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Chattel Mortgages—Priorities—Accession

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criminal proceeding and consequently it is not to be confused with the regular methods of removing judges.⁸ Moreover, the power of disbarment is inherent in the courts.⁹ It is true that as a result of disbarment an attorney may be disqualified to act as judge, but this is incidental to disbarment and not the object of a disbarment proceeding.¹⁰ As a result the courts in a majority of cases very properly refuse to let this constitutional question be raised to hinder proceedings.¹¹ By the weight of authority and logic there is no good reason why an attorney occupying the office of judge, and committing acts unworthy of his office of attorney should not be disbarred regardless of the effect on his official position.

E. M. F.

CHATTEL MORTGAGES—PRIORITIES—ACCESSION—[Texas]. — One Darden purchased an automobile from the defendant company, paying part cash and executing a chattel mortgage on the car, complete with standard attachments, accessories and equipment. This mortgage was duly recorded according to Texas law. Thereafter Darden bought new tires for the automobile from the plaintiff, executing a chattel mortgage on these tires for the balance due of the purchase price, such mortgage also being recorded. The new tires were placed on the car, the old ones being returned to Darden. Subsequently the defendant repossessed the car in accord with the terms of its chattel mortgage. The plaintiff filed suit against the defendant company to foreclose its mortgage on the tires. *Held*; for the plaintiff, since the prior recorded mortgage of the defendant did not include accessories and equipment subsequently placed on the car, its title thereto depended solely on inclusion by accretion or accession. Tires, being easily identified by serial numbers, and being so attached they may be easily removed without injury to the automobile, do not become part of the car by the rule of accretion or accession.¹

The law of accretion is not applicable to a case of this sort except by analogy, as it relates only to real property.² The common law of accession

8. "The proceeding to disbar an attorney is neither a civil action nor a criminal proceeding, but is a proceeding *sui generis*, the object of which is not the punishment of the offender, but the protection of the court." In re Richards, 333 Mo. 907, 63 S. W. (2d) 672 (1933), comment 19 ST. LOUIS LAW REVIEW, 146 (1934); In re Noell, 96 S. W. (2d) 213 (Mo. App. 1936); State v. Peck, 88 Conn. 447, 91 Atl. 274 (1914).

9. In re Richards, 333 Mo. 907, 63 S. W. (2d) 672 (1933), comment 19 ST. LOUIS LAW REVIEW 146 (1934); State ex rel. Selleck v. Reynolds, 252 Mo. 369, 158 S. W. 671 (1913); In re Sizer & Gardner, 300 Mo. 369, 254 S. W. 82 (1923).

10. In re Stolen, 193 Wis. 602, 214 N. W. 379 (1927).

11. In re Stolen, *supra*, note 10; In re Spriggs, 33 Ariz. 262, 44 Pac. 54 (1930); In re Burton, 67 Utah 918, 246 Pac. 188 (1926); In re Dallenbaugh, 17 Ohio C. C. 106, 9 Ohio C. D. 325 (1899); In re Davis, 15 Hawaii 377 (1904).

1. Firestone Service Stores, Inc. v. Darden et al., 96 S. W. (2d) 316 (Tex. Civ. App., 1936).

2. Bouvier's *Law Dictionary* (Rawle's 3rd Rev. 1914); 1 C. J. 730.

as expounded by Blackstone is also of little value as it was limited to actual changes of form, *i. e.*, wheat into bread; olives into oil; grapes into wine.³ The modern law of accession has been expanded so as to include all repairs, replacements and improvements that merge into and become an integral part of the original chattel.⁴ The most notable exception to this rule was instituted by the historic Vermont case of *Clark v. Wells*.⁵ This decision held that wheels and axles of a wagon do not pass by accession to the mortgagee of the wagon upon foreclosure of his lien where such wheels and axles were sold subsequent to the mortgage under a conditional sales contract, the reason being that title remained in the conditional vendor of the wheels and axles and the added parts could be followed, identified and severed without detriment to the wagon. The doctrine of this case has been applied to other instances where additions to the original chattel may be identified and removed without harm.⁶

Numerous modern cases hold that the original mortgages on an automobile does not attach by accession to accessories subsequently added as against a conditional vendor.⁷ The same reasoning is applicable to the addition of mortgaged accessories, as it is the retention of a security interest by the third party that determines the case, not the keeping of legal title.⁸ The decisions allowing acquisition by accession of tires and accessories added after the original mortgage was made are all cases in which the one who sold the added accessories did not retain a security interest therein.⁹ Decisions conflict as to the rights of a bona fide purchaser of a stolen chattel who adds severable parts, as against the true owner.¹⁰

3. 2 Bl. Comm. 404; Walsh, *Property* (2d ed. 1934) 794.

4. *Southworth v. Isham*, 3 Sandf. (N. Y.) 448, 5 N. Y. Super. Rep. 448 (1850) (sails on a sloop); *Summer v. Hamlet*, 12 Pick (Mass.) 76 (1832) (improvement of cloth). See also *Clarke v. Johnson*, 43 Nev. 359, 187 Pac. 510 (1920) (accession denied by contract).

5. 45 Vt. 4, 12 Am. Rep. 187 (1872).

6. *Alley v. Adams*, 44 Ala. 609 (1870) (steam chest and gearing); *Lincoln Road Equipment Co. v. Bolton*, 254 N. W. 884, 127 Neb. 224 (1934) (engine bolted to road grader.)

