

# Intellectual Property

Patent, Trademark and Copyright Information

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"Invention consists in discovering how natural laws may be utilized or applied for some beneficial purpose by process, device, or machine which in tangible form demonstrates truth of concept."  
U.S. Supreme Court 1933.

This is an abbreviated discussion of intellectual property. It is not intended to cover every possible element of intellectual property and cannot serve as a replacement for obtaining advice of knowledgeable counsel with full disclosure of the property in question.

## CORPORATE POLICY

Our philosophy is predicated on the idea that "the value in an idea resides in the ability to manufacture and market the idea. Intellectual property merely adds to this existing value. Hence, we feel it is incumbent on our clients to have a solid program for the exploitation of their technology. If an idea has sufficient value to justify the cost of the protection as determined by the client, then we work with the client to determine what, if any, benefit is obtained by pursuing the intellectual property involved." Greg Friedlander

## INTELLECTUAL PROPERTY

All businesses have some form of

intellectual property. Many individuals do also. It is impossible in a short article to address all of the issues which surround the intellectual property of a business, entrepreneur or inventor. Instead, this article seeks to examine some of the more important considerations which everyone must face when dealing with intellectual property.

The considerations are (1) identification: what are the common forms of intellectual property; (2) protection: what forms of protection are available; (3) decision: what to look for and look out for when protecting intellectual property.

Four forms of intellectual property are commonly recognized. These are:

1. PATENTS-this includes design, utility patents and plant patents.
2. TRADEMARKS-this includes the trade dress or appearance of a product or business which the public identifies with the owner
3. COPYRIGHTS-Any new or original plan, arrangement, or combination of materials potentially entitles the author to copyright, whether the materials themselves are new or old.
4. TRADE SECRETS-Trade secrets by definition usually fall outside of the three categories but may be brought within the three categories if proper steps are timely taken.

There is a great deal of overlap between these four. Some graphically represented trademark logos are copyrightable. Some Copyrighted items cover patentable

process or concepts. All ideas are trade secrets until they are disclosed. In addition, state laws, particularly California, provide for protection of other similar property rights.

## PATENTS

Patents are created by statutes passed by the several countries having patent laws. Each country has its own patent laws. Most industrial countries have applications which may be joined, in part, through the patent cooperation treaty. The discussion which follows covers only U.S. Patents. To obtain priority based on a foreign patent filing, the foreign patent must be filed within 1 year of the date of the U.S. patent filing date (6 months in the case of a design patent).

U. S. Patents cover products, processes, articles of manufacture and compositions of matter. Patents do not cover business concepts or scientific principles unless they may be made to fit within one of the categories set forth above.

## The Patent Search:

A Search is a cursory investigation, designed to get as much useful information as possible within economic limits.

The search is done using the patent library in Crystal City, Virginia outside of Washington, D.C. and often uses computer databases. It is always a good idea for the inventor to research materials at the inventor's disposal

in order to take advantage of the expertise of the inventor in commerce. This information may allow for a patent attorney to give valuable insight to the inventor at the initial meeting. The University of Alabama and Auburn University have both historically offered some computerized research facilities to the public.

Under GATT, the term of a patent will change from 17 years from the date of issuance (the current law) to 20 years from the date of application.

### -Legal Requirements for Patentability-

There are three basic requirements for patentability: Note that these criteria apply to U.S. patents and the patent laws in other countries may vary substantially and be more or less restrictive.

1. The invention must be new (Section 102, Title 35 of the U. S. Patent Statutes). Patent novelty is somewhat more broad than it first appears. There must be no patent, use or description of the invention in this or a foreign country before the invention of the inventor. Further, there must be no description, printed publication, public use or sale in this country more than one year prior to the application by the inventor. A secret commercial use more than one year before the date of the application can also invalidate the patent for lack of novelty. This means the inventor must pursue protection as quickly as possible.

2. The invention must have utility, that is, have some useful purpose (Section 101, Title 35); and

3. The invention must be "nonobvious to one skilled in the art to which the invention pertains" (Section 103, Title 35). It is this third requirement of

"nonobviousness" which is usually the determining factor as to patentability, because most inventions have some degree of novelty present.

A patent may be obtained if the Patent Office can be persuaded that the difference of your device would be "nonobvious" to one of ordinary skill in this art and hence patentable. In making this determination, the Examiner may look to art areas other than those which the inventor feels is most closely associated with his invention.

