

Inventors' Network

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

of the Capital Area [INCA] Issue 6

Meeting is **19 June** 5:30 Networking, 6:30 Presentation - 7:15 Member Issues

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Education, Ellis Gordon, (202) 686 1768 Membership, Call *Maurice Daniel* 703 931 2940 h
Speaker-Host, Call *Denny Lennon* 703 620 5200 Asset-Oversight, Call *Tom Moseley* 301 384 6814 h

THE EIGHT ESSENTIAL TYPES OF INTERNET PROMOTION, by Dr RF Wilson,
E-commerce consultant; at <http://www.wilsonweb.com/wmt5/plan-4promotion.htm>

They include 1. Search engines <http://www.wilsonweb.com/webmarket/searchengine.htm>
5. Traditional media See Jay Conrad Levinson's *Guerrilla Marketing*, Mifflin 1998
<Http://amazon.com/exec.obidos/asin/0395906253/wilsoninternetse>
2. Linking strategies 6. E-mail publishing
3. Viral Strategies <http://www.wilsonweb.com/webmarket/viral.htm>
7. Networking
4. Public Relations <http://www.wilsonweb.com/webmarket/pr.htm>
8. Paid advertising

HONORABLE JOE T. MAY'S TALK TO INCA:

Virginia Delegate Joe T. May; Inventor, Businessman, Private Pilot and Professional Engineer; shared his invention experiences and answered business and political issues in our May 15 meeting.

Mr. May described the range of his patents (17) and those of his company, Electronic Instrumentation and Technology Inc. He told of his early electrical engineering assignments within DuPont that included supporting a successful infringement defense between two giant corporations and designing a very-quick "octane measurement" device. His love-for-inventing was a strong asset for his mid-career as an independent consultant, and his consultant-generated patents with Ultra-Violet instrumentation and processing led him into starting and growing a 215-person electronic engineering and manufacturing company that is now located near Dulles Airport in Virginia.

His early farm-habits included priority-setting and working 60-to-80 hours per week. Early in the 1990s he reset his goals to include (1) Learn to fly, (2) Learn to "Scuba" and (3) Enter politics. In retrospect, entering politics seemed to be the most dangerous (and most fulfilling) of those goals. It drew him away from his business for all but about 40 hours per week average; and it helped him more-fully understand how state government could enhance a robust economy in this age of technology.

The life of a newly-elected delegate in 1994 turned out to be humbling, but also offered a strong learning experience. He used his inventive nature to identify the more obvious needs within Virginia State government. Virginia (and Maryland) can be characterized as technology-based states, particularly with the growth of Internet and high-technology firms along the I-66 and I-270 corridors. When the speaker of the Virginia House-of-Delegates expressed some ridicule with “all we need is a another committee,” Joe answered, “Yes, the one supporting technology.” By his third year in the House of Delegates, he was chairman of the new Science and Technology Committee.

Our inventor community was encouraged to communicate with our state legislators, particularly about state policy considerations regarding technology issues. *It is better to assist in generating policy that is based upon voluntarily-offered, well-researched sound facts than to suffer the consequences of policy that was based on an unnecessary ignorance.*

Joe treated INCA-member issues in his presentation and answers-to-questions:

FUNDING: He utilized \$28,000 in his savings to start his business. Where he was risking his own money on each decision, it was not necessary to seek approval from outside investors; and, it turned out that he made a good net profit on each year of his growth.

MARKETING: A mid-career 2-year assignment in a corporate sales position added to his set of skills and provided confidence in his own business ventures.

PROTOTYPE TESTING VS INITIAL PATENT APPLICATION: His preferred sequence of invention management is to develop an idea until it “works the way expected” before application and prosecution of a patent.

NON-DISCLOSURE AGREEMENTS: He cited a Virginia case in which a firm contracted with a design consultant and the two parties did not get along. Later the firm utilized the resultant design in a successful product, and the consultant brought a \$10 million suit for inventive rights, and settled for \$3 million. His message was that non-disclosure agreements are very serious business and demand full understanding by all parties.