7. *Motor Credit Co. v. Smith*, 181 Ark. 127, 24 S. W. (2d) 974, 68 A. L. R. 1239 (1930); *Bousquet v. Mack Motor Truck Co.*, 269 Mass. 200, 168 N. E. 800 (1929); *John W. Snyder v. Aker*, 236 N. Y. Supp. 28 (1929); *General Motors Truck Co. v. Kenwood Tire Co.*, 94 Ind. App. 25, 179 N. E. 394 (1932); *K. C. Tire Co. v. Way Motor Co.*, 143 Okla. 87, 287 Pac. 993 (1930); *Belt v. Nevins*, 94 Ind. App. 22, 179 N. E. 395 (1932); *D. Q. Service Corp. v. Securities Loan and Discount Co.*, 210 Calif. 327, 292 Pac. 497 (1930); *Tire Shop Co. v. Peat*, 115 Conn. 187, 161 A. 96 (1932), although the original recorded mortgage contained provision that it attached to all subsequently added accessories; *Franklin Service Station v. Sterling Motor Truck Co.*, 50 R. I. 336, 147 Atl. 754 (1929); *White Co. v. Bowen*, 84 Pa. Super. Ct. Rep. 484 (1925); *Hallman v. Dotham Foundry and Machinery Co.*, 17 Ala. App. 152, 82 So. 642 (1919).

8. *Lincoln Road Equipment Co. v. Bolton*, *supra*, note 6. This is so because the intent of the parties is to treat the acquisition as a separate chattel for purposes of a lien.

9. *Blackwood Tire and Vulcanizing Co. v. Auto Storage Co.*, 133 Tenn. 515, 182 S. W. 576, L. R. A. 1916 E. 254, Ann. Cas. 1917 C, 1168 (1915);

The decision in the instant case is in line with the weight of authority¹¹ and is just both from the standpoint of reason and practicability.

M. B.

CONSTITUTIONAL LAW—DUE PROCESS—RESALE PRICE MAINTENANCE¹—FAIR TRADE ACTS—[United States]—In two recent decisions, hailed as a Magna Charta for producers of trade-marked merchandise,² the Supreme Court of the United States has sustained the validity of the Fair Trade Acts of Illinois³ and California.⁴ In each of these cases suit was brought under state Fair Trade Acts which authorize the producer of trade-marked commodities which are in fair and open competition with commodities of the same general class produced by others, to provide in the sales contract that the buyer will not resell such commodity except at the price stipulated by the producer, and that the buyer will require a similar contract from his vendee. The acts further provide that the wilful and knowing selling of any such commodity at less than the price stipulated in such contract, on the part of any party covered by it, is unfair competition and is actionable by any person damaged, regardless of whether or not the person who cut prices is a party to the contract.⁵ The acts apply only to vertical agreements, that is, as between persons in successive marketing stages.⁶

The appellants were retail dealers who had cut prices in violation of resale agreements between appellees, the wholesale dealers in certain trade-marked commodities, and certain distributors from whom they had bought.

Diamond Service Station v. Broadway Motor Co., 158 Tenn. 258, 12 S. W. (2d) 705 (1929); *Twin City Motor Co. v. Rouzer Motor Co.*, 197 N. C. 371, 148 S. E. 461 (1929); *Spritzer v. Rutgers Chevrolet Co.*, 12 N. J. Misc. 782, 174 Atl. 881 (1934).

10. *Bozeman Mortuary Asso. v. Fairchild*, 253 Ky. 74, 68 S. W. (2d) 756, 92 A. L. R. 419 (1934); *Contra, Atlas Insurance Co. v. Gibbs*, 121 Conn. 188, 183 A. 690 (1936).

11. 2 Berry, *Law of Automobiles* (6th ed. 1929) sec. 1806.

1. For a definition of the term, "resale price maintenance" see Note, 49 *Harv. L. Rev.* 811 f.n. 1 (1936).

2. *Pub. W.* 130: 2281, 2283, 2296 (Dec. 12, 1936). *Business Week*, page 13-14 (Dec. 12, 1936).

3. *Old Dearborn Distributing Company v. Seagram-Distillers Corporation*, 57 S. Ct. 139 (Dec. 7, 1936).

4. *Pep Boys, Manny, Moe and Jack of California v. Pyroil Sales Company, Inc.*, 57 S. Ct. 147 (Dec. 7, 1936).

5. *Smith-Hurd Rev. Stat.*, 1935, c. 121½, sec. 188 et seq.; *Illinois State Bar Stat.*, 1935, c. 140, sec. 8 et seq. The California statute is substantially the same: *Cal. Stat.* 1931, p. 583; *Deering's Gen. Laws of California*, 1931, vol. 3, Act 8782.

6. "This Act shall not apply to any contract or agreement between producers or between wholesalers or between retailers as to sale or resale prices." *Supra*, note 5, sec. 3. This section forbids the application of the act to "horizontal" price-fixing agreements. See also *Fowle v. Park*, 131 U. S. 88, 9 S. Ct. 658, 33 L. ed. 67 (1889); *Park & Sons Co. v. National Wholesale Druggists' Ass'n.*, 175 N. Y. 1, 67 N. E. 136 (1903).