

Agreement with
Gold and Stock
Telegraph Co.

[New York,] May 26, 1871^a

Agreement, made this Twenty sixth 26th^b day of May 1871 by and between Thomas A. Edison of Newark, State of New Jersey, Inventor and Telegraph Instrument maker, of the first part, and The Gold & Stock Telegraph Company, a corporation incorporated under the laws of the State of New York, of the second part.¹

Whereas the party of the first part is the inventor of various machines and improvements in Electro-Magnetic Printing Telegraph instruments and appliances, applicable to the business of private lines and the simultaneous distribution of market reports and other information to a number of persons by means of instruments operated in the same circuit, some of which have been already patented, as to others of which applications for patents are now pending before the United States Commissioner of Patents, and as to others, of which patents have been filed, by the said party of the first part, and all of which inventions and improvements, are intended for the party of the second part, a portion thereof being in actual use by the party of the second part, and the remainder not yet fully completed, but in process of development, and

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Whereas, the amount of compensation to be made to the party of the first part therefor, and for the other inventions specified in the Schedule hereto annexed, has been left open for adjustment up to the present time, and a general settlement has now been agreed on between the said parties touching the said inventions, and improvements, and all future modifications and improvements thereof, and the patents to be issued therefor, including all reissues of said patents upon the basis hereinafter set forth.

Now the said parties have, and do in consideration of the premises, and each, in further consideration of the covenants hereinafter contained to be kept and performed by the other, covenant, and agree, to, and with each other, as follows, that is to say:

First— The party of the first part, agrees to sell, convey and assign, and hereby does bargain, sell, assign and transfer, unto the party of the second part, the full and exclusive right to all the inventions and improvements made by him, in Electro-Magnetic Printing Telegraph instruments, apparatus and appliances, for which patents have been already obtained, or as to which applications for patents are now pending, or embraced in caveats filed by the party of the first part, the same being more particularly described in Schedule "A" hereto annexed and the other inventions in said Schedule mentioned with the exception only of those embraced in the caveats in said schedule therein described as "not relating to printing telegraphs" (the intention being to embrace in this agreement all such inventions and improvements of the party of the first part, in Electro-Magnetic Printing Telegraph instruments, apparatus or appliances, whether specified in said Schedule or not) and all letters patent, granted, or to be granted, by the United States, for any and all said inventions and improvements, and all reissues, of said letters patent, granted, or to be granted, and all the right title and interest, which the party of the first part, has, or may, or can, or shall have, now or at any time hereafter, to, or in the said inventions, and improvements, and each and every of them, and all future improvements, and modifications thereof, and each and every of them, to have and to hold, to the party of the second part, their suc-

cessors and assigns, to their sole use, benefit and behoof forever.

Second— The party of the first part further agrees, to go on and complete, and perfect, the said several inventions and improvements or so many of them as the party of the second part shall upon further examination and consideration in writing direct, with all reasonable dispatch, for the benefit of the party of the second part, and to prosecute with diligence, applications for patents for such inventions and improvements, as the same, shall respectively be matured and perfected; such patents to be issued to the party of the second part as assignee, and to make and deliver to the party of the second part free of all charge, complete working machines, embodying the said several inventions and improvements, one for each. As to the invention known as the “Universal Printer” it is expressly understood, and agreed, that the party of the first part, is to complete and deliver to the party of the second part, two complete and perfect working instruments, including the apparatus for the transmission and reception of messages, and also a modification of said instrument, without the transmitting apparatus, capable of being worked with a number of other instruments of the same character in the same circuit, from a common transmitter, so as to record the messages so transmitted.²

Third— The party of the first part further covenants and agrees, to and with the party of the second part, that he will on demand, from time to time, and as often as he may be required so to do, by the party of the second part, execute and deliver free of charge, to the said party of the second part, all such further conveyances, assignments, and instruments, as the party of the second part, their successors and assigns, or their counsel may reasonably devise, advise, or require, for the purpose of vesting in the party of the second part, the full and exclusive right to each and every of the inventions, and improvements, herein, or in the said annexed schedule, mentioned or intended to be comprised, and to each and every future modification or improvement therein, and in any Electro-Magnetic Printing Telegraph instrument, apparatus, or appliance whatever, applicable to the business of the party of the second part, which the party of the first part shall invent, design, or acquire, during the period of five years, succeeding the date of this agreement, and each and every patent for any such invention or improvement obtained or to be obtained during such period of five years succeeding the date of

this agreement, and each and every reissue of each and every patent already issued, or which may hereafter be obtained therefor, and that he will during such period, give the said party of the second part, the benefit of his best skill and ability in the perfecting and improving of such inventions and improvements, and will to the best of his ability, co-operate with and assist the party of the second part, in obtaining such patents and in protecting the same, and the exclusive right of the party of the second part thereto.³

