



~~CONFIDENTIAL~~ 13526

HEADQUARTERS, ARMY SERVICE FORCES  
OFFICE OF THE CHIEF SIGNAL OFFICER  
WASHINGTON 25, D. C.

SPSIS-3

8 June 1944.

MEMORANDUM for Legal Division, OCSigO.  
(Thru Channels)

Subject: Invention of Authenticating Device for  
Commercial Usage.

1. A number of years ago I invented a message authenticating system, which was formally processed through the then existing Patents Section of the Research and Development Division, OCSigO. (Tab A shows the papers in the case.) The invention was covered in U. S. Patent No. 2,080,416, dated May 18, 1937, and the apparatus described therein may be manufactured and used by or for the Government for governmental purposes without the payment to me of any royalty thereon. (Tab B is a copy of the patent.) The invention has thus far not been reduced to practice because of its complexity.

2. I have recently conceived of a modification and simplification of the authentication device covered in the above-mentioned U. S. Patent No. 2,080,416, the same being briefly described in the accompanying sketch and general specifications (Tab C). It is requested that the usual forms be supplied me for purposes of recording the date of conception, etc.

3. Primarily, this invention, as was the previous one, is intended for use by banks in authenticating messages involving the transfer of money from one bank to another. However, it may have military applicability in connection with the authentication of messages and it may be desirable for the Government to acquire rights similar to those pertaining to U. S. Patent No. 2,080,416. However, permission is requested to allow me to construct a model at my own expense and to prosecute the present invention for commercial usage, at my own expense, immediately upon the termination of the present war.

*William F. Friedman*

William F. Friedman,  
Director of Communications  
Research.

Declassified and approved for release by NSA on 07-29-2014 pursuant to E.O. 13526

Inclosures:  
Tabs A, B, and C.

~~CONFIDENTIAL~~

WAR DEPARTMENT  
Office of the Chief Signal Officer  
Washington

April 19, 1935

MEMORANDUM FOR: Major Akin.

1. Under date of November 15, 1933, I forwarded a memorandum, drawing, and draft specifications covering a cipher device on which I desired a patent application be drawn. The papers are attached hereto.

2. This device presents excellent possibilities for a commercial device for banking purposes in connection with authentication of money transfers by cable. An opportunity has recently presented itself for disposing of my commercial rights to this invention, the government retaining license and shop rights as usual.

3. It is requested that permission be granted to enter into negotiations with a prospective purchaser of these commercial rights.

/s/ William F. Friedman  
William F. Friedman.

Attached:  
File on case.

C  
O  
P  
Y

1st Memo Ind.

8

War Plans & Training Division, April 20, 1935. To: Research and Development Division.

Approval recommended provided it is understood that should the letters patent be granted the government will be able to obtain any and all machines desired without the payment of royalty.

/s/ S. B. Akin  
S. B. Akin,  
Major, Signal Corps.

Incl.

1 Incl. added - Memo.  
from Mr. Friedman to  
Major Akin, 11/15/33.

2d Memo. Ind.

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Research & Development Division, OCSig0, May 2, 1935. To: War Plans & Training Division.

1. Where an invention is originated by an employee of the Government, as in this case, the Government acquires the usual license rights irrespective of whether he negotiates the sale of his commercial rights either before or after the filing of a formal patent application and the purchaser of such rights takes title subject to an irrevocable, non-exclusive license to the Government, which license should be executed at the time the formal patent application is executed.

2. The following procedure is recommended:

a That the patent application be filed thru the Patent Section of the Signal Corps and that attorneys representing the Government be made attorneys of record in the original application, but that patent counsel for the purchaser of the commercial rights prepare the specification, claims and drawings for the application. Handled in this way, the case would come under the Act of 1883 as amended and the payment of a filing fee would be waived.

3. Upon the actual filing of the application in the Patent Office, an associate power of attorney would be given to patent counsel representing the purchaser of commercial rights, with the understanding that said patent counsel would be responsible for the prosecution of application. All replies to patent office actions prepared by outside patent counsel should be transmitted to the Signal Corps Patent Section for actual filing in the patent office.

4. (a) If during the pendency of said patent application

and prior to the grant of a patent thereon, applicant should make a formal assignment of title and have said assignment recorded, the assignee (i.e. the owner of the commercial rights) would then become responsible for the payment of the final government fee.

(b) On the other hand, if the formal assignment of title be deferred until after the actual grant of the patent, the payment of a final government fee would thereby be avoided.

/s/ John H. Gardner, Jr.  
John H. Gardner, Jr.,  
Captain, Signal Corps.

Incls-n.c.

3d Memo Ind.

8

War Plans & Training Division, May 6, 1935 - To: Executive Officer.

Approval of request contained in paragraph 3 of Mr. Friedman's memorandum of April 19, 1935 is recommended subject to the provisions of 2d Memo Indorsement.

/s/ S. B. Akin  
S. B. Akin,  
Major, Signal Corps.

Incls. (no change).

4th Memo. Ind.

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Executive Office, May 7, 1935 - To Major Akin.

Approved as recommended in 3d Memo Indorsement, hereon.

/s/ Dawson Olmstead  
Dawson Olmstead,  
Lt. Col., Signal Corps,  
Acting Chief Signal Officer of the Army.

Incl. n/c

C  
O  
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Y