

leged occurred in the case of *Kurtz and Co. v. Spence*, 58 L.T. Rep. 438. These letters contained threats of legal proceedings for infringement of a patent, and the plaintiff was permitted to put them in evidence for the purpose of establishing his right of action as a holder of a patent against a person so threatening under the provisions of s. 32 of the Patents Act, 1883. The mere use of the words "without prejudice" in the letters afforded no protection to the writer in the particular circumstances. The question was again fully considered and dealt with in the case of *Re Daintrey; Ex parte Holt*, 69 L.T. Rep. 257; (1893) 2 Q.B. 116. A debtor wrote to one of his creditors a letter headed "without prejudice," in which he offered to compound the debt owing on certain terms, and at the same time stated that unless these terms were accepted he would suspend payment of his debts. Such a notice to a creditor of an intention to suspend payment was a clear act of bankruptcy, and it was held that it could be proved in the bankruptcy proceedings which were thereupon instituted, the mere placing of the words at the head of the letter affording no protection to the writer. The court defined the conditions upon which the exclusion of privileged communications is based, and laid it down that a notice of an act of bankruptcy could not be given "without prejudice," because the document in question was one which from its character might prejudicially affect the creditor whether or not he accepted the terms offered.

It will thus be seen that the courts are jealous to prevent any abuse of a privilege which has its legitimate uses, but which might involve injustice if not strictly confined to the purpose for which it was instituted.—*Law Times*.