Fourth— The party of the first part further agrees, in consideration of the annual salary, hereinafter agreed to be paid, to enter the service of the party of the second part in the capacity of consulting Electrician, and Mechanician, for the period of five years from the date of this agreement, and during such period, to give the said party of the second part the benefit of his best skill and ability, in that capacity, in all matters relating to their business, and in all things to strive to promote the success of the said party of the second part.

Fifth— The party of the second part, in consideration of the premises, agrees to pay to the said party of the first part, for said several inventions and improvements, patents, and services, as follows, that is to say:

1st— For the whole of the said invention known as the “Universal Printer,” complete and entire, and the exclusive right to the same, and the several modifications and improvements thereof, made, and to be made, at any time hereafter, and the patents to be obtained therefor, including any and all reissues of said patents, the sum of fifteen thousand dollars, in shares of the capital stock, of the party of the second part, at par.⁴

2nd For all the other inventions, and improvements mentioned in this agreement, including as well those already made, as those to be hereafter made, and all patents issued, and to be issued therefor, and all reissues of such patents, and the good will of the party of the party of the first part, the further sum of twenty thousand dollars, in shares of the capital stock of the said party of the second part at par.

3rd For the services of the said party of the first part as consulting Electrician and Mechanician, during the period of five years from the date hereof, a salary of two thousand dollars per annum, payable semi-annually in cash. And the party of the second part further agrees, that in each of said years, in which the party of the first part, shall invent and perfect, a new, useful, and valuable improvement in Printing Telegraph

instruments, which shall be adopted and used by the party of the second part, the party of the second part will pay to the party of the first part, a further or additional compensation for that year, of one thousand dollars cash. It is understood, that the party of the second part, is also to pay the usual patent office fee and expenses, upon applications for patents under this contract.

In Witness whereof, the party of the first part has hereunto set his hand and seal, and the party of the second part has caused this contract to be signed by its President and Secretary, and its corporate seal to be hereto affixed, the day and year first above written.

Thomas A. Edison.^c The Gold & Stock Telegraph Co
H L Hotchkiss⁵ Secretary^d by M. Lefferts President
Witness^e A F Roberts⁶

Schedule A referred to in the preceding agreement.^f

List of Patents issued and in the hands of the Gold & Stock Telegraph Company.⁷

Patent⁸ No. 113033. Printing Telegraph, = called the "Chicago instrument"

Patent⁸ No. 113034. Printing Telegraph = shifting Printing pad and devices.

Patent⁸ No. 114658; Printing Telegraph magnets for working a Printing Telegraph instrument on one wire.^f

List of Patents applications for which are pending and in progress at the solicitors.

Printing Telegraph No. 1. This is an instrument which works upon one wire and with one magnet the two distinct operations of Printing and Rotating The Type wheel being performed by actuating a polarized clutch and devices, by a reversal of the current. (Model in Serrells Patent No 126530)

Printing Telegraph No. 2. This invention consists of having two Type wheels worked independent of each other by two separate escapement levers both levers being operated by one magnet—either type wheel being grabbed at the will of the operator by means of a shuttle which is thrown in on either, by the printing current when both Type wheels are in certain positions. (Patent applied for Patent No 126534)

Printing Telegraph No. 3. Shifting Type wheel and its devices. (Patent issued not in safe Jan'y 1872 No 123006)

Printing Telegraph No. 4. Universal Printing Telegraph with

its various devices, same as exhibited to the Company. It is doubtful if everything can be covered in one patent. (applied for Granted No 123005 131340 140488 140487 134866)

Printing Telegraph No. 5. This invention consists of working two type wheels independent of each other producing the same result as No. 2 but with entire different means, No. 2 being mechanical and No. 5 electrical. (Applied for 131339)

Printing Telegraph No. 6. Shifting shield, Unison, and other devices. (Applied for 126535)

List of Caveats in the Patent office.

No. 1. Not relating to Printing Telegraphs.

No. 2. Not relating to Printing Telegraphs.

