

INVENTOR CHECKLIST by the MSBDC



Place a check next to each completed item. Then **call us to discuss your answer** at (toll free)
1 (800) - 725 - 7232.

- I have filled out the “Request for Counseling Form.”
- I have returned the “Request for counseling form”

I understand that:

- \$300 million every year is lost to INVENTION SCAMS as stated by the FTC.
- ONLY 1 out of 1000 inventors will make \$1.00
- A patent will probably cost me between \$5,000 and \$25,000
- The average cost to defend a patent is about \$1 Million

I have answered the following questions on paper:

- Why am I inventing?
- How much money I will make?
- How reliable are my information sources?
- How much will it cost me to make?
- How much will someone pay for it?
- How many are you going to sell?

- I have studied the Commercialization Process Model
- I have contacted the MSBDC at 1800 725 7232 to review these topics.

What An Inventor Must Know

Watch our Video for Inventors





What An Inventor Must Know

Composed by
James Hendrick

for

Inventor Assistance
Mississippi Small Business Development Center
www.mssbdc.org

P.O. Box 1848
B 19 Jeanette Phillips Dr.
University, MS 38677-1848
PHONE: 662-915-5001
OR 1-800-725-7232 (In MS Only)
FAX: 662-915-5650



Our inventor assistance is **free to the residents of Mississippi**. What makes our services free?

Our services are funded by your tax dollars from the following resource partners:

- The University of Mississippi
- The State of Mississippi
- The Small Business Association

OBJECTIVES

This document has the following two objectives.

1. Prevent you from losing money to an invention promotion company.
2. Get you to the next stage in the inventing process.
 - a. The “next stage” includes possibility of ending the development of an invention.

MOTIVATION

Inventing is Hard.

If you do not have the motivation to read the following 7 pages, then you do not have the motivation to become an inventor.



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Scammers Target Inventors

- If you were to ask us at the MSBDC about invention promotion companies, our response would be: “I am not aware of one invention promotion company that I would recommend.”
- **In the Appendix is the FTC form to file a complaint against a promotion company.**
- File a complaint about an invention promotion company. www.uspto.gov/web/forms/2048.pdf
- Please let us know at the MSBDC (1-800-725-7232) if you feel that you have been scammed.
- If you have been scammed, contact the Mississippi Attorney General’s Office. (800) 281 2947

The following five cases were taken from the Federal Trade Commission website.

Case 1

“Scam Operation Took More Than \$60 Million from 17,000 Consumers”

The Federal Trade Commission has filed a civil contempt action against four individuals and eight business entities for allegedly operating a fraudulent invention promotion business in violation of a court order.

<http://www.ftc.gov/opa/2007/03/ipd.shtm>

Case 2

“Invention Promotion Firms Agree to Settle FTC Charges and Pay \$250,000 in Consumer Redress”

<http://www.ftc.gov/opa/1998/11/aia.shtm>

Case 3

“Court Halts Bogus Invention Promotion Claims: Orders \$26 Million in Redress For Consumers; Less Than One Percent of Customers Received Royalties From Their Patents That Exceeded the Amount They Paid to the ‘Promoters’”

To prevent those practices, he ordered the company and its principals to pay \$26 million for consumer redress and to provide any future clients with a 10-point disclosure statement to allow them objectively to measure the value of the defendants’ assistance.

Defendants in this case were Davison & Associates Inc., now known as Davison Design and Development, Inc., Manufacturer’s Support Services, Inc., George M. Davison, President and CEO, Thomas Dowler, Gordon M. Davison and Barbara Miele-Davison. The defendants are based in Pittsburgh, Pennsylvania, but have operated nationwide.

