

6, Halliwick Road,
London N.10.

14th February, 1934.

I. Shoenberg, Esq.,

Dear Mr. Shoenberg,

I should like to thank you for the kind interest and patience with which you listened to the suggestions which I put before you, in spite of their not being new to you.

Enclosed I am sending you a short sketch of the scheme as a memento.

Having filed a patent application relating to all essential features I shall take further steps to prepare the ground, and hope to hear from you in about five weeks time again on this matter.

Yours very truly,

Assuming a magnification of 1 to 40 and a film of the standard breadth, the average size book would occupy 25 cm of film.

If one had, for instance, a central library, comprising of 10,000 books in the form of a "negative". This "negative" would have a length of 2,500 meters.

Every customer could then receive a catalogue of these books, and he would indicate by marking in the catalogue 1,000 books out of the 10,000 which he would like to have.

A suitable copying machine could "print" for the customer the "positive", comprising of 1,000 books he had selected in about 30 minutes, and the "positive" would have a length of about 250 meters. The price of the film material for 250m would, if my information is correct, amount to about 50/-.

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX.

TELEPHONE:
SOUTHALL 2468

TELEGRAMS:
EMU HAYES.MDX.

22nd. June, 1934.

026935

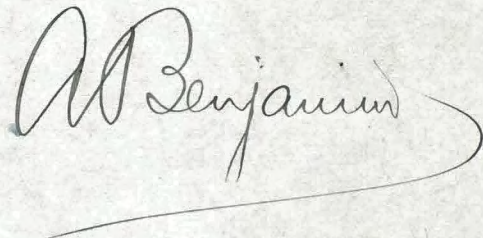
Dr. Leo Szilard,
6, Halliwick Road,
MUSWELL HILL,
London, N.10.

Dear Dr. Szilard,

Thank you for your letter of the 20th June. It will be quite easy to make the necessary corrections in order to bring out more clearly the two points which you mention in the first page of your letter.

With regard to the two suggestions on the second page of your letter, I have not had an opportunity of discussing these with Mr. Shoenberg, and as I am leaving this evening for a fortnight's holiday perhaps you will not mind if this matter stands over until I return. It seems to me that there may be a difficulty in defining Class B patents, on your suggestion, owing to the difficulty of defining "co-operation", but we may be able to overcome it, and we will do our best.

Yours very truly,



AB/VT.

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES.

MIDDLESEX.

TELEPHONE:
SOUTHALL 2468

TELEGRAMS
EMU HAYES.MDX.

17th. August, 1934.

P. 027986

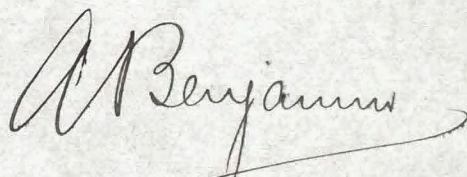
Dr. Leo Szilard,
6, Halliwick Road,
MUSWELL HILL,
London, N.10.

Dear Dr. Szilard,

I herewith enclose, in duplicate, revised letter of agreement in which I have tried to embody your latest wishes. Mr. Shoenberg is still away, and I have not yet been able to get his approval, but I think perhaps it will save time if you would first of all read this and let me know whether you approve of it, in which case I would submit it to Mr. Shoenberg for his approval or criticism as soon as possible.

If you have any modifications to suggest would you kindly show them on one copy and keep the other for reference.

Yours very truly,



AB/VT.

Strand Palace Hotel,
Strand, London W.C.2.

5th September, 1934.

Your Ref. 027986.
Your letter 17th Aug. -34

A. Benjamin, Esq.,
Electric & Musical Industries Ltd.,
Blyth Road,
Hayes, Middlesex.

Dear Mr. Benjamin,

Many thanks for the second draft agreement you have sent me. I should be grateful if we could maintain our original plan insofar as the following point is concerned: if you cease to pay the minimum royalties you should give back all the patents class A and retain no non-exclusive licence for these patents. Otherwise the draft is perfectly convenient to me with the proviso that you and I should not fix the royalties (which you fixed at 1/-) but leave this to Mr. Shoenberg; I think I mentioned before that I rather would fix them at a percentage of your selling price than in shillings, but wish to leave the matter with Mr. Shoenberg. Perhaps it is not necessary for you to have the agreement retyped and changes could be contained in a letter accompanying the agreement; this

procedure would perhaps also quicken up the settlement of the formalities, which would be welcome. If you want to discuss anything about this matter could you kindly leave a telephone message so that I may ring you back?

