

Inventors' Network Volume 10

Of the Capital Area [INCA] Issue 2

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

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Our Feb. 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".

Our Mar. 18 Speakers include Mr Jim Ball,

INCA charter member who recently introduced INCA to the BAA Anti-Terror program's need for contribution by inventors; and

Mr Peter Laporte, Forecast Product Development. Peter will report on Rapid Prototyping, Short Run Production and Pre-production Processes.

Our January meeting included announcements by Richard Leshuk of American Institute of Industrial Engineers about a multi-discipline engineering dinner scheduled for March 19. See more complete announcement on page _____

Jim Boitz, offered folders about becoming a full or affiliate member of IDSA. Ajboitz@home.com

Terry Greenfield complemented Jim's comments by relating how the IDSA directory is a significant tool for networking appropriate commercial contacts for inventor / developers as well as Industrial Designers.

Mr Avery Comarow of US NEWS AND WORLD REPORT spoke briefly about that National Magazine's current interest in Independent Inventors. He asked the question, "Is the climate for Intellectual Property reward as better or worse for bringing a product to market than it was 50 years ago?" Responses from Steve Frank and Bryan Ruffner told of a greatly enhanced current climate: (1) Instant availability of USPTO documents, (2) Internet and telephone openness to market research data and (3) Greatly-enhanced business attitude toward outsourcing lets small entities connect with large and small contractors.

Steve and Bryan also responded to Mr Cameron's query about sufficiency of Independent Inventor's appreciation for how to search, how to use expert knowledge of IP professionals, and how to market. Both had drawn on more than one IP professional in prosecution of their properties.

MEETING: 3rd Monday,
18 Feb 02 at Jerry & Barbara's
House, 2818 Jutland Rd,
Kensington Md. 301 962 8491 See
Map, Page 8, & on website

5:30 Networking among Inventors

6:30 **Mr. Sean Wise**

7:30 Member & Guest Topics

Bryan suggested that for his properties it seemed easier to “learn the ropes” of patent search than for an attorney to learn enough about a reasonably complex invention technology to optimize work of his searchers.

Newsstands offer the invention articles in the Science and Technology section of USNEWS Feb5 - 12 issue. Also see www.usnews.com “Click this week”

Progress Reports: Three of our inventors identified current magazines in which their products are pictured and discussed. Bon Apatite shows Jerry’s Turkey Baster, and calls it a generic, “hot fluid separator”. [That is the term used by Barbara when they started development of this commercially-successful product.]

Machine Design and Design News magazines are soon to publish Chuck Popenoes news release about commercial availability of his torque-indicating bolts.

Business Week of Dec 17 reported a product of another member voice as the “Best Product”.

Frampton Ellis reported that he had just entered a lawsuit regarding royalty payments after 3 years in license.

EVENING LECTURE: The Lonely Engineer Mr James Laughlin

Mr Laughlin’s very impressive background includes practice before the US Supreme Court, and 3 State court systems. His broad experience includes “Lead Attorney” for now-famous Intellectual Property cases and employment within his own growing practice as well as in very large law firms. He acknowledged that he like to talk with those inventors who could see new things. He said he “felt smarter” after exposure to inventors.

His career direction was into Chemical Engineering because he respected his Chemical Engineer Scout Master. He continued his technical education at MIT for Nuclear Engineering. And on graduation took employment with American Cyanamide Corporation (ACC) in their Washington DC offices, who “paid his tuition” through law school. Experience with ACC led him to appreciate the strengths of very sound technology and strong policies.

His industrial work experience included employment with Xerox during its peak market times. This environment helped him appreciate some of the conditions and demands that influence inventors. Chester Carlson discovered a electro-static and light-energy phenomenon with selenium metal plates. In 1934 he applied for and in 1936 was awarded the underlying positive-image patent for “dry” reproductive printing. It wasn’t until 1959 that Xerox introduced their office machine. [Of course their were many other patents in its portfolio by then.] Carlson’s long wait-till-recognition was very hard on his personal and family life.

Mr Laughlin’s private and big-firm law practices led him to share a perspective about the richness of Intellectual Property talent in the greater Washington DC area. The big firms often harbor concentrated depths of expertise in currently-emphasized technologies. Many “boutique” small firms focus their business to specific technical disciplines that match their client’s vision of present and future needs. Either kind of firm can offer value to corporate and independent inventors, provided they and the inventors find compatibility.

