license contract, cure the vice of the situation. In such a case it would be renewing the license contract only to avoid the necessity of paying for the privilege of using the improvement patents, *i.e.*, to avoid the consequences of its inventive genius. The Circuit Court of Appeals thus rested its decision basically on the fact that the licensor had used its patent either to put the licensee at a competitive disadvantage or to stifle a normal inclination to develop improvements. On either hypothesis, said the court, this license exaction is condemned by the principle of the cases which have developed the doctrine of misuse.

The Supreme Court, in rejecting the argument of the Circuit Court of Appeals, first stated that Congress has made all patents assignable and has not outlawed any types of consideration.⁸ Thus, it said, there is nothing inherently illegal in requiring the licensee to assign improvement patents in consideration of the right to use a basic patent. Second, and more important, because an improvement patent is a monopoly created by a government grant, the licensor is not using its basic patent to create a monopoly over articles governed by the general law. It is using its basic patent, a legalized monopoly, to gain another legalized monopoly.⁹ The Court held that this use is not within the rule of the cases which enunciate the misuse doctrine. The competitive disadvantage which the Circuit Court of Appeals stressed did

8. Rev. Stat. § 4898 (1875), 35 U.S.C. § 47 (Supp. 1946).

9. *Transparent-Wrap Mach. Corp. v. Stokes & Smith Co.*, 329 U.S. 637, 644, 646 (1947).

not impress the Supreme Court. Anyone who divests himself of any interest, thereafter is as to that interest at a competitive disadvantage to him who has acquired it. This disadvantage is exactly the same whether the consideration was the privilege to use a patent or was something else of value.¹⁰ The Supreme Court was not influenced by the argument that the licensor's conduct tended to suppress the licensee's inventive propensities.

Discussion of the decision may be conveniently subdivided into a consideration of abstract basic factors which inhere in all patent litigation, a consideration of the precedents in which the courts in the instant case found authority for their conflicting decisions, and a consideration of the economic consequences attendant upon the decision. The Supreme Court would have faced these economic consequences had it probed more deeply than merely to consider precedent. The question is: Has the licensor misused its patent so that its license contract should be stricken down? This question, posed in the context of a novel fact situation, calls for a higher level of investigation than a simple reference to precedent.

I.

In the general area of patent litigation, the courts are faced with two public policies which have great potentialities for head-on conflict:¹¹ the policy of patent law and the policy of anti-trust law. The public policy¹² of stimulating

10. 329 U.S. 637, 642, 643 (1947).

11. See Mr. Justice Rutledge, dissenting in *Hartford Empire Co. v. U.S.*, 323 U.S. 386, 452 (1946). That such a conflict is not inevitable, see Hamilton, "Patents and Free Enterprise" (TNEC Monograph 31, 1941) at 148: "No necessary antithesis exists between the grant of patent and the commitment of public policy to free enterprise." See Wood, "Patents and Antitrust Law" (1941). "Patents and Free Enterprise," Monograph No. 31, cited in the principal case and written by Professor Hamilton of Yale Law School, has been suggested as the most significant recent report on the patent system. Smith, "Recent Developments in Patent Law," 44 Mich. L. Rev. 899, 902 (1946). The considerations touched on in the present note are dealt with exhaustively by Professor Hamilton; see particularly c. IX, "A Policy for National Economy." See Folk, "Patents and Industrial Progress" (1942), for treatment of the same subject. The author of the latter work, special patent advisor to the National Association of Manufacturers, devotes much attention to Monograph No. 31, which he characterizes as "twaddle." *Id.*, Part II, c. 5, p. 105.

12. U.S. Const., Art. I, Sec. 8: "The Congress shall have power to promote the Progress of Science and useful Arts by securing for limited times to Authors and Inventors the exclusive Rights to their respective Writings and Discoveries."

technological development has supposedly been implemented by the patent statutes, which create limited monopolies.¹³ The ancient common law policy against monopolistic restraints of trade, commerce, and competition underlies the prohibitions set forth in the various anti-trust laws. Economic and practical considerations must guide the courts in allocating to each policy an area in which it may achieve its purpose without being wholly frustrated by the impingement of the other.