E-COMMERCE TAX: The driving precedent for tax relief for e-commerce comes from historic National policy for extension of Railroads in the Continental United States. While private capital was extending the railroads in late 1800s, Congress helped reward those investors by granting public lands to the railroads and by deferring taxes until this new wealth-generator was helping the nation generate new levels of wealth. [E-commerce is estimated to be approximately 2% of present transactions. Investment is estimated a \$200B while sales are at \$5B].

EQUITABLE TAXATION: Joe forecasted that Virginia will be introducing a new tax system in the near future that will be more equitable to cities and counties. Major state tax income is from salaries of new technology ventures, while local tax income is from assets used by these new technologies.

Nancy Duke, Legislative Assistant, reported that Delegate May enjoyed how INCA people talked his type of language!

USPTO GUESTS

John Calvert, Dick Apley, and Kathy Kirik visited INCA from USPTO to fill in our background of the timing, content and logistics about our Oct 5-7 Annual Inventors Conference to be held in College Park, U/Md campus.

John Calvert 703 305 1025 has worked with INCA on the first Saturday Seminar and other events. He introduced Dick Apley who is taking the role initiated last year by Don Kelly: Director of the Independent Inventors Program.

John outlined how Thursday afternoon, Oct 5 would present portions of their Saturday Seminar program for new inventors at a price of only \$10. Kathy Kirik 703 306 5606 described the multi-theme, parallel program for **the Oct 6 & 7 5th Annual USPTO-Sponsored Conference**. It is sized for about 250 participants and is priced at only \$100. U/Md at College Park provides a computer laboratory suitable for instruction and practice on drawing internet information about the USPTO patent support systems. Additional values include two luncheons, one reception, free parking and Metro-to-Conference free shuttle services.

A rich variety of speakers about intellectual property and entrepreneurship have offered their service for this event.

Dick Apley 703 703 306 5568 [independentinventor@uspto.gov] described himself as a replacement for the “Don” we know. Dick reported on issues unfolded from the new patent law. He noted that after Nov 29 00, the new 18-month automatic publication of new applications becomes operative. After Nov 29, applicants who do not want 18-month automatic publication must request otherwise upon filing and must state that the invention has not been and will not be the subject of an application filed in a foreign country.

Inventors will want to know about the Independent programs: <http://www.uspto.gov/web/offices/com/lip/abt.htm>

USPTO TODAY is the new magazine to be published monthly on-line and quarterly in print. Its first printed edition contained 42 pages of the kind of material that inventors will want to know.

This free quarterly print edition must be subscribed to individually.

Send your name and address to the

Editor, USPTO TODAY

United States Patent and Trademark Office

Office of Public Affairs

Washington DC 20231 or

Fax your name and address to 703 305-5258; or Phone your info to 703 305 8341

or e-mail to ruth.nyblod@uspto.gov

The monthly USPTO TODAY is found at <http://USPTO.GOV> home page and as the 8th line on the right column. Prior monthly publications start with January 2000, and can be read through a free acrobat PDF system.

Our June 19 guest-speaker is Mr. Tim Mack who is returning to further discuss

Marketing perspectives for inventors. He offers very practical advise for inventors as seen from a marketing consultant and from an operating officer of startups. His experience base includes preparing and presenting business proposals to Venture Capitalists and investor “angels”.

Our Webmaster, **Raoul Drapeau**, will also be coaching on **“How to use the Web”**.

Research by our president, Bill Kuntz, reveals that many INCA inventors are not using the internet's web-of-wisdom.

If this is because they don't know how, Raoul's round-table coaching may help many of us open new doors for information we may want or need.

If this is because they are afraid of the internet mysteries, those of us who have worked their way through most of this barrier can also offer an assurance:

“The mouse won't harm the machine - or the operator”.

If this is because they are not yet aware of the resources available to them for “practically free”, they have an option of letting our public libraries demonstrate internet resources:

Local library persons are usually helpful: They can show how to search and find: for example,

Search prior patents on <http://WWW.USPTO.GOV> and <http://patent.womplex.ibm.com>

Find cross-links about inventor information from <http://inca.hispeed.com>

Search manufactured products from Thomas Register library of catalog products.
<http://www.thomasregister.com>.

