

Inventors' Network

Volume 8 New <http://inca.hispeed.com>

of the Capital Area [INCA] Issue 4 [Was <http://inca.interspeed.net>]

Meeting is **17 April** 5:30 Networking, 6:30 Presentation - 7:15 Member Issues

Ray Gilbert Pres (703) 971 9216 Phill Shaw Treas (703) 751 3422 Bill Kuntz VPres (202) 638 4988
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At-Large-[Conferences] Call *Allen Wood* 703 243 2774 h Asset-Oversight , Call *Tom Moseley* 301 384 6814 h

HEADLINE MESSAGES:

1. Please welcome **Bill Kuntz** as our volunteer INCA President by volunteering to “get done” those improvements that would benefit the total INCA program.
2. Don't put off that income tax till the last minute of April 17!
Those last minutes are for you to be at INCA.
3. This newsletter is intended to be a “**Transition Edition**”. On paper for most of us.
Perhaps on e-mail for some out-of-towners.

Our Mar 20 Program Featured Don Kelly, CEO of new IP Arm and Voice: Academy of Applied Science. (AAS) (www.aas-world.org)

Don is a charter member of INCA, then called Capital Inventor's Society. After 34 years as a civil servant, he has transitioned his employment as CEO of a not-for-profit institution (AAS) and his credentials to include registration to practice before the USPTO on behalf of others.

The AAS has been in the private sector since 1960s when its founders recognized a need “to promote interest of youth in Science and Innovation.” Don spoke about its present range of collaborative efforts to share interest in science, invention, innovation and implementing education.

He announced a new IP [Intellectual Property] Journal which offers an interactive internet format addressed to copyrights, trademarks, patents and trade secrets. Watch for its actual address after April.

He laid out four challenges to INCA:

(1) to become engaged in assisting a junior science competition that is funded by Army, Air Force, Navy and others, and is executed by AAS.

(2) to adopt high school students and/or university REAP programs that bring high school students into university laboratories for “hands on” experience in Science-related projects.

(3) to energize more independent inventor groups, perhaps in Richmond or Raleigh Va., using INCA as a model. John Calvert of the USPTO has also talked with Ray about this.

(4) to participate in implementation of part of the 1999 patent law, particularly regarding study on fees and participation on Advisory Committee.

About the 1999 Patent Law legislation:

1. An anti-scam provision opens a USPTO registration of complaints for public notice.

2. Fees were reduced for application and for maintenance.

3. A guarantee of 17 year patent life after issuance - if applicant and attorney are diligent.

4. 18 month publication will occur unless application package includes a statement that no patent for this invention is being sought in another country.

5. 3rd parties may participate in reexamination.

6. PTO management: Newly-defined roles of directors for trademark office and patent office. Commissioner is appointed for 3-year term. Directors for 5-year term. An “Advisory Committee” of 9 members will include representation of Independent Inventors.

Note: INCA members who want to serve on the advisory committee should make their interest known to the Commissioner’s office.

The USPTO is chartered to conduct a study regarding fee structure.

2000 Fee Use: An early reading of proposed 1999 legislation would allow USPTO to retain all fee income rather than to have a significant portion “siphoned” for other agencies and other federal programs. On March 23 2000 the Judiciary Subcommittee on courts and Intellectual Property approved on a voice vote on H.R. 4034, “U.S. Patent and Trademark Reauthorization Act,

[Rep Howard coble (R-NC)]. This bill would amend section 43 of title 35 to permit PTO access to all fees collected without prior authorization in appropriation Acts.

Don encouraged individuals who are interested in fee rate improvement to personally support H.R. 4034 which is expected to go to the Judiciary committee soon for a vote.

Bob Lougher of UIAUSA (413 572 0316) is conducting some surveys regarding appropriate or sought patent fee rates for micro-industry inventions. Bob’s e-mail is IAGBOB@aol.com.

INCA members and friends with reasons and a sense for fairness and affordability are encouraged to share their input with Bob.

Don noted that attorney fees greatly exceed application fees, and usually exceed total USPTO fees. He shared some other fee-related statistics: About 200 corporations generate 50,000 applications per year. Their fee structure is twice the amount for “small entities”. About 40,000 small entities generate another 50,000 applications per year.

The Academy of Applied Science ’s temporary address is 515 King St, Old Town/Alexandria 22314.

Its phone is (703) 254 8422. E-mail is DGrantK@aol.com.