In the industrialized economy of the United States the technological progress contemplated by the patent law requires the investment of large speculative capital if the products of inventive ability are to be exploited and made available to the public. This speculative capital must come in large part from private industry, in the form of great and expensive research laboratories and industrial experiments. Industry contributes this wealth, speculating on returns on its investments. The immediate return is often a patent on the tangible result of the research. Each patent may become a powerful instrument of economic control.

Further, at the present level of industrial development, any complicated device or machine may well embody many patents, many statutory monopolies. Unless the law permits some degree of control over several patents by centralization in the hands of single industries or manufacturers, the patent system will be unwieldy and will have created an insurmountable obstacle to efficient large-scale production.¹⁴ On the other hand, the very centralization which the patent policy urges, the anti-trust policy decries. Maintenance of a workable balance is for the courts.

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13. 46 Stat. § 376 (1930), 35 U.S.C. § 40 (1940): "Every patent shall contain a . . . grant to the patentee, his heirs or assigns, for the term of seventeen years, of the exclusive right to make, use, and vend the invention or discovery . . . throughout the United States and the Territories thereof"
 14. Wood, *op. cit.* supra, n. 5, at 100, 101: "It may happen that the improvement is so great as to render the original invention valueless commercially; while the improvement patent, perfectly valid, is incapable of separate use . . . this situation in legally difficult to avoid; it is economically impossible to tolerate It may be categorically stated that the development of the patent pool is the saving factor of the patent system . . . [without it] the system would long since have been forced completely out of shape by the tremendous need for integration in a highly systematized industrial system."

II.

Consideration of the precedents on which the courts in the instant case relied illustrates the judicial accommodation between the competing demands of the conflicting patent and anti-monopolistic policies. Since 1916 there has arisen a doctrine that a patentee who misuses his patent will be denied relief in suits for infringement or contributory infringement.¹⁵ The type of activity denominated "misuse" is well exemplified in *Motion Picture Patents Co. v. Universal Film Co.*,¹⁶ the leading case for the doctrine. A seller, who held a patent for a film projector, sold projectors and attempted to exact as a license condition the requirement that purchasers and subsequent users buy all films used therein from seller or its designee. An exhibitor leased a projector from a purchaser and used film which it obtained from a manufacturer of its own selection rather than the seller's. In an infringement proceeding, the seller was denied relief because it had attempted by the license condition to extend the scope of its patent monopoly by restricting the use of the patented machine to materials which were not covered by the patent on the machine. It is to be noted that the film whose use the seller was attempting to compel was unpatented at the time.

Subsequent cases in which the misuse doctrine has been applied by the Supreme Court differ in detail rather than

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15. "'Contributory infringement' is the intentional aiding of one person by another in the unlawful making or selling or using of the patented invention which is usually done by making or selling a part of the patented invention with the intent or purpose of so aiding." *American Lecithin Co. v. J. C. Ferguson Mfg. Works*, 19 F.Supp. 294, 299 (D.C.R.I. 1937).
 16. 243 U.S. 502 (1916), overruling *Henry v. A. B. Dick Co.*, 224 U.S. 1 (1911). Most succeeding Supreme Court cases which rely on the Motion Picture case are of two types. The first type includes those in which the misuse doctrine is developed. A second line of cases includes actions under the anti-trust laws. In the latter, the Motion Picture case is referred to in determining the area of permissible conduct under the patent laws, and thus in deciding whether the particular defendant's otherwise monopolistic activity is protected because of a patent grant. See, e.g., *Ethyl Gasoline Corp. v. U.S.*, 309 U.S. 436 (1939) (Sherman Act); *Interstate Circuit Inc. v. U.S.*, 306 U.S. 208 (1938) (Sherman Act); *International Business Mach. Corp. v. U.S.*, 298 U.S. 124 (1935) (Clayton Act); *U.S. v. General Electric Co.*, 272 U.S. 476 (1926) (Sherman Act); *U.S. v. United Shoe Mach. Co.*, 258 U.S. 433 (1921) (Clayton Act); *U.S. v. United Shoe Mach. Co.*, 247 U.S. 32 (1917) (Sherman Act).