US Department of Energy (DOE) competitive solicitation for grants to inventor is now open. The closing deadline is August 11, 2000. Inventions and Innovation (I&I) Awards to be announced in December 2000. Awards are for up to \$40,000 for conceptual ideas (Category 1) or up to \$200,000 for conducting early development and establishing technical performance of energy saving ideas and inventions (Category 2).

Energy conservation topics for power, transportation or buildings are not restricted.

Other Category 1 grants for industrial applications of agriculture, aluminum, chemicals, Forest products, Glass, Metal Casting, Mining, Petroleum & Steel are restricted to specifically-sought topic areas.

Category 2 competition will require evidence of completed engineering analysis or completed bench scale model(s) before date of application.

**Source: <http://www.oit.doe.gov/inventions/apply2.shtml> U.S. Dept of Energy
Rolf Butters, (202) 586 0984 Industrial Inventions Portfolio Manager,
rolf.butters@ee.doe.gov**

Dr Brabham's Newsletter for June shares his advice on helping people make a profit from their new product ideas, [INVENT&GROW RICHER!] hopefully, without spending unnecessary money.

His website offers "101 Tips for Inventors". Ask for it on vbrabham@mindspring.com
Discuss on 101tips@mindspring.com. He also encourages all inventors to subscribe to Inventors' Digest <http://www.inventorsdigest.com>. where its last issue included one of his articles.

"The Inventors Mill-shop" at <http://www.wtbradley.com> is another FREE monthly newsletter. It includes additional contacts for inventors. The last issue says, " We are always looking for new retail products to offer, so give us a call (413-664-9125).

An article from Malcolm Harvey discusses how we might be sabotaging some of our best ideas. <http://www.1inventioncentral.com> His argument follows:

Why is it that some people appear to be able to get novel new ideas and create terrific success for themselves whilst others seem to flounder before they ever get started?

Malcolm Harvey - Publisher 'The SuccessTrain' Success is a journey not a destination.
For FREE provisions and route maps go to: <http://www.successtrain.com>.

Harvey suggest that most of us don't have sufficient belief and confidence to stick with our best ideas. He suggests that sabotage or "destruction from within" includes these habits of thought:

1. Dissecting the idea without knowing when to stop.
Examination needs to be done, but it can become an excuse or a lack of commitment if essential enthusiasm turns negative at the minor problems that are inevitable.
2. Sharing the idea with individuals who are not qualified to comment.
It is better to keep the idea to yourself until you have become qualified to face Doubters who are important to the project.
3. Miss the obvious flaws.
Develop both a macro and micro vision of the project, see the detail and also the overall picture.
4. Dismiss the idea before thinking it through.
Learn to be open minded and patient to see if the idea has potential.
5. Stop because you find evidence that It's been thought of before!
But has it been acted upon for its tangible benefit?
6. Play Devils Advocate
Good practice will view the idea from multiple perspectives.
Bad practice includes destroying the idea through defeat-objective questioning.
7. Idealize all aspects.

Add realism to harness ego.

8. Discount the idea as having no merit.

Humility overdone discounts your own genius.

9. Commit to action without “homework”.

Focus risk aversion until a solid foundation is clearly visible.

Then persevere to find resources to carry idea to fruition.

MONEY ISSUE @ INCA INCA has been fortunate in volunteer resources for its meeting place, for its programs, and administration. As a not-for-profit organization, it could accept sponsorship donations and grants. However, as a small fee-based organization (\$36/yr), operation is dependent on timely dues and equitable other payment for pre-meeting pizza and refreshments. Wisdom = “There is no free lunch”. Please return a check if dues are due.

The second Great American Toy Hunt at <http://www.haystacktoys.com>, can be discussed at 877 I INVENT. Winners work out a licensing agreement that includes:

\$5,000 Advance

5% royalty (typically on wholesale cost of products)

Commitment of \$50,000 by Haystack Toys toward the development of the toy

5 written communications with Haystack Toys each year

The INVENTOR’S STORY displayed on toy packaging.

