



Law for All

3rd edition

The Inventor's Notebook



Protect Your Idea! This book helps you:

- document conception, creation & testing
- get the kind of legal protection you need
- market & finance your invention



By Fred Grissom &
Attorney David Pressman,
author of Patent It Yourself

"The Inventor's Notebook offers an organized way to document an invention's progress from first glimmer to the marketplace."

—NASA Tech Briefs



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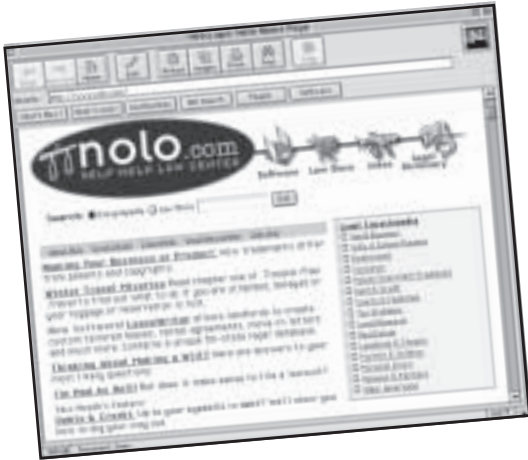
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2nd Edition

T • H • E
INVENTOR'S
NOTEBOOK

By Fred Grissom & David Pressman

Nolo Press



Berkeley

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Dedication

To our wives—Shelley, for her faith and sense of humor, and Roberta, for her perseverance and style.

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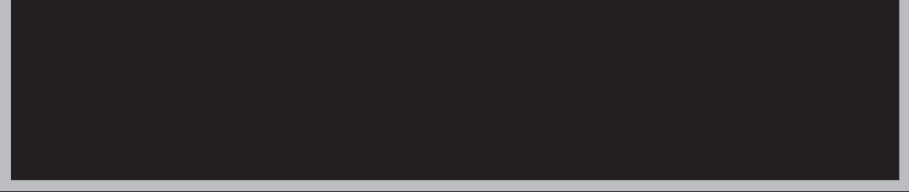


Table of Contents

Introduction **What The Inventor’s Notebook Does and How to Use It**

- A. Brief Description of The Inventor’s Notebook 1
- B. Scope of The Inventor’s Notebook 1
- C. How The Inventor’s Notebook Is Organized 2
- D. How to Use The Inventor’s Notebook 2
- E. Explanation of Inventor’s Decision Chart 5

Part A **The Work Diary**

- What’s in It 9
- How to Make Entries 9
- A1 Record Your Conception 10
- A2 Record the Building and Testing of Your Invention 22
 - Optionally, File a Provisional Patent Application 22
- A3 Other Possible Applications of Your Invention 34
- A4 Record Your Trademark Conception 36
- A5 Record Your Distinctive Design Conception 39

Part B Legal Protection 45

| | | |
|----|--|----|
| B1 | Prior Art Search | 45 |
| B2 | Patentability Checklist | 49 |
| B3 | Provisional Patent Application Checklist | 53 |
| B4 | Patent Application Checklist | 53 |
| B5 | Design Patent Application Checklist | 56 |
| B6 | Trademark Use and Registration | 58 |
| B7 | Record of Contacts | 62 |
| B8 | Legal Protection Summary | 68 |

Part C Marketing 71

| | | |
|----|---|-----|
| C1 | Evaluation of Positive and Negative Factors of Invention | 71 |
| C2 | Potential User Survey | 77 |
| C3 | Relevant Market Trends | 83 |
| | How to Use Form C3 to Record Data from These Types of Sources | 84 |
| C4 | Manufacturer/Distributor Evaluation | 95 |
| C5 | Choosing the Right Company and Reaching the Decision Maker | 98 |
| C6 | Using the Internet to Develop and Promote Your Invention | 102 |

Part D Financing 107

| | | |
|----|---|-----|
| D1 | Determination of Funds Needed | 107 |
| D2 | Checklist for Selling Invention/Seeking Capital | 111 |
| D3 | Funding Sources and Results | 114 |

| | | |
|---------------|--|------------|
| Part E | Continuation Pages | 117 |
| Part F | Bibliography— Books of Use and Interest | 149 |
| | Government Publications | 149 |
| | Law Books Relating to Patents | 150 |
| | General Interest Books and Magazines Relating to Patents, Inventions and Trademarks 150 | |
| | Publications Relating to Business | 151 |
| | Books Relating to Self-Improvement | 152 |
| Part G | Glossary | 153 |
| Part H | Fee Schedule | 159 |
| Part I | Forms | 163 |

Introduction

What The Inventor's Notebook Does and How to Use It

There are four main activities that all successful inventors must normally undertake:

- conceiving, building and testing the invention
- legally protecting the invention
- marketing the invention, and
- financing the first three tasks.

The Inventor's Notebook is designed to help you organize the records you need to successfully complete each of these activities. Specifically, *The Inventor's Notebook* will show you how to document the details of your invention in order to:

- maintain good records of your inventing process. By doing this you will always know exactly where you are in the invention process and what remains to be done. This will help you avoid dead ends and the repetition of mistakes;
- create a legal record that you are the first and true inventor. If your invention is ever challenged, your completed notebook will be the foundation of the legal protection for your idea;
- convince others of the worth of your invention;
- proceed realistically in terms of your invention's commercial potential; and
- organize all the information pertaining to your invention in one location.

A. Brief Description of The Inventor's Notebook

The Inventor's Notebook is designed for a single invention. You should use a separate notebook for each invention. *The Inventor's Notebook* consists of:

- Part A—The Work Diary
- Part B—Legal Protection
- Part C—Marketing
- Part D—Financing

- Part E—blank pages which allow you to continue entries begun in one of the four main workbook parts if you run out of room
- Part F—a bibliography of books relating to patents, business and creativity
- Part G—a glossary of words to describe the hardware, parts, and function of your invention in specifications and claims
- Part H—the PTO's fee schedule as of October 1, 1996, and
- Part I—Tear-out forms which help you determine the commercial feasibility of your invention and maintain its confidentiality prior to its receiving a patent.

Each part begins with a brief overview of its contents. The sections within each part begin with instructions for completing the corresponding forms. We also provide one or two specific references for additional background reading.

In some instances we offer you several copies of a form. This is because, as you know, the inventive process is interactive and commonly gives rise to more than one version of the invention. These versions are usually harmonized before you file your patent application, but until this occurs it is essential that you record the details of each version.

B. Scope of The Inventor's Notebook

The purpose of *The Inventor's Notebook* is to provide you with an organized means for documenting your inventive efforts. We do not explain here the details of patent law or the intricacies of how to create and run a business based on your invention. Before devoting your time, energy and economic resources to an invention, it is appropriate to figure out the relationship between

what you might put into the invention and what you expect to get out of it. In this sense, launching an invention is the same as starting a business—in both situations you should carefully calculate your profit potential before you get in too deeply. It is this activity that we refer to when we later speak of creating a business plan for your invention.

Nolo Press also publishes *Patent It Yourself*, an excellent source of detailed information on obtaining and using a patent. For a full understanding of the legal principles associated with the information you will be entering in *The Inventor's Notebook*, we recommend that you obtain a copy of this comprehensive and clearly written resource. It is widely available in libraries and bookstores and can also be obtained by ordering directly from Nolo Press. See the Nolo Press catalog and ordering information at the back of this book.

In *Patent It Yourself*, author David Pressman has formulated 16 statements or instructions (termed Inventor's Commandments) that focus the reader's attention on the crucial steps necessary to the successful development of his or her invention. Throughout *The Inventor's Notebook* we provide cross-references to the relevant portions of *Patent It Yourself* and feature some of its "Inventor's Commandments" where appropriate.

We also suggest you consult *How to Write a Business Plan* by Michael McKeever (Nolo Press).

C. How The Inventor's Notebook Is Organized

The Inventor's Notebook is designed to focus your attention on all major activities associated with successful inventing, and on the documentation that is appropriate and necessary to each. As our organizing tool we use the Inventor's Decision Chart from *Patent It Yourself* (see facing page.)

As you can see, the chart presents a concise overview of the basic steps of the inventive process.

In the real world, of course, an invention can go from idea to marketplace in a great variety of ways. However, the paths outlined in the Inventor's Decision Chart serve as logical guidelines to the way in which a

large percentage of inventing efforts will tend to develop, primarily because the fundamental questions addressed by the chart—legal protection, financial feasibility, marketing potential, and perfecting the final design of the product—must be addressed in most instances.