Yours very truly,

Dr. Leo Szilard.

Many thanks for the second draft agreement you have sent me. I should be grateful if we could maintain our original plan insofar as the following point is concerned: If you cease to pay the minimum royalties you should give back all the patents class A and retain no non-exclusive license for those patents. Otherwise the draft is perfectly convenient to me with the proviso that you and I should not fix the royalties (which you fixed at 1/-) but leave this to Mr. Schoenberg; I think I mentioned before that I rather would fix them at a percentage of your selling price than in shillings, but wish to leave the matter with Mr. Schoenberg. Perhaps it is not necessary for you to have the agreement retyped and changes could be contained in a letter accompanying the agreement; this

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX.

TELEPHONE:
SOUTHALL 2468

TELEGRAMS
EMU HAYES.MDX.

9th. November, 1934.

P. 029776

Dr. Leo Szilard,
Strand Palace Hotel,
STRAND,
London, W.C.2.

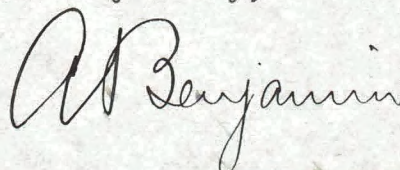
Dear Dr. Szilard,

I have your letter of the 30th October, and apologise for not replying before as we have been very busy.

What I am now trying to do is to very much simplify the contract by cutting out future patents altogether, so that no question of "B" patents will arise. We will then take the option simply on specific patents or patent applications which you have filed up to now, and corresponding applications that may be made in other countries. As I want to mention these patents in the document, will you kindly send me copies of them?

Upon receipt of these specifications from you I will endeavour to conclude the matter in the shortest possible time.

Yours very truly,



AB/VT.

Strand Palace Hotel,
Strand, London W.C.2.

11th November, 1934.

A. Benjamin, Esq.,
Electric & Musical Industries Ltd.,
Blyth Road,
Hayes.
Middlesex.

Dear Mr. Benjamin,

P. 029776.

Enclosed you will find the patent application in which you are interested.

Yours very truly,

(Leo Szilard.)

Encl.

Strand Palace Hotel,
Strand, London W.C.2.

31st December, 1934.

A. Benjamin, Esq.,
Electric & Musical Industries Ltd.,
Blyth Road,
Hayes, Middlesex.

Dear Mr. Benjamin,

The agreement which you suggest is convenient to me. Will you please send me if possible, all the documents which I have to sign in one lot?

As regards the initial payment of £100 would you be kind enough to dispose of this sum in the following manner:

a cheque for £10.-- to be sent to
L. Bihaly,
27, Cullingham Road,
London S.W.5. (not crossed)

a cheque for £60.-- to be sent to
Professor M. Bolanyi,
Kenmore,
Didsbury Park,
Manchester (crossed)

a cheque for £30.-- to be sent to
L. Szilard,
Strand Palace Hotel,
Strand, W.C.2. (crossed)

Yours very truly,

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX.

TELEPHONE:
SOUTHALL 2468

TELEGRAMS
EMU HAYES.MDX.

19th. December, 1934.

P. 030886

Dr. Leo Szilard,
Strand Palace Hotel,
London, W.C.

Dear Dr. Szilard,

At last I am sending you the abbreviated letter embodying the option and licence agreement. I drew Mr. Shoenberg's attention to the rate of royalty, and he agreed to make it 1/6d instead of 1/-. On the other hand, he felt it might be difficult to commit ourselves to go beyond £300 (Three hundred pounds) per annum minimum royalty, especially as one cannot foresee how long it may take to create a market for the new invention, assuming that it turns out to be successful.

I am sending you two copies so that you can make any corrections you would like to make on one, while you return the other to me for reference.

Yours very truly,

A Benjamin.

AB/VT.