<http://www.uspto.gov/main/homepagenews/bak2006apr20.htm>

Case 4

“New Jersey Promotion Firm Settles FTC Charges, Defendants to Pay Three-Quarters of a Million Dollars in Redress:

<http://www.ftc.gov/opa/1998/07/nisi.shtm>

Case 5

103 Pages of complaints against Invention Submission Corp and its aliases.

<http://www.ftc.gov/foia/inventionsubmissioncorp..pdf>



Important Points To Understand Before Going Any Further

- 999 out of 1000 inventors do not make a \$1.00.
- Do everything free first.
 - MSBDC inventor counseling is free
 - Use Google Patent search to do a free prior art search.
- Your idea is probably already out there.
- Ideas are worth absolutely nothing
 - Anyone can have an idea
- Ideas are not inventions
 - Inventions have exact designs and materials.
- The **only** reason to invent is to make money.
- The **only** reason to get a patent is to make money.
- The best ideas are related to the primary activities of the inventor. A construction worker should not be inventing a new perfume.
- When considering whether or not to develop an invention, most inventors forget to account for the fact that time spent on an invention that could have been spent doing other things.
 - Spending just 30 minutes at work makes more than 99.9% of inventors will ever make.

What Is Market Research and Why Do You Need To Do It?

- **Market research is** finding out factual numbers from reliable resources that tell
 - 1) **How much will someone pay for your item?**
 - Your pricing must be similar to the pricing of your competition.
 - 2) **How much will it cost you to make the item?**
 - Multiply by five to determine the approximate price in the marketplace
 - 3) **How many can you sell?**
 - Selling 1 item per year may or may not be enough to be profitable.
- Market research can be much more complicated than these three questions, but the answers to these three questions are a good start. If you can not answer these three question, you should not invent.
- **Market research must** be done **before** obtaining a patent.

What An Inventor Must Know



- Your market research may tell you that you will lose money .
 - You must stop the inventing process and consider your options.
- Your market research may not conclusively tell you that you will make money.
 - You must stop the inventing process and consider your options.
- Inventors tend to focus too much on building a prototype
 - Market research is harder than working on a prototype.
 - The need for a prototype is obvious.
 - The need for marketing research is greater, but initially less obvious.
 - For example: I can build a new kind of 8-track player, but who would buy it?
- Market research is where you **make** most of **your money**.
- Market research is vital to the inventor because if you don't know what your idea is worth to the manufacturer, then you do not know how much money you deserve to be paid by the company. The company could take advantage of the situation and give you much less money than your invention is worth.
 - Example: Consider a scenario where you have obtained a patent and made a prototype, but **you have not done any market research**. This lack of market research means that **you have no idea what the invention is worth** to the company you want to license the invention to. Consider the following calculations.
 - You have spent \$5,000.00 on a patent and 500 hours developing your invention and prototype.
 - 500 hours on the invention = 12.5 weeks of work.
 - Calculate the money you would have made at work. = 500 hours * what you can make at work.
 - Lets say your time at work is worth \$10.00 per hour.
 - 500 hours * \$10.00 per hour = \$5,000.00.
 - Total you have about \$10,000.00 of time and money invested in this invention.
 - You go to the manufacturer and pitch your invention. You still haven't done any market research.
 - The company does their own private market research and tells you that they will give you only \$1,000.00 to own your invention for a year.

What An Inventor Must Know



- You have no choice but to take the \$1,000.00 because you have not done the market research to know what your invention is worth to the company.
- That leaves you \$9,000.00 in the hole.
- Had you done the market research, you would have known that the company would make over \$2 Million dollars in sales every year from your invention.
- This means you deserve about \$20,000 per year in royalties, **but you are only getting \$1,000 per year because you did not do your market research.**
- **Summary:** If you don't do market research, you do not know what your invention is worth to the company. The result is you don't know how much money you deserve and **a company will give you less than you deserve if you don't do market research.**
- Belief that a invention will make money is not proof. **Business people need proof.**
 - **A business person's job depends on this proof.**
 - **The job of the workers at a factory depend on your proof.**
- **Proof comes from research at the library and on the internet.**
- Business people must see hard numbers from reliable sources that prove your invention will make them money.



Two Methods for Taking Your Invention to Market

- There are two options for making money from your invention
 - **Licensing**
 - The option most inventors want.
 - **Venturing / Self Manufacturing**
 - Much more time and money intensive on the inventor than licensing.
- Expect royalties of 1% of sales from licensing.
- Businesses usually throw out letters providing information about an invention.
 - They do not want lawsuits filed against them accusing them of taking an idea.
- Calls to businesses should be used to get a personal interview.
- Personal interviews are desirable for pitching the invention.
- Prepare a 2 and 10 minute elevator speech so that you can efficiently pitch the product.
 - The objective of the speech is not to sell the product
 - The objective of the speech is to obtain a later date for a longer meeting.
- Remember: the business person is interested in 2 things:
 - **Is it feasible? (answered with the prototype)**
 - **Will it make me money? (answered with the market research)**
- Remember that it is important for your invention to be successful.
 - If your invention is not successful, you have caused the people making your product to lose their jobs.