***Joanne Hayes-Rines reports that the April issue of Fortune Small Business (www.fsb.com) contains an article “They Saved Small Business” about 1999 patent legislation.**

Our April 17 Program will feature the importance of prototype modeling and other “SERIOUS PLAY” . Jerry Porter has been converting his ideas into 3-dimensional working models as a means for building his working organization. We heard about the licensing of his Turkey Baster in late fall.

Jerry has volunteered to share his operative strategies for getting some of his properties into a commercial status, investing his encouragement and coaching to others [who have become his business associates]. Jerry is one of our full time inventors. It will be worth each member and guest efforts to get those taxes completed before the 17th so Jerry’s “how to” skills might be replicated in other commercialization homework.

Our May 15 Program is Virginia Delegate Joe E. May, who is chairman of the Virginia House Science and Technology Committee. This year he was the sponsor to the Uniform Computer Information Transaction Act (UCITA) which is to be implemented on July 2001. The March 27 issue of Washington Techway lauds Virginia’s leadership in enacting a broad, e-commerce-friendly piece of legislation. Its sister bill, the Uniform Electronic transaction Act gives electronic contracts the same weight as agreements signed on paper. [HB 561, 499 SB 372]

Jim Ball, another INCA charter member will be speaking again this season.

Frampton Ellis encouraged us to program some Licensing-knowledgeable guests this year. Our July or August program is anticipated to feature Licensing.

The 5th annual Inventors Conference is expected to be in Virginia in Sept or Oct.

Our Dr. Saba Mahboob has relayed a science magazine text about “Reforming the Patent System” by Stanford Professor John H. Barton. www.sciencemag.org, 17 March, 2000

This “policy forum” piece appears to be a counter-argument to strengthened intellectual property rights that occurred in the 1999 legislation. He argues for (1) reducing the number of patents so that only more significant inventions would be recognized; (2) reversing the Supreme Court’s seeming bias in favor of the initial inventor vs later develops in the same field; and (3) weaken the “presumption of validity” of an issued patent and make it easier for litigation to have a patent declared invalid.

As an editor, I found some difficulty in rationalizing the foregoing specifics with my vision of how Thomas Jefferson described his patent system objectives and how Independent Inventors, like me, would maintain an incentive to contribute the inventive inventory of our public domain.

Perhaps the significant of this piece is that those who proposed the initial 1999 legislation continue to exercise considerable power and force. I continue to recommend that conscientious independent inventors get, read and understand Rivette & Kline’s *REMBRANDTS IN THE ATTIC*, Harvard Business School Press 2000

**NCIIA Summer Institutes: Inventive Problem Solving:
From Theory to Practice June 3-4 George Mason University, Vienna Va.
\$485 tuition** *Details, <http://www.nciia.org/events/conf00.shtml>*

Addressed to University professors, Presenters from George Mason University and DaimlerChrysler Corporation teach **basic inventive problem solving skills. Offered content includes:**
history, fundamentals, methods, tools and case study applications in industrial practice.
-Inventive Engineering and problem solving: Morphological Analysis, Brainstorming, Synectics and TRIZ -
Case studies from Daimler Chrysler in design engineering, manual problem solving and computer tools.

43rd Annual Inventors Congress June 9, 10, 11 Redwood Falls Minnesota

[Between 6-8 thousand individuals took part in the 1999 3-day congress. This may mean we need to get reservations before the last moment.]

Box 71 Redwood Falls Mn 56283, 1-800-invent1, www.invent1.org

The Minnesota Inventors congress (MIC) was established in 1958 as a non- profit volunteer organization to encourage economic development by providing inventors with a place to exhibit their inventions, and gain access to information about developing, protecting, manufacturing and marketing of inventors products.

Since 1986 state funding has made an Inventors Resource Center information service available including a toll free “hotline” for inventors. MIC publishes Chapter 325a of Minnesota State law [Inventors Services Act](#) which regulates “invention developer” services

offered within the state. One like it might belong in Virginia, Maryland and DC as well.

NEW WEB MARKET: The April issue of **Business 2.0** discloses the background of “Patent & License Exchange” “PL-X.com”. Its story is available at www.business2.com by clicking on “The Pitch: Patent Exchange” at the center of the page. The article “Invisible, Inc. prints out to 3 pages, or can be read on screen.

Dr. Nir Kossovsky converted a frustration about a University’s delay in commercializing his Medical invention: He saw this delay and his economic impossibility of its direct fix as “a broken system for commercializing intellectual property.” His alternative fix is creation of a standardized way of valuing intellectual property and patents, and of allowing them to be bought and sold over the Web.