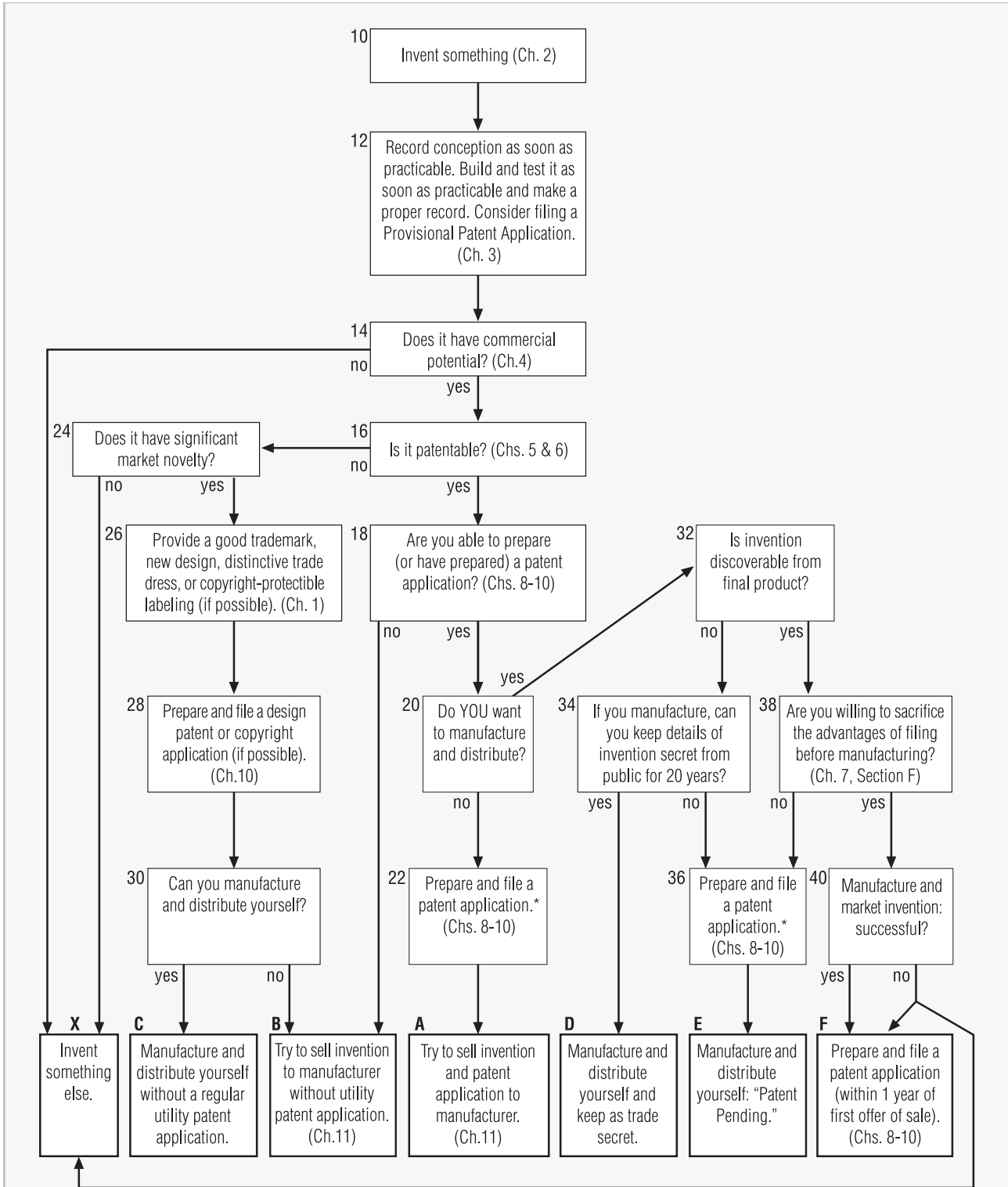
At the end of this introduction, we offer a brief description of the different paths represented in the Inventor's Decision Chart. A more extensive discussion can be found in *Patent It Yourself*.

D. How to Use The Inventor's Notebook

The boxes on the Inventor's Decision Chart are numbered 10, 12, 14 and so on up to 40, then A-F and X. Each box contains a brief description of its step and provides a cross-reference to the chapters in *Patent It Yourself* which discuss the step. Each step is discussed in one or more chapters of *Patent It Yourself* and one or more sections of *The Inventor's Notebook*. The Table of Cross-References below shows the links between boxes on the chart and the text in the two books.



Inventor's Decision Chart



* If you filed a Provisional Patent Application, you *must* file a regular patent application and any desired foreign convention applications within one year—see Ch.3. (File non-Convention applications before invention is made public or any patent issues on it.)

Table of Cross-References

| Inventor's Decision Chart | <i>Inventor's Notebook Sections</i> | <i>Patent It Yourself Chapters</i> |
|----------------------------------|--|---|
| #10 | A1, A3, B7 | 1, 2 |
| #12 | A1, A2, B7, C1, D1 | 1, 3 |
| #14 | A3, C1, C2, C3, D1 | 4 |
| #16 | B1, B2 | 5, 6 |
| #18 | B3, B4, B7, B8, D1 | 1, 8 |
| #20 | C4, C5, D1, D3 | 11 |
| #22 | B1, B2, B3, B4, B7, B8 | 6, 8, 9, 10, 12, 13, 14, 15 |
| #24 | B1, B2, C1, C2, C3 | 4 |
| #26 | A4, A5, B6 | 1 |
| #28 | A5, B4, B5 | 10 |
| #30 | C4, C5, D1, D3 | 11 |
| #32 | B7, B8 | 1 |
| #34 | B7, B8 | 1 |
| #36 | B3, B4, B7, B8 | 6, 8, 9, 10, 12, 13, 14, 15 |
| #38 | B7, B8, C4, D1 | 7 |
| #40 | — | 7 |
| A | B7, B8, C5, D2 | 11, 15, 16 |
| B | B1, B2, B7, B8, C5, D2 | 1, 11 |
| C | — | 1, 11 |
| D | B7 | 1, 11 |
| E | B7 | 1, 11, 15 |
| F | B3 | 6, 8, 9, 10, 12, 13, 14, 15 |
| X | Begin a new <i>Inventor's Notebook</i> | 2 |

To see how this cross-reference table works, assume you have conceived an invention (Box 10) and now are at Box 12 of the inventive process (record conception as soon as practicable, build and test it as soon as practicable and make a proper record, or consider filing a Provisional Patent Application). The Table of Cross-References tells you which sections of the notebook

need your attention: A1 (Record Your Conception), A2 (Record the Building and Testing of Your Invention or File a Provisional Patent Application), A3 (Other Possible Applications of Your Invention), B7 (Record of Contacts), C1 (Evaluation of Positive and Negative Factors of Invention) and D1 (Determination of Funds Needed).

Now let's take a brief look at what each of these notebook sections listed in the chart for this example calls for.

Record Your Invention—A1

Section A1 provides specific guidelines as to how to record your conception.

Record the Building and Testing of Your Invention—A2

This section explains the importance of recording your efforts to build and test your invention. It contains eight grid-lined pages (with inventor and witness signature lines at the bottom of each page) for this purpose. The better this documentation, the easier it will be for you to apply for a patent and the better your legal position will be if:

- you ever get into an inventorship dispute (one person claims that another person stole the invention from the first person);
- an interference is declared (a contest initiated in the Patent and Trademark Office when two patent applications from different inventors claim the same invention); or
- you need to swear behind a cited reference (i.e., show that you conceived or built and tested the invention before the date of a reference that would otherwise be “prior art” to your invention).

When determining whether your invention is sufficiently innovative under the Patent Act (i.e., that it's novel and non-obvious), the Patent and Trademark Office (PTO) and your adversaries in any court case will examine all known references that bear on your claims. It is very important to show that your earliest effective date of invention (patent application filing date, building and testing date, or date when you first

began to diligently work towards building and testing) occurred prior to all such references; otherwise, your claims can be rejected on them.

File a Provisional Patent Application—A2 (optional)

As of June 8, 1995, an inventor can file a Provisional Patent Application (PPA) as an alternative to building and testing the invention. The PPA will be examined only if the inventor files a regular patent application that claims the same invention disclosed in the PPA is filed within one year. If the PPA disclosure is deemed sufficient by the patent examiner, the regular application may claim the PPA's filing date.

Other Possible Applications—A3

This section asks you to focus on possible applications of your work which differ from those you have imagined.

Record of Contacts—B7

This section permits you to keep track of all the people who know of your invention and who have signed confidentiality agreements. This information will be essential if a dispute arises later over inventorship or you wish to take action against others under the trade secret laws for violation of a confidentiality agreement. (Many inventors maintain their invention as a trade secret until such time as a patent issues or the invention is manufactured and placed on the market. This allows the inventor to take action against anyone who discloses the details of the invention to others in violation of a confidentiality agreement.)

Evaluation of Positive and Negative Factors of Invention—C1

This section guides you in evaluating the positive and negative factors of your invention so that you can make refinements while building and testing it.

Determination of Funds Needed—D1

Finally, this section lets you document any special financial needs for the building and testing phase.

To sum up this example, Box 12 of the Table of Cross-References directs you to the parts of the notebook you should use for recording your conception and either documenting the building and testing of your invention or filing a Provisional Patent Application. As you proceed through the chart, other boxes will similarly direct you to other appropriate parts of the notebook. Careful documentation of your invention process will save time in the long run. Your organized approach will make it easy to retrieve essential information when you need it, and you will be able to prove your inventorship if called on to do so.



DIRECT ACCESS NOTE

You can directly access The Inventor's Notebook without going through the Inventor's Decision Chart if you already understand what documentation is needed. Simply turn to the relevant portion of the notebook and enter the appropriate information. For guidance on the type of documentation needed to protect your invention, read the relevant portions of Patent It Yourself (or other resources recommended by us) which are referenced in a special box at the beginning of each section in the work diary portion of the notebook.



WARNING

You are responsible for understanding the legal requirements for documentation and what steps have to be taken to obtain a patent and protect your invention from theft or unauthorized use. While we preface each section with a very brief overview of what should be entered there, and why it should be entered, this is not a substitute for reading the meticulous discussion of these issues provided by Patent It Yourself.