The question of obviousness or nonobviousness of an invention is subjective, that is it is based on an individual's perspective. In making this judgment, the following factual considerations are relevant:

- A. The scope and content of the prior art are determined;
- B. The differences between the prior art and the invention are identified; and
- C. The level of ordinary skill in the field of the invention is evaluated.

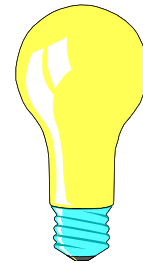
After considering these facts, the ultimate, legal opinion or judgment of whether or not those differences would be obvious to one of ordinary skill is then made. The law provides secondary indications of nonobviousness such as the commercial success of the invention (including replacement of prior products), the invention fulfilling a long felt, unfulfilled need, failure of others to device the invention in light of the need, acclamation or copying by others, or the invention producing an unexpected result. Related commercial or practical arguments can also be made to support the contention of obviousness.

Patents may issue and later be invalidated based on these

considerations and for other reasons or they may be expanded in scope in certain circumstances to cover equivalents.

### -Protecting Your Idea-

The law requires you diligently pursue reducing your invention to practice and filing a patent



application. Make detailed notes showing (1) the steps you take, (2) the models or designs or drawings you make, (3) the ideas you have, (4) date and sign all entries. The law provides for filing a disclosure statement to help prove your date of invention, but there is no substitute for a good lab book. It is also helpful to attempt to expand on the basic idea to cover the associated improvements. A copy of this information should be brought with you when you speak with counsel.

There are three basic types of patents: utility, design and plant. The discussion above deals specifically with utility specifications.

Design patents cost much less. They cover the appearance of an item and are very narrow. This compares with utility patents which cover the utility of the invention and which may be extremely broad. The statutory periods for seeking protection are shorter for these types of invention (6 months). Plant patents cover improvement in flowering plants and are commonly filed for new breeds of

flowering plants.

Upon issuance, the exclusive patent rights will be in effect for a period of twenty (20) years (14 years for design patents) from the date of filing, if the required maintenance fees are timely paid.

According to the new law 35 USC 122(b) new patents filed after November 29<sup>th</sup> of 2000 will be published after 18 months.

## TRADEMARKS

Trademarks are marks, designs, words and other features which identify a given product or service with a manufacturer. The purpose of a trademark is to allow the public to identify the quality of a product with the manufacturer.

Trademarks are extremely valuable and obtaining a trademark is invaluable in preventing confusion in the marketplace. (A trademark is also a necessity for franchising).

In selecting trademarks the following considerations should be made:

1. Descriptive marks should be avoided. Overly descriptive marks may not be protected unless some secondary meaning attaches in the public's mind.

2. Marks should not be similar to competitor's marks. This invites litigation and confusion.

3. Individual's names should be avoided since these are easily duplicated.

It should be noted that valuable trademarks exist which violate these rules.

Franchises are based on trademarks and the associated goodwill. For this reason franchisers must be

careful to assert quality control over their franchisees or they may lose their trademark protection.

Trademarks exist on the state and on the federal level.

To determine the availability of a trademark, a search should be conducted at the time a business is contemplated. The cost of a trademark search and a pre-use application is typically no larger than the printing costs for initial paperwork and signs needed for a small business.

Unfortunately, a search is not dispositive of the availability of a mark. The ownership of a trademark is governed by use in a trade area. Trade areas can be individual cities, states or the entire country. Federal registration preempts infringement in areas where there is not pre-existing prior use. Also a dissimilar mark may be determined infringed even though not identical to the mark in question.

The internet, reservation of domain names and new laws to protect trademarks against "squatters" and against dilution has added a new impetus to protecting valuable marks. Companies have literally been born on little more than a name or collection of names.

This boom has led to a large number of marks being reserved for future use or being separately exploited and difficult decisions must be made by clients on whether to use a potentially contested mark.

The determination as to whether your mark is confusingly similar to these others is a determination which would be made on a factual basis based on the following criteria:

- 1) similarity or dissimilarity of the marks in their entirety.
- 2) similarity or dissimilarity

and nature of the goods or services as described in the registration or prior mark in use

3) similarity or dissimilarity of trade channels

4) conditions under which buyers to whom sales are made (impulse vs sophisticated

5) fame of the prior mark

6) number and nature of similar marks in use on similar goods

7) nature and extent of actual confusion

8) length of time of



concurrent use without evidence of actual confusion

9) variety of goods on which the mark is used

10) market interface between the applicant and owner of a prior mark

11) the extent to which the applicant has a right to exclude others

12) the extent of potential confusion

13) other established facts probative of the effect of use.