The e-mail article cites a broad financial backing, a deep professional talent base, an environment of new business interest in licensing, and more than 450 important subscribers. Subscription is free, although it requires filling out a 25 page form. [The form appears to be an input to their evaluation of properties, from which to calculate an appropriate value and licensing rate.] Revenues for pl-x will come from fees to sellers — ranging from 5 to 10 percent of the agreed upon price.

The more complete magazine article adds to our earlier economics introduction by George Korenko about evaluating patents as if they were stock options.

“Patent & License Exchange” “PL-X.com” explains their use of the Black Scholes equation for determining a stock option’s value, but adapting it to licensing value of a patent. [Volunteer to subscribe to the printed magazine **BUSINESS 2.0**

PO Box 56136, Boulder Co 80323-6136 Introductory offer: 12 issues for \$12.]

US Department of Energy (DOE) competitive solicitation energy efficiency and renewable energy topics will open in May 2000 and close in July 2000. Award announcements will be made in Mid Dec 2000.

Competitive winners are granted financial assistance of up to \$40,000 for (category 1) conceptual ideas for solution to topics to be announced in early May 2000.

Up to \$200,000 grants will fund more well developed inventions moving toward prototype

development or commercialization. At a minimum, engineering analysis and/or a bench scale model must be complete for an invention to be considered category 2 applications.

Category 2 topics include areas of industry, power, transportation or buildings. Particular interest is sought for projects in Agriculture (bio-based products), aluminum, Chemicals, Forest Products, Glass, Metal-casting, Mining, Petroleum and Steel* industries.

***An Inventors workshop titled Networking for Commercialization Success will be held in conjunction with the steel showcase on May 3 in Pittsburgh Pa. This is supported from USPTO, and will include presentations from Marcia Rorke of Mohawk Research Corp, USPTO representatives on how to apply successfully for patents, and others on how to write successful grant applications.. Also visit the Weirton Works and U.S. Steel's Edgar Thomson Plant. Contact Diane DeVaul at 202 544 5200**

Grants are like borrowed money, except the money is not repaid directly. The success of prior DOE and other SBIR programs is based on the record of total investment and its management that have returned multiple times their investment through new business, new jobs and resultant payback in new sources for regular Federal taxes. Accordingly, Grant management is very structured to include:

Competitive solicitation - which includes instructions for completing a proposal, Grant Award - to winning applicants, based on available funding; [others may reapply in later year(s)]

Mentoring - After a grant is awarded, a Project Manager helps the grant winner to identify and obtain the resources to successful technical development, market introduction and commercialization of the technology. The Project Manager acts as a mentor and advocate for the inventor by developing and recommending customized support approaches regarding technical, financial, and marketing issues from both public and private sources.

**Source: <http://www.oit.doe.gov/inventions> (202) 586 0984 rolf.butters@ee.doe.gov
Rolf Butters, Industrial Inventions Portfolio Manager, U.S. Dept of Energy**

Proposals are being sought by The National Academies Board on Science, Technology and Economic Policy (STEP). Details on the Intellectual Property Rights Project are available from cschultz@nas.edu.

Carrot: The Board will consider proposals for analytical papers with budgers in the range of \$5,000 - 7,000 and proposals for empirical research and data analysis in the range of \$25,000 - 30,000. The support will normally be provided through a contract or consulting agreement with an investigator per the standard procedures of the Academies.

Method: respond in e-mail STEP@nas.edu by 1 May with a 2-5 page statement of interest.

Describe proposed analysis or research; proposed methodology, and qualifications including related work.

Projects include:

(E) Markets in Intellectual Property. It has been suggested that there has been a dramatic growth in patent-related transactions (e.g. licensing, cross-licensing, equity sales, etc.). We would like to document this trend and develop an understanding of its possible benefits and costs. How do the trends in these transactions and their benefits and costs vary across key technology areas? For example in complex electronic versus more discrete chemical product technologies?

Economic impacts of the patent system:

1- effects on research and on IP-intensive industries of the Supreme Court's decisions that Congress lacks the power to compel the states to observe federal intellectual property law.

2. The political economy of the patent system. What forces and interests have shaped the current patent system and what are the levers for change?

3. The theoretical underpinnings of the patent system in light of changes in its scope and operation.

4. Characteristics of individual inventors and the role of features of the patent system in stimulating or impeding entrepreneurship and industry entry.

Further information:

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To submit Proposal Statements : STEP@nas.edu