E. Explanation of Inventor's Decision Chart

As we mentioned, different inventions take different paths through the Inventor's Decision Chart. Here we

outline the various paths. If you are not using the Inventor's Decision Chart as an organizational guide to this notebook, you may skip this discussion.

1. Drop It If You Don't See Commercial Potential (Chart Route 10-12-14-X)

If you've invented something (Box 10 of the chart) and recorded it properly (Box 12), you should then proceed to build and test your invention as soon as practicable and/or optionally file a Provisional Patent Application (PPA) and then file a regular patent application within one year that claims the PPA filing date. (Box 12). If you choose to build and test the invention and this presents appreciable difficulty, you should wait until after you evaluate your invention's commercial potential (Box 14) or patentability (Box 16). But always keep the building and testing as a goal; it will help you to evaluate commercial potential and may be vital in the event an "interference" occurs (unless you file a valid PPA; see Part A2 for a discussion on what makes a PPA valid). An interference is a proceeding in the Patent and Trademark Office (PTO) which is instituted when two or more applications by separate inventors claim the same invention. It usually occurs when a patent examiner in the PTO discovers two pending applications which claim the same invention. It can also occur when the PTO publishes a newly granted patent in the *Official Gazette* and another inventor claims to have invented it first. Since interferences are long and expensive proceedings, the more convincing a party's documentation is, the better the chance to win and shorten an interference. You'll find a working model extremely valuable when you show the invention to a manufacturer.

Your next step, stated in Box 14, is to investigate your invention's commercial potential. Assuming you decide that your invention has no commercial potential and you answer the questions "no", follow an arrow to Box X, which says "Invent something else." In this instance, this sort of structured analysis may seem simplistic. It's not. In our direct experience we have seen hundreds of inventors waste thousands of hours because they would not confront the issue of "commercial potential" or lack thereof at an early stage of the invention process.

2. Try to Sell Invention to Manufacturer Without "Regular" Patent Application (Chart Route 12-14-16-18-B)

This route is especially useful if you've filed a PPA on the invention (Box 12), but can also be used if you've built and tested the invention and properly recorded your building and testing activities. After filing a PPA and/or building and testing and recording your efforts (Box 12), see if the invention has commercial potential (Box 14) and if it's patentable (Box 16). If so, whether or not you're able to prepare—or have prepared—a regular patent application, try to sell your invention to a manufacturer (Box B) in the hope that the manufacturer will have the application prepared for you, either on the basis of your PPA or without the PPA. If you take this route, you should be sure either that your PPA is properly prepared or that you've properly documented conception, building and testing. We recommend this route only if you can't prepare or can't afford to have prepared a regular patent application because:

- if you've built and tested the invention without properly recording your activities, you run the risk of an unscrupulous manufacturer stealing your invention by filing a patent application on your invention before you do so, and
- if you've filed a PPA, you'll have all of the disadvantages of the PPA (see Part A2 for more discussion of the advantages and disadvantages of filing a PPA).

3. File a Patent Application and Sell or License It to a Manufacturer (Chart Route 14-16-18-20-22-A)

Filing a patent application and selling rights to the invention to someone else is the usual way most inventors profit from their work. This is because inventors seldom have the capability (and often don't have the desire) to establish their own manufacturing and distribution facilities. If you are in this situation, the chart works like this:

- Box 14—your invention has good commercial potential

- Box 16—your decision on patentability is favorable
- Box 18—you're able to prepare a regular patent application (or have one prepared for you)
- Box 20—you don't wish to manufacture and distribute your product or process yourself
- Box 22—you prepare a regular patent application, and
- Box A—you try to sell your invention (and accompanying patent application) to a manufacturer.

4. Sell or License Your Invention to a Manufacturer Without Filing a Patent Application (Chart Route 16-24-26-28-30-B)

If your invention isn't patentable (i.e., the decision in Box 16 is negative), don't give up. There's still hope that you can profit from your work. If your invention nevertheless possesses "significant market novelty" (Box 24), it may in fact be quite profitable if introduced to the market. Put differently, if your patentability search produces close "prior art" (but not a dead ringer), this may indicate that no one has tried to market your specific idea before.

Prior art is the sum of all developments prior to your conception which are used to determine whether your efforts were really inventive and "unobvious." Examples of prior art (relevant to your invention) are (1) prior patents showing your invention or any part or feature of it, (2) prior and related technological developments which are known to the public, (3) previous descriptions of your invention (or any part or feature of it) in periodicals or textbooks, and (4) previous indications of any kind that others considered some or all of your invention's elements. For example, the prior art which precludes you from getting a patent may have only been used to make computer screens, while your invention is designed for lampshades.

Assuming that your invention does have significant market novelty but does not qualify for protection under a utility patent, you may consider protecting it under trademark law (Box 26); with a design patent (Box 28); through distinctive "trade dress," such as a

uniform color (as Kodak does with its yellow film packages); or with a symbol (such as the McDonald's golden arch).

5. Make and Sell Your Invention Yourself Without a Utility Patent Application (Chart Route 30-C)

Here we assume again that you have an unpatentable invention which is unique and serves a useful purpose (there isn't anything on the market just like it and people will buy it). If you can make and distribute it yourself (Box 30), it may be better to do so (Box C) than to try to sell it to a manufacturer outright. Even if you have a good trademark, a design patent application, distinctive trade dress, and/or a unique label, you cannot offer a manufacturer a truly privileged market position on your invention unless it's covered by a utility patent application that looks like it will lead to a patent being granted. This means it will probably be hard to sell your invention to a third party, and if you do, the amount you receive for it will be modest. However, if you decide to manufacture the invention yourself, and you reach the market first, you'll have a significant marketing advantage despite the lack of a utility patent.

6. Manufacture and Distribute Your Invention Yourself, Keeping It as a Trade Secret (Chart Route 20-32-34-D)

Even though your invention may be commercially valuable and patentable, it isn't always in your best interest to patent it. Instead you may profit more by keeping the invention secret and using it in your business to obtain a competitive advantage. For instance, suppose you invent a formula that truly makes hair grow. Instead of seeking a patent, which would require public disclosure of your formula and invite others to figure out why your formula works and perhaps invent alternatives, you might be better off keeping your formula locked in your safe and only disclose it to a few trusted associates who would be sworn to secrecy. For more on trade secret protection for inventions, see Chapter 1 of *Patent It Yourself*.

7. File Patent Application and Manufacture and Distribute Your Invention Yourself (Trade-Secretable Invention) (Chart Route 20-32-34-36-E)

Suppose the essence of your invention is not easily discoverable from your final product (Box 32) so that you could keep it secret for a while, but probably not for the life of a patent (Box 34). Or, suppose, after evaluating the advantages and disadvantages of maintaining your invention as a trade secret (Section 5 above), you decide against the trade secret protection route, preferring instead to patent your invention. Either way, you should prepare and file a patent application (Box 36) and then manufacture and distribute the invention yourself with the notice “patent pending” affixed to the invention (Box E).

8. File Patent Application and Manufacture and Distribute Invention Yourself (Non-Trade-Secretable Invention) (Chart Route 20-32-38-36-E)

This is the route followed by most inventors who wish to manufacture their own invention. Assume that the essence of your invention, like most, is discoverable from the final product (Box 32). In this case you won't be able to protect it as a trade secret. Also assume (Box 38) that you don't want to sacrifice the advantages of filing before manufacturing (number 9 below). You should prepare and file a patent application (Box 36) and then manufacture and distribute the invention yourself with a patent-pending notice (Box E).

9. Test-Market Before Filing (Chart Route 20-32-38-40-F)

Although you might like to manufacture and test-market your invention before filing a patent application

on it, we generally don't recommend this for patentable inventions. This is because, under the “one-year rule,” you have less than one year to do the test-marketing before your patent application must be filed. This very important rule is based upon a statute which states that, with certain exceptions, you must file your patent application within one year after the invention was exposed to the public. Since one year is a relatively short time, you may get discouraged unjustifiably if you try to market your invention and you aren't successful. Also, you'll lose your foreign rights since most foreign countries or jurisdictions, including the European Patent Office, have an “absolute novelty” requirement (which means no patent will be issued if the invention was made public anywhere before its first filing date). Lastly, there is a possibility of theft since anyone who sees it can copy it (assuming it's not trade secretable) and file a (fraudulent) patent application on it. There are also other significant disadvantages to test-marketing an invention.

Nevertheless, you may still choose to manufacture and market your invention (Box 40) before filing your patent application. If you discover, within about nine months of the date you first introduce your product, that it is a successful invention and likely to have good commercial success, begin immediately to prepare your patent application (Box F), so that you'll be able to get it on file within one year from the date you first offered your invention for sale or used it to make a commercial product.

If your manufacturing and market tests (Box 40) are not successful, you should consider dropping the invention and inventing something else (Box X), even though you still have the right to get a patent on your invention. On the other hand, as we stated above, a 9-month testing period may not have been adequate. In other words, be realistic but don't get discouraged unnecessarily from filing a patent application. ■

The Work Diary

What's in It

This part of *The Inventor's Notebook* contains the following sections:

- Record Your Conception (Section A1)
- Record the Building and Testing of Your Invention (Section A2)
- Other Possible Applications of Your Invention (Section A3)
- Record Your Trademark Conception (Section A4), and
- Record Your Distinctive Design Conception (Section A5).