America’s bountifulness can be attributed to a “melting pot” of people who could do what they wanted to do, and a freely moving capital to amplify business effectiveness. The evolution of patented “property” encouraged enterprising people to claim even “trifles of technology”, and let that owned property become the basis for little businesses; some of whom grew to greatness. For instance, the industrial evolution of Rochester transitioned from a flower-milling town to a flower-growing community. A Penwell chemical business drew the interest of George Eastman’s Kodak company and its subcontractors, Gleason and Bosch & Lomb became strong firms.

SUCCESS STATISTICS:

In the USPTO reports for year 2000, approximately 300,000 applications were entered and approximately 155,000 patents issued. For the same year extremely few (0.02%) were challenged through litigation. Observations:

Most patents are without commercial value. [A few have immense earning capability.]

Inventors should focus on actual, recognized needs.

Entrepreneurs may elect to "create a demand".

Many inventions get too complicated for the marketplace success.

Business success or failure may stem out of many reasons other than the patent.

The real test of commercial value is "ability to make money in the marketplace".

Licensing, as an inventor's objective, is often tougher than building a small business.

Customers for license usually have many other options, unless the licensable property is a real barrier to their intended or committed business strategy.

EVOLVING RESOURCES:

Website services now offer search capabilities the include US, Europe & Japan for very low price.

Insurance Companies (Chubb) are now offering insurance coverage for litigation.

IP attorneys will often enter a partnership arrangement in consideration of their litigation efforts.

An evolving change in distribution channels, (catalogs & web pages) is altering marketing patters.

IMPORTANCE OF INVENTING:

Individuals visualize inventions, whether they are employed by a corporation or are self-employed.

Besides creativity, a successful inventor must exercise remarkable perseverance.

Inventors seem to build great satisfaction in bringing their ideas through property to commercial success.

Your editor believes that Mr Laughlin enjoyed the interaction with INCA and IDSA almost as much as we enjoyed and appreciated him.

THANKS, JIM

DSA Mid-Atlantic Chapter cordially invites its INCA friends and colleagues to attend Mid-A's "Celebrity Meet The Author/Premiere/Discussion/Book-Signing Evening," with Craig Vogel, FIDSA, (Fellow) and Jonathan Cagan, Ph.D., IDSA, on Wednesday, April 24th.

Craig and Jon will be presenting their new book,

"Creating Breakthrough Products: Innovation From Product Planning to Program Approval,"

Case studies are presented about products that have "made it" in today's super-difficult markets. what was done, how product developers worked with management to create these successes, and lessons from those experiences.

We'll tell you more at the February INCA meeting. See you there! - Terry

Latest reminder, INCA / IDSA Joint meeting, March 18 is back at Potomac Community Center.

Richard Leshuk, recent new member of INCA has invited us for the Tuesday evening of March 19, 2002.

Volunteers in Medical Engineering Speaker John H. Staehlin

Volunteers in Medical Engineering (VME) is a Baltimore-based organization of volunteers working to improve the independence of individuals with disabilities through the use of innovative engineering. For the past 20 years, this group of 200 volunteers has been providing one-of-a-kind solutions to solve specific problems via custom design and creative modifications. While commercialization of designs is not a primary objective, a number of patents have resulted from the group's work.

This meeting is a joint activity of:

Institute of Electrical and Electronic Engineers (IEEE),
Engineering in Medicine and Biology Section, Wash/NOVA
Institute of Industrial Engineers (IIE), Baltimore Chapter
Institute of Industrial Engineers (IIE), National Capital Chapter
Inventors' Network of the Capital Area (INCA)
Society of Manufacturing Engineers (SME), Baltimore Chapter
Society of Manufacturing Engineers (SME) , Washington DC Chapter

March 19, 2002, Tuesday evening Holiday Inn, College Park

6:30 - 7:00 PM Registration and Networking

7:00 - 8:00 PM Dinner (optional)

The presentation is open to all at no cost.

8:00 - 9:00 PM Presentation by John H. Staehlin **Volunteers in Medical Engineering**

The price of the optional dinner (Chicken Florentine or Salmon Florentine) is \$30.00 for members of the cosponsoring organizations **including INCA**, \$35 for non-members.