Since there is no established pattern for establishing infringement, no certain opinion is possible concerning the existence of confusing similarity and infringement.

State registration only covers individual states and usually does not provide remedies available with federal registration.

## COPYRIGHTS

Copyrights often overlap with patents and trademarks.

Copyrights cover the artistic presentation of ideas. Typical examples are movie scripts, paintings, sculpture, books, recordings and other artistic presentation. More technical examples are engineering drawings, computer programs, maps and house plans.

Computer programs are processes and may, therefore, be subject to patent protection. The law concerning this is extremely complex and is currently being developed by the courts. The Patent Office has issued a complex policy statement governing the examination of process applications involving computer programs. This statement is available from this office.

Drawings may be artistic presentations and therefore subject to copyright protection. They may also be identified with a product as trademarks.

The Copyright Office operates in conjunction with the Library of Congress. All copyrighted works, if registered, are sent to the Library of Congress.

Copyrights should always be registered, if possible within 60 days of publication. A copyright notice such as " 'name of work' © Name, Date, All rights reserved" should be put on all published copies of the work. Publication is typically the date when the work is reduced to a tangible form.

## TRADE SECRETS

Any information or device which need not necessarily be exposed to the public for use can be the subject of trade secrecy protection. The courts can be utilized to protect

trade secrets typically regarding the theft of trade secrets (The Economic Espionage Act of 1996:18 USC 1831; The National Stolen Property Act 18 USC 2314; Wire Fraud 18 USC 1341), like the theft of corporate opportunities or property, may be the subject of a court action. Contracts to protect trade secrets may also be enforced if they comply with state laws.

## GENERAL INFORMATION

Not every idea needs to be protected. Not every idea should be protected. Some ideas clearly have market potential. People doubted the potential of the airplane, the paper clip and other highly valuable patents and inventions. Some people did doubt the potential for these products. But despite this, the inventors saw that these items fulfilled so many needs or so broad a need that they pursued and obtained patents. It is up to the inventor to make a decision concerning market value.

Patent attorneys have the job of getting whatever protection they can. Put yourself in the shoes of a good patent or trademark attorney when faced with a client where the funds for obtaining intellectual property are unlimited. The issue is not what should be done, but rather what can be done. Is spending a small amount today worth the potential future rewards? The answer is almost always yes, the investment is even tax deductible.

Should this attorney change hats for the small inventor with virtually no funds. The answer is no. Why? The reason is because the small inventor technically needs the same protection as a large business. Success may make the small inventor into a large business. Patent attorneys are not forecasters but instead are hired to apply their technical skills and imagination to protecting the inventor and preparing the inventor

for any potential future, not predicting the future. Hence the burden for deciding what to do with an intellectual property falls heavily on the shoulders of the owner. The owner bears the burden and reaps the rewards of his own decision.



If you have intellectual property and feel your property has strong commercial

potential in comparison to the approaches of other patents, you should obtain protection immediately and ascertain the appropriate limitations.

For a patent application search or application, you should put in your own words: 1) a discussion of the prior art which you know of and how it is different from your invention, and 2) a detailed discussion of your invention, paying attention to the form and nature of the prior art, particularly in the most recent patents, if any are known to you. Any drawings you have should also be provided. This will be appreciated and will help cut your costs. Date all of the materials.

For trademarks, 5 copies of the mark as it is applied to the product are necessary as well as additional information which is peculiar to the product or service.

Copyrights can often be prepared by an individual without the assistance of counsel. Notwithstanding the simplicity of copyrights, this firm takes the position that counsel should

always be consulted. Five copies of the work as published should be provided for a copyright.

## PATENTS

Please call for an appointment if you would like for us to review your idea or assist you in promoting and protecting your intellectual property rights. To determine if you can obtain a patent, you must first conduct a search to see if your idea has been the subject of previous patents. The cost for a patent search is usually between \$1,000.00 and up and is not an infringement level search for use in litigation, but is only to determine if there is immediately obvious prior art. THIS VARIES BECAUSE OF THE NUMBER OF INVENTIONS EMBODIED IN A CONCEPT AND THE COMPLEXITY OF THE SEARCH IT IS IMPOSSIBLE TO DETERMINE PATENTABILITY BY EVEN THE MOST EXPENSIVE SEARCH.