A well-maintained work diary will be of crucial importance should your inventorship or your eligibility for a patent ever be called into question by the Patent and Trademark Office, other inventors, or companies which you have sued for infringement.

How to Make Entries

When using this work diary, it is important to remember that the more secure your notebook appears to be from the possibility of after-the-fact modifications by you, the better evidence it is. The first step in achieving this credibility is to use a bound notebook like this one. Your textual entries, sketches and diagrams should be clearly written in ink to preclude erasure and the making of later entries. No large blank spaces should be left on a page. If you do need to leave space between separate entries, or at the bottom of a page, draw a large cross over the blank space to preclude the possibility of any subsequent entries. If you make a mistake in an entry, don't attempt to erase it; merely line it out neatly

and make a dated note of why it was incorrect. Your entries should be worded carefully and accurately to be complete and clear in themselves so that a disinterested person could verify that you had the ideas or did the work stated on the dates in question.

Where we indicate, your entries in the work diary should be signed, dated and witnessed. This should be done frequently. You should date each entry the same day you (and any co-inventors) make the entries and sign your name(s). If it is impossible to have a witness sign the same day you do, add a brief candid comment to this effect when the witness does sign. Similarly, if you made and/or built the invention some time ago, but haven't made any records until now, again state the full and truthful facts and date the entry as of the date you write and sign it. Remember, though, that entries made contemporaneously with your work or ideas will carry much more weight than after-the-fact entries, should you ever have to prove prior inventorship.

If possible, items that by their nature can't be entered directly in the notebook by hand should be made on separate sheets. These, too, should be signed, dated and witnessed and then pasted or affixed in the notebook in proper chronological order. The inserted sheet should be referred to by entries made directly in the notebook, thus tying them in to the other material. Photos or other entries which cannot be signed or written should be pasted in the notebook and referenced by legends (descriptive words, such as "photo taken of machine in operation") made directly in the notebook, preferably with lead lines which extend from the notebook page over onto the photo, so as to preclude a charge of substituting subsequently made photos (see Fig. 3-B). The page the photo is pasted on should be signed, dated and witnessed in the usual manner.

If an item covers an entire page, it can be referred to on an adjacent page. It's important to affix the items to the notebook page with a permanent adhesive, such as white glue or non-yellowing transparent tape.

If you have to draw a sketch in pencil and want to make a permanent record of it (to put in your notebook) without redrawing the sketch in ink, simply make a photocopy of the penciled sketch Voilà—a permanent copy!

Finally, if there are more than two inventors, make a new space for each additional inventor to sign.

Choose witnesses who are as impartial and competent as possible, which means that ideally they should not be close relatives or people who have been working so closely with you as to be possible co-inventors. Witnesses should also be people who are likely to be available to testify later, should a dispute over your inventorship arise.

A1 Record Your Conception



RECOMMENDED READING

Patent It Yourself, Chapter 3

There are many reasons to accurately record the date and surrounding circumstances of your original conception of your invention. The most important of these is to have proof that you are the true inventor in case another inventor claims prior inventorship. Recording your conception in the manner we suggest here is like giving your invention a pedigree. With proper records, your invention will be recognized as yours; without this documentary evidence, your invention's special identity and origins are subject to challenge.

There are a number of elements involved in recording the conception of your invention. These are:

- your invention's title
- the circumstances of its conception
- its purpose or the problem solved
- a brief functional and structural description of the invention as you have conceived it
- an informal sketch
- all possible applications of your invention (ramifications)

- your invention's novel features, insofar as you know them now
- a brief description of the closest known prior art, and
- the advantages of the invention over previous developments and/or knowledge in the relevant field.

We can't overemphasize the importance of accurately documenting the conception of your invention, which is summed up in this Inventor's Commandment from *Patent It Yourself*.

INVENTOR'S COMMANDMENT

After conceiving of your invention, you should not proceed to develop, build, or test it, or reveal it to outsiders until you first:

1. make a clear description of your conception
2. sign and date the same, and
3. have this document signed and dated by two people you trust to the effect that they have "witnessed and understood" your creation. (As an alternative to documenting conception in this matter, you can use the PTO's Document Disclosure Program, but be aware of the disadvantages and limitations of the DDP.)

Following this commandment will help you:

- prove prior conception in case of an interference or theft of your idea
- establish your inventorship in case someone else claims inventorship, and
- antedate any prior art which may be cited by the Patent and Trademark Office (PTO) that may cast doubt on the originality of your invention. (A prior art reference is any previous patent, article, or other document or actual public knowledge or use which is relevant to the PTO's decision on whether your invention deserves a patent.)

If you use no other part of this notebook, we urge you to provide the documentation we suggest here. When filling out this form, remember our instructions

for making entries set out in the introduction to this part. If you need more space and use the continuation pages in Part E, enter the page number on which you have continued your entry in the space provided at the bottom of page 4.



You should only use this form when you have arrived at a relatively firm idea of what your invention consists of. Then, if you change your

approach or think of additional complications after you have recorded your conception but prior to your building and testing activity, put these new ideas on the blank pages provided for this specific purpose at the end of Section A1. (Page 5 of 6, Additional Conceptions and Ramifications).

Here now is a sample record of the conception of an invention (pages 1-4 only).

Record of Conception of Invention

Title of invention:

"Orange Peeling Knife" or "knife that can score oranges through skin without cutting pulp."

Circumstances of conception:

On March 2 or 3 of this year, when visiting my sister Shirley Goldberger in Lancaster, PA, I decided to eat an orange just before we all went shopping. When I tried to score through the orange's skin to peel it, I cut too deeply, and the juice dripped onto my lap. It stained my new pants and embarrassed me in front of Shirley, my wife and my mother. I had to change my pants, delaying everyone in the process.

After we eventually got in the car, I remarked that there must be a better way to score and peel oranges. The problem preoccupied me so much that I didn't go shopping; instead, I came up with a solution while waiting in my car for my family. I remember telling them, on the way back, "Why not make a knife with an adjustable blade stop so that the depth of the cut could be controlled? That way you wouldn't cut into the orange's pulp, it would be easier to peel and it wouldn't drip."

I didn't make any record of the invention at that time since I didn't know I should until I read this book yesterday.

Purpose or problem solved:

To peel oranges (or grapefruits or pomelos), it is desirable to score them first, preferably with two encircling cuts that cross at the blossom and stem ends so that the skin can be neatly peeled off in quarters.

However, this is difficult with an ordinary knife because one inevitably cuts past the skin into the pulp, making the orange drip and the peel difficult to remove without removing some of the pulp with it. The problem is compounded because the thickness of orange peels varies among varieties. A tool that could neatly score oranges with peels of various thicknesses without cutting into the pulp would solve the problem.

Invented by: Edward R. Furman

Date: July 23, 199—

Invented by: _____

Date: _____

Witnessed and understood by: Ruben Santiago

Date: July 23, 199—

Witnessed and understood by: _____

Date: _____

Record of Conception of Invention

Description and operation:

My knife will have a handle and blade similar to those on a conventional paring knife. Attached to each side of the blade, however, will be a strip of plastic or wood that will serve as a stop or fence to control the depth of cuts that can be made with the knife. These fences will be moveable, allowing the depth of the cut to be varied by adjustments made to a thumbscrew that will be attached to the two fences. For thin-skinned oranges, the fences will be adjusted to permit a shallow cut, and for thick-skinned oranges, the fences will be adjusted to allow a deeper cut. In either case, the knife will be easily used to score through the skin completely around the orange without cutting deeper than the distance from the edge of the blade to the fences, and thus without cutting its pulp.