Are there individuals or teams within INCA that are willing to market toy-related creations?

Which individual or team can get it together in the next 2 months?

Application deadline: August 15, 2000

Andrew Berton <http://www.exceld.com> provides an on-line briefing about the Toy & Game Industry. The same article is linked through <http://uiausa.com>, click “Novice Inventors First Steps”, click “The Toy and Game Industry” to get an article by Andrew Berton that includes six key areas about toys, including “Designing New Products”

FUNDING with Venture Capitalists and ANGELS:

Business Week of June 12 2000 summarizes role of “angels” within Venture Capital funding.

“Checkbook” Angel: Invests \$10,000 to 25,000 per deal. Spreads investments among many deals.

“Value Added” Angel: \$25,000 to 250,000 per deal --- Helps expand business & becomes involved.

“Super” Angel: \$100,000+ per deal --- Experienced and invests in what he/she knows.

Angel “Clubs”: Collectively provide \$500,000 per deal, and encourage individual members to supplement investment in the deal; perhaps providing a total of \$800,000.

“Venture Capitalists” usually characterize their target investments as more than \$1 million.

Jeffrey Sohl, Director of University of New Hampshire’s Center for Venture Research estimates that: (1) 50 clubs have been formed,

(2) 2 million angels in the U.S.,

(3) 400,000 angels are active in a given year,

(4) angels funnel 30 - 40 \$Billion into ~50,000 startups /yr.

Links to sites regarding private investors: <http://WWWnewvantagepartners.com>

Links to how a club works & other resources: <http://womenangels.net>

Investors will want to know your business plan that includes:

1. Company name, year of formation, number of employees and industry
2. Last round of investment: Date and Size
3. Total capital raised and post dollar valuation
4. Anticipated timing, form and size of current round of investment
 5. Management / Executive Team
 6. Intellectual Property
 7. Product description
 8. Competition and Competitive advantage
 9. Current and Projected Revenues
 10. Future financial strategy

UIAUSA offers candid and useful advice to inventor individuals and organizations. Visit them at <http://uiausa.com>. They include at least two non-disclosure agreement samples and an article by Attorney N. Paul Friederichs, of the advantages and disadvantages of a non-disclosure agreement.

UIAUSA also offers an article on 7 steps to successful inventing by Neustel-Zimmer. Their advice includes how market research can be conducted through catalogs, internet, stores and magazines. They suggest a \$175 marketability test through the Wal-Mart Innovation Network (WIN). <http://wal-mart.com/win/>. Only about ½ of inventions pass both market research and a rigorous patent search.

Inventor's Digest offers a "First Ten Commandments of Invention". They include

1. Stay away from Invention Marketing Companies of radio & late night TV.
2. Keep good records (in a bound book) about your idea(s).
3. Do your own patent research. (Use <http://USPTO.GOV>, <http://patent.womplex.ibm.com>) and a Patent Depository Library.
4. Build a model. Prove it works.
5. Get evaluation by a non-biased professional, such as <http://wal-mart.com/win>.
6. Read about new product development. <http://www.uiausa.com/centerbookstore.htm>
7. Network with other inventors. - INCA map and time on <http://inca.hispeed.com>
8. After market research, patent search & model test, show your patent attorney results and follow advice. 9. Do what you do well, and hire professionals to do the rest. 10. Persist

UIAUSA periodically e-mails messages from other inventors who seek help. If you offer help, e-mail the inventor directly and send a copy to InventorsD@aol.com.

- 1.) Walter Koneke has patented inventions he has produced in small lots. Through mail order he sold them faster than he could make them. He needs someone to make them on (1) credit, or (2) for a part of that company. FILKON@aol.com
- 2.) Does someone know of a plastic manufacturing company that can make low cost checkbook covers for "side tear" checks. R.P. Wilkinson rpwilkinson@prodigy.net
- 3.) I need to find to produce a glass prototype. Where can I find such help?