in essence.¹⁷ In all, the activity condemned was a patentee's attempt to extend its control by requiring the use of unpatented materials in connection with the patented device,¹⁸ process,¹⁹ or combination.²⁰ That is, the patentee attempted to use its patent to force its licensee to buy unpatented materials either from the patentee or from its subsidiary or designee. These later cases are material here chiefly because they supply the basis for an adequate rationale for the misuse doctrine emerging from those decisions. *Morton Salt Co. v. G. S. Suppiger Co.*²¹ teaches that relief is denied to protect a public interest and not the private interest of the defendant in any particular case, although obviously the defendant is incidentally benefited. The public interest suffers as the result of an attempt to restrain competition and control the market. The specific public interest of which the Court is solicitous is identified in *Mercoïd Corp. v. Mid-Continent Investment Co.*, as the "protection of the public in a system of free enterprise."²² The Court has been sedulous to point out

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17. The importance to the operation of the patented invention of the unpatented material sought to be controlled is irrelevant and will not overcome the fact that the attempt to control is a misuse. *Carbice Corp. v. American Patents Corp.*, 284 U.S. 27 (1930). Even where the patent is on a combination of unpatented elements, so that that which is patented exists as a patentable combination only by virtue of the unpatented parts, the patentee cannot legally extend its monopoly to those parts. *Mercoïd Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944). It is unimportant that the patentee can profit from the invention only if it requires the purchase of other goods from it. *B.B. Chemical Co. v. Ellis*, 314 U.S. 495 (1941). Subtlety of method will not aid the patentee; merely avoiding written contracts and express conditions will not prevent the court from denying relief if there was an attempt to monopolize the unpatented. *B.B. Chemical Co. v. Ellis*, supra; *Leitch Manufacturing Co. v. Barber Co.*, 302 U.S. 458 (1937). *Res judicata* will not be applied in a second infringement action to prevent an infringer from raising the defense of patentee's misuse after he failed to raise it in the first. *Mercoïd Corp. v. Mid-Continent Investment Co.*, supra.
 18. *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1941); *Carbice Corp. v. American Patents Corp.*, 283 U.S. 27 (1930).
 19. *B.B. Chemical Co. v. Ellis*, 314 U.S. 495 (1941); *Leitch Manufacturing Co. v. Barber Co.*, 312 U.S. 458 (1937).
 20. *Mercoïd Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944).
 21. 314 U.S. 488, 494 (1941): "It is the adverse effect upon the public interest, together with the patentee's course of conduct, which disqualifies him to maintain the suit." Therefore defendant was allowed to raise the defense of misuse despite the fact that he was a direct infringer who had in no degree suffered from the plaintiff's misuse.
 22. 320 U.S. 661, 665 (1944).

that the doctrine of misuse, although it may be an anti-monopolistic weapon, is not to be used indiscriminately as an alternative for the anti-trust laws. The theories of the two are different, and a patentee's activity which falls short of an unreasonable restraint of trade or commerce may still come within the protective sweep of misuse, and therefore be illegal.²³

Focusing attention on the facts of the principal case, it seems clear that the Supreme Court was correct in saying that nothing in its past decisions required it to strike down the provision of the license in suit. In all previous cases the patentee had wielded its statutory grant to deprive its licensee of the free choice among many sellers of unpatented goods, all theoretically competing for business. To the extent that the licensee was forced to buy these otherwise unrestricted goods from the patentee, the marketing opportunities of the patentee's competitors were restricted, since competition for the licensee's custom no longer prevailed.²⁴ The public interest in the maintenance of free competitive enterprise dictated that an attempt to effect a limitation of the available market-

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23. In *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1941), the District Court denied relief in an infringement proceeding on the ground that plaintiff had misused its patent. The Circuit Court of Appeals for the Seventh Circuit reversed because the use of the patent was not shown to violate § 3 of the Clayton Act. It did not appear that the use of the patent substantially lessened competition or tended to create a monopoly. In reversing, the Supreme Court said, "But the present suit is for infringement of a patent. The question we must decide is not necessarily whether respondent has violated the Clayton Act, but whether a court of equity will lend its aid to protect a patent monopoly when respondent is using it as the effective means of restricting competition with its sale of an unpatented article." *Id.* at 490. This distinction between misuse of patent and violation of anti-trust laws was recognized by the Supreme Court in the principal case. It seems, however, not always to be clearly understood or at any rate, clearly stated. See, e.g., Hearings Before Committee on Patents on S. 2303 and S. 2491, 77th Cong. 2nd Sess. 2001 (1942): "The Chairman: Is it your view that the Supreme Court has held that it is a defense to an infringement suit that the plaintiff is engaged in a violation of anti-trust laws?" "Mr. [Assistant Attorney General] Arnold: Yes." "Chairman: When was that decided?" "Mr. Arnold: The last decision on that would be the Morton Salt case."
24. That it is market control and the destruction of competitive forces which are the true reasons for the misuse rule, see *Morton Salt Co. v. G.S. Suppiger Co.*, 314 U.S. 488, 492 (1941), followed in *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661, 665, 667 (1944).

