

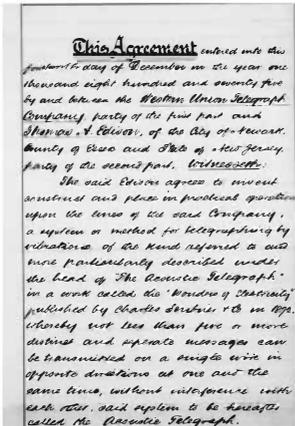
Agreement with Western Union Telegraph Co.

[New York,] December 14, 1875<sup>a</sup>

This Agreement<sup>1b</sup> entered into this fourteenth day of December in the year one thousand eight hundred and seventy five by and between the Western Union Telegraph Company, party of the first part and Thomas A. Edison, of the City of Newark, County of Essex and State of New Jersey, party of the second part, witnesseth:<sup>b</sup>

The said Edison agrees to invent, construct and place in practical operation upon the lines of the said Company, a system or method for telegraphing by vibrations of the kind referred to and more particularly described under the head of "The Acoustic Telegraph" in a work called the "Wonders of Electricity," published by Charles Scribner & Co. in 1872, whereby not less than five or more distinct and separate messages can be transmitted on a single wire in opposite directions at one and the same time, without interference with each other, said system to be hereafter called the Acoustic Telegraph.

It is further agreed by the said Edison that he shall cause to be made from time to time "Caveats" describing his ideas and experiments, to be filed in the Patent Office at Washington, copies of which are to be delivered to said Company as soon as practicable after each part of such system shall be invented



or discovered, accompanied by assignments of the invention or discovery so described, to the Western Union Telegraph Company as sole assignee, with directions that the patent shall issue to said Western Union Telegraph Company when issued, and will also sign and deliver applications for letters patent in due form to be used by the attorneys hereinafter named at their discretion.

The said Edison shall from time to time construct all such models as may be convenient or necessary for the purposes of such applications, or such of them as in the opinion of William Orton, President of the Company, are necessary to protect such system of Acoustic Telegraphy, or any part thereof.

The said Edison shall also from time to time upon the request of the Western Union Telegraph Company make and sign such new and different applications as may become necessary or desirable for each invention discovery or improvement made by him in said system of Acoustic Telegraphy; and in like manner new assignments of the subject matter of each application with like request for issue of Letters Patent to said Company; it being the intent and purpose of the said Edison, for the considerations hereinafter named or provided, to secure to the Western Union Telegraph Company the sole title to and monopoly in the United States of all inventions or discoveries made or to be made by him which are necessary to perfect Acoustic Telegraphy. For the purpose of securing more fully the object herein stated, the said Edison shall also nominate and appoint Grosvenor P. Lowrey his attorney irrevocable,<sup>2</sup> with power of substitution and revocation, to prosecute all applications in the Patent Office covered by this agreement, and to represent said Edison in all matters respecting such applications; all papers necessary to the full performance of the respective stipulations herein, and all costs for legal service, to be at the charge of the Western Union Telegraph Company.<sup>3</sup>

The said Edison further agrees to use the utmost diligence in carrying forward his experiments for perfecting and introducing the said system of Acoustic Telegraphy upon the lines of the said Telegraph Company. The said Company agrees to furnish full facilities in all its offices and shops and over all its wires for testing such invention and to pay all the actual expenses of experimentation, not exceeding two hundred dollars per week, to be accounted for by vouchers,<sup>4</sup> until such invention has been completed to the satisfaction of William Orton, representing the Company, and in satisfactory opera-

tion upon its lines. But such weekly payments may be discontinued at any time at the option of the said Orton, if in his opinion, the results obtained at the time do not warrant such expenditures, or if he disapproves of the method of disbursing such monies. All necessary expenses for patent-office and Solicitors fees for obtaining letters patent in the United States for said Acoustic Telegraph are to be paid by the Company.

