DECISIONS IN COMMERCIAL LAW.

NICHELS v. "THE SERVIA."—This decision of the Supreme Court of the United States is important as defining certain sailing rules in much frequented waters. Where a steamship was backing out stern foremost from her berth in Jersey City and another steamship had backed out of her slip in New York and was heading down the Hudson River above the former, and both ships were going to sea, each steamship was bound to conform to her own customary course and manœuvres under similar circumstances, and take notice of the customary course and manœuvres and observe the movements of the other, and each had the right to assume that the other would do so. Where a steamship in getting out to sea was proceeding slowly down a river 4,400 feet wide at a distance of about 1,000 feet from the shore, and having 1,200 to 1,400 feet between her starboard side and the middle of the river towards which another steamship was backing below her from the opposite side, she was justified in assuming that she could safely proceed at moderate speed upon the course she had taken down the river without being obstructed by the other, and until such time as she ought to have discovered that the other was backing so near her path as to probably impede her movements, she was under no obligation to apprehend danger and take additional measures to avoid collision. A steamship is not bound to take any steps to avoid a collision until danger of collision is apprehended. Where the measures taken by a steamer to avoid a collision would have been successful if they had not been counteracted by the improper movements of the other vessel, she is not chargeable with fault. Where a steamship, in backing further than was necessary or prudent, encroached upon the course of another steamship, and did not take timely measures to stop her sternway, whereby she caused the collision with the other ship which was not guilty of fault or negligence, she was in fault for the collision.

RICHMOND AND DANVILLE RAILROAD CO. v. ELLIOTT.—In an action for damages for a personal injury it is inadmissible to show on the question of damages plaintiff's chances of promotion to a higher position in his business and of obtaining higher wages, says the Supreme Court of the United States. If a railroad company, after purchasing an engine, made such reasonable examination as was possible without tearing the machinery to pieces, and subjected it fully to all the ordinary tests which are applied for determining the efficiency and strength of the completed engines, and such examination and tests disclose no defect, it cannot in an action by an employee of the company be adjudged guilty of negligence, because there was a latent defect which subsequently caused the destruction of the engine and injury to such employee.

CAIRO v. LANE.—According to the Supreme Court of the United States, where bonds were issued by a city and received by a railroad company in payment of a subscription, and stock for an equal amount was issued by the company to the city, the bonds were not void as against a purchaser of them in good faith, because the city immediately sold the stock to the company for a small portion of such city bonds, although the sale was made in pursuance of previous offer of the city to sell, which did not bind the company to purchase the stock. A wrong by the council of a city in wrongfully disposing of the stock of a railroad company, does not affect the question of the validity of the bonds of the city given for such stock, nor can it be presented as a defence against one who has purchased in good faith the bonds thus issued. Coupons after their maturity bear interest at the rate fixed by the law of the place where they are payable. There is nothing in the nature of things preventing a city from exercising all the powers conferred by two or more acts where the acts do not involve in and of themselves substantial contradictions.

DUER v. CORBIN CABINET LOCK COMPANY.—Where the question of patentability is one of doubt, the popularity of the article may turn the scale in favor of the patentee, but where other considerations than that of novelty enter into the question, the popularity of the article becomes an unsafe criterion, says the Supreme Court of the United States.

In re LONDON AND CANADIAN L. AND A. COMPANY AND LANG.—G. mortgaged land A. to a loan company for $1,000, and afterwards mortgaged lands A. and B. to the same company for $3,000. L. became the owner of the equity of redemption in both lands, and insured buildings on land B., "loss, if any, payable to the company as their interest may appear." The $3,000 mortgage was paid off except the last instalment of $500; the $1,000 mortgage was overdue, and the $500 had become due by virtue of the acceleration clause, as the last gale of interest had matured, when a fire loss amounting to $1,203.30 occurred, and the company claimed the right to consolidate both the mortgages so as to retain the whole amount of insurance money. *Held*, by the Court of Chancery, that the insured having a legal right to recover his insurance, and not being driven to a court of equity to enforce his rights, the company could not consolidate the two mortgages. The trend of modern decisions is against extending the doctrine of consolidation.

BRITISH CANADIAN LOAN COMPANY v. TEAR.—T. mortgaged certain lands to the plaintiffs, and then sold them to L. subject to the mortgage, taking the amount of it into account as part of the purchase money, but did not take any covenant to pay it off. T. then by an instrument in writing assigned all his rights and remedies, and the benefit of all covenants, expressed or implied, he had against L. to the plaintiffs. The plaintiffs brought their action on the mortgage, and sought to recover against both T. and L. On appeal to the Divisional Court—*held*, affirming the decision of Robertson, J., that the implied covenant that L. should pay off the plaintiff's mortgage, was assignable by T. to the plaintiffs; but, *held*, however, that L. should have been allowed to give evidence to show that at the time he purchased from T., he contracted that he should not be liable to pay the mortgage.