ing opportunities of the patentee's competitors be declared illegal, quite apart from the necessity of determining whether the attempted restraint attained the proportions of an anti-trust violation. Thus in each case the courts held the specific licensing exaction illegal on its face, without going behind the terms of the license to other factors.

In the instant case, if attention be directed only to the terms of the license, the rationalizing distinction is apparent. The patentee used its basic patent to compel the assignment of possible improvement patents. The very fact that a *patent* was to be assigned makes it obvious that the license exaction itself would have no effect upon the business opportunities of any person but the licensee who assigned the improvement patent. The market would remain unaffected by the assignment; it had been restricted at the time that the Patent Office granted the improvement patent. Correspondingly, no public interest in maintaining competition would be affected by the assignment; competition was foreclosed not by the assignment but by the patent grant. Whereas in the misuse cases the isolated transaction under scrutiny had, because of the very terms of the license, affected and controlled the competitive market, the assignment transaction in the instant case would not have that effect.

This approach, while it exonerates from the taint of monopoly the isolated licensing contract, detached from the entire complex of the patentee's economic activity, does not leave the patentee free to extend its control at will. Obviously, danger may lie in the concentration of economic power in the hands of a patentee. It is against this danger of concentrated control, however acquired, that the anti-trust laws are directed.²⁵ The broader focus of the anti-trust laws is not confined to examining isolated transactions. On the contrary, it considers each act against the background of all relevant facts. Therefore while the patentee's license in the instant case is not per se illegal, it must still undergo an anti-trust examination.

25. That a patent will not exempt a patentee from subjection to the anti-trust laws, see *Hartford Empire Co. v. U.S.*, 324 U.S. 570 (1944); *Hartford Empire Co. v. U.S.*, 323 U.S., 386 (1944); *U.S. v. Masonite Corp.*, 316 U.S. 265 (1942); *Ethyl Gasoline Corp. v. U.S.*, 309 U.S. 436 (1939); *United Shoe Mach. Co. v. U.S.*, 258 U.S. 451 (1922); *Standard Sanitary Mfg. Co. v. U.S.*, 226 U.S. 20 (1912).

This interpretation recognizes that under the existing patent system individual ownership of several patents may, from the standpoint of manufacturing feasibility, be socially desirable in many cases. It leaves each case to be considered on its own facts, under anti-trust law. In sum, the Supreme Court, and not the Circuit Court of Appeals, seems to have been correct on precedent, in the instant case.

III.

The test as to the advisability of extending the application of the misuse doctrine beyond precedent may be said to turn on the consequences of a licensor's use of a patent to acquire improvement patents. It is at this point that the real problem of the instant case arises, a problem which the Court did not, articulately at least, consider. Consequences which may be argued to support the extension of the misuse doctrine to the retention of the improvement patents by the licensor are that: it tends to discourage invention by the licensee; it puts the licensee at a competitive disadvantage to the licensor; it enables the licensor to extend its control beyond the statutory life of its basic patent; it yields to the licensor more than the basic patent grant was intended to yield to it. The merits of these arguments deserve consideration.

The Circuit Court of Appeals contended that the result of the licensor's contract was to put the licensee to the alternatives either of suppressing its normal inclination to improve or of renewing the contract to escape the consequences of its own ingenuity.²⁶ Neither alternative affords a sufficient reason to declare the license a misuse. The determination of what terms in a license will quell inventive genius involves speculation in the realm of psychology. Without any legal standards by which to test a transaction's effect, the Court would be attempting to weigh the imponderable. Courts have never resorted to such a psychological test in the case of the industrial scientist who assigns all patents which he obtains. Such contracts are enforced without question.