Invented by: Edward R. Furman

Date: July 23, 199—

Invented by: _____

Date: _____

Witnessed and understood by: Ruben Santiago

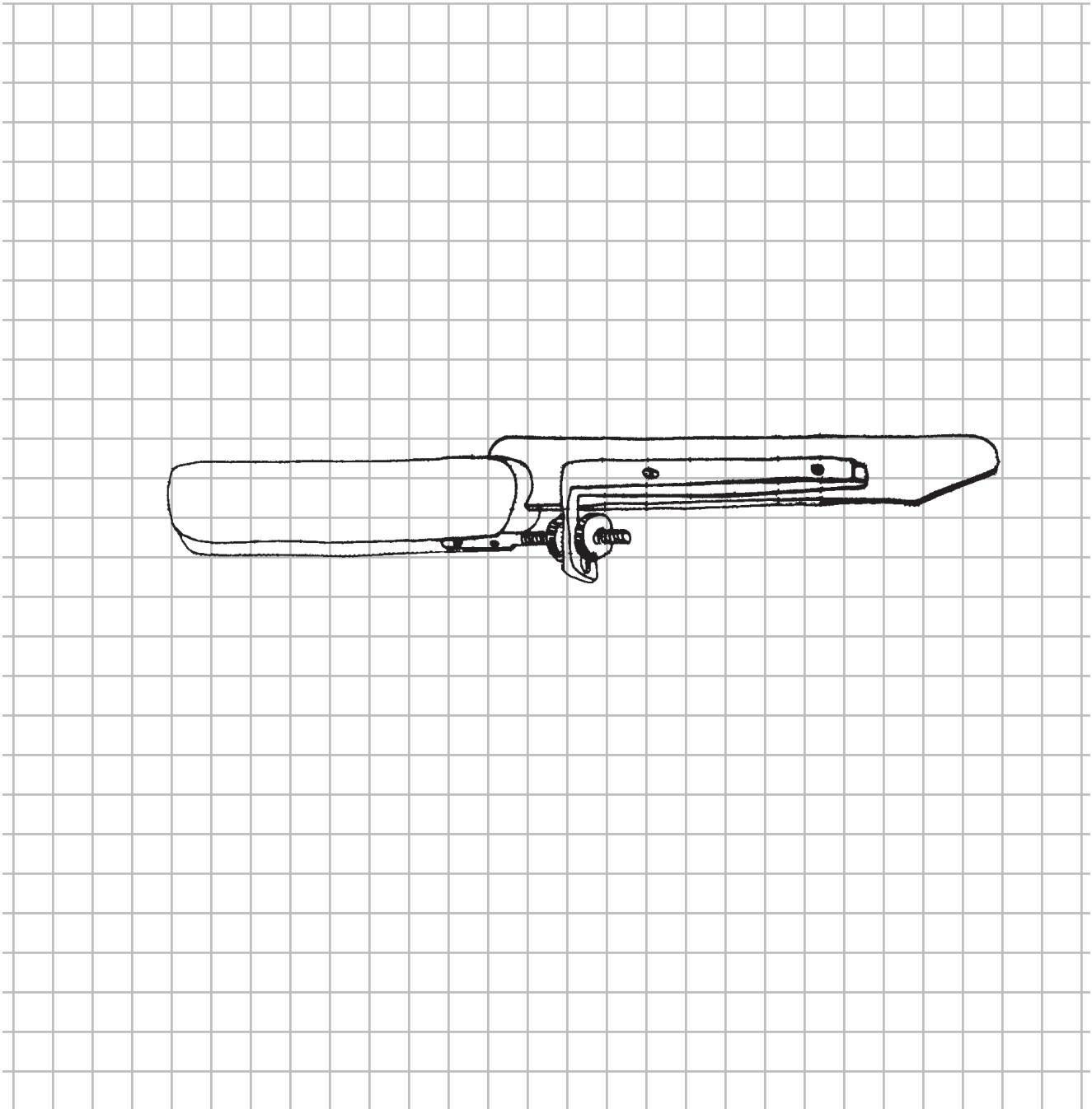
Date: July 23, 199—

Witnessed and understood by: _____

Date: _____

Record of Conception of Invention

Drawing:



For further description, see continuation page _____.

Invented by: Edward R. Furman

Date: July 23, 199—

Invented by: _____

Date: _____

Witnessed and understood by: Ruben Santiago

Date: July 23, 199—

Witnessed and understood by: _____

Date: _____

Record of Conception of Invention

Ramifications:

Instead of adjustable stop strips on both sides of the blade, a fixed stop strip, on one or both sides, can be used. This fixed stop strip can be mounted parallel to the edge, or it can even be included to the edge so that the depth of cut can be controlled by changing the longitudinal part of the blade that contracts the orange.

Novel features:

I have never seen or heard of any knife with a depth-of-cut controlling stop strip, much less an adjustable one.

Closest known prior art:

I have seen orange peelers comprising a curved knife and a curved metal rod that is inserted under the peel to move it around and free the peel from the pulp; and, of course, conventional paring knives.

Advantages of my invention:

My knife is the only one that can cut through an orange's peel to any desired depth. It makes peeling an orange neater, safer, and faster. All one has to do is score around the skin with two encircling cuts and then peel off the four quarter peels, leaving a peeled orange that is ready to segment and eat. The messy and difficult-to-use prior-art methods, which involve cutting the orange in quarters and peeling off the pulp, are tools that require skill to use and are not nearly as fast, neat and easy to use as mine.

For further description, see continuation page _____.

Invented by: Edward R. Furman

Date: July 23, 199—

Invented by: _____

Date: _____

Witnessed and understood by: Ruben Santiago

Date: July 23, 199—

Witnessed and understood by: _____

Date: _____

Record of Conception of Invention

Drawing:



For further description, see continuation page _____.

Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Record of Conception of Invention

Ramifications:

Novel features:

Closest known prior art:

Advantages of my invention:

For further description, see continuation page _____.

Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

A2 Record the Building and Testing of Your Invention



RECOMMENDED READING

Patent It Yourself, Chapter 3

INVENTOR'S COMMANDMENT

1. Try to build and test your invention (if at all possible) as soon as you can.
2. Keep full and true written, signed, and dated records of all the efforts, correspondence and receipts concerning your invention, especially if you build and test it.
3. Have two others sign and date that they have "witnessed and understood" your building and testing.

When documenting the building and testing of your invention, you should record as much factual data about the process as possible. Provide conclusions only if they are supported by factual data. Items that by their nature can't be entered directly in the notebook by hand—such as formal sketches or photos—should be signed, dated, and witnessed and then pasted or affixed in the notebook in proper chronological order. You should also save all of your "other paperwork" involved with the conception, building, and testing of your invention, such as loose notes, bedside notes, receipts, letters, memos, etc. These items can be very convincing as supporting evidence to a judge if you ever need to prove any of the pertinent dates related to your invention. Because of the potential importance of this documentation, do yourself a favor and provide a place to save these papers. We suggest that you paste a 6" x 9" manila envelope inside the back cover of this book or use an expansion pocket file if the papers become too voluminous.

If you build and test your invention immediately after you conceive of it, fill out the Record of Conception (Form A1) and add a brief note indicating that you

also built and tested it at the same time. Make a reference to and then complete Form A2 after you've finished Form A1.

If you can't build and test your invention yourself, many model makers, engineers, technicians, teachers, etc. are available who will be delighted to do the job for you for a fee, or for a percentage of the action. If you do use a model maker (consultant), you should take precautions to protect the confidentiality and proprietary status of your invention. There's no substitute for checking out your consultant carefully by asking for references (assuming you don't already know the consultant by reputation or referral).

In addition, have your consultant sign a copy of the Consultant's Work Agreement included in Part G. See Chapter 4(F) of *Patent It Yourself* for instructions on completing this form.



When providing this documentation, remember to follow the instructions given at the beginning of this part. If you need more space than the eight pages provided here, use the continuation pages in Part E. On the last page of Form A2 enter the number of the page in Part E you have continued your entries on.

Optionally, File a Provisional Patent Application

Suppose you don't have the facilities, skill, or time to build and test your invention and you can't file a patent application right away. In 1994 the government enacted the GATT (General Agreements On Tariffs And Trade) implementation law, which, for the first time in the U.S., enables an inventor to file (as of June 8, 1995) a Provisional Patent Application (PPA) as a legal alternative to building and testing the invention. Let's explore the PPA and its advantages and disadvantages.

What It Is

A PPA is a short version of a patent application which an applicant can use to establish an early filing date for a later-filed Regular Patent Application (RPA). A PPA consists of the following:

- a detailed description of the invention telling how to make and use it
- drawing(s), if necessary to understand how to make and use the invention
- a cover sheet
- a fee, and
- an SE declaration if you're an SE and want to file the PPA with an SE fee.

What it is not

For those readers already familiar with the regular patent application process (See Part B4), unlike an RPA, a PPA does not require:

- a Patent Application Declaration (PAD)
- an Information Disclosure Statement (IDS)
- claims
- an abstract and summary
- a description of the invention's background, or
- a statement of the invention's objects and advantages.

Your PPA cannot by itself result in a patent. If you don't file an RPA within a year of your PPA's filing date, your PPA will go abandoned and will be forever useless. Also, your PPA cannot provide a filing date for subject matter that is not disclosed in it.

What type of detailed description is necessary for a valid PPA?

Your PPA must disclose clearly and fully how to make and use the invention. That is, it must have the same level of detail that is required in the part of the Specification section of a regular patent application where you describe the invention's main embodiment and operation.

The PTO will not examine your PPA for compliance with this description requirement unless you later file a regular patent application (RPA) claiming the benefit of your PPA filing date. The PTO also needs to verify the adequacy of the description because of conflicting prior art.

When to file a PPA

We recommend that you file a PPA only if:

- you want to establish an early filing date because you feel your invention is potentially valuable and might be independently developed by others or stolen from you
- you can't or don't want to build and test your invention now, and
- you can't or don't want to file an RPA on it now.

Additional reasons to file a PPA are:

- You can file a PPA, and then file an RPA within one year, which has the practical effect of delaying examination of the RPA and extending—up to one year—your patent's expiration date.
- You can file an RPA, convert it to a PPA one year later, and then file a second RPA based upon the PPA to extend your patent's expiration date for two years.

Reasons you may not wish to file a PPA are:

- You may tend to forego building and testing and lose the concomitant advantages, such as determining whether the invention is operable, practical, useful and having a working prototype to demonstrate to prospective manufacturers.
 - The filing fee is not insignificant (as of June 8, 1995, \$75 for small entities, \$150 for large entities).
 - Your PPA must contain a full a description of the actual nuts and bolts of the invention, and how it will operate. Just like an RPA, absent this description, the PPA will have no legal effect.
 - You cannot wait one year after filing the RPA to foreign file. Instead you must make your foreign filing decision, as well as your regular U.S. filing decision, within one year after your PPA is filed.
- See Part B3 for the steps necessary to prepare a PPA.

A3 Other Possible Applications of Your Invention



RECOMMENDED READING

Patent it Yourself, *Chapter 2*

As you proceed to build and test your invention, you will probably have flashes of insight as to other possible uses for it. This section of the notebook is designed specifically for you to immediately record these “bolts from the blue” so that later on, when you draft your patent application or formulate marketing plans, you can easily refer to them.