The College Park Holiday Inn is located on Route 1, immediately north of the Rt. 495/95 Washington Beltway. For information and reservations please contact Neal Schmeidler at Onmni Engineering, telephone (703-827-8976), fax (703-827-8977), or email (neal@omni-engineering.com).

Editor: My e-mail to Richard Leshuk suggested that we need to be aware of what we wish for. When INCA was getting attendees for our first USPTO "Saturday Seminar" about intellectual property, my greatest hope was to be invited to tell about INCA to the working, professional-level engineers of the Greater Washington area.

Here, on the day after our March meeting, is a gracious invitation to "Network" with other intentional inventors. Let's share our Volunteer spirit with a focused community of creative engineers. Invite them to INCA resources.

Manchester NH **The Big Idea Hunt:** Toys and Kids' Products Search is a nationwide search for new and innovative children's product ideas. Inventors of all ages are invited to present their ideas to a panel of industry experts and qualify for an opportunity to earn cash awards and/or product development contracts. Upcoming Spring 2002 events include: Baltimore (April 13-14). For information about our invention search or other idea submission opportunities, visit www.BigIdeaGroup.net or call 603-641-5955.

Westfield MA It is our membership that keeps our valuable services alive. Maybe someday we will have substantial corporate sponsors to help fund our growing list of projects. Until that happens, we have to rely on members. If you are not a member and want to keep our services alive, go to <http://www.uiausa.com/SubBenefits.htm> <http://www.uiausa.com/uianewsv8I4.htm>

UIAUSA COMING EVENTS

March 19, 2002 ***How to Do Business with QVC***SUNY, Farmingdale, NY E-mail: lcarter@lift.org

April 5-6, 2002 ***Midwest Inventors Conference & Resource Expo***Flint, MI (810) 232-7101

May 3, 2002 ***Pulse of Innovation (Invention) Trade Show*** Long Island, NY E-mail: lcarter@lift.org

Visit the United Inventors Association's all-new Inventors Awareness Center at <http://www.uiausa.org>

IBM spinoff, Adapted from piece by Gwendolyn Mariano, CNET News.com

IBM patent search capability was at one time a wonderfully, flexible, free internet service.

Delphion became the name of its spin-off. Now Delphion is licensing its software to Patolis, a spinout of the Japanese Patent Information Organization. The new Patolis-Web will use all of Delphion's database, including U.S. and European patent and intellectual property information.

Note: **Delphion also offers its expanded, broad searching capabilities for a fee of \$29/24-hour day or \$75/month.**

Registration is offered at www.delphion.com/products/products-onedaypass.

The recently updated **From Patent to Profit** web site is more complete than ever.

It's targeted for first-time and not-too-experienced inventors. <http://frompatenttoprofit.com>

Bob DeMatteis, Inventor/Educator Author of From Patent to Profit <http://www.frompatenttoprofit.com>

Alan Southern of **Southern Model Builders** (SMB) Daphne, AL. offers professional scale model-building. He cites 75 years experience building for engineering, architectural, marine and law firms. His products are not "hobbyist type models". Registered engineers are on staff to do checking and quality control

See web page - www.southernmodelbuilders.com asouthern@sei-group.com

"Chance favors the prepared mind" -Louis Pasteur

2002 YEARLY DUES are DUE:

This year the newsletter will be addressed only to members and friends for whom we have checks or cash and who may have expressed their special interest in receiving it. Address labels for next March's issue will identify timeliness of dues or indication of other INCA basis for mailing. Examples, we send copies to prior speakers and to other inventor associations - - who share their newsletters with us. Some individuals just subscribe on behalf of their friends-in-far-places. Regular fee: still \$36/yr, but does not automatically include cost of Pizza etc. A jar collects that expense. Associate Fee: \$10/yr plus \$5/meeting attendance. Mailing Address: INCA P.O. Box 15150 Arlington, Va 22215

“The Money of Invention” is a recent book through Harvard Business Press whose authors have studied the venture capital (VC) business from relative obscurity -to boom -to retrenchment. \$21 at Amazon.com

Its authors, Paul A. Gompers and Josh Lerner are professors of business administration at Harvard Business School.

Their research covered a 40-year evolution in Venture Capital. At its cyclical peaks it greatly increased its portion of available capital. [1999 - 2000, early to mid-1980s, and late 1960s]. Currently a retrenchment is characterized in investments to protect on-going, wholesome projects. Investors are extremely wary about new investments, particularly seed-stage and early-stage capital.