Dear Dr. Szilard,

British Patent Application No.7839
of 12th March 1934

1. In consideration of our paying you £100 (one hundred pounds), you have agreed to grant us, and we have agreed to take, an option for eighteen months from the 1st January 1935, to acquire exclusive rights for our territory (namely the British Empire, with the exception of Canada, but including Egypt, and all British Mandatory territories and protectorates) in your invention for the reproduction of books described in your provisional specification No.7839/34, together with an exclusive licence for such territory under any patent that may be granted in pursuance of this British application, as well as under any patents that may be granted in respect of applications filed now or hereafter corresponding to the said British application in any of the countries included in our above-mentioned territory.

2. The option may be exercised by us as from any date during its currency, or immediately upon its expiry, by our notifying you in writing of our intention to take up an exclusive licence as from that date for our territory under all patents granted or to be granted in such territory in respect of your said invention and corresponding to the British patent application No.7839/34, upon the terms and conditions mentioned below. Upon such notification

and thereafter you shall at our request execute such formal documents as may be necessary to enable us to register our licence under the British and other patents at the respective Patent Offices. Such licence shall be held by us on the following terms and conditions:-

- (a) We shall pay you a royalty of one shilling *and sixpence* in respect of each instrument manufactured or sold by us or our Associated Companies in any country of our territory where a patent application corresponding to your above-mentioned British patent has been filed (instruments invoiced to our Associated Companies for the purpose of sale by them will be included in our royalty returns to you when sold by them). In all cases royalty will be payable only when a sale has been effected. Royalties shall cease to be payable in respect of any patent application if no patent is granted in pursuance of such application, nor shall any royalty be payable in respect of a patent irrevocably declared invalid by a competent Court of Jurisdiction.
- (b) So long as the Company retain their licence they shall guarantee you a minimum of £300 (Three hundred pounds) a year during the currency of the licence from the date of the exercising of the option, and pro rata for any part of a year if it should be terminated before the end of a complete year.
- (c) We shall keep proper accounts of all instruments sold under this agreement and render you half-yearly statements of instruments so sold and of the royalties due to you in respect thereof.
- (d) The Company may at its own discretion grant sub-licences to any other parties, provided that the Company obligates such sub-licences by written agreement to make proper returns of all sales of apparatus under this agreement and is itself responsible to you for the due payment of royalties in accordance with such returns; and further, provided that you are to be at liberty to have the relative accounts of such sub-licences examined by a qualified auditor, with a view to certifying the returns as correct on your behalf.

- (e) As regards the maintenance of patents, we shall pay the renewal fees in respect of all such patents and patent applications under which we have an exclusive licence so long as such licence continues. We shall not be held liable for any omission to pay a renewal fee owing to inadvertence or oversight, but you may pay such fee yourself, so long as we are licenced under such patent, if it is still unpaid within a fortnight from the absolutely final legal date for the payment of the fee, and we will refund you such payment.
- (f) With regard to future patents (other than those corresponding to British patent application 2839/34) which you may file in our territory relating to the invention, the subject of this agreement, it is hereby agreed that you give us the first offer of acquiring an exclusive licence for our territory, on terms to be discussed, in the case of each such patent. You will submit to us a copy of each patent application as soon as possible after filing so that we may be in a position to give the question of acquiring a licence our early consideration. Our decision as to taking a licence must be given within six months from the date of receipt of a letter from you notifying us of the grant of a patent. Should we not take a licence in any ^{particular} case because the terms offered by you are too onerous, you shall not then grant a licence to any other party on better terms.
- (g) This licence agreement may be wholly terminated by us at any date by giving you six months' previous notice in writing, at the address to which this letter is sent, or such other address as you may have previously notified us, in which case all rights and obligations hereunder shall cease upon the termination of such six months notice.

Yours very truly,

To: Electric & Musical Industries Ltd.

I agree to all the terms and conditions mentioned in this letter.

Signed:

Date:

Dear Dr. Szilard,

British Patent Application No.7839
of 12th March 1934

1. In consideration of our paying you £100 (one hundred pounds), you have agreed to grant us, and we have agreed to take, an option for eighteen months from the 1st January 1936, to acquire exclusive rights for our territory (namely the British Empire, with the exception of Canada, but including Egypt, and all British Mandatory territories and protectorates) in your invention for the reproduction of books described in your provisional specification No.7839/34, together with an exclusive licence for such territory under any patent that may be granted in pursuance of this British application, as well as under any patents that may be granted in respect of applications filed now or hereafter corresponding to the said British application in any of the countries included in our above-mentioned territory.