Smontgomery@chrm.com

4.)A patent attorney is writing an article about historic inventions from the state of Florida and seeks research advice or leads. So far, he has found Air-conditioning, Gatorade (soft drink), Concentrated Orange Juice, Soft contact lenses, and The Club (automotive theft device) Are there other Florida inventors that need mentioning? johnrizvi@lawyers.com

5.) Who knows of manufacturing companies in Mexico to make computer workstation chairs? This product consists of a metal frame and cushion with some wooden parts. Phil Brady pbrady7297@aol.com

Adapted from Joanne Hayes-Rines, Editor INVENTORS' DIGEST www.inventorsdigest.com

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Address labels show timeliness of Dues.

12/00 means dues paid to Dec 2000. A white envelope with INCA address is an important signal to encourage \$36 local or \$10 distant dues if you want regular connection to INCA.

Tuesday, June 20 the **MITEF** will present two cases of **COMMERCIALIZING REVOLUTIONARY PRODUCTS**.

Cases bring proposals for an E-Commerce Solution to Government business and an Early Stage Detection system for Cancer. Proposals will be followed by panel member response and Forum-member feedback.

Time: 6:30 networking, 7:00 presentation and program.

Place: NRECA Conference Center, 4301 Wilson Blvd, Ballston, Arlington Va.

http://www.mitef.org/upcoming_events.htm & <http://mitef/ForumLocation.htm>

June left-over

One UIAUSA Web site -- www.inventorsdigest.com -- has received the "WEB FEET Seal of Approval" which tells teachers, librarians, parents, and students that our site is especially valuable for research, teaching, or general interest.

Frauds???????

From Brabham

RISK MANAGEMENT: Don Debelak's article in Business Start-Ups says how good Infomercials can be. People like to see the product on store shelves once they've seen it on TV. Don gives several sources of companies that offer to take your product onto direct-response TV. If you have a product ready to go you might check out these sites.

<http://www.emsontv.com> (Emson, Inc.)
<http://www.hawthornedirect.com> (hawthorne direct, Inc.)
<http://www.nbmedical.com> (Infotopia)
<http://www.dtrttv.com> (Retail Distributors LLC)
<http://www.telebrands.com> (Telebrands)
<http://www.tristarproductsinc.com> (TirStar Products, Inc.)

WARNING: TV infomercials can be very profitable but sponsors can also be scammed.

Policy as model. Ref: Inventions, Patents and Technology Transfer of July 1 1996, Nine pages]

“ A concept is expressed and refined with concept explanation and value additions.
Commercialization and directive-focus follow.
Protection strategies for intellectual property considered
Business formation (with a balance of talent) is discussed

Patent values

U.S. Corporations may earn Significant % profit from licensing their patents.

IBM reports \$1B/yr from Patent Licensing.

Texas Instruments between 1987&- 1994 collected \$1.9B royalties Vs. Operating Income \$1.3B

. * Afuah, Allan Strategies to Turn Adversity into Profits Sloan Management Review Winter 1999, p106

Patent policies:

Some University inventors may retain up to half of commercialization benefits.

Some corporations reward inventor team members:

\$1,500 at application + \$ 750 at assignment, plus \$7,500 for every 10th invention.

Average: \$3,000 for participation in invention.

Federal research employees may now participate in commercialization royalties of 15% with up to \$150,000 per year/patent.

INVENTOR TECHNOLOGY:

-about Claims. Claims are the property within a patent. A candidate licensee will usually examine a patent's claims to determine if this property fits within his business and would add value to the business.

Note: Provisional applications do not include claims.

Their low fee of \$75 does not include provision for a USPTO patent examiner's time and judgment. If an inventor expects an application to result in an award of intellectual property, the application must be for a utility, a design, or a plant patent.

-about utility patent's "broad, independent claims":

Convention in writing and in examining claims is to expect the first offered claim to be the most broad.

It lists the minimum component or step means to achieve a solution to a prior-stated problem.

In minimizing the number of components or steps, the breadth of the claim may read on prior art not yet recognized by the inventor or his team. A first office action often challenges claims as being too broad.

The examiner may suggest narrowing the initial claim by adding restrictions cited in dependent claims.