Tools for Protecting Your Ideas and Inventions

Copyrights, Trademarks, Patents, and Trade Secrets

- **Copyrights**

- Copyrights are for protecting “original works of authorship”.
 - Protection is automatic and immediate
 - In the case of works made for hire, the employer and not the employee is considered to be the author.
 - Protected for author’s life plus 70 years
 - See www.copyright.gov for more information
- Copyrights do not cover
 - Titles, names, short phrases, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering, or coloring; mere listings of ingredients or contents
 - Ideas, procedures, methods, systems, processes, concepts, principles, discoveries, or devices, as distinguished from a description, explanation, or illustration
 - See www.copyright.gov for more information

- **Trademarks**

- A trademark is a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of others.
 - The concept central to Trademarks is the **prevention of confusion in the marketplace**. The law protects against consumer confusion by ensuring that the marks on the same or similar products or services are sufficiently different.
 - Protection is automatic and immediate
 - Any time you claim rights in a mark, you may use the "TM" (trademark) or "SM" (service mark) designation to alert the public to your claim, regardless of whether you have filed an application with the USPTO.
 - TM’s are not just words, they may include symbols and fonts and colors.
 - See www.uspto.gov for more information



- **Patents**

- A patent usually provides protection for 20 years from application date.
- A Patent lawyer should be hired to compose the application and correspond with the USPTO
- Estimated cost for obtaining a patent range from \$5,000 to \$25,000
- If no problems are found, the patent will be granted 18 to 24 months after applying
- A patent grants **the right to exclude others** from making, using, offering for sale, or selling the invention in the United States or “importing” the invention into the United States.
 - **Important:** notice that the wording does not give you clearance to make something, it only gives you the rights to prevent others from engaging some action.
 - Example: Just because you patented a nuclear reactor, you **are not** granted the right to manufacture and sell the nuclear reactor.
- A an invention must be new to the entire world, useful, and non-obvious to someone familiar with the field.
- Once a patent is issued, the patentee must enforce the patent without aid of the USPTO.
 - This means using lawyers for costly legal engagements with infringers.
- There are three types of patents:
 - Utility Patent
 - May be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof.
 - The type of patent most inventions require.
 - Design Patent
 - May be granted to anyone who invents a new, original, and ornamental design for an article of manufacture
 - Useless in protecting most forms of intellectual property.
 - Plant Patent
 - May be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant
- See www.uspto.gov for more information.



Necessary Comments About Patents

- Patents cost \$5k to \$25k
 - Offers for less than this should raise a flag. The patent may not be well written.
- A patent lawyer should be used when getting a patent.
- A patent lawyer knows the words to describe your invention in exact detail, but still be broad in the description so that other people can not patent you get the most intellectual property protection.
- Companies generally do not talk to inventors unless the invention is patented.
 - Reason: companies do not want to get sued
 - If you do not own the patent, then you don't own anything.
- A patent in the US does not protect you in the other parts of the world.
 - Patents may be applied for in other parts of the world, but it is much more expensive.
- To get a patent, the invention, or part of the invention must be new, useful and non obvious.
 - New means never seen throughout the world, not just the US.
 - Useful means it must have been tested.
 - Non-obvious means not obvious to someone familiar with the field.
- Google patent search is the best place to start a prior art search. It is quick and easy.
- You must have a TIFF viewer plugin for your browser to see the images from the USPTO website.
- Patents are good for about 20 years from the application date.
- Patent applications should be written by a patent lawyer.
- Patent lawyers have had 6 more months of school than a regular lawyer and must pass an additional test.
- Patent lawyers often have undergraduate degrees in science or engineering.