2. The option may be exercised by us as from any date during its currency, or immediately upon its expiry, by our notifying you in writing of our intention to take up an exclusive licence as from that date for our territory under all patents granted or to be granted in such territory in respect of your said invention and corresponding to the British patent application No.7839/34, upon the terms and conditions mentioned below. Upon such notification

and thereafter you shall at our request execute such formal documents as may be necessary to enable us to register our licence under the British and other patents at the respective Patent Offices. Such licence shall be held by us on the following terms and conditions:-

- (a) We shall pay you a royalty of one shilling *and sixpence* in respect of each instrument manufactured or sold by us or our Associated Companies in any country of our territory where a patent application corresponding to your above-mentioned British patent has been filed (instruments invoiced to our Associated Companies for the purpose of sale by them will be included in our royalty returns to you when sold by them). In all cases royalty will be payable only when a sale has been effected. Royalties shall cease to be payable in respect of any patent application if no patent is granted in pursuance of such application, nor shall any royalty be payable in respect of a patent irrevocably declared invalid by a competent Court of Jurisdiction.
- (b) So long as the Company retain their licence they shall guarantee you a minimum of £300 (Three hundred pounds) a year during the currency of the licence from the date of the exercising of the option, and pro rata for any part of a year if it should be terminated before the end of a complete year.
- (c) We shall keep proper accounts of all instruments sold under this agreement and render you half-yearly statements of instruments so sold and of the royalties due to you in respect thereof.
- (d) The Company may at its own discretion grant sub-licences to any other parties, provided that the Company obligates such sub-licencees by written agreement to make proper returns of all sales of apparatus under this agreement and is itself responsible to you for the due payment of royalties in accordance with such returns; and further, provided that you are to be at liberty to have the relative accounts of such sub-licencees examined by a qualified auditor, with a view to certifying the returns as correct on your behalf.

- (e) As regards the maintenance of patents, we shall pay the renewal fees in respect of all such patents and patent applications under which we have an exclusive licence so long as such licence continues. We shall not be held liable for any omission to pay a renewal fee owing to inadvertence or oversight, but you may pay such fee yourself, so long as we are licenced under such patent, if it is still unpaid within a fortnight from the absolutely final legal date for the payment of the fee, and we will refund you such payment.
- (f) With regard to future patents (other than those corresponding to British patent application 7839/34) which you may file in our territory relating to the invention, the subject of this agreement, it is hereby agreed that you give us the first offer of acquiring an exclusive licence for our territory, on terms to be discussed, in the case of each such patent. You will submit to us a copy of each patent application as soon as possible after filing so that we may be in a position to give the question of acquiring a licence our early consideration. Our decision as to taking a licence must be given within six months from the date of receipt of a letter from you notifying us of the grant of a patent. Should we not take a licence in any ^{particular} case because the terms offered by you are too onerous, you shall not then grant a licence to any other party on better terms.
- (g) This licence agreement may be wholly terminated by us at any date by giving you six months' previous notice in writing, at the address to which this letter is sent, or such other address as you may have previously notified us, in which case all rights and obligations hereunder shall cease upon the termination of such six months notice.

Yours very truly,

To: Electric & Musical Industries Ltd.

I agree to all the terms and conditions mentioned in this letter.

Signed:

Date:

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX,

TELEPHONE:
SOUTHALL 2468

TELEGRAMS
EMU HAYES MDX

12th February, 1935.

031898

By Hand.

Dr. Leo Szilard,
Strand Palace Hotel,
Strand,
London, W.C.2.

Dear Dr. Szilard,

I have to acknowledge receipt of your letter of the 10th inst., enclosing our letter to you of the 10th January 1935, embodying an agreement between us in regard to your invention for the reproduction of books, duly countersigned by you.

In reply to the points raised by you in your letter of the 10th February, I have to reply as follows:-

1. The final paragraph, *of our letter of the 10th January 1935* beginning with the words "alternatively, this licence agreement" is not intended to affect the minimum royalty referred to in paragraph (b) of Clause 2, in our letter of the 10th January 1935.
2. It was certainly not our intention when drawing up paragraph 2 (f), to ask that you give us the first offer of refusal only on those of your future patents which fall under the claims of the patents mentioned in paragraph (1) of our letter of the 10th January. The intention of this paragraph was that you should give us the first offer of all your future inventions having any relation or bearing on the broad subject of the "Microbook". You are interpreting the words "relating to the invention, the subject of this agreement" in too narrow a sense.

