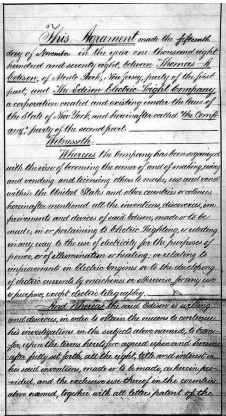


-1576-

*Agreement with Edison
Electric Light Co.*



New York, November 15, 1878^a

This Agreement made the fifteenth day of November in the year one thousand eight hundred and seventy eight, between Thomas A Edison, of Menlo Park, New Jersey, party of the first part, and The Edison Electric Light Company, a corporation created and existing under the laws of the State of New York, and hereinafter called "the Company," party of the second part.^b

Witnesseth:^b

Whereas the Company has been organized with the view of becoming the owner of and of making, using and vending and licensing others to make, use and vend within the United States and other countries or colonies hereinafter mentioned all the inventions, discoveries, improvements and devices of said Edison, made or to be made, in or pertaining to Electric Lighting, or relating in any way to the use of electricity for the purposes of power, or of illumination or heating; or relating to improvements in Electric Engines or to the developing of electric currents by machines or otherwise, for any use or purpose, except electric telegraphy.^b

And Whereas the said Edison is willing and desirous, in order to obtain the means to continue his investigations in the subjects above named, to transfer, upon the terms heretofore agreed upon and hereinafter fully set forth, all the right, title and interest in his said inventions, made or to be made, as herein provided, and the exclusive use thereof in the countries above named, together with all letters patent of the United States or Canada, and all letters patent, special grants, concessions or privileges of any other State or country of North or South America, excepting the possessions of Spain, which

may be granted for any of said inventions, discoveries, devices or improvements.^b

Now therefore, in accordance with said terms and in consideration of the mutual agreements of the parties hereto, as herein set forth, they respectively agree with each other as follows:^c

First. The said Edison hereby sells and assigns to the Company the entire right, title and interest in and to all inventions, discoveries, devices and improvements which he has hitherto made pertaining to Electric Lighting or to the use of electricity for the purposes of power, or of illumination or heating, or to improvements in Electric Engines, or to the developing of electric currents by machines, or otherwise for the uses or purposes above mentioned or any of them; and especially all inventions, discoveries, devices and improvements which are described in the following applications and caveats for patents of the United States, namely; an application in Case numbered 156, dated October fifth, 1878, filed October 14th 1878; applications in Cases number 162 and number 163, prepared by L. W. Serrell & Son but not yet signed; in caveats numbered 82, dated October 7th, 1878, 83, dated October 25th, 1878, 84, dated October 12th 1878, and 85, dated October 25th, 1878; and also those which are described in a certain application and the papers thereto pertaining for letters patent of the Dominion of Canada, dated October 25th 1878: and does also agree that all other inventions, discoveries, devices and improvements of the character above described, and all improvements which he may make within the period of seventeen years from the date of this instrument shall be deemed to have been made for and shall belong to the Company; and that he will take all such steps as are provided in the third article hereof to secure to the Company letters patent of the United States and Canada, and such letters patent or other special grants or concessions of any other State or country of North or South America, except the possessions of Spain, as can be secured from them or any of them. It being specially understood and provided, however, that this agreement is not intended to convey or give any interest to the Company in any invention designed or capable solely of being used in electrical telegraphy; or to give any right of use for electric telegraphy of any invention which may be applicable to that as well as to any of the other purposes which are the subject, as above named, of this agreement; but the right of use of any invention, discovery, apparatus or device contemplated by this

agreement for electric telegraphy remains in said Edison, and the Company agrees to grant, under any letters patent belonging to it, such licenses for his benefit as he may request for the business of electric telegraphy.^c

Second All inventions or discoveries of the character described in the first article hereof which may be made by said Edison within the first five years of the period above named, and all improvements which he may make during the same period upon any of such inventions, devices or improvements shall belong to the Company without further consideration; but compensation shall be due for all inventions or improvements made after the expiration of said five years; and immediately upon the issue of any letters patent, grants, concessions or privileges for inventions, discoveries, devices or improvements made after the expiration of said five years, if the Company desires to hold such inventions and patents, such compensation shall be due and payable; and if the parties are unable to agree within three months from the date of such letters patent, grant or concession, upon the amount and the time, conditions and manner of payment of such compensation, the same shall, upon the written demand of either party, be submitted to arbitration of two indifferent and disinterested persons, one to be chosen by each party, with power to choose a third, and the decision of such arbitrators, or of a majority of them, shall be final and binding upon both parties.^c

Third The said Edison agrees, that in respect to all the inventions and improvements herein provided for, he will promptly file, in the proper offices of the United States and Canada, such caveats as may be necessary, in the judgment of the Company, to protect the same; and will also promptly thereafter file his applications in the same offices for letters patent therefor, with requests that such letters patent may be issued to the Company as sole owners thereof, whenever the laws allow; and will, simultaneously with the filing of such caveats or applications, also deliver to the Company special assignments to it of all the right, title and interest in and to such inventions and improvements.^b

And said Edison also agrees to prepare or cause to be prepared such drawings, models and specifications of the inventions and improvements provided for by this agreement, as may be necessary, in the judgment of the Company, or as may be required by it, to describe and illustrate them fully, and to deliver the same, with all sketches or memoranda pertaining

to them, to the Company, and at all times, upon the request of the Company, to make, execute and deliver to it all amended specifications, models, drawings or applications that it may reasonably require, and all new or other assignments that may be necessary to secure to the Company the exclusive ownership of all the inventions, discoveries, devices and improvements intended by this agreement, in their most perfected form, together with all papers required to secure re-issues, renewals or extensions of letters patent, grants or concessions for any of them.