- Priorities when choosing a patent lawyer are
 - Choose a patent lawyer familiar with your subject. Example: Try to avoid choosing a lawyer with a Electrical Engineering background if your patent has to do with Pharmaceuticals.
 - Try to choose a lawyer in a location close to you. Constant communication with the lawyer is needed. (Patent Lawyers may practice Patent law in any state. No additional certification is required)
 - Examine the patents that the lawyer has submitted to the USPTO. Try do determine the quality of their work.
 - If possible choose a patent lawyer with experience.
- Place a checkmark in the bottom left corner of this page.
- Expect a patent application to be returned at least once by the USPTO
 - The USPTO often returns applications because prior art or other issues are found.
 - Your lawyer is paid to respond to these claims and resubmit the application.
 - You should be prepared for these extra costs.
- Maintain an Inventor's Notebook
 - Sewn notebook
 - Maintain records every time you work on the project
 - Have a non interested party sign the notebook
 - Have the notebook notarized on a regular basis.
- **Trade Secrets**
 - Protected as long as the secret is maintained
 - Covered under state laws
 - Mississippi Code of 1972 – Title 25 – Chapter 61 – 9
 - A trade secret is defined as any valuable business information that is not generally known and is subject to reasonable efforts to preserve confidentiality.
 - The owner must be able to prove that they are trying to protect the secret.

See www.ipwatchdog.com/tradeseecret.html for more information.



Resources for Intellectual Property Protection

MSBDC Contact us if you need help protecting your IP

www.mssbdc.org

Google Patent Search Best Place for Prior art Searches

<http://www.google.com/ptshp>

USPTO Official Patent and Trademark Website

<http://www.uspto.gov/>

US Copyright Office Official Copyright Website

www.copyright.gov

InventorED Best Website Available for Inventors

<http://www.inventored.org/>

FTC Discusses Invention Scams

<http://www.ftc.gov/bcp/online/pubs/services/invent.shtm>

www.ftc.gov



Appendix

- 1) Inventing Top 10 From Our Website
 - a) Please visit our website and watch our video. www.mssbdc.org
- 2) Commercialization Process Model
 - a) Should be used as a guide for developing your product.
 - b) Licensing: the inventor must complete steps 1 to 7
 - c) Venturing: the inventor must complete all 13 steps
- 3) Complaint Form For The Federal Trade Commission
 - a) If you feel that you have been scammed, use this form to file a complaint.
- 4) Sample Non-Disclosure Agreement
 - a) This is only a sample NDA. Please speak to your lawyer about NDAs.
- 5) Inventor Self Assessment Form
 - a) I suggest that you complete this form.
 - b) It will help establish your current strengths and weaknesses.

MSBDC Top 10 List for Inventors

1. [Watch our video for inventors.](#) (42 minutes)
2. **Invent within your area of greatest knowledge.**
 - a. You are most likely to be creating something new if you are exploring an idea in which you are an expert.
 - b. Apply this example to your own situation.
3. **Do not get scammed by an invention promotion company.**
 - a. [Read this great information](#) on the InventorED website to learn more.
 - b. File a complaint with the [FBI Internet Crime Complaint Center](#).



- c. [File a complaint](#) with the Federal Trade Commission
 - d. [Can you get your money back?](#)
4. **Do everything FREE first!**
 - a. Our services are **completely free**.
 - b. If you are not in Mississippi, [go to the SBA website for help in your state](#).
5. **Do you have the resources to successfully invent?**
 - a. Inventing is extremely hard. Expect to spend 300+ hours on your idea.
 - b. 999 out of 1,000 inventors will not make a single dollar from their idea.
 - c. Patents generally cost between \$2,000 and \$25,000 dollars.
 - d. Weigh these facts against spending the same time and money with your family or at work.
6. **Does the evidence clearly support a market for your product?**
 - a. Example: If I invent a new and better 8-track player, would anyone buy it?
 - b. Action: research the number and type of people who want your invention.
7. **Think like a business person.** Imagine that you meeting with the business person who may license your invention. Switch roles with them and become the business person for a few minutes? Since you are a business person, what two things are you interested in?
 - a. Does it work?
 - b. Does it make me money?
8. **Determine if your invention should be patented.**
 - a. [Contact us](#) and a patent attorney to find out if your invention may be patented.
 - b. We have compiled a list of active patent attorney's in Mississippi.
 - c. There are many reasons not to get a patent. There are also many reasons to get a patent.
9. **Keep an inventor's notebook.**
 - a. [Contact us](#) for help on how to keep an inventor's notebook.
10. Contact us to [find out about](#) prototyping, trade shows, financing, and marketing. (You might also want to [watch our marketing videos](#).)