Dr. Leo Szilard.

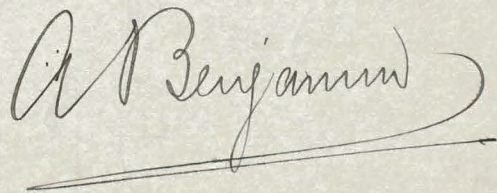
There cannot be any hardship to you whatever in making us the first offer, in accordance with paragraph (f), nor will there be any difficulty in your remembering this condition in future, seeing that this agreement about the "Microbook" is the only one that can come into question between us.

3. We will, without any liability for inadvertence or oversight, take care of the British patent application forthwith, and bear all costs in connection with its prosecution until grant, irrespective of whether this is during the optional period or the period of the licence.

As regards corresponding applications in other countries, we will bear the cost of filing those cases which have been submitted to us by you beforehand, and in regard to which we have decided to file such application or applications, and (again without liability for inadvertence or oversight) will take care of the prosecution of such cases.

I will have the counterpart of the letter of agreement signed on behalf of the Company as soon as possible, and shall be glad if you will let me know the address to which it should be sent (as well as the cheque for £30 to yourself), in case, as seems probable, it cannot reach you before you leave England.

Yours very truly,

A handwritten signature in cursive script, reading "A Benjamin", with a long horizontal flourish extending to the right.

Photosets

17 Jan.

March June #

March June

March June

Strand Palace Hotel,
Strand, London W.C.2.

14th February, 1935.

Your Ref. 031998.

A. Benjamin, Esq.,
Electric & Musical Industries Ltd.,
Blyth Road,
Hayes, Middlesex.

Dear Mr. Benjamin,

I had your letter of the 12th instant.
I regret not to be able to accept your interpretation
of paragraph 2 (f), since the first paragraph of
the agreement clearly defines the scope of the agreement
as limited to one patent application, and those further
applications which can be derived in following up this
application.

However, while I should like to interpret
paragraph 2 (f) so as to keep it within the scope,
I am quite willing to meet your wishes insofar as I
herewith agree to the following:

If I file any patents, the primary object of
which is the 'Microbook' in England in 1935 or 1936
I shall let you have the first offer in the same way as
if these ^{patent} applications ~~which came~~ came under paragraph 2 (f)

A. Benjamin, Esq.

-2-

14th February, 1935.

of our agreement. In consideration of this you may,
if for legal reasons you think it advisable, pay me 1/-.

Yours very truly,

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX.

TELEPHONE:
SOUTHALL 2468

TELEGRAMS
EMU HAYES, MDX.

27th June, 1935.

P. 044900

Dr. L. Szilard,
31 Polstead road,
Oxford,
Oxfordshire.

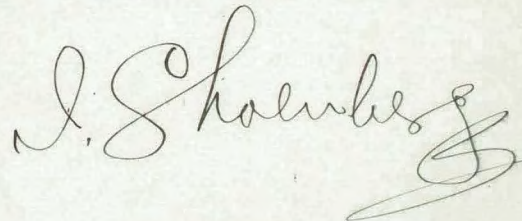
Dear Sir,

We have received an Official Action from the British Patent Office in respect of your patent application No. 7839/34 concerning the micro-book, and the prior specifications Nos. 124,058, 316,668 and 372,431 are cited as anticipation of the claims as filed.

It appears to us that, in view of these prior specifications, substantially no patent protection can now be obtained on this application, and we very much doubt whether it is worth prosecuting it any further.

however, we would like you to examine the case yourself and let us have your views concerning the position. A copy of the application in its present form and copies of the cited specifications are attached, and we shall be glad if you will return these with your comments at your early convenience.

yours faithfully,



ENCLS.
Appln. No. 7839/34.
B.P. 124,058.
B.P. 316,668.
B.P. 372,431.

SJY/MB.

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX.

TELEPHONE:
SOUTHALL 2468

TELEGRAMS
EMU HAYES.MDX.

22nd July, 1935.