Other Possible Applications of Invention

1. Alternative application and change required:

2. Alternative application and change required:

3. Alternative application and change required:

4. Alternative application and change required:

5. Alternative application and change required:

Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

A4 Record Your Trademark Conception



RECOMMENDED READING

Patent It Yourself, *Chapter 1*

The brand name or design symbol (or both) that you attach to or associate with your invention for marketing purposes is known as a trademark. Needless to say, if your product is successful in the marketplace, your trademark can become very valuable. This form is provided for recording a drawing or description of any trademark you create. We provide space for four trademark conceptions in case a trademark search reveals a conflict.

For each trademark you should provide the mark itself (a name, graphic design, or a name with a graphic design together with the generic descriptor “goods” or “service” with which the mark is to be used. For example, with Ivory soap, “IVORY” is the mark and “soap” is the goods or generic descriptor.



Although your proposed trademark will not be subject to protection under federal and state trademark laws until you either use it or apply to register it on the basis of intended use, it can be considered a trade secret until that time. Accordingly, we suggest these pages be signed, dated and witnessed so you can prove that you came up with the name first in case of a trade secret dispute on this point. In Section B5 you can record details as to the use and registration of your trademark in case of a later dispute over its ownership.

A5 Record Your Distinctive Design Conception



RECOMMENDED READING

Patent It Yourself, Chapter 1

In this part of your notebook, you should enter any distinctive product designs you feel might qualify for either copyright or design patent protection. By product design, we mean the shape of your invention, such as the shape of a computer case, the shape of a bottle, the design of jewelry, etc. We provide four pages for you to do this. You should record the conception and the building and testing of your design, just as you did for a utility invention. If, however, your design is already shown in the conception (A1) or building and testing (A2) documentation of your utility invention, then of course that will suffice and you don't have to make separate documentation records for the design.

If your invention has a distinctive design that is basically unrelated to its function, you may be able to protect the design from use by others by a design patent or copyright.

Design patents last for 14 years and give you the right to prevent others from using your distinctive

design for that period of time, even if they created the design independently of you. (How to get a design patent is discussed in Chapter 10 of *Patent It Yourself*.) Copyright protection is usable for designs of toys and nonutilitarian articles, such as jewelry, or even utilitarian articles where the artwork is separable from the article, such as fabric design. Copyright protection lasts for your life plus 50 years (or for 75-100 years if the design was created as a work made for hire) and gives you the right to exclude others from copying your work. Each form of protection has some advantages and disadvantages. The primary advantage of the design patent is that it offers a broader scope of protection. The copyright, on the other hand, is much easier to create and maintain, and offers protection for a longer period of time. Because of the greater value of its advantages, we recommend that you use copyright protection for all toys, nonutilitarian articles and objects. If the object is utilitarian and its aesthetic features can't be separated from the article, use design patent protection. We recommend that you not try to obtain both forms of protection for one design. Asserting two "monopolies" over one creation may be construed by the courts as overreaching and may therefore result in a loss of protection for your design.



Distinctive Design Conception

Drawing(s)



Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Distinctive Design Conception

Drawing(s)



Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Distinctive Design Conception

Drawing(s)



Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Distinctive Design Conception

Drawing(s)



Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Distinctive Design Conception

Drawing(s)



Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Legal Protection

This part of *The Inventor's Notebook* helps you organize and record the information you will need to obtain the fullest possible legal protection for your invention. It is divided into the following six sections:

- Section B1 (Prior Art Search) helps you keep track of the prior art which will ultimately determine whether your invention receives a patent (and which you must disclose to the PTO as part of your patent application). This section also alerts you to any public use or exposure of your invention which might trigger the rule requiring filing of a patent application within one year of such public use or exposure.
- Section B2 (Patentability Checklist) provides a form which will help you assess the patentability of your invention.
- Section B3 (Provisional Patent Application Checklist) provides a list that helps you make sure your Provisional Patent Application is complete.
- Section B4 (Patent Application Checklist) contains a patent application checklist which helps you keep track of the many items and steps involved in preparing and filing a complete patent application.
- Section B5 (Design Patent Application Checklist) helps you organize your effort to obtain a design patent.
- Section B6 (Trademark Use and Registration) is where you document the results of any trademark search you have conducted regarding your proposed trademark for your invention, the first use (if any) of the trademark, and information about steps you have taken to protect the trademark (registration and renewal with the PTO and state agencies).
- Section B7 (Record of Contacts) allows you to record all contacts you make with outside individuals and companies about your invention, and whether you have obtained confidentiality agreements (we call them Proprietary Material Loan Agreements) as appropriate. This information will help you maintain your invention as a trade secret pending the issuance of a patent.
- Section B8 (Legal Protection Summary) is a checklist which lets you know whether you have done what you should to legally protect your invention and trademark.

B1 Prior Art Search



RECOMMENDED READING

Patent It Yourself, Chapter 6.

INVENTOR'S COMMANDMENT

You should make (or have made) a thorough patentability search of your invention before you file a patent application.

Is your invention patentable (Box 16)? This section of the notebook is where you enter the information which will help you answer this question. As you probably know, whether your invention is patentable depends in large part upon previous developments in the same field (prior art). Most specialized inventors have a good working grasp of the relevant prior art and are able to

come up with something different, at least to some degree. (Of course many inventors invent first and then check to see whether it qualifies for a patent.) Awareness of prior art usually comes from:

- reviewing previously issued patents
- researching trade journal articles and
- carefully checking wholesale and retail channels to see whether a similar product has been marketed.

It is important for you to conduct a preliminary search of relevant prior art to determine whether your invention is sufficiently innovative to qualify for a patent. Keep careful track of the prior art references you accumulate in the course of your preliminary search. This is because later, when you file your patent application, you will need to list all prior art known to you. Documenting all prior art you discover as you go along will make your actual patent application process a whole lot easier.

This section also asks you to document the date your invention is first exposed to or used in public in a way that might trigger the one-year rule.

INVENTOR'S COMMANDMENT

One-Year Rule: You should treat the "one-year rule" as holy. You must file your patent application within one year of the date on which you first publish; publicly use; sell; or offer your invention, or any product which embodies same, for sale. Moreover, if you wish to preserve your foreign rights and frustrate pirates of your creation, you should actually file your patent application before you publish or sell your creation.



Prior Art Search

| Steps | Date |
|--|-------------|
| 1. My earliest provable date of invention: | |
| <hr/> <hr/> | <hr/> <hr/> |
| 2. Date of the first public use, offer for sale, public disclosure or commercial disclosure of my invention: | |
| <hr/> <hr/> | <hr/> <hr/> |
| 3. Publications searched: | |
| a. _____ | _____ |
| b. _____ | _____ |
| c. _____ | _____ |
| d. _____ | _____ |
| e. _____ | _____ |
| f. _____ | _____ |
| g. _____ | _____ |
| 4. Search of similar products (include stores visited): | |
| a. _____ _____ | _____ |
| b. _____ _____ | _____ |
| c. _____ _____ | _____ |
| d. _____ _____ | _____ |
| e. _____ _____ | _____ |
| f. _____ _____ | _____ |
| g. _____ _____ | _____ |

Prior Art Search

| Steps | Date |
|--|-------|
| 5. Patent search | |
| Prior relevant U.S. patents discovered (include patent numbers and patent class) | |
| a. _____ _____ | _____ |
| b. _____ _____ | _____ |
| c. _____ _____ | _____ |
| d. _____ _____ | _____ |
| e. _____ _____ | _____ |
| f. _____ _____ | _____ |
| g. _____ _____ | _____ |
| h. _____ _____ | _____ |
| i. _____ _____ | _____ |
| j. _____ _____ | _____ |
| k. _____ _____ | _____ |
| l. _____ _____ | _____ |
| m. _____ _____ | _____ |
| n. _____ _____ | _____ |

B2 Patentability Checklist



RECOMMENDED READING

Patent It Yourself, *Chapter 5*

This section of the notebook is where you record the reasons why you believe your invention is patentable.

To be patentable, an invention must:

- fit within one of the statutory classes of patentable inventions
- be useful
- be novel, and
- be unobvious from the standpoint of one skilled in the relevant art.

By filling out the following form you will gain a preliminary understanding of whether your invention is patentable or whether any alternate form of legal protection should be sought. We provide three copies, as it is possible that you will come up with a number of versions of your invention in the course of prosecuting your patent application in the Patent and Trademark Office.

Patentability Checklist

My invention is a new and useful*:

- Process or method
- Machine (includes electrical circuits)
- Article of manufacture
- Composition of matter (includes new life forms)
- New use of one of the above

| These Novel Physical Features** | Produce | These New Unexpected Results |
|--|---------|--|
| a. _____ _____ _____ _____ _____ | | a. _____ _____ _____ _____ _____ |
| b. _____ _____ _____ _____ _____ | | b. _____ _____ _____ _____ _____ |
| c. _____ _____ _____ _____ _____ | | c. _____ _____ _____ _____ _____ |
| d. _____ _____ _____ _____ _____ | | d. _____ _____ _____ _____ _____ |

* As long as you can fit your invention into one or more of these categories, it doesn't matter which category you choose. They do overlap to some extent.

