

SEWAGE PATENT CASE MAY COST CITY \$7,500,000

Firm's Process Used Without License.

BY JOHN FISHER.

An eventual victory for Activated Sludge, Inc., of Chicago, holder of patents on purification of sewage, in its suit against the Chicago sanitary district for infringement of patents, would cost the city nearly \$7,500,000, it was estimated yesterday.

Speculation over the outcome of the Chicago case was stimulated by entry of a final decree recently in the federal district court at Milwaukee, awarding the Chicago company a judgment for \$4,977,291 against the city of Milwaukee, its sewerage commission and ten contractors who built an extension to the city's sewage disposal plant.

Attorney Makes Estimate.

The estimate on the eventual recovery against the Chicago sanitary district was provided by Lynn A. Williams of the law firm of Williams, Bradbury, McCaleb & Hinkle, Chicago, counsel for Activated Sludge. Williams is one of the leading stockholders of the company, which is a closely held corporation.

The company's business consists of licensing cities to use the sewage disposal process on which it holds patents. Its process involves the purification of sewage through rapid oxidation, employing certain bacteria, known in biochemistry as bacillus M7.

Williams said that recoveries, based upon savings to the city over a period of years through use of the process, would in the Chicago case amount to approximately 50 per cent more than the Milwaukee award.

Courts Support Company.

So far the courts have held with the company in its action against the local sanitary district. Last June 16 the Circuit Court of Appeals upheld a District court ruling in favor of the company. Attorneys for the sanitary district plan to petition the United States Supreme court to review the case. The high court declined to review the Milwaukee action.

Cost of the litigation has been heavy. Action was instituted against the Chicago sanitary district in 1924, and costs to date are estimated at \$600,000. Prominent attorneys were retained, present counsel for the sanitary district including Senator James Hamilton Lewis and former Judge Arthur C. Denison of Cleveland. Newton D. Baker, former secretary of war, was at one time on the legal staff. Milwaukee's costs in the suit are placed at about \$400,000. Equally heavy expenses were borne by the company in creating the extensive litigation.

Has Filed 103 Suits.

The company has been highly successful in other suits. Awards have ranged from \$80 from Cuba, Mo., to the nearly \$5,000,000 from Milwaukee. The company filed 103 suits, of which only about half a dozen are pending, and has issued 158 licenses for use of the process. Some of these were issued after settlement of suits. The pending suits include those against Fort Worth, Tex., and New York City, the latter involving a big disposal plant on Ward Island which is not yet in operation.

Many cities did not apply for licenses to use the activated sludge process, Williams said, because of the belief of sanitary engineers that patents relating to public health were public property. While processes used varied somewhat, they have been held to be infringements on the original patents.

Supplanted Costly Methods.

This process supplanted the more costly methods of sewage disposal through chemical treatment or filtration through stones, charcoal, etc. It was asserted in the Milwaukee case that the activated sludge process reduced the amount of bacteria released into the lake to about one-seventh of what it had been under other processes, and cut to one-half the colloidal particles dumped into the lake.

While discovery of the process has been attributed to Gilbert Fowler, a University of Manchester, England, professor, its successful development was made possible by Walter Jones, British foundryman, who took out patents about 1914. He formed Activated Sludge, Ltd., Edgar C. Guthard received a license for its use in the United States and sued the Chicago Sanitary district in 1924. In 1927 he formed Activated Sludge, Inc., which joined in the suit.