No. 3. Printing Telegraph. A lengthy caveat describing several Printers, with unisons, paper drivers, escapements, Printing devices and modes of working on one wire. The claims are: (128,608)

1st. To an electro-magnet combined with a bar that is moved according to the polarity of the current, and cuts of [f] the electrical current, or admits it to its own magnet, substantially as described.

2nd. To the escapement wheel with teeth combined with double acting pawls, and stops, arranged and acting as specified.

3rd. To the polarity armature, either inert or performing the duty of a^h motor according to the direction of the current.

4th. To the paper clamps constructed as specified.

5th To the unison lever and stops, worked by the magnet that is the motor for the printing mechanism.

6th To the yielding frictional unison for rendering the type wheel operative and inoperative according to the strength of the current.

7th The expansion of a spring by the heat of an electrical current through a reduced wire as a means of disconnecting the unison mechanism.

No. 4. Relays for Printing Telegraphs, for working any Printing Telegraph upon one wire Lately adopted by Amer Printing Tel. Co. (Included in Chicago Inst ([Refused?])ⁱ)

No. 5. Not relating to Printing Telegraphs.

No.^s 6. Universal Printer = relating thereto. (See no 113 123006)

No. 7. Not relating to Printing Telegraphs.

- No. 8. Printing Telegraph = Shifting pad devices and Mechanical equivalents. (Patent issued No 113034)
- No. 9. Electrical Rheotome, and apparatus for switching a main Trunk Line on to any number of lesser lines at a distance. Applicable to a system of Private Lines, as one main line may be made to do the work of twenty five firms and yet be independent of each other. (No 131,334)
- No. 10. Printing Telegraph magnets. A device for rendering the magnets of a Printing Telegraph more sensitive to rapid pulsations. The claims are The helices arranged with the armatures operated substantially as described. (found in 126532 Sel Slotting cores &c)
- No. 11. Printing Telegraph. One wire, Switch working magnet, Local, Suitable for Private Lines. The claim is: The combination of polarized bars, with the type wheel and Printing magnet and local battery arranged and operated substantially as set forth. (Abandoned)
- No. 12. Printing Telegraph. One wire, Polarized magnet, Local, suitable for Private Lines! The claim is: The combination of two polarized magnets, adjusted as described in a main circuit and a Printing magnet and type wheel magnet in a local circuit, connected and operated substantially as set forth. (Abandon No 140489)
- No. 13. Printing Telegraph. one wire, Mechanical Lock, Reversal, suitable for stock quoting My claim is: The polarized bar and electro-magnet, combined with two other electro-magnets and connected substantially as specified so that the polarity bar will lock out of action, either of the armatures of the electro-magnets, according to the polarity of the current substantially as specified. (Patent issued No 114658)
- No. 14. Printing Telegraph. One wire, Shunting magnet, Reversal, suitable for stock quoting claims in caveat are: The two magnets A and A' placed within a secondary circuit, and operated by a shunt current, from the main circuit, by means of the magnet constructed as described.
- No. 15. Printing Telegraph. One wire, "Rheostat" total cessation of the current to Print, Relays, Local, suitable for Private Lines. The claims are,
- 1st. To a local electrical circuit at a distant station, open or closed by an electro-magnet, and pulsations from the sending station when combined with a connection in the Local circuit, that is self closing when the main line is deprived of an electrical current so as to pro-

duce an operation, that is distinct from that performed by the electrical pulsation.

2nd. I claim increasing & decreasing a current over a constant current upon one wire, to effect the rotation of the Type wheel and the total interruption of the constant current to effect the impression of a letter, or vice versa, or to produce separate operations.

3rd. A battery reversing device, or its equivalent. (~~Cannot be found~~ ~~Supposed to be issued September 1874~~ Covered practically by 139128)

No. 16. Printing Telegraph. One wire, Air Relay, Suitable for stock quoting. The claims are The use of an air chamber, and two or more plungers or their equivalents, combined with two or more electro-magnets for the purpose set forth. (Not taken out experiments not satisfactory)

No. 17. Printing Telegraph. One wire, Double helice, Local, Suitable for Private Lines. The claims are The two compound electro magnets to perform different operations and connected to a local circuit and to a main line circuit, so that a positive current acts in one magnet to increase the attraction of the armature, and in the other the currents neutralize each other, and allow the armature to be moved by a spring, and when the negative pulsation is sent the operations are reversed as specified. (No 128,605)

No. 18. Printing Telegraph. One wire, Residual Relay, Local, Suitable for Private Lines. claims are

1st. The combination of the magnet G or its equivalent, operated as described with a Type wheel and Printing Lever magnet for the purpose set forth.