** Remember that a novel physical feature can be a novel combination of old physical features.

Patentability Checklist

My invention is a new and useful:

- Process or method
- Machine (includes electrical circuits)
- Article of manufacture
- Composition of matter (includes new life forms)
- New use of one of the above

| These Novel Physical Features | Produce | These New Unexpected Results |
|--|---------|--|
| a. _____ _____ _____ _____ _____ | | a. _____ _____ _____ _____ _____ |
| b. _____ _____ _____ _____ _____ | | b. _____ _____ _____ _____ _____ |
| c. _____ _____ _____ _____ _____ | | c. _____ _____ _____ _____ _____ |
| d. _____ _____ _____ _____ _____ | | d. _____ _____ _____ _____ _____ |

Patentability Checklist

My invention is a new and useful:

- Process or method
- Machine (includes electrical circuits)
- Article of manufacture
- Composition of matter (includes new life forms)
- New use of one of the above

| These Novel Physical Features | Produce | These New Unexpected Results |
|--|---------|--|
| a. _____ _____ _____ _____ _____ | | a. _____ _____ _____ _____ _____ |
| b. _____ _____ _____ _____ _____ | | b. _____ _____ _____ _____ _____ |
| c. _____ _____ _____ _____ _____ | | c. _____ _____ _____ _____ _____ |
| d. _____ _____ _____ _____ _____ | | d. _____ _____ _____ _____ _____ |

B3 Provisional Patent Application Checklist



RECOMMENDED READING

Patent It Yourself, Chapters 3, 8

Below is a list of the basic components that make up a Provisional Patent Application (PPA). Check off each step of the process as it is completed. Remember: the PPA won't do you any good unless you adequately describe your invention in it (see Part A2 for more on this requirement) and then file a regular patent application within one year. Also remember that your PPA filing date begins the one-year period you have to accomplish most foreign filings. See Chapter 3 of *Patent It Yourself* for specific filing instructions, and Chapter 8 of *Patent It Yourself* for instructions on how to adequately describe the structure and operation of your invention.

- 1. prepare drawings, if necessary
- 2. describe invention
- 3. describe operation
- 4. prepare a cover letter
- 5. prepare any needed small-entity declarations
- 6. attach a check for the filing fee and a postcard
- 7. mail all papers to the PTO

B4 Patent Application Checklist



RECOMMENDED READING

Patent It Yourself, Chapters 8, 13, 15

INVENTOR'S COMMANDMENT

Your patent application must contain a description of your invention in such full, complete, clear, and exact terms, including details of your preferred embodiment at the time you file, so that anyone having ordinary skill in the field will be readily able to make and use it, and preferably so that even a lay judge will be able to understand it.

Here is a list of the basic components which make up a patent application. When you think you are ready to file your patent application, you will want to consult this list and see whether in fact you are ready to fulfill the requirements of each component. You should also check off (in the space provided) each step of the patent process as it is completed. This will help you know exactly where you stand in respect to your application as a whole.

After your patent application has been submitted, there will be additional transactions with the PTO. We also provide a checklist for the most common of these transactions.

Patent Application Checklist

Date

A. Application

- 1. Self-addressed receipt postcard
 - 2. Transmittal letter
 - 3. Check for filing fee
 - 4. Formal drawings
 - 5. Specification:
 - a. Title
 - b. Cross-references to corresponding applications
 - c. Background—Field of invention
 - d. Background—Discussion of prior art
 - e. Objects and advantages
 - f. Description of drawings
 - g. List of drawing reference numerals
 - h. Summary
 - i. Description of invention
 - j. Operation of invention
 - k. Conclusions, ramifications, scope
 - 6. Claims
 - 7. Abstract
 - 8. Completed Declaration Form
 - 9. Small Entity Declaration
 - 10. Information Disclosure Statement and List of Prior Art Cited
 - 11. Assignment and Assignment Cover Sheet
-

Patent Application Checklist

Date

B. Amendment

- 1. All pages completed?
- 2. All points in Office Action answered?
- 3. If number of claims is increased, is any necessary additional fee enclosed?
- 4. Certificate of Mailing included?
- 5. Amendment mailed on time or Petition to Extend with fee included?
- 6. If Petition to Extend is included, is it properly completed with proper fee?
- 7. Amendment signed and dated by proper party(ies)?
- 8. Envelope properly addressed and stamped?
- 9. Stamped, addressed, properly completed return postcard enclosed?
- 10. Enough file copies made?

C. Paying Issue Fee

- 1. Issue Fee Transmittal form filled out and signed?
- 2. Check for correct amount attached and signed?
- 3. Postcard attached, stamped, addressed?
- 4. Any needed drawing corrections made?
- 5. Certificate of Mailing attached, completed, signed, dated?
- 6. Mailed on time? (Three-month period is not extendable.)
- 7. Stamped, addressed, properly completed return postcard enclosed?
- 8. Enough file copies made?

B5 Design Patent Application Checklist



RECOMMENDED READING

Patent It Yourself, *Chapter 10*

Here is a list of the components which go into a design patent application. If you have decided that a separate design patent is appropriate for your invention, you will want to consult this list and see whether you are ready to file. Again, check off each step as you complete it so that you can help keep track of where you are.

Design Patent Application Checklist

| | Date |
|--|-------|
| <input type="checkbox"/> 1. Design Patent Application | _____ |
| <input type="checkbox"/> 2. The Drawing(s) | _____ |
| <input type="checkbox"/> 3. Patent Application Declaration | _____ |
| <input type="checkbox"/> 4. Small Entity Declaration | _____ |
| <input type="checkbox"/> 5. Filing Fee | _____ |
| <input type="checkbox"/> 6. Receipt Postcard | _____ |
| <input type="checkbox"/> 7. Information Disclosure Statement and List of Prior Art Cited | _____ |

B6 Trademark Use and Registration

In Part A4 of this notebook we ask you to describe the trademark (if any) under which you plan to market your invention. In this part we provide forms for you to document the steps you should take to make sure this trademark is valid and cannot be used by competitors. (For more information on all aspects of trademark law and comprehensive instructions on how to register a trademark, see *Trademark: How to Name a Business and Product*, by Kate McGrath & Stephen Elias (Nolo Press).)

The first step is to determine whether your proposed trademark is sufficiently distinguishable from existing trademarks to avoid later charges of trademark infringement. This effort (termed a trademark search) usually involves, at a minimum, an examination of:

- the list of trademarks registered (and pending registrations) with the Patent and Trademark Office
- the list of trademarks registered in your state
- existing product and service names (trademarks and service marks), and
- trade and product journals covering subjects related to your invention.

Although it is possible to conduct your own trademark search, the more common practice is to have a professional trademark searcher do it (at a cost of between \$100 and \$250 per trademark searched). The name of your searcher and the sources searched (either by your searcher or by you if you did the search yourself) should be entered in the space provided.

The criteria for determining the extent to which you can prevent others from using your trademark, and whether it infringes on other existing trademarks, are discussed briefly in Chapter 1 of *Patent It Yourself*. You should consult a trademark attorney if you have any doubts about either or both of these points.

Once you decide on a trademark, you should file an application to register your trademark on the basis of your good faith intent to use it within the following six months. Then, when the trademark is actually used to market your invention across state lines, you can file an Amendment to Allege Use to get the trademark placed on the federal trademark register. If you are already using a trademark across state lines, your registration would be based on actual rather than intended use.

If you see that you won't be able to actually use the mark across state lines within the six-month period, you can obtain a six-month extension upon a showing of good cause. Four additional six-month extensions can also be obtained if you are able to convince the PTO that you still have a good faith intent to use the mark.

Under this system, you initially have several dates to keep track of:

- the date you first use your work within a state
- the date you file your trademark application to register on basis of intended use
- the date you put the trademark into actual use across state lines, and
- the date you file your Amendment to Allege Use (or alternatively, your Statement of Use, if the PTO has by then issued the Notice of Allowance provisionally registering your mark).

You should also document when you first used the trademark in a foreign country, as this may be important should your trademark go international.

Your PTO registration provides notice throughout the U.S. that you claim ownership of and have the exclusive right to use the mark for the goods indicated in the registration. This notice can often make the difference between stopping other people from using your trademark and having to share use of the trademark with these later users. Also, it is much easier to collect damages for infringement of a registered trademark than an unregistered one. Use the space provided to document your federal registration efforts, including the date of registration, registration number, and registration classification name and number (all trademarks fall into one or more specific classes of goods, each of which is assigned a number).

When your trademark is registered, you should note the date when you will need to file your declarations of continued use and incontestability (within the last year of the six-year period after your initial registration date). Thus, if you register your trademark with the PTO on July 1, 1991, you will want to file these declarations between July 1, 1996 and July 1, 1997. These declarations are statements that your trademark has been in continuous use for the preceding five-year period and that you qualify to have your trademark made incontestable (which immunizes it from attack on certain

grounds). Failure to file the declaration of continued use will result in your trademark being cancelled. Assuming you are working with a trademark attorney, he or she will keep the date these declarations are due on the law firm calendar. You should also note the date you will want to initiate your ten-year renewal (about six months before the end of the ten-year period following your registration).



The protection and proper use of a trademark can be as commercially important as the underlying invention. We strongly recommend that you get a copy of [Trademark: How to Name a Business & Product](#), by Kate McGrath and Stephen Elias (Nolo Press) and, if necessary, work with a trademark attorney on the matters covered in this part of The Inventor's Notebook.