It may mix elements from prior art with new elements.

It will use the most-broad terms for each element.

It will be considered an independent claim because it does not depend on a prior claim.

Clarity in claim-writing will express a claim title prior to use of the usual word "comprising".

Then the component major parts or means are listed (and numbered). The claim is made complete with a "wherein" expressions that link each of the listed components to the other components or means with terms such as "connects to" or "communicates with".

Many writers want to be sure that a reader of their claim will understand "what the aforementioned components and means do" or what functions are to be achieved from the apparatus' and/or method's structural description.

A "whereby" expression may be added to the end of a claim. It may include functional language as a means of enhancing communication, but the whereby expression cannot add structural property to a claim. It merely recites an objective.

About more-specific dependent claims:

One claim-writing strategy would write as broad as possible initial, independent claim, and let a series of claims, each dependent on the first one, further define specifics relating to a component or means of the first claim. Examiners may call these specifics a limitation, and explain that the independent claim, when read against an earlier patent (prior art)

A dependent second claim might be:

2. a

described claim's disclosure, which is the components of a claim immediately after the introduction that concludes cite limiting aspects of each element that further describe the unique character of each element.

[If the examiner finds prior art that seems to anticipate all elements of a most-broad claim, further definition is simple by combining supportive claims into the language of the most-broad one.]

-about narrow, dependent claims:

Supporting broader claims with multiple narrower claims strengthens specificity of the invention.

-about multiple sketches, with defined parts:

-about background

-about best embodiment

Should the examiner cite prior art that seems to covers the most broad claim, a substitute claim (with its own new number) can be expressed from combined elements within the dependent claims or from within drawings, specifications and cited references.

Reality in writing and examining claims is that almost anything can be awarded a patent as its definition is narrowed in depth to include greater and greater depth of unique features--- The importance of this condition is that an extremely narrow patent may offer very little property value. Of course, if that narrow product is an item with a new, broad, "faddish" market

appeal, even a narrow patent may limit some threat of competition within a narrow market.

A format for claims will include a name for the claim, a list of elements such as items, methods, or steps, and how these elements cooperatively interact with one another to provide a working whole.

Conclusion: Claims for a breakthrough technology or a new use for a known product can be very broad, with few dependent claims. Licensees may be the ones who add their proprietary style to their products through multiple dependent claims.

Conversely, a claim set for mature technology tends to be narrow, with many dependent claims.

[A viable broad claim is usually much more valuable than a lot of narrow ones.]

Integrating Patents

Patent prosecution requires t-i-m-e: Patent lifetime = 20 yrs from application

“Invention Processes”

- 1. Assess Needs of Customer**
- 2. Commit Resources to Intellectual Property**
- 4. Prosecute Patent(s) Reward Inventor**
- 5. License - Up to 20 years**

**Prosecution of patents is now better organized:
Electronic Search
CD-ROM in 83 US depository libraries, Web-sites
(www.USPTO.GOV)**

Examiners offer claim-writing for "pro-se" inventors.

SMALL BUSINESS Min. Cost/Patent

**Approximately 1/4 American applicants fit "small business" category:
Their fees are half of rate for large corporations.**

**USPTO fees for "small entity",
Dec 1999, become:
Application Filing: \$380
Utility Issue 605**

**Maintenance @ 3.5 yr \$ 470
@ 7.5 950
@11.5 1,455
Anticipated Fee for Patent Life: \$3860**

Plus hired talent & lots of personal hours.

BIG BUSINESS Typical Cost/Patent

Ave corporate costs per issued patent estimated to be \$20,000.

**Includes: Salary costs of the inventors,
Overhead and direct costs of supervisors and patent related staff persons:
invention screening committee
corporate (and contracted) patent counsel,
testing and drawing services +**

USPTO fees at full rate plus the pre-licensing awards to inventors.

Internet comments assessed average asset value of a

**completed corporate patent to be approximately
\$200,000 at time of issue.**

CONCLUSIONS:

Inventives create Wealth

.

Wise Managers Distribute Wealth Equitably