The "competitive disadvantage" of the licensee is no more tangible a criterion for extending the misuse doctrine to the license in the instant case than is the conjectural effect

26. *Stokes & Smith Co. v. Transparent-Wrap Mach. Corp.*, 156 F.2d 198, 203 (C.C.A.2d 1946).

on invention. The Supreme Court has pointed out that the misuse doctrine is invoked to protect public and not private interests.²⁷ "Competitive disadvantage" reduces itself to the fact that the licensee has entered into a hard bargain with the licensor. The only interests affected by the bargain are the interests of the parties to it, and that without more is not grounds for extension.

It is an undeniable consequence of the license that the acquisition of improvement patents may enable the licensor to maintain control over the technology covered by the basic patent long after the basic patent has expired. While this is an economic fact of the most serious possible implications, it cannot be given legal significance in the instant case. For the potential danger stems not from any peculiarity of this license but from the patent system. Any patentee may, without the intervention of a license contract, extend a monopoly well beyond the statutory life of the basic patent. This it may do by periodically obtaining improvement patents of sufficient importance to make competition with it impossible or impracticable. It is thus apparent that in the consequence under consideration the license in question reflects a practice not illegalized by patent law. Although investigation of this practice might quite possibly reveal that it creates grave perils to competitive free enterprise, it would then be the practice as a whole at which condemnation should be directed. This is a matter that requires attention by the Congress, and until legislative action is taken the Court cannot consider it in testing the validity of licenses.

Another consequence of using a basic patent to acquire improvement patents is that the basic patentee extends its control quantitatively to subjects not within the four corners of the basic patent. This legalism, reiterated in various forms particularly in the early misuse cases,²⁸ has little meaning in itself. It served not as an analytical rationale for the misuse doctrine but only as a verbal formula to stigmatize conduct after it had been decided to be illegal. It is perhaps sufficient to say that in every case of a patent license the li-

27. See n. 22 supra.

28. *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 492 (1941); *Carbice Corp. v. American Patents Corp.*, 283 U.S. 27, 32 (1930); *Motion Picture Patents Co. v. Universal Film Co.*, 243 U.S. 502, 516, 518 (1916); *Henry v. A. B. Dick Co.* 224 U.S. 1, 51 (1911) (dissenting opinion by White, C.J.).

ensor acquires, and thereby extends his control to, rights which were not granted within the four corners of the patent. It is not the fact of control but what is controlled and how control was established that are relevant. Therefore, the mere fact that control is extended quantitatively cannot be an invalidating consequence of this license.

It is apparent that the license in suit would necessarily have certain consequences which are arguably adverse to the public interest. These consequences, arising as they do from the existing patent system rather than from this particular license, present problems for legislative consideration. The bare possibility that this license may produce other results, peculiar to the facts of this case, affords no basis sufficiently certain to justify extension of the doctrine of misuse beyond the established rule.

STATE LEGISLATION

REGULATION OF STRIP COAL MINING

I.

An Illinois statute¹ required the operator of strip coal mines to level the spoil ridges to approximately the original contour upon completion of mining operations. The statute provided that the final cut could remain unfilled where the adjacent spoil ridge was not sufficient to fill that cut.² Certain coal mine operators³ sought to enjoin the Director of Mines and Minerals from enforcing the act, alleging a denial of due process and equal protection.⁴ The Illinois Supreme

1. Ill. Rev. Stat. (1943) c. 93, §162.

2. "Any person . . . engaged in 'open cut' or 'strip' mining in which the soil over or covering any bed or strata of coal is removed shall spread such soil so that the contour of the land is approximately the same as before the mining operation was begun. Such levelling operations shall be done progressively . . . so that no more than three spoil ridges shall be left unlevelled When the mining . . . is completed, the remaining spoil ridges shall shall be levelled . . . provided, however, that the operator shall not be required to totally fill the last open cut where the adjacent spoil ridge will not fill such cut." *Ibid.*

3. Plaintiffs were owners of 30,000 acres of strip mine land and producers of 95% of the total strip mined coal in Illinois.

4. The record indicates that plaintiffs invoked both the Fourteenth Amendment to the Constitution of the United States, and the following provisions of the Illinois Constitution: Article II, § 2 ("No person shall be deprived of life, liberty or property, without due process of law."); § 14 ("No . . . law . . . making any