Don't forget to [view our video for inventors!](#)

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

Spotting Sweet-Sounding Promises of Fraudulent Invention Promotion Firms

Think you've got a great idea for a new product or service? You're not alone. Every year, tens of thousands of people try to develop their ideas and market them commercially.

Some people try to sell their idea or invention to a manufacturer that would market it and pay them royalties. But finding a company to do that can be overwhelming. As an alternative, other people use the services of an invention or patent promotion firm. Indeed, many inventors pay thousands of dollars to firms that promise to evaluate, develop, patent, and market inventions. Unfortunately, many of these firms do little or nothing for their fee.

The Federal Trade Commission (FTC) has found that many invention promotion firms claim — falsely — that they can turn almost any idea into cash. But, the agency says, smart inventors can learn to spot the sweet-sounding promises of a fraudulent promotion firm. Here's how to follow up if you hear the following lines:

“We think your idea has great market potential.” Few ideas — however good — become commercially successful. If a company fails to disclose that investing in your idea is a high-risk venture, and that most ideas never make any money, beware.

“Our company has licensed a lot of invention ideas successfully.” If a company tells you it has a good track record, ask for a list of its successful clients. Confirm that these clients have had commercial success. If the company refuses to give you a list of their successful clients, it probably means they don't have any.

“You need to hurry and patent your idea before someone else does.” Be wary of high pressure sales tactics. Although some patents are valuable, simply patenting your idea does NOT mean you will ever make any money from it.

“Congratulations! We've done a patent search on your idea, and we have some great news. There's nothing like it out there.” Many invention promotion firms claim to perform patent searches on ideas. Patent searches by fraudulent invention promotion firms usually are incomplete, conducted in the wrong category, or unaccompanied by a legal opinion on the results of the search from a patent attorney. Because unscrupulous firms promote virtually any idea or invention without regard to its patentability, they may market an idea for which someone already has a valid, unexpired patent. In that case, you may be the subject of a patent infringement lawsuit — even if the promotional efforts on your invention are successful.

“Our research department, engineers, and patent attorneys have evaluated your idea. We definitely want to move forward.” This is a standard sales pitch. Many questionable firms do not perform any evaluation at all. In fact, many don't have the “professional” staff they claim.

“Our company has evaluated your idea, and now wants to prepare a more in-depth research report. It'll be several hundred dollars.” If the company's initial evaluation is “positive,” ask why the company isn't willing to cover the cost of researching your idea further.

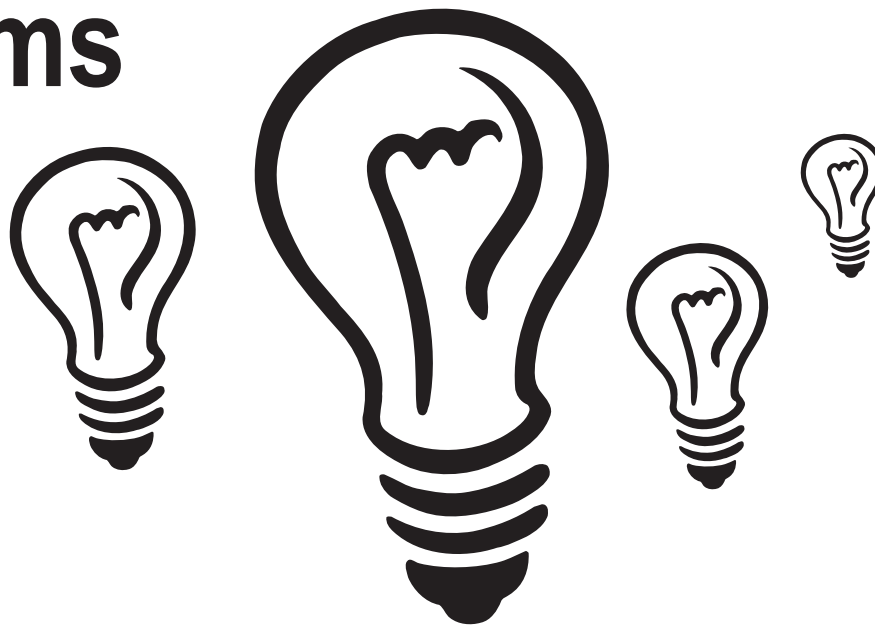
What An Inventor Must Know

Watch our Video for Inventors

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Invention Promotion Firms



Think you have a great idea for a new product or service? You're not alone. Every year, tens of thousands of people try to develop their ideas and commercially market them.