## ESTIMATED COST OF FILING PATENT APPLICATION

### PROVISIONAL PATENTS

One way of protecting patents during the development stage is the filing of a provisional patent. This may secure rights adequately disclosed for up to 12 months from the date of filing. Since adequate disclosure is a necessity to obtain protection, a patent attorney involved in the drafting of this document. The cost of filing is \$100.00. The drafting costs typically run between \$1,000.00 and \$5,000.00 and are deductible from the costs of a subsequent specification. The costs are based on the complexity of the invention.

This is an informal application but it must have adequate disclosure and must be followed with a formal utility specification within 12

months of the filing date. If the disclosure is not adequate, it will not provide protection and supplemental applications should be considered. All foreign patents must be filed within this 12 month period to obtain this priority date. Priority may not be established in all foreign countries.

**MINIMUM - MAXIMUM** \*These fees may change before you receive this letter due to government cost increases and changes in our fees. We currently charge \$200.00 per hour.

Depending on the complexity the total cost for filing a simple patent usually runs between \$5,000.00 and \$10,000.00. If the invention embodies several different ideas, the cost may go up considerably.

Minimum Government Filing Fee \$150-500;

Minimum Patent Examination Fee \$100

Minimum Patent Search Fee: \$250.00

Patent Drawings (Normal Drawings \$50.00 - 70.00 per page);

Professional Legal Fees are \$5,000.00 and up. An initial retainer against hourly billing is estimated based on the invention. The total cost is based on the number of hours spent drafting and prosecuting the patent.

Miscellaneous Expenses (photocopies, postage, etc.) \$20.00 - \$100.00

Professional fees cover the following services:

--determining the scope of the invention (this is typically more than just the one embodiment presented by the inventor and results from discussing the invention at length with the inventor);

--compiling all disclosure documents

necessary to evaluate the invention;

--analyzing the client's material in light of the prior art;

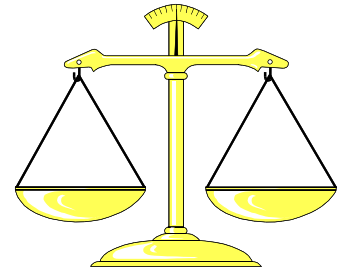
--drafting a set of claims, based on the scope of the invention;

--directing the draftsman or preparing informal illustrations;

--drafting a detailed description of the preferred embodiment(s);

--drafting the Abstract of the Disclosure, Background of the Invention, Field of the Invention, Prior Art, General Discussion of the Invention, and Brief Description of the Drawings sections of the patent application;

--preparing the necessary ancillary documents, in particular a cover letter to the U. S. Commissioner of Patents and Trademarks, a Petition and Power of Attorney to Gregory M. Friedlander, a Declaration by the



inventor(s) as to inventorship, etc., and a filing acknowledgment request;

--reviewing the several drafts of the application and ancillary documents with the client; and

--filing of all documents with the U. S. Patent and Trademark Office in Washington, D.C.

--prosecuting the application before the patent and trademark office.

**Foreign Patents:** Foreign patents,

trademarks and copyrights may be filed. Foreign patents, in particular, are expensive since they require prosecution and fees in the countries in which they are filed. They must be filed within 12 months of the filing of a U.S. patent (6 months of a design patent).

Most foreign countries have an absolute novelty requirement which means that patents not filed before public disclosure of the invention are forfeited.

Work is not begun on foreign patents without a specific written agreement stating where the patents are to be filed and a retainer which covers the costs of those filings. A patent may go abandoned if fees are not paid and may not be revived.

**IF A PATENT APPLICATION IS DESIRED, THE FOLLOWING ARE TYPICALLY REQUIRED:**

1. A preliminary retainer fee. (The exact balance of the cost of preparing and filing the patent application will be given upon completion of the patent application. Retainers for additional work necessary are requested based on the need, if any, for additional sums. It is impossible to give a total cost of a patent up front because of variables in costs and time and the initial payment covers only drafting and filing. Often time certain costs are not requested or incurred until the patent issues, such as the issue fee and the cost of formal or corrected drawings.)

**ADDITIONAL COSTS OF PROSECUTING AND ISSUING A PATENT APPLICATION**

Prosecution expenses of an application will be billed later as incurred. A patent application is usually not acted upon by the Patent and Trademark Office until

approximately six to twelve months after its filing, due to the large backlog of applications awaiting review and action. More often than not, the initial Office Action of the Patent Examiner will include a partial or full rejection of the application, which action begins the prosecution or negotiation phase of the case.

Prosecution of an application is like prosecution of a lawsuit, although it typically does not require going to Court. In addition a single invention may give rise to several patents which, may separately be pursued at the election of the inventor, and the election to pursue these patents increases the cost of the invention..

The fees for prosecution will normally range from \$1000.00 and up based on the number of hours billed. They may be higher or lower and prosecution will be abandoned if these costs cannot be met so every attempt should be made to fully fund a patent before beginning the process.

Once an application is placed in condition for allowance, whether it be with or without the need of prosecution, the costs remaining are the final government issuance fees, which are at least \$640.00, government printing costs (\$300.00 at a minimum is required as a notice of publication fee. This is an additional tax by the government required for applications filed after November of 2000), and the firm's fees for processing the final application papers to insure that the patent is properly printed and issued. Formal drawing correction or drafting fees also need to be paid and may range from \$50.00 to \$200.00 per page. These post-allowance fees are usually paid at the stage when the invention is patent pending and will issue as a patent barring unforeseen complications.

Often, several inventions (such as a process and product embodying the process) are covered in a single patent. In addition, the patent office limits the number of amendments which can be made to a patent during prosecution. Also, additional improvements may be made extending the scope of the patent. When these events occur, the inventor may have to file continuing prosecution applications. The typical cost of filing a continuing patent is \$1,500.00 including attorney's fees for a simple patent. This cost may increase due to the complexity, the number of claims and additional disclosure added to the patent.

All of these fees and costs are required to be paid in advance and are not advanced by the firm. No work is being done if these fees or costs have not been paid.

It is to be noted that the sequence of the above prosecution and issuance phases of a patent application will normally require an elapsed time of somewhere between twelve to twenty-four months over which these additional fees and costs are incurred in the sequence described.

When received by the patent office, a complex patent application (parent application) is usually determined to contain more than one invention and the inventor is instructed to chose which invention will be pursued first. A typical example will have a process and a product (which embodies the process) and the two must be pursued separately (as divisional applications). Several divisional patents may be necessary in order to cover all of the art. Each separate specification, even if it is a

divisional patent cut off from a parent must be filed and prosecuted separately.

For technical reasons it was, in the past, usually better to pursue the divisional applications after receiving an allowance on the parent patent. This is no longer necessarily the case, although the inventor may wait. The maximum life of any of the patents will only be 20 years from the date of filing the parent.

Foreign patents must also be considered. Foreign patents may be filed through the PCT up to one year after the initial patent is filed, but must ultimately be pursued through each individual country (or block of countries-e.g. the European Community is a block which may be pursued with a single application). The initial costs of filing a PCT are usually \$6,500.00 to \$10,000 with the costs soaring when the patents reach the national stage (approximately 30 months from filing the PCT with a chapter II foreign search election (\$1,500-2,500.00) where the individual nations process the application. The reason for this increase is that an attorney must be hired by the client for each separate country or block of countries (For example, in Europe, new treaties allow an individual attorney to be used). The total costs for 10 countries has been given by Fortune magazine as \$250,000.00 for the life of the patents. This shows what a good deal a U.S. patent is. The actual costs from this office have been less in the past.

The number of patents filed is largely discretionary. It may be that no divisional or other continuation applications will be necessary. No foreign filings are necessary unless foreign protection is desired. However, if foreign rights are valuable this possibility

must be considered.

### **TRADEMARK SEARCHES**

\$200-\$300 for state and federal comprehensive searches.

\$300 for industry searches on a name

### **TRADEMARKS (FEDERAL)\***

Filing Fees per class \$385.00 (subject to government increases)  
Drawings & Attorney's Fees \$1000.00 and up.  
Miscellaneous Expenses \$25

\*State searches and marks are much less expensive, and are typically recommended only for uniquely intrastate products or services.

Prosecution Fee:\$500- \$1,000.00 (typically) where necessary

### **COPYRIGHTS**

\$30 filing fees

Usually \$300-500 (minimum charge for this office) in attorney's fees for the actual copyright fees and possible additional fees for time spent refining the product and providing advice to the author (usually under 200.00). These costs can be greater for more complex copyrights.

\$25-Miscellaneous costs.

Other intellectual property searches may be performed to get the names of manufactures and purchasers which are provided on a case by case basis.

### **INCORPORATION/ ASSIGNMENTS**

(typically, costs may vary)  
Incorporation- \$500.00-1,000.00  
Costs - \$110.00

Assigning rights to incorporation and

related transactions have to be evaluated on a case by case basis.

### **CONTINGENCY PRACTICE**

The firm has a standard policy in order to assist people with fees. That policy is to reduce fees by 50%, although all costs would still have to be paid by the client, in exchange for an interest near 25%. A higher or lower contingency arrangement is possible where the circumstances warrant it because more work or less work is necessary or based on the value of the interest. The interest may be made similar to the inventor's to give the law firm additional incentive to promote the interest of client. This allows the company to provide a large array of licensing, marketing and legal services at a more manageable cost.

Other contingent arrangements may be possible but these typically apply only to cases which are necessarily going to generate a fee such as negotiations for the licensing of products, representation of startup businesses and the like.

Whenever these arrangements are utilized the appropriate documents need to be executed and the clients are always given an opportunity and, in fact, encouraged to seek outside counsel prior to making a decision to handle any manner on a percentage basis. This firm takes the position that obtaining an interest in an invention is less desirable than outside financing since it requires the evaluation of the invention by the firm, presents a potential conflict of interest and puts the firm into the position of taking the place of outside investment, a contingent arrangement is made available with most patent cases and certain

copyright and trademark matters. However, where marketing services and the use of firm contacts are an issue, a percentage arrangement may be required to obtain use of specialty services outside of the intellectual property protection area.

Note that the firm's costs may increase in any area where additional time is required by the rendition of additional services and regular billing is a goal of the office so that the client is aware of the status of billing although bills are not always generated as quickly as desired.

## BEWARE

Beware of shady marketing companies with 800 numbers. Internet the Inventor's Fraud Center at <http://www.inventorfraud.com/>. A **market search** from a legitimate, publicly underwritten group may be obtained for under \$500.00. The **Wisconsin Innovation Service Center** provides this service. A copy of their information can be obtained through this office or their Internet cite at Web:[www.uww.edu/business/innovate/innovate.htm](http://www.uww.edu/business/innovate/innovate.htm) or by writing:

**402 McCutchan Hall  
University of Wisconsin-  
Whitewater  
Whitewater, Wisconsin 53190  
414-472-1365**

The write up necessary to obtain this analysis of your invention may be incorporated into the costs of obtaining a provisional patent. A market search from a company which has a vested interest in "marketing your invention for a fee" will not have the same level of objectivity.

Beware of offers which seem too good to be true. If a company offers to do free work or give free information, it never hurts to avail oneself of the information or

work. However, if this obligates you in some way to the person or corporation offering the service, you should carefully determine exactly what service or protection is being offered and what is being exacted in return. If it sounds like a scam, it probably is.

The most common problem inventors have is that they have given away large sums of cash, and possibly a portion of their invention or idea and have received virtually nothing for it. An example is the inventor who pays hundreds or even thousands of dollars with a substantial percentage of his invention has received nothing but advice or a series of form letters which he could have written which actually prejudice the inventor by disclosing his ideas.

Only you can effectively market your invention. The good news is that there are many ways to do this inexpensively.

The Federal Trade Commission and The Inventor's awareness group provides the following tips:

1. **Always talk to a patent practitioner first.** A patent attorney will get you patent protection. Any legal counsel may help prevent you from falling prey to a marketing scheme. Marketing can rarely be farmed out successfully.
2. Ask early about the total cost of services and what services are being offered. Are they filing a patent? Are you sure? Is it in writing as a part of the agreement. Is it a valuable utility patent or a design patent of questionable or no value?
3. Find out, **in writing**, the company success rate. If it is not over 10 percent, beware. This rate should be the percent of their clients who have made more money than they paid the marketing company by a factor of 5 or more.
4. Get the rejection rate in writing.

Beware the company which alleges it will show your invention to a committee for approval. That committee probably doesn't exist or approves everyone.

