

Invention Scams

A recent report stated that inventors were ripped-off to the tune of almost \$200 Million dollars last year by invention and promotion scams. That's an awful lot of money to waste, especially when most of it came from hard-working independent inventors who were told tales of riches and dreamed of a better life.

The Federal Trade Commission has previously indicated that "Some invention promotion firms may help you get your idea or invention into the marketplace. But be aware, some inventors have paid thousands of dollars to firms that promised to evaluate, develop, patent, and market inventions and got nothing for their money."

The FTC reported that its investigations of the industry have given it a wealth of knowledge about how invention promotion firms work. Most firms offer services in two stages. First, the firm will promise a free initial evaluation of the inventor's idea. The evaluation is inevitably favorable. Next comes a more extensive study of the idea and its patentability and market potential. These reports are often quite lengthy, but typically contain boilerplate marketing propaganda. The fraudulent invention promotion firms do not offer an honest appraisal of the technical feasibility or market potential of an idea, and in some instances their patent searches are incomplete. Even so, these reports typically cost hundreds of dollars. The inventor is then taken through a series of discussions about the costs associated with manufacturing and marketing the product and its retail price. The discussions end with how rich the inventor is going to be when they are finished.

The phase two services typically include patenting and marketing. Invention promotion firms usually mention trade shows and special relationships with manufacturers who might be interested in producing the invention. These rogue promoters often require the inventor to pay several thousand dollars for phase two services. Most times these invention promotion firms apply for patents that provide very limited legal protection or are otherwise inadequate.

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"We are particularly concerned about the impact these disreputable firms have on independent inventors' confidence in the patent system. As a result of their dealings with unscrupulous invention developers, they come to see the system as frustrating rather than promoting the recognition and protection of their inventions," reported USPTO's Solicitor, Nancy Linck.

What should you do? Research and ask a lot of questions when dealing with an invention/promotion firm. Check with the Better Business Bureau in their home state. There's even a list of suspect firms on the Internet -<http://www.InventorEd.org/caution>

There are many resources available for independent inventors. Consider joining the New Hampshire Inventor's Association (NHIA) located in Concord, 224-3933 - they have monthly meetings and provide excellent networking opportunities. The Greater Nashua Center for Economic Development at 229 Main Street, 589-3070, may be able to provide some counseling. Publications about inventions are available from the U.S. Patent and Trademark Office on-line at <http://www.uspto.gov> or by phone at (703) 557-4636 and from the U.S. Small Business Administration (SBA) at 1-(800)-827-5722.

If it is too late, and you think you're a victim of a fraudulent invention promotion - contact the firm and try to get your money back. If you can't reach an agreement, report your problem to your Better Business Bureau, local consumer protection agency, the Attorney General in NH and in the state where the company is located, and with the FTC.

No one can guarantee financial success by getting a patent - it takes a lot of hard work in conjunction with a timely invention and good business plan to make it worthwhile. A patent may be one of the pieces in your successful business puzzle - your patent counsel should give you the information you need to see if the pieces fit.