P. 055542

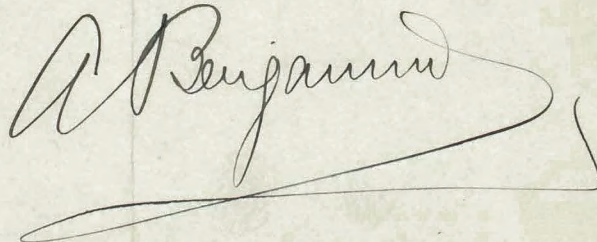
Dr. L. Szilard,
C/o The Clarendon Laboratory,
OXFORD.

Dear Sir,

This is to remind you that we are still without a reply to our letter dated the 27th June which was re-forwarded to you on the 10th inst.

If the application is to be proceeded with a reply to the Patent Office will have to be prepared very shortly. Could you therefore let us have your conclusions in regard to the further prosecution of this application within the next two or three days.

Yours faithfully,



JM/NA

m

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX.

29th July, 1935.

P.

055722

TELEPHONE
SOUTHALL 2468

TELEGRAMS
EMU HAYES.MDX.

L. Szilard Esq.,
C/o The Clarendon Laboratory,
OXFORD.

Dear Sir,

re Your British Patent Application 7839/34 -
Micro Book

We have received from you this morning the enclosures which we sent with our letter of the 27th June last together with our letter of the 10th inst., with the word "return" written thereon.

We shall be glad to know whether you are in agreement with our previously expressed views and with our proposal that on account of the paucity of subject matter left in this application, it be abandoned.

Yours faithfully,

J. Schaenberg

JM/NA

m

ELECTRIC & MUSICAL INDUSTRIES LIMITED

BLYTH ROAD,

HAYES,

MIDDLESEX.

TELEPHONE:
SOUTHALL 2468

TELEGRAMS:
EMU HAYES.MDX.

16th August, 1935.

P. 058161

Dr.L. Szilard
C/o The Clarendon Laboratory,
OXFORD.

Dear.Sir,

We are being pressed for a reply to the Patent Office Official Action about which we last wrote to you on July 29th.

In the circumstances we are proposing to allow this application to lapse unless we hear from you to the contrary by the 22nd inst.,

Yours faithfully,

J. Shoenberg

JM/NA

m

Dr. Leo Szilard,
6, Halliwick Road,
MUSWELL HILL,
London, N.10.

Dear Dr. Szilard,

We confirm that we have agreed to take, and you have agreed to grant us, an option to acquire an exclusive licence under your patents and patent applications for your invention called the "Microbook" on the terms and conditions mentioned below:-

1. The option is to be for eighteen months from the 1st July, 1934, in the first instance, and for this we are to pay you £100 (one hundred pounds). At the end of the first eighteen months we may, if we wish, renew the option for a further twelve months, upon payment to you of a further £200 (two hundred pounds) by giving you notice, within one month after the expiration of the first option period, of our intention to do so.
2. The option may be exercised by us at any time during its currency by our informing you, in writing, of the date from which we take up the licence. If the option is not thus exercised it will lapse, either at the end of the first option period of eighteen months or at the end of the second option period of twelve months, if it has been renewed for such second period.

Dr. Leo Szilard.

3. Upon our notifying you that we wish to exercise the option, and of the date from which we are taking up the licence, we shall become automatically licenced as from that date, without any further agreement or licence being executed by you (unless for any reason we may so require you to do, as for instance, in order to facilitate the registration at the British or other Patent Office of our licence under any particular patent or patents, in which case you shall execute all such documents as may be necessary for such purpose at our expense) in accordance with the terms and conditions hereinafter specified.
4. During the currency of the option you will not give any rights to the use of your patents to any third party in the territory of the licence as hereinafter specified.
5. If we exercise the option we shall thereupon become licenced upon the following terms and conditions:-
 - (a) The territory of this licence shall be the British Empire, with the exception of Canada, but including Egypt, and all British Mandated territories and protectorates.
 - (b) The patents and patent applications which are the subject of this licence are divided into two classes, namely, (A) those which are filed by you in the country of origin, or in which you have acquired an interest with the right to licence before the 1st July 1934, and which are comprised in the schedule hereto, and (B) those which are filed by you in the country of origin, or in which you shall have acquired an interest with right to licence on or after 1st July, 1934, and during the currency of the option or licence, the subject of this agreement. A list of all patent applications or patent rights filed or acquired by you

Dr. Leo Szilard.

from time to time and relating to, or of use in connection with the invention, the subject hereof, shall be submitted to us, together with the relative specifications, promptly, as and when they occur.