Some people try to sell their idea or invention to a manufacturer that would market it and pay royalties. But finding a company to do that can be difficult. As an alternative, others use the services of an invention promotion firm. Indeed, some inventors pay thousands of dollars to firms that promise to evaluate, develop, patent, and market inventions...and then do little or nothing for their fees.

Unscrupulous promoters take advantage of an inventor's enthusiasm for a new product or service. They not only urge inventors to patent their ideas or invention, but they also make false and exaggerated claims about the market potential of the invention. The facts are:

- ✓ few inventions ever make it to the marketplace; and
- ✓ although a patent can provide valuable protection for a successful invention, getting a patent doesn't necessarily increase the chances of commercial success.

Facts for Consumers

There's great satisfaction in developing a new product or service and in getting a patent. But when it comes to determining market potential, inventors should proceed with caution as they try to avoid falling for the sweet-sounding promises of a fraudulent promotion firm.

Using Invention Promotion Firms



Advertisements for invention promotion firms are on television, radio and the Internet, and in newspapers and magazines. These ads target independent inventors with offers of free information on how to patent and market their inventions. Often, however, the only information you get is about the promoter.

If you respond to the ads — which may urge you to call a toll-free number — you may hear back from a salesperson who will ask for a sketch of the invention and information about you and your idea. As an inducement, a firm may offer to do a free preliminary review of your invention.

Some invention promotion firms may claim to know or have special access to manufacturers who are likely to be interested in licensing your invention. In addition, some firms may claim to represent manufacturers on the look-out for new product ideas. Ask for proof, such as contacts at manufacturers, before you sign a contract with any invention promotion firm that claims special relationships with manufacturers. If the promoter provides only one or two names, be careful: The contacts may be “shills” — people hired to give favorable testimonials.

After giving your invention a preliminary review, a firm might tell you it needs to do a market evaluation of your idea — for a fee that can be several hundred dollars. Many questionable firms don't do any genuine research or market evaluations. Sometimes the “research” is bogus, and the “positive” reports are mass-produced in an effort to sell clients on additional invention promotion and marketing services. Fraudulent invention promotion firms don't

offer an honest appraisal of the merit, technical feasibility, or market potential of an invention.

Some invention promotion firms also may offer a contract in which they agree to help you market and license your invention to manufacturers. Unscrupulous promoters may require you to pay a fee of several thousand dollars in advance, or to agree to make credit payments instead. Reputable licensing agents usually don't rely on large advance fees. Rather, they depend on royalties from the successful licensing of client inventions. How can they make money when so few inventions achieve commercial success? They're choosy about which ideas or inventions they pursue. If a firm is enthusiastic about the market potential of your idea — but wants to charge you a large fee in advance — take your business elsewhere.

Inventor Protections



If you're interested in working with an invention promotion firm, here's information that can help you avoid making a costly mistake.

- ✓ The American Inventors Protection Act of 1999 gives you certain rights when dealing with invention promoters. Before an invention promoter can enter into a contract with you, it must disclose the following information about its business practices during the past five years:
 - how many inventions it has evaluated,
 - how many of those inventions got positive or negative evaluations,
 - its total number of customers,
 - how many of those customers received a net profit from the promoter's services, and
 - how many of those customers have licensed their inventions due to the promoter's services.

This information can help you determine how selective the promoter has been in deciding which

inventions it promotes and how successful the promoter has been.

- ✓ Many fraudulent invention promotion firms offer inventors two services in a two-step process: one involves a research report or market evaluation of your idea that can cost you hundreds of dollars. The other involves patenting or marketing and licensing services, which can cost you several thousand dollars. Early in your discussion with a promotion firm, ask for the total cost of its services, from the “research” about your invention through the marketing and licensing. Walk away if the salesperson hesitates to answer.
- ✓ Many fraudulent companies offer to provide invention assistance or marketing services in exchange for advance fees that can range from \$5,000 to \$10,000. Some even offer to finance the full amount to entice inventors into making a quick decision. Reputable licensing agents rarely rely on large up-front fees.
- ✓ Unscrupulous invention promotion firms tell *all* inventors that their ideas are among the relative few that have market potential. The truth is that most ideas don’t make any money.

Check References



- ✓ Ask the promoter to give you the names of many previous purchasers so that you can pick and choose who to call for references. Again, beware of shells.
- ✓ Fraudulent invention promotion firms may promise to register your idea with the U.S. Patent and Trademark Office’s (USPTO) Disclosure Document Program. Although many scam artists charge high fees to do this, you can do it for \$10 by filing your document with the USPTO directly. The disclosure is accepted as evidence of the date of conception of the invention, but it doesn’t offer patent protection.

- ✓ Unscrupulous firms often promise that they will exhibit your idea at trade shows, but don’t actually go to these trade shows, much less market your idea effectively. Check with previous clients and trade show sponsors about whether their ideas were exhibited.
- ✓ Many unscrupulous firms agree in their contracts to identify manufacturers by coding your idea with the U.S. Bureau of Standard Industrial Code (SIC). Lists of manufacturers that come from classifying your idea with the SIC usually are of limited value.

Tips Before Moving Forward



Contracting for the services of an invention promotion firm is no different from making many other major purchases. Apply some common sense.

- ✓ Question claims and assurances that your invention will make money. No one can guarantee your invention’s success.
- ✓ Investigate the company before you make any commitment. Call the USPTO at 1-866-767-3848, and the Better Business Bureau, the consumer protection agency, and the Attorney General in your state or city, and in the state or city where the company is headquartered. Under the American Inventors Protection Act of 1999, invention promoters must give you the names and addresses of all invention promotion companies they have been affiliated with over the past 10 years. Use this information to determine whether the company you’re considering doing business with has been subject to complaints or legal action.

If a promoter causes you financial injury by failing to make the required disclosures, by making any false or fraudulent statements or representations, or by omitting any fact, you have the right to sue the promoter and recover the amount of your injury plus costs and attorneys’ fees.

Facts for Consumers

In addition, while the USPTO has no civil authority to bring law enforcement actions against invention promoters, it will accept your complaint and post it online if you complete the form, **Complaint Regarding Invention Promoter**, at uspto.gov/web/forms/2048.pdf. The USPTO also will forward your complaint to the promoter, and publish its response online. To read complaints and responses, visit **Inventor Resources** at uspto.gov/web/offices/com/iip/index.htm.

- ✓ Make sure your contract contains all the terms you agreed to — verbal and written — before you sign. Often the contract says one thing but the salesperson says something quite different. If possible, ask an attorney to review the agreement.
- ✓ Remember that once a dishonest company has your money, you may never get it back. You may have to sue the company under the American Inventors Protection Act of 1999, which permits a customer to recover for injuries, costs, and legal fees if a promoter has failed to make disclosures, made any false or fraudulent statement or representation, or omitted any material fact, to a customer. You have the burden to show that the law has been violated.

For More Information



- **U.S. Patent and Trademark Office**
The USPTO offers information about patents and trademarks. Write: U.S. Patent and Trademark Office, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450; call toll-free at 1-800-PTO-9199; or visit uspto.gov. For more information about the Disclosure Document Program,

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Federal Trade Commission
Bureau of Consumer Protection
Division of Consumer and Business Education

Proprietary Materials Agreement
(Keep Confidential/Non-Disclosure Agreement)

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BORROWER acknowledges and agrees as follows:

- (1) Borrower:
 - (a) has received the above Proprietary Materials from Lender (____)
 - (b) understands that LENDER will immediately send the above PROPRIETARY MATERIALS to BORROWER upon LENDER'S receipt, from BORROWER, of a signed copy of this Agreement (____)
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What is the most simple way to estimate what my invention might be worth?

PLEASE ANSWER ALL THREE QUESTIONS

Your answers should be based on reliable sources you can reference.

1) How much will it cost you to make?

2)How much will someone pay for it?

3)How many are you going to sell?