For and in consideration of the stipulations herein by Edison, and of the perfecting introducing and assigning such inventions, and of due performance of the provisions of this contract, the Company agrees, in addition to the payment of the charges and expenses above provided for, to pay to said Edison, upon the completion of a satisfactory system of Acoustic Telegraphy, and the issue of Letters Patent therefor to it as herein stipulated a sum not less than Six thousand dollars, and a further sum, the amount and the manner of payment of which is to be left to the fairness and judgment of the said Orton; provided however that in case of refusal or failure by said Orton to fix and determine such price within three months after demand by said Edison, the price shall be fixed by a Board of Arbitrators, consisting of three skilled persons, one to be chosen by each party hereto, and the third by such two, and whose award shall be final. The said Edison shall have the right in like manner to appeal to arbitration if in his opinion any price fixed by said Orton is grossly inadequate or unfair: but in all cases the arbitrators in forming their judgment of value shall consider only the commercial value of such invention to the Company, in view of its existing facilities, means of business and also the cost of applying and economy in using the same in comparison with any other method of telegraphy known at the time, as well as the expenditures already made by the Company in respect of Acoustic Telegraphy. Upon these and all such considerations as ought to control the Company acting as a purchaser, the Arbitrators shall decide what further sum, if any, shall be paid to the said Edison. In case the Company shall be dissatisfied with the award of any board of Arbitrators, it may discharge itself from obligation to pay the same, by offering to re-assign to Edison, his legal representatives or assigns, the subject matter for which the award was made, on receiving repayment of the sum (not including expenses) formerly paid thereon, and by making such re-assignment on receiving such repayment.

It is also agreed that while experimenting upon the subject of Acoustic Telegraphy, the said Edison shall not make, invent

or operate any system or apparatus for telegraphy for any other Company opposed to or competing with the Western Union Company. Provided however that this period shall not continue for more than one year.

It is also agreed that if said Edison shall at anytime hereafter make or discover any process, device, instrument or method which is an improvement upon any of the processes, devices or apparatus used in Acoustic Telegraphy and covered or intended to be covered by this agreement; assignments therefor and of all letters patent thereon shall be immediately, or as soon as practicable, and as above provided, made to William Orton, personally, to be by him held in trust, subject to a satisfactory or legal adjustment of price in the same manner as hereinbefore provided. The said Edison shall in like manner through an attorney satisfactory to said Orton, file caveats and applications and prosecute the same in good faith, but at the expense of said Orton.

In Witness whereof<sup>b</sup> the said party of the first part has caused its common seal to be hereunto affixed and its corporate name to be hereunto subscribed by the hand of its President; and the said party of the second part has hereunto set his hand and seal the day and year first above written.

The Western Union Telegraph Compy, By Willm Orton  
President.<sup>c</sup>

A. R. Brewer Sec'y.<sup>d</sup> Thos. A. Edison<sup>e</sup>

Witnesses: Norman C Miller, George F Fagan

DS, NjWoe, Miller (*TAEM* 28:1004). Other versions of this with no significant differences are in TI 2:600 (*TAEM* 11:721) and NNC. <sup>a</sup>Date taken from text, form altered. <sup>b</sup>Underlined twice. <sup>c</sup>“The Western . . . President.” written by Orton. <sup>d</sup>Company seal at left. <sup>e</sup>Followed by seal.

1. Edison's draft of an agreement encompassing the main points here and in Doc. 694 is in 75-020, DF (*TAEM* 13:715-16).

2. This marks the start of a lengthy association between Edison and New York lawyer Grosvenor Porter Lowrey (1831-1893). Lowrey's firm (Porter, Lowrey, Soren, and Stone) served as the law department for Western Union, and Lowrey was the company's general counsel. Raised in Massachusetts, Lowrey graduated from Lafayette College in Pennsylvania, served as private secretary to the territorial governor of Kansas during some of the violent unrest there in the 1850s, and attained the bar in New York. His connection with William Orton dated from their collaborative work on U.S. Treasury business during the Civil War. Lowrey had gotten involved in Edison's and Western Union's relations at least as early as January 1875 and had acted for Orton and the company in the dispute over rights to the quadruplex. Orton to Lowrey, 20 Jan.

1875, LBO 14:125-30; Doc. 537 n. 5 and Doc. 577 n. 6; Taylor 1978; "Grosvenor P. Lowrey Dead," *New York Times*, 22 Apr. 1893, 11.

3. Edison executed a power of attorney for Lowrey the same day. Miller (*TAEM* 28:1011).

4. Statements of Edison's expenses for acoustic experiments between 20 November 1875 and 8 January 1875 are in 75-020, DF (*TAEM* 13:720-21). The weekly amounts usually exceeded \$200. Most of Edison's costs were for labor, and the weekly labor accounts show even larger sums than those listed in the statements (Cat. 1214:132, Accts. [*TAEM* 21:620]; 75-020, DF [*TAEM* 13:722]). There are also receipted bills upon which "Acoustic" has been written (75-002 and 76-002, both DF [*TAEM* 13:223-51, 799-902 passim]).