- (c) We hereby acquire a full and exclusive licence for our territory under all Class (A) patents and patent applications, and we may from time to time elect to take an exclusive licence under all or any Class (B) patents and patent applications which you may at any time possess or control or have the right to grant licences under, and we shall be deemed to have elected to take such a licence if we have not notified you during twelve months after the publication of any such Class (B) patent of our intention not to take a licence there-under, provided, however, that if we do inform you within the said twelve months of our intention not to take such a licence you will be free to dispose of such patent as you wish.
- (d) We shall pay you royalties as follows:-
- (i) In respect of any apparatus involving any Class (A) or Class (B) patent or patent application under which we are or shall have become licensed hereunder, a royalty of One shilling, in respect of each such instrument sold by us or our Associated Companies to some party other than our associates. (Instruments invoiced to Associated Companies for the purpose of sale by them will be included in our royalty returns to you when sold by them).
- (ii) The royalty mentioned in the previous paragraph shall be payable in respect only of apparatus sold or manufactured in a country where you have a patent protecting such apparatus. In any case such royalty will only be payable when a

Dr. Leo Szilard.

sale is effected. Royalties shall cease to be payable in respect of any patent application if no patent is granted within the appropriate period after filing such application, nor shall any royalty be payable in respect of a patent irrevocably declared invalid by a competent Court of Jurisdiction.

- (iii) So long as the Company elect to retain their exclusive licence under any of your patents or patent applications they shall guarantee you, on account of royalties, a minimum of £300 (Three hundred pounds) for the first year of this licence, £400 (Four hundred pounds) for the second year of this licence and £500 (Five hundred pounds) for the third and each subsequent year during which this exclusive licence shall continue to be in force.
- (iv) Upon your notifying the Company of your intention not to give the Company any licenses under patents filed after the date of such notification the licence rights granted hereunder shall be limited to patents and applications filed prior to such date, and all obligation to guarantee the minimum royalties mentioned in the previous paragraph shall forthwith cease, a due proportion only being payable in respect of a broken year.

Similarly if we give you three months notice of our intention no longer to guarantee minimum royalties, we will then no longer have any rights to your patents filed after the date of the cessation of the operation of the minimum royalties guarantee, and we shall also thenceforward have only a non-exclusive licence under your other patents and applications.

Dr. Leo Sallard.

- (e) We shall keep proper accounts of all instruments sold under this agreement and render you half-yearly statements of instruments so sold and of the royalties due to you in respect thereof.
- (f) The Company may at its own discretion grant sub-licences to any other parties, provided that the Company obligates such sub-licences by written agreement to make proper returns of all sales of apparatus under this agreement and is itself responsible to you for the due payment of royalties in accordance with such returns; and further, provided that you are to be at liberty to have the relative accounts of such sub-licences examined by a qualified auditor, with a view to certifying the return as correct on your behalf.
- (g) As regards the filing of patent applications, it is agreed that you may file such applications in Britain and other countries in our territory as you may think fit, at your expense, and you will without delay notify us of such filings, with a statement of the countries where you intend to file applications, and we may file corresponding applications, at our expense, in any country in which you do not wish to file. Such patents shall be transferred to you after the termination of this licence agreement, subject to your reimbursing the expenses connected therewith.

As regards the maintenance of patents, we shall pay the renewal fees in respect of all such patents and patent applications under which we have taken an exclusive licence so long as such exclusive licence continues. We shall not be held liable for any omission to pay a renewal fee owing to inadvertence or oversight, but you may pay such fee yourself, so long as we are licenced under such patent, if it is still unpaid within a fortnight from the absolutely final legal date for the payment of the fee, and we will refund you such payment.

Dr. Leo Szilard.

- (h) This licence agreement may be wholly terminated by us by giving you notice in writing of our intention to do so at least three calendar months before the end of any twelve months period from the date of the beginning of the licence, in which case all rights and obligations hereunder shall cease as from the termination of such twelve months period.

Yours very truly,

AB/VT.

TO: Electric & Musical Industries Ltd.

I agree to all the terms and conditions mentioned in this letter.

Signed:

Date: