

SUCCESSFUL INVENTING – IN 10 EASY STEPS

Step 1 – Study the Marketplace

- 97% of patents never even pay for themselves. Determine market potential before anything else.
- Go to the store and look at: who the manufacturers are, what they specialize in, materials, price points, target audience and who manufactures something similar to your product ideas.
- Know the marketplace because they will either be potential licensees or competition.
- Request catalogs from companies in your category. Look at manufacturer's commercial and retail lines.
- Find trade magazines for your industry. Stay current and look for problems. A good starting place for trade magazines is www.TradePub.com.
- Continue your search online, looking at; websites, free databases through the library and trade associations who have membership lists online.
- To see all the images and products sold online, go to www.google.com/products. Enter your keyword.

Step 2 – Invent for the Marketplace

- What are the end user needs? Start listening to people's needs and try to solve them.
- Blend two ideas together, because you know it can be manufactured.
- Brainstorming: Make it bigger, smaller, change the shape, change materials, what if it did something else, add a functional feature, attach it to something, detach something, change location of use, change its primary function, remove something to make it cost less to manufacture, update an old concept.
- Specialize in one category at a time, especially if you have a specific area of expertise.

Step 3 – Evaluate Your Ideas

- Look for sizzle. Is it truly new or just an update? Is it unique?
- What are the benefits of each idea? Do they solve a problem? Make a list of the problems solved.
- Base your evaluation on what you observed in the marketplace. Where are the holes? Which needs are being filled?
- You know you have a winner when you have a “duh” moment. Your product that is so obvious that you wonder why it isn't already out there.

Step 4 – Prototyping Your Ideas

- There are “looks-like” prototypes that convey an idea versus “works-like” prototypes.
- Initially, make a prototype to convey a concept on the sell sheet, to see if there is market interest.
- Think inexpensive, and challenge yourself. Buy existing products, take them apart and build your idea.
- Photograph the product, scan it, outline it and turn into sell sheet that looks like a finished product.
- If there is market/manufacturer interest, then spend the time perfecting your prototype.
- Remember, most companies will modify your idea – so don't sweat about all the details.

Step 5 – The One-Sentence Benefit Statement

- Boil your idea down to a one-sentence benefit statement – which states the problem you solve.
- Be sure it is a benefit statement and not a product feature statement.
- Sample of a benefit statement: A product that organizes piles. (Tells what it does, which is a benefit)
- Sample of a feature statement: Dividers that go in between piles (Tells a physical feature of the product)
- With the one-sentence benefit statement, you can quickly describe your product to get the manufacturer's attention.

Step 6 – Sell Sheet

- A sell sheet looks like what you would see on the front of your product on the store shelf.
- Study existing products, then use the same look, language, font style, page orientation.
- Show a large version of your product on the sell sheet and only minimal type.
- Include all your contact information on the products sheets, samples and everything you send.
- Include the one line benefit statement and patent pending, if you've filed a provisional or regular patent application.

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Step 7 – Protect Your Idea

- File a Provisional Patent Application (PPA) with the USPTO. Cost \$110. By filing a PPA, you can show your ideas to manufacturers, see if there is market potential and include the words “patent pending.”
- Include every variation you can think of for your product, throw in the kitchen sink. Save your money to file the real patent after the manufacturer has modified your idea to meet their needs.
- Even though claims aren’t required in a PPA, include them. Write the claims first and then support those claims.
- Don’t list any prior art in the PPA, but do your research so you know what exists.
- Why do a prior art search: 1) To see if it unique enough to get patent coverage, 2) To see if you infringe on someone else’s patent, 3) To use it as a business planning tool.
- Search tips: Generate a list of key words: what it is, materials, function, features, added features. Or do a landscape search by classification and sub-class.
- Prior art includes patents and also magazines, catalogs and printed materials.
- If you find similar patents, you can copy the language in your PPA.
- Refer to *Patent Pending In 24 Hours* by David Pressman. It is a good reference source and lists the details to include.
- Note your calendar as to when you filed your PPA. You have one year to file for patent coverage.
- You can include multiple product ideas in one PPA.

Step 8 – Making the Call to Sell Your Idea

Initial Calls and Submission

- Make a list of companies to contact. Review your manufacturer list or research them now.
- Connect with the product development department or the marketing person who handles products similar to yours.
- Prepare all items that will be needed for the call: cue card with one sentence description, paper, pencil.
- Make two separate calls. First, call the operator and ask to not be transferred...you need information and help. Ask who handles new submissions, or suggest that you want to speak with someone in marketing. Get the name, number, title and extension from operator, also the correct spelling and mailing address.
- Second, call the person. State your name, say the one sentence description, and ask how to get it to them for their review. Get their email address too.
- If you can’t reach them, call before 8 a.m. or after 5 p.m. Never leave a message and avoid calling on Mondays.
- Always be ready for person to answer, even if you have been calling forever.
- If you email the sell sheet, keep the text portion of the email brief. Thank them for talking with you, include the one sentence description plus a little more about the product, your contact information and attach the sell sheet.
- If you mail the sell sheet, include the same information as above. Send it 1-2 day, tracked.
- Don’t send a prototype. Send a photo. If they are interested, then you can consider sending a prototype.
- Avoid face-to face meetings initially. The product has to stand on its own merits.
- Take notes when talking with the company and date the notes. After getting off the phone, decipher, fill in the details and make sure your notes are legible. Record specific comments, questions or directions.
- Repeat the process until you have submitted it to as many companies as possible.

Follow Up Calls

- Wait a week to 10 days to follow up. The initial follow up is to verify that they received the information, and can be done via phone or email. Do not ask what they think, as most companies have a policy that requires a signed NDA before they will discuss anything with you. Once verified received, ask when would be a good time to follow up and if there is anything else they need.
- Prepare a non-disclosure agreement (NDA) to send, but be prepared to sign theirs instead.
- Begin to build a relationship with the person. Overtime, you will learn more about the company, its needs and you can ask questions about information you will need for writing the one-page offer (in the contract step).
- Ask questions and don’t be afraid to say you need help.
- If they want to know about your I.P. protection, say “I filed for intellectual property protection while the product is being developed.” If requested, send them the PPA...without the claims.
- If they reject it, learn why they said no. Sometimes the objection is based on internal matters and not the product. If there is a concern about the product, fix it and resubmit it. No means “I need more information.”

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Step 9 – How to Cut a Great Deal

- They'll ask you what you want. Turn it around and find out what they want.
- You keep and own all rights and are offering them exclusive rights to license your idea.
- Licensing rates are usually between 3-7%.
- Ask for minimum guarantees (performance clause) in exchange for exclusive.
- Know where they do business, so you can be prepared to discuss territory.
- Prepare a one page offer outlining the big picture. Keep it simple and write it in business language, not legal terms. Include royalty rate, performance clause, territory, advanced fees and exclusivity. Throw in a few extras too, so you have something to give away when negotiating.
- Do the negotiation yourself. Here is where the relationship building comes in handy.
- Never agree to anything on the phone. Tell them you will check with your team and get back to them.
- Agree on the terms from the one page offer first, then have their attorney's draft an agreement.
- Have your attorney review the final agreement.
- Be prepared to apply for the regular patent, as it may be required before the agreement can be signed.
- If they are evaluating and holding your product, charge a holding fee. Usual time is 3 months.
- Waiting is the hardest and longest part of the process. Be very patient and don't call or email frequently.

Step 10 – Moving on to the Next Idea

- If you have licensed your idea, now comes policing it to make sure you are compensated. Plus you can sell more ideas to the same manufacturer.
- If you have not licensed your idea, it is time to determine if you need to move on, keep trying to make it work, if the manufacturer is really interested and how to work on a new idea while waiting for this one.
- Always be able to walk away from any product or idea.
- Stay in control of the product by multiple submissions and having more than one party interested.
- Consider other options for working with manufacturers; like consulting, product review, testing.
- Successful inventing is a numbers game. The more you generate and submit, the more chances of a hit.

Phase 1 – Inventing For The Marketplace

Steps 1-3. This is the creative, fun phase. The goal is to understand the marketplace and if your product will succeed, no matter if you are licensing or manufacturing-it-yourself. If your gut is telling you “no,” keep at it until you find something you think will work. And if your gut is telling you “yes,” stick with it.

Phase 2 – Preparing Your Ideas to Show

Steps 4-7. This phase is about marketing and flushing out the details of your idea. Again, all inventors need to do this phase. Steps 4-7 can be completed in any order that works for you. Because new ideas emerge as you polish out the details, expect to repeat these steps more than once.

Phase 3 – Working With Manufacturers

Steps 8-10. The final phase is where paths of licensing and manufacturing-it-yourself separate. This is the most time consuming phase of inventing; licensees wait and manufacturing-it-yourself pulls together resource.

Additional Thoughts:

- Put together your professional team so you are ready to go: attorney, patent illustrator, graphic designer, etc. Interview several, read patents, and speak with them. Don't be afraid to walk away if it isn't working out.
 - Choose one idea and do all steps at least once to understand the process. Start with the product you are passionate about because you will be with it awhile.
 - Get involved with inventors and inventor groups. It is a good motivational tool when the going gets bumpy.
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