5. Take an objective listener.
6. Determine, in writing, the names, expertise and background of the people running the company.
7. Get past names of the entity and similar past entities. Call the better business bureau and State Attorney General's office for states where the companies did or do business.

Inventors should make some attempt to see if their product is in the marketplace. Identifying competing products helps to define the market and determine the value of the product. However, a market search is not a substitute for a patent search. A patent search is the first step to obtaining a patent and only a patent search will do.

The reason for many of the problems of the small inventor is his reliance on others. Rarely does an invention move itself into the marketplace without the time and energy of the inventor.

Inventors often have conflicts with employers or investors because of a failure of the parties to understand their rights and the scope of their agreements. Because of the specialized laws dealing with intellectual property, it should not be assumed that an oral agreement or a broad written agreement will adequately define the rights and obligations of the parties. In addition, it should be noted that the law often gives rights to works developed during employment or works for hire which are not intended by the parties.

Should you have any specific intellectual property to consider, you should contact trusted counsel and eventually a patent practitioner.

**THE NOTEBOOK- help your counsel by providing information:**

Always record your inventions in writing with as many details and drawings as possible.

Use ink if possible. Do not erase. Add and redo if necessary, but often the early versions will become important as the invention is pursued.

**Parts of the notebook:**

1. Title of invention-product, process, article of manufacture, etc and name
2. Technical Field of endeavor
3. Problems addressed by invention
4. Purpose of the invention
5. Known prior art (other devices available now or in the past to address the same problem).
6. Description of all the different embodiments envisioned (each on a separate page). Isolate the important elements and discuss each one. Address differences between your invention and the prior art element by element.
7. Drawings and pictures (attach copies of video tapes, etc)
8. Identifications of improvements over other embodiments and pre-existing products-Look at each element separately. Discuss why you feel they are not obvious.
9. Uses, advantages and results of your invention.
10. Tests and test results
11. Signature and Date as well as the address and phone number of the inventor Witnesses
12. Updates in similar forms.
13. Prior art notebook containing the results of industry searches
14. Attach a statement of special facts leading up to conception.
15. Market plans: see our separate handout on marketing.

The patent office document disclosure program provides that the patent office will keep on file records of invention for up to two years. This is not a substitute for filing a patent or the due diligence requirements which give as little as 60 days for filing for a patent after the date of conception. It is inexpensive and is covered by a separate handout from the patent office. It may be complied with by sending a complete description to The U.S. Patent and Trademark Office, Document Disclosure Program, Box DD, Washington, D.C. 20231 with (1) a letter requesting the disclosure be accepted (2) A copy of the letter of item (1); (3) A check for the specified fee-currently \$10.00; (4) A copy of the notebook describing the invention; and (5) a stamped return address envelope.

Since you may accidentally make admissions against your interest in this type of disclosure, you should consider showing the prepared submission to a Patent Practitioner before sending it out.

**MARKETING AND BUSINESS PLANS**

While a detailed discussion of business plans is beyond the scope of this, it is important to have a business plan in order to evaluate your product, concept or service and determine what intellectual property costs are justified.

A business plan letter is available from this office. Some of the basic questions which need to be answered in order to formulate a business plan are:

- 1) What are your projected costs. This should be started early because costs accumulate and you learn that unexpected costs (insurance, advertising, travel and the like)

increase the necessary asking price.

It is important to make a spread sheet which allows you to add costs. Don't ignore small costs and err on the side of pessimism. Be sure to make a healthy provision for legal fees and accounting costs.

- 2) What are your goals. If you do not know where you want to be in five years, you will probably end up somewhere else.

- 3) Identify your markets. There are many markets. Retail/Wholesale; business/personal, high end/budget. You eventually will have to direct yourself to a particular market.

- 4) Identifying products to sell to each of the markets. Identifying what you are going to work with helps you make decisions. Will you simultaneously produce two products, or focus on one. What changes do you foresee with your product line as your business grows.

- 5) Project profits based on the costs and market identified

- 6) What personnel do you have and what personnel do you need. Do you need other resources, such as a manufacturer.

- 7) Where will funding come from. How much of your business will you surrender for what you need.

- 8) What intellectual property is available and will it add sufficient value to justify its cost.

- 9) Write down you plan and change it at least monthly at first.

It is hoped that this information will help you. Remember that you can make luck through

preparation. A letter describing how a business plan is organized is available from this office.