What do the authors advise as fund-getting steps for inventor/developers with good ideas?

1. A well-researched vision of the current and future market.
2. A strategy-path to profitability.
3. A winning team
4. Effective articulation of opportunity for the investment community and for the team members..

Changed conditions in the investment / VC / innovator communities.

Valuations within the fund-raising process have sobered.

Present-value from projected business will be more dependent on hard data and very rational logic.

Successful entrepreneurial companies often reinvented themselves, even several times in the process of getting things right. [Inventors may consider adjusting the focus of their energies toward currently-growing marketplaces.]

Incubators were judged to be contradictions to behavior of successful venture groups. Inexperienced managers were contrasted to VCs demand for seasoned, disciplined and focused persons.

Strangely, the venture industry was judged by themselves as having not been innovated very much over the last 50 years, yet VC managers are being introspective in “rethinking” the way that they do business. Issues include:

- How to share best practices.
- How to organize each business.
- How to reinvent division of responsibilities.
- How to integrate decision-making.

The objective of such rethinking is to focus on “creating value” from innovation.

The VC contribution to a venture is a bet that the innovation will flourish elegantly.

Your editor believes that Inventor/Developers will meet most expectations of VC or Angels with:

Proposals which meet VC criteria.

- * An objectively-comparative evaluation of the project’s potential.
- * A profile of benchmarks to assure sound profit margins
- * A means for projecting and reporting progress against achievable milestones.
- * Transparent decision criteria controlling line and staff managers.
- * Transparent decision criteria retained by investor for major milestones.
- * Alternative investment schedules, including “staging” options for capital exit or infusion.
- * A financial structure that defines appropriate incentives for innovators, VC and funders.

A VC (or angel) hopes to screen enough deals (business plans) that some will offer sound promise, can be monitored and adjusted, will continue attractiveness throughout each stage of investment and will permit both VC and investor decisions to be compatible with those of the innovator/inventor.

The Angel Investor's Handbook: How to Profit from Early-Stage Investing

By Gerald A. Benjamin, Joel Margulis Published 2001, Amazon \$45.50

Authors focus on picking new business winners and avoiding losers.

Angels expect to invest and also add value by their business experience in the processes of developing products and services in pre-IPO companies. Entrepreneurs and Angels are mutually challenged in matching appropriate wisdom of Angels, who stay close to operations, with the entrepreneurs who may consider their own vision the most important.

The description of this guide defines:

- skills needed by angel-investors,
- documents used in angel transactions,
- “How to confirm facts” about a new business,
- author’s judgment of right and wrong things for Angels to do, and
- a directory of forums, angel organizations, publications and web sites.

Inventors who are seeking a development team may find this viewpoint from the Angel’s perspective to be a tool for tailoring their early, written, business plans.

Synopsis: Andy Gibbs says: **I Have My Patent ... NOW What Do I Do?** Patentcafe.com

Inventors want to know “what to do next” after their patent is issued and they want to make money from it.

An inventor needs to know how, and to whom, he expects to license his property before applying for any patent. Andy offers a method of “building value into your patent before you invent”.

Marketability Test: (How will the patent sell?). Download assessment forms from www.patentcafe.com/inventors Café/free.html

(1) Outline a business plan. (1a) Envision your product on the store shelves. (1b) List the competitor's whose products are displayed beside your future shelf-space. (1c) Outline for these competitors how your product will become their licensed products. (1d) Cite tested objectively-measured improvements between their products and yours. (1e) Calculate your on-the-shelf price. (1f) Decide: Does your invention offer more function at lower price?

(2) Search the patents of these competitive companies. (2a) Are they active in newly patented products?

(2b) Do they license patents from other inventors. Research note: Names and addresses of the actual patents are traceable from the patent number displayed on a product by using the www.uspto.gov website. Names and addresses of assignees are also visible on many patents.

(3) Within a year write the business plan and the patent if significant profit is visible to candidate licensees. (3a) Confirm that

- * an ultimate customer will recognize the market need for your product.
- * final pricing will be competitive and attractive to licensee and its distribution channels
- * safety considerations are understood and safety is assured.
- * durability of the tested prototypes is sustained in production items..