And said Edison agrees, from time to time, as requested by the Company, to take all such other measures as may be necessary to procure letters patent or other grants or concessions, protecting his inventions, in such other States or countries of North or South America, except the possessions of Spain, and to assign to the Company, immediately upon receipt of them, all such letters patent, grants, concessions or privileges which may be issued in the first instance directly to him; but the expense of all things done in accordance with the provisions of this agreement, except as otherwise specially provided on the Fifth Article hereof, are to be borne by the Company.^c

Fourth The said Edison agrees, on behalf of and for the benefit of the Company, to prosecute with his utmost skill and diligence, further necessary investigations and experiments upon the use of electricity for the purposes described in the first article; and to endeavor to discover and devise the best and most economical means, modes and apparatus for applying electricity to the purposes above named, and for rendering the means, modes or apparatus which he may have discovered or devised, more useful, economical and convenient; and to perfect and complete all his inventions and improvements described in the first and second articles, and all such as may result from the further investigations and experiments herein provided for, as far and as fast as may be in his power.^c

Fifth The Company hereby agrees to issue to said Edison two hundred and fifty thousand dollars of its Capital Stock of three hundred thousand dollars, and to pay him, upon the execution of this agreement, the sum of thirty thousand dollars in cash, of which sum said Edison agrees to expend twenty five thousand dollars, or so much thereof as may be necessary, in procuring and paying for the means and material required for the most effective prosecution of the investigations and experiments provided for in the fourth article

hereof, and in defraying all other charges attendant upon such investigations and experiments, as well as the legal or other expenses attendant upon the organization of the Company and the preparation and taking out of patents in the United States and Canada for his inventions already made and described in the caveats and applications above referred to.^c

Sixth The Company further agrees out of its first net earnings, remaining after reserving fifty thousand dollars, or so much thereof as may be required to repay the sums paid in cash by the subscribers to its Capital Stock, to pay to the said Edison the further sum of one hundred thousand dollars in cash, and thereafter to pay him an annual royalty upon every light licensed or used with its consent, under any of the patents of said Edison, of five (5) cents per light; and guarantees to pay in each year royalties to an amount not less than fifteen thousand dollars a year, if it has net income to that amount in that year from any source, provided however, that the Company shall have the option, by notice given on the first of January in any year, to pay thereafter a yearly commutation of thirty thousand dollars, in lieu of all royalties derived under patents of the United States and Canada; and the like option, upon similar notice, to pay thereafter annually the sum of twenty thousand dollars in lieu of all royalties or income derived under patents, grants, concessions or other rights secured to it in the other States or Countries above named.^c

Seventh The Company hereby covenants with the said Edison that it will, in so far as the same may be practicable and economical, seek with diligence and good faith to introduce, as extensively as possible, in all the countries named in this agreement, the Electric Light produced by means and apparatus invented by said Edison, as well as to bring all such means and apparatus into like use for all the other purposes contemplated by this agreement.^c

Eighth The said Edison agrees, at the request of the Company, and at its expense, to execute and deliver, from time to time, such writings of further assurance, or such separate instruments making special assignments of the interest or any portion thereof conveyed hereby, or such special powers or authorities as for its convenience or interest it may desire to have separate from the general body of stipulations herein contained.^c

Ninth The several agreements and covenants of the parties hereto shall bind, and shall enure to the benefit of, respec-

tively, the executors, administrators and assigns of Edison, and the successors of the Company.^c

In Witness whereof^d the party of the first part has hereto set his hand and seal, and the party of the second part has hereto caused its corporate seal to be affixed, and its corporate name to be subscribed, the day and year first above written.^b

The Edison Electric Light Company
by Norvin Green Prest.^e
Thomas. A Edison^e

Signed, sealed and delivered in the presence of

Francis R. Upton^f

Charles Roth¹

Attest^g C. Goddard, Secy

DS, NjWOE, Miller (*TAEM* 28:1162). Notarization omitted. ^aPlace taken from oath; date taken from text, form altered. ^bFollowed by line to right margin. ^cFollowed by line to right margin and two centered horizontal lines. ^dUnderlined twice. ^eFollowed by wax seal. ^f“Signed . . . Upton” spanned by brace at right. ^gPreceded by wax seal.

1. Charles Roth was an attorney at 3 Broad St., the same address as Porter, Lowrey, Soren & Stone. Wilson 1879, 1252; see Doc. 1494 n. 1.