...merely producing a mental effect is not sufficient to constitute an object a sign; for a thunder-clap or avalanche may do that without conveying any meaning at all. In order that a thing may be a true sign, its proper signficate mental effect must be conveyed from another object which the sign is concerned in indicating and which is by this conveyance the ultimate cause of the mental effect. In order to be the cause of an effect, – or efficient cause, as the old phrase was, - it must either be an existent thing or an actual event. Now such things are only known by observation. It cannot be itself any part of the mental effect, and therefore can only be known by collateral observation of the context or circumstances of utterance, or putting forth, of the sign.

All that part of the understanding of the Sign which the Interpreting Mind has needed collateral observation for is outside the Interpretant. I do not mean by “collateral observation” acquaintance with the system of signs. What is so gathered is not COLLATERAL. It is on the contrary the prerequisite for getting any idea signified by the sign. But by collateral observation, I mean previous acquaintance with what the sign denotes.