

Inventors COUNCIL

OF MID-MICHIGAN

PO Box 232, Lennon Michigan 48449

Web Site: INVENTORSCOUNCIL.ORG

The Inventors Council is an independent, non-profit 501 C-3 corporation formed to help inventors pursue their dreams of bringing new and innovative products to market. Our goal is to help fellow inventors succeed in the most efficient and least costly manner possible by providing education and business networking.

Founded by Robert (Bob) Ross in 1995

We meet monthly at Walli's Restaurant, 1341 South Center Road Burton, Michigan. Just Two blocks south of I-69, Exit 139

VOLUME THIRTEEN

NEXT MEETING THURSDAY, August 13, 2009, 7:00PM

NUMBER Seven

Local Inventors to speak about their unique baskets

Kevin Sedely owner of Perissos Design and Doug Clayton owner of Classic Woodworks in Oxford, Michigan will be presenting their "garden basket" at this month's meeting.

Kevin and Doug were featured in the July 16 Lapeer Area View newspaper.

It started out as a request from Kevin's wife and turned into a lot more than they thought it would. The wood baskets use all America made parts and labor.

Kevin and Doug will be discussing product development and production methods used to bring this unique product to market. Come join us and meet Kevin and Doug as they move the product along in the market.

The meeting will begin at 7:00pm in the upper level of Walli's Restaurant on Center Road in Burton.

July Meeting

As usual, the July meeting was a gab-fest. We had no formal speaker and it was just inventors talking and interacting with each other.

There were several lively discussions as opinions and ideas flowed freely.

Every July is a chance for our members to discuss their ideas on a personal basis without outside speakers or instructors or trainers directing the meetings.

We hope it was an learning and networking experience for those of us who attended.

Before You Patent It –Part 2 Reprinted from May 22,2009 IdeaBuyer Newsletter

In Part 1 of this series you learned that getting a patent is an involved process that needs to be carefully researched and thought through. By this point, you should be confident that your idea is **worth** patenting. Today, you're going to learn the most common ways to make money from a patent once you have it. Henry David Thoreau said that if you build a better mousetrap, the world will beat a path to your door. There is also a myth about patents that simply **having** one enables you to make money from it. Well, here's the truth on both of those things: Henry David Thoreau never built any mousetraps, and the world never beat a path to his door. And while having a patent is the necessary **starting** point, that in and of itself is not going to make you any money. Rather, you must do one of three things:

- 1) **Sell** your patent
 - 2) **License** your patent
 - 3) **Sell the invention itself** (through stores, the web, etc.) to customers
- Each of these strategies offers unique advantages and disadvantages that need to be considered in light of your own situation. (There is no one "right" way to do it, only the right way for you!) We will outline each strategy to get you thinking about which one fits your strengths, weaknesses, and expectations.

Selling Your Patent

As the name implies, selling your patent is a strategy where you sell full ownership of the patent to someone else. This could be an entrepreneur who wants to create a company around the invention, a retailer who wants to sell the invention in stores, or a manufacturer who wants to mass-produce the invention. It is a "quick exit" strategy whereby you wash your hands of the patent and all future responsibility for it in one fell swoop.

Pros of Selling Your Patent: Cash out in one lump sum. No future hassles or involvement with the patent. Leaves you free to move on to the next project or enjoy your payout from this one. (Continued on back page)

**Inventors
COUNCIL**
OF MID-MICHIGAN

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MARKETING

Hints from the Fog
by Mike Ball, President



Before You Patent It Part 2 by The Idea Buyer Newsletter

Cons of Selling Your Patent:

Possibility of having to watch whoever you sell the patent to reap huge profits from it that far exceed what they paid you.

If you are not business-minded or simply need the money right away, consider selling your patent if you have the opportunity to do so. But remember: entrepreneurs, retailers, and manufacturers are not going to beat a path to your door. In most cases, you will have to approach them. To learn how to get potential buyers interested in your patent, visit IdeaBuyer.com or check out our library of free articles on such topics as valuing your patent.

Licensing Your Patent

Licensing your patent is a bit more involved than selling it outright. A patent license allows a third party (an entrepreneur, retailer, or manufacturer) to **utilize** your patent for their own benefit, while **you** retain **ownership** of it. This person or company is called the licensee. In exchange for this privilege, the licensee agrees to pay you (the licensor) some agreed-upon amount of royalties. For example, you might grant a manufacturer a 5-year license to use your patent in exchange for 10% of yearly product sales.

A patent license creates an ongoing business relationship between you and the licensee. You will need to be involved at least enough to ensure that they are meeting the performance obligations they agreed to.

Pros of Licensing Your Patent: Enables you to share in the future profits that your licensee may achieve by capitalizing on your patent. Creates a passive income stream.

Cons of Licensing Your Patent: Requires you to stay involved with the patent. Requires you to wait to receive income from the patent (unless you also negotiate an upfront payment into the licensing agreement.)

If you don't mind the occasional meeting or conference call with whomever you license the patent to, and you are willing and able to wait to receive income from the patent, licensing may be the way to go.

(This is only a brief overview of patent licensing. See the "Licensing a Patent Help" section of PatentHelpNow.com for more detailed articles on how to value your patent, how to pitch your patent to companies, and how to write good performance obligations into any patent license you sign.)

Sell The Invention to Customers

This is the riskiest strategy of the three, and also the most potentially lucrative. Rather than selling or licensing the patent (thereby transferring the responsibility for capitalizing on it to someone else) **you** take on that responsibility by creating the invention and selling it to customers. This makes you an entrepreneur.

The risk is that you will be unable to convince a retailer to sell your invention or unable to sell it yourself via the web or some other medium. The reward is that, if you can, the profits are yours and yours alone.

Pros of Selling The Invention to Customers: You maintain complete control. You share profits with no one. You make much more money if **you** can successfully sell the invention to your target market than you would by selling or licensing the patent to someone.

Cons of Selling The Invention to Customers: All of the risk is on you. If you cannot successfully sell the invention to your target market, you stand to lose all the time and money you invested in trying to.

This strategy is best suited for people with entrepreneurial and business backgrounds. If you relish the opportunity to transform a patent from a piece of paper to a thriving business with hard work, networking, and deal-making, this could be the way to go. If you would rather cash out and let someone else do all of that, sell or license the patent instead.

See our articles on getting an invention on store shelves, who and who not to take investment money from, how to choose the right business partners, and how to fast-track an invention to market.

Again, none of these strategies is necessarily better than the others. It all comes down to what your strengths, weaknesses, and expectations are. The important thing at this stage is that you start thinking about which strategy suits you.

Invention Review Panel

For objective evaluation and priceless feedback, share your invention ideas with an educated group of inventors, business owners, engineers and authors!

Our Panel will sign a non-disclosure agreement to guarantee your ideas are kept secret while we provide you with the input needed to make decisions, no matter what stage of the invention process you're at!

There's no cost for this service. The Panel meets at 6:15pm before each meeting. Call Panel Chairman Mike Wiley at 810-691-4451 for an appointment.

Review Panel Members
Mike Wiley
Jim White Mike Ball

Bob Ross 1919 - 2004 Inventors Education Column

Inventors Event Notices

Yankee Invention Expo 2009 and Yankee Entrepreneur Workshops

Held on Thursday, Friday, and Saturday, October 22 thru 24, 2009

Waterbury, Connecticut

Email: yankeeinventionexpo@gmail.com

Inventors Words to live by:

"If it's going to be, it's up to me."

"It's easy to be a critic, but hard to be a cook"

"Start where you're at"

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