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25 August 1950

MEMORANDUM FOR DIRAFSA THRU DDA-OCC *ANZ*

SUBJECT Private bill to be submitted to the Congress

Enclosures: (A) Copy of correspondence
 (B) Copy of memorandum dated 21 Aug 1950 to Major Mills, JAGC
 (C) Copy of memorandum dated 15 June 1950 from Mr Stauffer AFSA-03A3 for Chief, AFSA-03

1 I think you know that I have been trying for some time to obtain some special compensation for certain inventions and patent applications which have properly been kept in a classified status for a long time After a couple of years of negotiations I was officially given permission to employ counsel to assist in preparing a case with a view to obtaining such special compensation Preliminary meetings between my counsel and the Department of Defense have resulted in a request by the Army Judge Advocate General's representative, Major Mills, Chief of the Patents Division, that counsel submit a memorandum to him on the subject A copy of the correspondence leading up to that request is attached Enclosure (A)

2 Counsel has prepared and recently submitted to Major Mills the memorandum requested by him It is probable that the memorandum will be submitted through official channels to you for comment and/or recommendation Therefore, for your information, a copy thereof is attached, Enclosure (B)

3 To summarize briefly the intent of Enclosure (B), I may say that it asks no affirmative action or support on the part of the Department of Defense in this case but merely asks an opportunity to present the case to the Congress without objection on the part of the Department

4 The basis on which I was permitted to engage counsel in this matter was that I would not disclose to counsel any classified information and in a strict adherence to this limitation I did not feel at liberty to tell counsel even of the existence of an official policy decision by the A C of S, G-2, U S Army, having a definite bearing on the case, because that policy decision is classified SECRET However, that decision, a copy of which is attached as an

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appendix to Enclosure (C) clearly indicates that it would be proper for the Department of Defense, or, at least the Department of the Army not only to offer no objection to the submission of a private bill to the Congress but even to support such a bill. Had I been free to tell counsel of that policy which so far as I am aware has not been rescinded I could have suggested to him that it would be proper for him to request the active support of the Department rather than the passive "non-objection" to the submission of a private bill in my behalf

5 It may be that Major Mills knows of the G-2 policy but I am not sure that he does. For the foregoing reason I would be most appreciative if the existence of the G-2 policy, and a copy thereof, were called officially to the attention of Major Mills as soon as practicable. I feel that it would be to my advantage if the G-2 policy became known to Major Mills in the early stages of his study of the memorandum which counsel submitted to him on 21 August. It might result in a more sympathetic attitude toward the case and possibly assist materially in leading toward a decision in my favor.

6 I wish to add that Mr Rowlett, who is co-inventer in two of the inventions involved in this case, has been kept fully informed of the various steps I have taken which have met with his concurrence. If the Department of Defense should act favorably in my case he will either join with me in the submission of a private bill in our joint behalf or proceed separately in his own behalf.

Very respectfully,

William F. Friedman
WILLIAM F. FRIEDMAN

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| MEMO ROUTING SLIP | | REF ID: A70941 | | NEVER USE FOR APPROVALS, CONCURRENCES, OR SIMILAR ACTIONS | |
|--|-------------------------------------|--------------------------------|-----------------------|---|------------------|
| 1 | NAME OR TITLE <i>Capt Wenger</i> | INITIALS <i>[Signature]</i> | | <input type="checkbox"/> | CIRCULATE |
| | ORGANIZATION AND LOCATION | DATE | | <input type="checkbox"/> | COORDINATION |
| 2 | <i>Col. Collins</i> | <i>[Signature]</i> | | <input type="checkbox"/> | FILE |
| | | | | <input checked="" type="checkbox"/> | INFORMATION |
| 3 | | | | <input type="checkbox"/> | NECESSARY ACTION |
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| 4 | | | | <input type="checkbox"/> | SEE ME |
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| REMARKS <i>I would feel better if this were kept to as few people as possible, on account of its private nature. Have sent original through Col. Lynn, to keep in administrative channel.</i> | | | | | |
| FROM NAME OR TITLE <i>[Signature]</i> | | | DATE <i>25 Aug</i> | | |
| ORGANIZATION AND LOCATION | | | TELEPHONE | | |

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C O P Y

AFSA-03A5/ILP
15 June 1950

MEMORANDUM THRU TECHNICAL DIRECTOR, OFFICE OF RESEARCH AND DEVELOPMENT

FOR: THE CHIEF, OFFICE OF RESEARCH AND DEVELOPMENT

SUBJECT: JAG (Army) Conference Relative to Inventions of William F. Friedman

1. Until January, 1950, the rights of Government-employed inventors in their inventions - as opposed to the rights of the Government - were fixed in general by custom and judicial decision. Although a few governmental organizations had special (more restrictive) policies, notably the Department of Agriculture and the National Bureau of Standards, the general rule was that the Government took free licenses to practice the inventions made by its employees, and the inventors retained title and commercial rights therein.

