

Patent Lesson 8. Patent Promotion Scams to Watch Out For

In this lesson you will learn about invention/ promotion scams. Con men love inventors. Why? Because inventors are dreamers who will do whatever it takes to make their dream come true. Patent scammers prey on your dream of making millions with your invention. Here is how they work. First, they suck you into their orbit by telling you your idea is a winner. The truth is, they don't care if you have a million dollar idea or a dog with fleas. They begin by selling you a market evaluation report. That might cost between \$500 and \$1,000 and is mostly boilerplate they use with everyone and just slap a new title on.

Next they hook you into paying them to write a bare bones provisional patent application, then talk you into buying their prototype package. Then they sell you the marketing package, claiming they will send it out to "industry---whatever that is---and find a licensee to pay you royalties. On and on it goes until they bleed you dry. Before you know it, you've shelled out thousands of dollars and have nothing to show for it but a phony marketing report filled with nonsense.

Get rich schemes are everywhere and so are unscrupulous vultures who will tell you what you want to hear. In a previous lesson I said it's hard to let go of an idea you fall in love with. You need people to love your baby. The truth is, Invention promotion companies have a terrible record of helping inventors. Because of the American Inventors Protection Act of 1999, they are required to disclose to you that they have a lousy batting average. The law requires them to warn you that they don't guarantee results. In fact, their own numbers report that less than .001 percent success rate. That's one inventor in a thousand who use their services, ever make more money than they paid to the promotion company. One in a thousand. Still, inventors disregard these

numbers and pay these scammers because they believe their big idea is that one in a thousand. It's easy to look at other people's inventions and think it's obvious why these other inventors couldn't sell their product. It was a bad idea. But your idea is different. It's a sure winner. As we say in business, hope is not a strategy. You can't hope people will buy your big idea. You must start slow and test, test, test.

You need to know that the USPTO doesn't investigate complaints or participate in any legal proceedings against invention promoters/promotion firms. But the USPTO does provide a public forum for the publication of complaints concerning these firms. Here is the link to the forum if you want to check out some of the complaints. [USPTO public forum for invention promoters/promotion firm complaints.](#)

Inventors read these warnings and complaints and still engage these firms. Why? Why do they go ahead knowing the company's history of failure? As I said, inventors believe in their ideas so completely they think they are different. Maybe you tell yourself that these other inventors are not you. Your idea is different, you just know it is. Okay, maybe it is, but stay away from companies that promise you a piece of the moon. If you want objective feedback for your invention, do a patent search and if you don't find any prior art clear, file a provisional application for patent.

Next, research companies that sell products in the same category as your invention. Phone the Sales Department and talk to the Sales manager. Tell them you are a product developer, not an inventor, and you have a patent pending for a new product that will fit into their current product mix. Start a conversation. Develop a relationship. Take one step at a time and keep moving forward. Taking those steps will be far less expensive and more productive than hiring a company with a terrible track record and that likely won't help you anyway.

Always check the reputation of invention/promotion firms before making any commitments. Be suspicious of any firm that promises too much and/or costs too much. If you are thinking about using one of these firms, ask for references from their current clients and check the firm's reputation by Googling their name plus the word complaints and or reviews. If you have hired a patent attorney or agent, ask them about the invention promoter/promotion firm.

Before you sign anything or give them any money know this! They must disclose specific information to you regarding their past business practices. This [mandatory disclosure form](#) is required by law and will help you decide if the firm will meet your needs. You can download a pdf copy of the form. They must disclose to you in writing each of the following items of information:

Number 1: The total number of inventions evaluated by the invention promoter for commercial potential in the past 5 years, as well as the number of those inventions that received positive evaluations, and the number of those inventions that received negative evaluations. This will tell you how much experience the promoter has. What is their track record? Do they generally give mostly positive or negative evaluations, or is there a balance between their positive and negative evaluation history?

Number 2: The total number of customers who have contracted with the invention promoter in the past 5 years, not including customers who have purchased trade show services, research, advertising, or other non-marketing services from the invention promoter, or who have defaulted in their payment to

the invention promoter. This gives you an idea of just how experienced the promoter or firm is and the volume of services they provide.

Number 3: The total number of customers known by the invention promoter to have received a net financial profit as a direct result of the invention promotion services provided by such invention promoter. This will help you calculate whether they have helped make any inventor any money or just taken their money.

Number 4: The total number of customers known by the invention promoter to have received license agreements for their inventions as a direct result of the invention promotion services provided by such invention promoter. The key phrase here is --"as a direct result of the invention promotion services provided by such invention promoter". Just because a license agreement was signed doesn't mean it was a "direct result" of the promotion activities of the firm.

Number 5: The names and addresses of all previous invention promotion companies with which the invention promoter or its officers have collectively or individually been affiliated in the previous 10 years. This information will help you to know the history of the promoter or firm, even if the promoter changes firms or the firm changes its name.

Here is a flyer published by the USPTO that lists the warning signs that you may be talking to a scammer. You can download it in the documents file. (show flyer)

I hope that raises your awareness about the possible scams that you can fall prey to as an inventor. If you ask one of these companies to fill out a disclosure form and they resist...run away as fast as you can. Even if they do sign the agreement, be cautious. Once they get their hooks into you, it will be harder to stop paying for the next round of services they want you to buy.

That concludes this lesson on Patent Promotion Scams. Good luck with your big idea. That completes this section covering the basics of patents. In the next section, you'll learn how trademarks can protect your creative work.