2nd. The relay G and Local battery B, and its connections combined with a magnet whose lever is rendered in operative on account of residual magnetism during rapid pulsations, and a Type wheel & Printing lever magnet for the purpose set forth. (Not taken out—Experiments not Satisfactory)

No. 19. Printing Telegraph. One wire, Air Retardation, suitable for stock quoting. claims are The air cylinders used in connection with a Printing Telegraph to render one or the other magnet^b inoperative, the same being controlled by the polarity of the current. (No 128604)

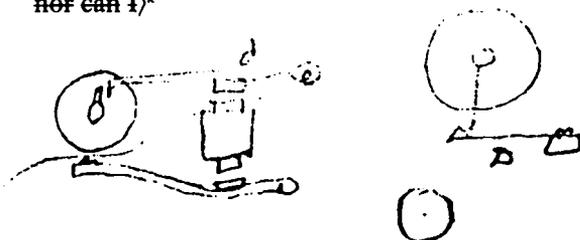
No. 20. Not relating to Printing Telegraphs.

No. 21. d[itt]o do do

No. 22. do do do

No. 23. Unisons, for Printing Telegraphs. The claims are

- 1st. The retarding spring D or equivalent magnet for the purpose set forth.
- 2nd. The arm D. operated by an electro-magnet for the purpose set forth.
- 3rd. The combination of the arm D or its equivalent with an armature on the Printing or type wheel magnet. (The instrument which contains these devices was given to serrell but nothing has ever been heard of it, nor can I)^k



No. 24. Was an error and has been withdrawn.

No. 25. Not relating to Printing Telegraphs.

No. 26. Universal caveats. Long description of various devices in the universal 12 claims. (No ~~126005~~ 123005)

Thomas A. Edison.

DS, NNC, Edison Coll. Canceled 5¢ Internal Revenue stamp affixed in left margin of each page. ^aDate taken from text, form altered. ^b“Twenty sixth 26th” written in Edison’s hand. ^cFollowed by wax seal. ^dCompany seal embossed at left. ^eWritten by Lefferts. ^fFollowed by centered horizontal line. ^gPreceded by check mark in margin. ^hInterlined above. ⁱFaded. ^j“Private Lines” underlined in an unknown hand. ^kSketch accompanies marginalia.

1. This contract represents the culmination of the arrangement proposed by Marshall Lefferts in October 1870 (Doc. 126). Edison and Gold and Stock had begun formal negotiations in mid-April and settled the terms of this agreement on 9 May (G&S Minutes 1870-79, 44, 49-51). The Gold and Stock committee responsible for the contract considered it “a very advantageous one for the Company, receiving as it does the Co-operation and good will of Mr Edison for the future [and] acquiring the ‘Universal Instrument’ for the Company for . . . all purposes at one half the price originally expected” (ibid., 51). At the time of this agreement, Gold and Stock was merging with Western Union. See Chapter 7 introduction.

2. Because Edison’s universal private-line printer was intended for point-to-point communication between unskilled users, it combined a thirty-character keyboard and transmitter with the printing mechanism for receiving. Gold and Stock also wanted to be able to use the printing mechanism independently as a ticker.

3. Edison assigned a total of forty-five patents to Gold and Stock, thirty-six after this agreement. They represent all of his work in printing

telegraphy. Documents recording the assignments and other material concerning Gold and Stock are at Columbia University, New York City (Edison Coll.).

4. Gold and Stock was not a publicly traded issue. There is no record of Edison's disposition of the stock described here and in the following paragraph.

5. Horace Leslie Hotchkiss (1842-1929) was a New York stock-broker and financier. He became secretary and treasurer of Gold and Stock in 1868. Reid 1879, 607; *DAB*, s.v. "Hotchkiss, Horace Leslie."

6. Unidentified.

7. At the time of application, Edison assigned U.S. Patent 113,033 to himself, U.S. Patent 113,034 to Gold and Stock, and U.S. Patent 114,658 jointly to Lefferts and himself. He then assigned U.S. Patents 113,033 and 114,658 to Gold and Stock on 5 June 1871. Digest Pat. E-2:169.