2. While in the office of the Chief Signal Officer, the patent policy of which was the general rule above-mentioned, several inventions were made by Mr. William F. Friedman (either solely or in collaboration with others). The most significant of these were embodied in equipments known as SIGABA, SIGCUM, and SIGPOY. These inventions (with others by the same and other inventors) were considered classified to a degree which would not permit the issue of patents, and the result was that domestic and foreign commercial promotion became impossible.

3. Mr. Friedman has long felt that this situation discriminated unfairly against inventors of cryptologic and other highly-classified equipment and has made several attempts to modify it and to have one of his applications (SIGCUM) declassified so that a patent might issue. He has not so far been successful although the Director of Intelligence has taken a position generally favorable to such Government inventors (see Inclosure 1).

4. It was with this general background that the JAG (Department of the Army) called a meeting on 3 June 1950, the purpose was to consider the possibilities of compensating Mr. Friedman for loss of commercial rights, domestic and foreign, suffered as a result of the classification of his inventions.

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JAG (Army) Conference Relative to Inventions of William F. Friedman

5. Present were:

| | | | |
|----------------|---|---------------------------|---|
| Mr. Fischer | } | representing Mr. Friedman | |
| Mr. Lanzer | | | |
| Major Smith | | | of Intelligence Division |
| Major Mills | | | of the Office of the Judge Advocate General |
| Mr. Galleher | | | of the Armed Forces Security Agency |
| Mr. Stauffer | | | of the Office of the Chief Signal Officer |
| Mr. Glassman | | | |
| Mr. Saragovitz | | | |

6. Following a brief account by Major Mills of Mr. Friedman's military and civilian service, the meeting was turned over to Mr. Fischer who immediately disclaimed for Mr. Friedman any intention of prosecuting any formal suit against the Government for compensation or damages resulting from the treatment of any of his patents and applications. In brief, he asked that an attempt be made to obtain before-hand approval by the Department of Defense of a private bill for special compensation, he mentioned two precedents for such a private bill, namely one relating to Wilson (Navy Department), 1935, and the other relating to Bresham and Briscoll (Navy Department), 1937.

7. Major Mills was uncertain whether the Department of the Army or the Department of Defense could, with propriety, commit itself in advance in such a matter, but suggested that Mr. Fischer supply for study a draft of a proposed bill, a brief in support of the desired action, and complete citations for the two precedents above-indicated.

8. Mr. Fischer agreed to supply the requested documents within approximately two weeks, and the meeting was closed.

HENRY B. STAUFFER
Chief, AFSA-03A5

1 Incl
Cpy Memo 27 Apr 45 sgd
C. Clarke, ACS/3-2

Copy furnished.
Chief, AFSA-14

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29 April 1946

MEMORANDUM FOR THE CHIEF, ARMY SECURITY AGENCY:

SUBJECT: Release of Cryptographic Principles.

1. The following policy is announced to be effective immediately.

a. Cryptographic principles or devices developed by officers, enlisted men, or civilians employed in any War Department Agency, or patents or patent applications on such principles or devices which are owned by, assigned to, or licensed for use of the War Department will not be released for use of foreign governments or for foreign or domestic commercial or private use until such time as necessary information is available and a procedure established in the Army Security Agency whereby information which is cryptographed by means of such principles or devices can be cryptanalyzed and read under any and all circumstances.

b. Where it is in the interest of the Government of the United States that an employee have no patent rights in cryptographic principles or devices to dispose of, and for the Government to own the entire interest for security reasons throughout any foreseeable future, and where discovery or invention of cryptographic principles or devices has been made by a civilian employee and does not relate to a matter as to which the employee was specifically directed to experiment with a view to suggesting improvements nor was produced as a result of any specific employment or contract to invent a specific device or article, and where an application for patent on such principles or devices has been filed with an assignment-in-trust to the Government for the purpose of maintaining such application in secrecy, the military Intelligence Division will support, subject to the availability of appropriations, any reasonable request for purchase of all commercially exploitable reversionary rights of the inventor in the patent application.

/s/ CAPTAIN W. CLARKE
Colonel, GSC
Acting Deputy, A. C. of S., G-2

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