

Inventors' Network Volume 9

Of the Capital Area [INCA] Issue 12

Website: inca.hispeed.com = **UIA WEBSITE EXCELLENCE AWARD 2001**

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MEETING: 3rd Monday,
17 Dec 01
5:30 Networking at **Potomac
Community Center**
11315 Falls Rd -Potomac Md
20854-2246 Map on page 8.

6:30 Mr. John Galbreath,
7:30 Member & Guest Issues

DEC 17 Speaker is Mr John Galbreath.

His topic is Invention Development. His qualifications include Chemical Engineering degree, Patent Agent registration, Venture Capital experience, Market Research with Proctor & Gamble, and Marketable idea screening with professional level inventors.

Mr Galbreath's remarkable depth of entrepreneur experience on behalf of inventors is expected to offer special insights and resources for INCA inventors to commercialize their products.
custserv@brightideasco.com

January 21 Speaker is Mr Jim Laughlin

His topic, "The Lonely Inventor" discusses issues of invention, representation (attorneys), and licensing.
Law Offices James H. Laughlin, Jr. Crystal Park III; Suite 500 2231 Crystal Drive Arlington, Virginia 22202
Telephone: 703 486-5660 703 241-9711 Email: jim.laughlin@jlaughlin.com

February 18 Speaker is Mr. Sean Wise

sean@repliforminc.com

Mr Wise is especially knowledgeable about short-run injection-mold issues. We expect to hear some of his insights into ways to deal with the making of product & component-shaping molds. He also has a capacity to demonstrate "Magics".

Note: Our February meeting occurs on a night that the Community Center is closed. Jerry and Barbara have offered their house again as out February meeting place: 2818 Jutland Rd, Kensington Md. 301 962 8491 Map will become available.

Special Praise is due to Jerry Porter
and Barbara Croft for their
generous invitations to use their
home for INCA events!!!!!!!!!!!!

Themes from our November meeting: Mr Richard Levy and his professional associates shared characteristics of their toy invention and development practices. They played 5-minutes of the video for Discovery Channel's Invention series that featured Mr Levy. Then Mr. Levy's presented remarks that were tailored to this audience. What your reporter heard was:

There is lots of work to inventing, even for an inventor of toys:

Twenty-five years ago, his inventor's role seemed to be limited to an idea-originator and communicator, and the technology for making the licensed idea really work was a product of the engineers, designers and production people that were employed within the toy company.

More recently, the toy marketing companies want their licensed products to be from an **inventor - developer** who can capture their interest with the idea, and meet a timely market with completely "staffed" development of

- * materials, including color, texture and suitability for children's sustained use;
- *"Wow" engineering features including electronic, mechanical and other design for safe and robust life of children's entertainment objects;
- * production cost control including design and proofing of tooling plus minimum "touch labor" so that profit margins will be attractive to producer and retailer within a fierce competition.
- * proposed trademark name, screened and available for completion of registration.

Mr Levy told us how he became a "defacto product manager" in meeting such broad criteria: After developing a toy or game idea and communicating and negotiating it with his client, he marshaled team members from all appropriate skill sets for the now-licensed product, and readied it for production at a targeted date. He becomes the central decision maker for the team.

He simplified financial accounting by having team-members directly bill their expenses, labor rates or block fees to the toy company according to his negotiated deal the company and with each team member. As manager, he billed his direct expenses, but did not bill for his time nor for any overhead from team performers. Some team members negotiated with him a portion of the future royalty payments; and he adjusted his license with the toy firm to distribute royalties directly to those venture shareholders of record.

Mr Levy's response to questions included his underlying **business philosophies and facts:**

Networking: Until age 25 most of us must learn "Know-How".
Thereafter a growing importance to success is learning "Know-Who".

Customer Size: His first book, The Inventor's Desk Companion, was self-published.
His biggest-volume product "Furby" was developed independently, and took 3.5 years.
His most successful toy was produced by a second-tier toy marketer.

Money: Royalties in the toy business may range from 1% to 7% of wholesale price, with 5% most typical.
However, after agreeing on an initial royalty rate, he might ask,
"What could happen in the future to make the royalty jump to 8%?" The answered contingency conditions are included in his offered licensing contract.
Labor and material costs tend to represent 1/5 of the products wholesale price.
60% of toys "turn over" every year. Only 40% of this year's toy designs will be on the shelves next year.

Rules: Toys are entertainment, and "breaking rules" is a major component of entertainment. Therefore it is perfectly OK to break rules ----- when there is a sound underlying reason.

Business relationships and friendships are far more important than breakable rules.

Industrial Design Society of America (IDSA) was our host for November.

They found the place to meet, provided the buffet, brought about half the attendees {58 total and counting!}, provided half the presentation and they appeared to ask at least half the questions of our speakers.

John Melius, our program VP, introduced IDSA as the organization that helped him focus his current marketing effort to the IDSA person within his market-target. After becoming acquainted with Terry Greenfield, IDSA, and becoming a member of IDSA, he used its National network, and with only a few phone calls and e-mail messages made contact with the right internal advocate for his family of products.

Membership in both INCA and IDSA appears to have important advantages to independent creator-developers with products that fit into corporate structures.

Mr. Walter (Terry) Greenfield, Chair, IDSA Mid-Atlantic Region, and member of IDSA's National Board of Directors, presented graphics and discussion on how Industrial Design has influenced international and US products.

He revealed how industrial firms have used talent skill sets from both art and engineering to

“INVENT WITH A SENSE OF ESTHETICS”.

Terry stepped his audience through the “Golden Age of Engineering” between WWI and WWII. Chrysler’s Airflow sedan illustrated new engineering art that let the power train of earlier Chryslers propel their new shape at significantly higher top speed due to a lower drag coefficient.

Its styling {"Streamling"}, as well as structural and packaging innovations became one of the key basis for art-deco transportation and product design. A transition to altered material shapes enhanced unique appearance, economics, utilization of inherent strengths and other engineering merit.

During this period streamlining became a means for esthetic appeal concurrent with functional enhancement in other systems. Raymond Loewy shaped attitudes about design of train locomotives as well as kitchen appliances as a stimulus to a growing economy.

Walter Chrysler's influence advanced from designing automobiles to designing and building skyscrapers.

Matching functional esthetics to good engineering makes products look more acceptable to public, makes the product function more effectively, plus it may lower overall production costs, thus raising profits.

---- Editor: Some of us have personally experienced this phenomenon at Home Depot. We have already recognized the influence of IDSA's contribution to the Black and Decker Designs for their attractive, effective and robust families of product. B-&-D's seven-member power tool design team are all members of IDSA Mid-Atlantic, one of whom {Stacey Main} is Mid-A's Vice Chair, Events & Communications.

WHO SAYS THAT SELECTION OF CHRISTMAS GIFTS FOR (OR FROM) INVENTORS IS TOUGH?

Terry also shared some of his experience in the range of technologies and product shapes that were “before their time” during the “golden age”, and are only now being rediscovered.

He told of his voluntary 4 year apprenticeship to Graf {Count} Albrecht Goertz, who fashioned the customer-winning shapes of exclusive sports cars and upscale consumer products {BMW-507, the original Datsun 240-Z, design team member for the Porsche 901/911, Polaroid Land Camera, Mont Blanc pens, PUMA Sportswear, Swatchwatch, and the original Rolodex File}

Under Graf Goertz's instruction, Terry became talented in understanding the design principles of Professor Luigi Colani. Terry reports that Colani-based automotive designs are so elegantly unique that some models are made in the \$250,000/unit price range with international production of about 50 per year.

Terry, himself, has worked on the design of the 1991 BUGATTI EB-110, Chrysler Advanced Design future mini/maxivans, Ferrari, Chevrolet, and the original inception of the SMH-Swatchcar/Mercedes-Benz MCC-Smartcar.

Communicate with Terry Greenfield at 804 643 6633 & ghostindesign@earthlink.net.

New Patent Holder, Steve Frank of Baltimore sifrank@clark.net, revealed his newly issued patent for his interpreter's mirror. Patent 6,293,681 IMAGE VIEWING APPARATUS Steve demonstrated his new product to the INCA and IDSA attendees, and he reported \$20,000 so far in sales, with property-related expenses of \$11,000.

Steve lived through a first-patent experience in which the claims he really wanted were not being sufficiently prosecuted by his initial-choice patent attorney. He changed attorneys and received allowance for the property that he considered important. Concurrently with patent prosecution, Steve has been developing, showing and selling his commercial product. His current marketing organization is his wife, family and self. As he builds a track record of sales, his negotiating strength for licensing or assignment will also grow.

THE INCA community is particularly proud of the professional manner in which Steve has found an unmet need within his career field of interpreting for the deaf. Even more rewarding is the insightful drive with which he brought the idea through the process to acquire valuable claims while he was developing and bringing his product to market.

INVENTION & TECHNOLOGY magazine gives inventors good press. Their winter volume included a full feature article written by our webmaster Raoul Drapeau.

He turned historian to describe the "Canol" pipeline project of 1942 - 1943 whose purpose was to move aviation gasoline through Canada to Alaska. It was a nearly-impossible job, but initially organized as a defense against the threat of potential Japanese submarine threat to Northwest shipping. By the time normal shipping could accommodate the Alaska threat, the story became a congressional-based news about "inappropriate spending" with Harry Truman presiding. Raoul clearly discussed another behind-the-scenes war story of an effective goal, very tough conditions and measured in terms of inefficiency.

CHRISTMAS HINT: Invention and Technology of Box 5338 Harlan Ia 51593-2838 is published 4 times/yr. \$15/yr.

Our webmaster, Raoul Drapeau, [(703)573 6055] reported that a Nationally sponsored invitation for inventions needed response by January 11. He suggested that individuals respond, and where their ideas demanded greater than one person's initial resources, a group including INCA members might propose bigger inventions collectively. Raoul noted that his website **inca.hispeed.com** included links to topics for which inventions are now actively sought.

Jim Ball, co-founder of INCA, reinforces Raoul's call for inventors to step forward with proposals.

**Colonel James A. Ball, USAF (Ret.) Technology Transition Management Contractor
Combating Terrorism Technology Support Office Technical Support Working Group**

Phone: 703-405-7247 Fax: 703-604-1728 jball@erols.com

One of our members reported talking with Jim and found that he knew of even more channels for good inventions and research concepts that were announced in the Washington Post.

Joanne Hayes-Rines of Inventors' Digest is looking for health and fitness-related products to feature in the January/February 2002 issue. If you've invented a product that fits this description -- and the product is on the market -- please contact ID's assistant editor, Kristina Provencher at Kristina@Kristinaprovencher.com

Joanne also reports there are initiatives to, once again, push forth legislation that will dramatically change U.S. patent laws in ways that are not favorable to independent inventors.

She is seeking help from individuals who want to be actively involved by monitoring legislation and contacting Senators and Congressmen and Senate and House Judiciary committees. She wants to find individuals who will team into a very active, extremely vigilant core group of people who will acquire timely information. If you want to be part of such a core group, e-mail her at Inventorsd@aol.com

A Venture Investment Forum meets every two months at Harrisburg Pa to consider proposals offered by innovators in mid-Pennsylvania — or proposals that employed resources of mid Penn.. www.venture-forum.org

Business Week, Sept 10 focused on “GIANT KILLER attorneys who won big cases for small companies. Other big news of the time overshadowed invention material.

Raymond Niro of Chicago represented an inventor with a fuel-injected engine design. The jury was convinced that Polaris Industries Inc took the design 10 years ago without authorization of the inventor. The verdict plus interest brought the settlement to more than \$75 million.

Business Week’s advice is: “Before you let prospective partners see any proprietary material — patented processes, trade secrets, business plans ---- have them sign a non-disclosure agreement. Apply for intellectual property as soon as possible. “

The ECONOMIST, 11/24/01 p58 reports that employees who develop patents in Japan are getting money and respect. The lead word to the article is **“Japanese patents — An end to slavery”**

The inventor of the blue light-emitting diodes (LEDS) was awarded \$180 in 1993 by Nichia Corporation who is said to have made \$ millions from the now-ubiquitous product that reveals status of most electronic equipment. The inventor, Mr Nakamura has received no “perks” and was earning an “average salaryman’s” wage.

Japan’s patent law requires companies to pay “adequate compensation” to employees who develop profitable products. Toshiba, in 1998, revised their internal reward system to pay inventors up to 500 times more the \$180, or as much as \$900,000.

The Nakamura suit is not yet decided by their courts, but companies, as well as the Japan Patent Office will be encouraged to generate some equitable guidelines. Perhaps this case will enhance present encouragement of American Industries to increase their product-licensing from independent inventors.

Some feedback about **f8ventures.com**

One of our members responded to our November relay about f8venture’s invitation to develop and sell inventor’s products. Some e-mail messages were exchanged , but f8 ventures did not meet that member’s criteria about open sharing of pre-contract information about themselves or their successful clients.

Don Costar of the Nevada Inventors Assn sent an e-mail to INCA commenting on our newsletter, our effective cooperation among inventors and John Melius' talent in drawing good speakers to our meetings. THANKS DON

LEADERSHIP: Editor: About 4 years ago someone asked an INCA meeting how many people would be interested in participating in helping to commercialize someone else's invention. No hands were raised.

Subsequently, the idea of organized effort has gained a lot of conversation, particularly from Jerry Porter and Maurice Daniels.

This month (Dec 01) the **Harvard Business Review (HBR)** is a special issue about **leadership**. It includes an article by Daniel Goleman et al about "emotional intelligence" and why a business leader, to be an optimum achiever, must be skilled as a leader of emotion: They offer a 5-step process in learning "how emotional leadership drives organization's actions". More emotionally-intelligent behaviors can occur through:

- | | |
|--------------------------------------|----------------------------------------------------------------------------------------------------|
| 1. Imagining my ideal self | Ask, "Who do I want to be?" |
| 2. Coming to terms with my real self | Discover, "Who am I now?" – as others see me. |
| 3. Devising a personal action plan | Analyze, "How do I get to be my ideal self?" – and plan my own progression |
| 4. Making the changes stick | Practice being consistent with the necessary changes in behavior |
| 5. Keeping the changes alive | Create a community of trusted, candid friends who share in your development objectives and process |

In the same HBR, R.S. Tedlow has analyzed how **titans**, like Carnegie of Steel, Watson of IBM and Walton of Walmart, can teach modern leaders. Tedlow, as a historian saw a set of common principles among these titans:

- They used courage to bet on their vision of market potential.
- Their consistently expressed vision of the market became their corporation's mission and it was integrated into the words of their employees, investors and even customers.
- Customers came to realize that the titans delivered even more than they promised.
- All were dedicated to their company – and expected such dedication among all their employed associates.
- They didn't look back.. They believed the world would recognize the merit of their own rules.

In this edition of "breakthrough leadership", HBR reprinted its 1990 article "What Leaders Really Do" by J.P. Kotter. It discusses a then- controversial subject, What is the difference between management and leadership?

- On page 99, from a 1991 article, W.H. Pierce cites a management style of "openness".
- From 1992, W.G. Pagonis cites the work of a leader is based on listening and empathy.
- In the 1979 Best of HBR, Tom Peters describes the leader's job as to promote and protect the organization's values, often by bringing focus to problem solution and customer care.
- Then in 1997 Heifetz and Laurie described the work of leadership as asking "hard questions" to displace their people from comfort zones. Then the leader manages distress productively.

Editor: Whether inventors get help from other inventors or from other sources, their commercialization will probably be dependent on their leadership, whether it be "inherent" or learned.

HBR website is www.hbsp.harvard.edu The copy containing this wonderful guidance is on our news-stands now.

Thomas Register is a much favored means for finding sources, getting quotes and making purchases directly from the cited suppliers. Their website ThomasRegional.com/cd2 focuses on industrial suppliers for the Mid-Atlantic/Capital cities.

Professor Kayton's Patent Resources Group (PRG) Box 7166 of Charlottesville Va.

22906 reported that **82%** of the PRG students for the PTO patent attorney and patent agent exam for April 2001 passed that exam. The USPTO reported that **the national pass rate was 47%**.

MIT Enterprise Forum www.mitef.org hosted presentors, **FASTCASE** and **VAPOTHERM** on Nov 27.

Six INCA persons were there to hear the president of FASTCASE discuss a new kind of search service for attorneys, including patent attorneys.

The Vapotherm presentation presented an interim growth strategy for hospital and home delivery of oxygen conditioned with near-saturated water vapor. Two panelists addressed their copy of a business plan by Vapotherm. The issues they brought up seemed to be extremely important to any product that is seeking dominance in a market place.

Hint: INCA persons who anticipate bringing their product to market have a high likelihood of being instructed wisely as they listen and learn from the unusually well qualified individuals who volunteer to be panelists at MITEF.

Finding: A salient lesson was revealed during the post-panel discussion about insufficient facts within their supplied business plan. The President of Vapotherm responded that when their firm is dealing with a person who has signed their **non-disclosure agreement**, their officers are willing and able to provide **proprietary information**.

December 18 01 will be a celebration of our local **MITEF 20th year**. RSVP at www.mitef.org to reserve seat(s).

Ideation International Inc is extending its offer for "Basic **TRIZ**" an e-learning CD.

Its 4 modules include:

1. The origin and evolution of TRIZ and I-TRIZ
- 2: Ideality, Resources, Effects
- 3: Contradictions, Contradiction Table & Separation Principles
- 4: System Approach and problem statement modification

TRIZ Course Objectives: Understand the Theory of Inventive Problem Solving.

Apply TRIZ to help the student change the way to think about inventive problems and how they can be solved.

Inventive problems are those that contain one or more contradictions and have not been solved before.

Student will learn the common thread between great innovations: TRIZ research reveals how to:

- * Think in terms of Ideality like Leonardo daVinci
- * Look inside and around a system to find resources to solve inventive problems
- * Reveal and resolve contradictions associated with a problem
- * Expand an understanding of the system that contains a problem
- * Restate problems so they can be solved easier

Offering open until 31 December \$99 plus handling & Shipping *Ray has purchased his copy, but has not yet studied it.*
To order: edu@ideationtriz.com or call Linda Clarke at 248-353-1313

NOTE: Ideation TRIZ is also offering a much more comprehensive CD course for \$500 and others for more.