Trademark Use and Registration

| Steps | Date |
|--|-------|
| 1. Final version of trademark conceived (documented in Section A4) | _____ |
| 2. Trademark search completed | _____ |
| a. Name of searcher | |
| b. Federally registered trademarks | |
| c. State registered trademarks | |
| d. Trade journals and product lists | |
| i. _____ | |
| ii. _____ | |
| iii. _____ | |
| iv. _____ | |
| v. _____ | |
| vi. _____ | |
| vii. _____ | |
| viii. _____ | |
| 3. First use of trademark | |
| a. Intrastate | _____ |
| b. Interstate | _____ |
| c. Foreign | _____ |

Trademark Use and Registration

| Steps | Date |
|---|-------|
| 4. Registration of trademark with PTO* | |
| a. Date regular application filed (trademark already in use) | _____ |
| b. Date application based upon intent to use filed | _____ |
| c. Date Amendment to Allege Use filed | _____ |
| d. Date registration granted | _____ |
| e. Registration # _____ | _____ |
| f. <input type="checkbox"/> Principal Register <input type="checkbox"/> Supplemental Register | |
| g. Class and description of goods: | |
| _____ | |
| _____ | |
| _____ | |
| _____ | |
| 5. Renewal of federal registration | |
| a. §§ 8/15 Declarations due by | _____ |
| b. Renewal due by | _____ |

* State trademark registration also exists. If you aren't using your invention across states, consider placing it on your state's trademark register.

B7 Record of Contacts



RECOMMENDED READING

Patent It Yourself, *Chapter 1*

It is extremely important that an inventor be able to identify each and every person and company who has been contacted about, or had access to, the invention. This information can prove to be very useful in the event of a dispute about:

- the inventor's diligence in building and testing the invention,
- who should be considered the true inventor; or
- whether a confidentiality agreement has been violated.

Also, you will need to call some of those people again, and it will be helpful if you have a record of what you discussed the last time and what their response was.

Once a patent issues on your invention, it becomes a matter of public record. Prior to obtaining a patent, however, you are entitled to treat your invention as a trade secret and obtain court relief against those who improperly disclose your invention to others. Generally, a trade secret is any information which is maintained as confidential and which, because it is not generally known to competitors, provides its owner with a competitive edge. The basic method for preserving information as a trade secret is to limit those who have access to it, and require those who do have access to sign a confidentiality agreement. Blank agreement forms (called Proprietary Materials Agreements) are included in Part I.

By conscientiously entering all contacts in this section of the notebook, and noting whether the person contacted has signed a confidentiality agreement, you will have all your contacts and trade secret protection information collected in one place for later reference.

Record of Contacts

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B8 Legal Protection Summary



RECOMMENDED READING

Patent It Yourself, *Chapter 7*

An analysis of the relative advantages and disadvantages of the legal protection alternatives open to an inventor is provided in Chapter 7 of *Patent It Yourself*. You will want to keep track of which methods you have chosen. This listing can be very important when you go to market your invention. Most prospective buyers or developers will first want to know exactly what you've done to protect your right to exclusive use of the invention. By conscientiously keeping this list up-to-date, your record of protection will be instantly available to all who are interested.

Legal Protection Summary

| Means of Protection | Date |
|---|-------------------------|
| 1. Conception recorded, signed, dated and witnessed | _____ date |
| 2. Disclosure of conception signed, dated, recorded and witnessed | _____ date |
| 3. Disclosure document filed (optional) | _____ date |
| 4. Building and testing recorded, signed, dated, and witnessed | _____ date |
| 5. Provisional Patent Application filed (optional) | _____ date |
| 6. Patent application filed | _____ date |
| 7. Patent pending notice on invention | _____ yes _____ no |
| 8. Patent application allowed | _____ date |
| 9. Foreign patent application(s) filed | |
| a. _____ | _____ date |
| b. _____ | _____ date |
| c. _____ | _____ date |
| d. _____ | _____ date |
| e. _____ | _____ date |
| 10. Trade secret without patent application | _____ yes _____ no |
| 11. First trademark use | _____ date |
| 12. State trademark registration | _____ date |
| 13. Trademark registration with PTO | _____ date |
| 14. Design patent application filed | _____ date |
| 15. Design patent approved | _____ date |
| 16. Copyright notice on design, artwork or written materials | _____ yes _____ no |
| 17. Copyright registered | _____ date |
| 18. Sold invention before filing for patent | _____ date |

Marketing

INVENTOR'S COMMANDMENT

You should try to market your invention as soon as you can after filing your patent application; don't wait until your patent issues. You should favor companies who are close to you and small in size.

If you want your invention to be successful, pursue commercial exploitation with all the energy which you can devote to it.

Never pay any money to any invention developer unless the developer can prove to you that it has a successful track record—that is, most of its clients have received more income in royalties than they have paid the developer in fees.

Simply put, this part is a preliminary guide to help you analyze the commercial potential of your invention and to help you keep track of your efforts to market it.

Once you invent something, you will naturally want to profit from it. This will involve coming up with a plan under which your invention can be produced and distributed to its ultimate users. To effectively get your invention “out there” you need to have a handle on what its strong and weak points are from both a marketing and manufacturing point of view (Section C1). In addition, it's wise to consider how prospective manufacturers and users are likely to view your invention and to use this knowledge creatively as part of a plan to sell the idea of your new product (Section C2). It's also important to understand general market trends in the

particular area of your invention so that you will be prepared to tell interested marketers and manufacturers why your invention will be profitable given the costs to make it, the competition, and so on (Section C3). In addition, you need to proceed in an organized manner to either seek potential manufacturers or distributors, or to accomplish these activities yourself. Sections C4 and C5 help you do this. Section C6 is an introduction to the Internet and how you can use the Internet to develop and promote your invention.



The subject of marketing your invention to the public once it is manufactured is far beyond the scope of this notebook. If you plan to run the whole show, including the actual marketing of your invention, we suggest you consult one or more of the resources listed in our Bibliography in Part F.

C1 Evaluation of Positive and Negative Factors of Invention



RECOMMENDED READING

Patent it Yourself, Chapter 4.

INVENTOR'S COMMANDMENT

You should not spend significant time or money on your creation until you have thoroughly evaluated it for commercial potential, including considering all of its advantages and disadvantages.

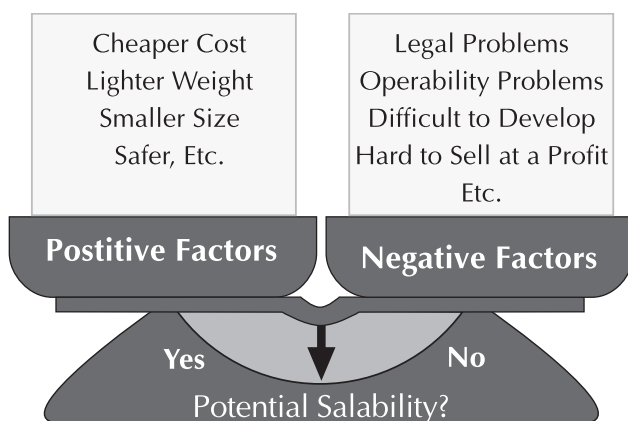
Before you even prepare a patent application, you will obviously want to give serious consideration to whether your invention has commercial potential. For this reason, *Patent It Yourself* devotes an entire chapter to this question and provides an evaluation sheet to help you answer this key question. This same evaluation sheet has been included in this notebook in Part I (Positive/Negative Factors Evaluation). Instructions from *Patent It Yourself* have been provided for your convenience.

The Positive and Negative Factors Test

Every invention, no matter how many positive factors it seems to have at first glance, inevitably has one or more significant negative ones. To evaluate the positive and negative factors objectively, carefully consider each on the list below. Using a Positive/Negative Factors Evaluation form from Part G, assign a commercial value or disadvantage weight to each factor on a scale of 1 to 100, according to your best estimate.

For example, if an invention provides overwhelming cost savings in relation to its existing counterparts, assign an 80 or higher to the "Cost" factor (#1) in the positive column. If it requires a moderate capital expenditure to distribute, a 50 would be appropriate for this factor (#43), in the negative column.

The following balance scale analogy will help you understand the positive and negative factors evaluation process. Pretend the positive factors are stacked on one side of a balance scale and the negative factors are stacked on the other side, as indicated below.



If the positive factors strongly outweigh the negative, you can regard this as a "go" indication, i.e., the invention is commercially viable. Obviously this balance scale is just an analogy. It can't be used quantitatively because no one has yet come up with a way to assign precise weights to the factors. Nevertheless, you'll find it of great help in evaluating the commercial prospects of your invention.

Before you actually take pen (or word processor) in hand and begin your evaluation, read through the following summary of positive and negative factors.

Positive Factors Affecting the Marketability of Your Invention

1. **Cost.** Is your invention cheaper to build or use than what is already used?
2. **Weight.** Is your invention lighter (or heavier) in weight than what is already known, and is such change in weight a benefit? For example, if you've invented a new automobile or airplane engine, a reduction in weight is a great benefit. But if you've invented a new ballast material, an increase in weight (provided it does not come at too great a cost in money or bulk) is a benefit.
3. **Size.** Is your invention smaller or larger in size or capacity than what is already known, and is such change in size a benefit?
4. **Safety/Health.** Is your invention safer or healthier to use than what is already known? Clearly there is a strong trend in government and industry to improve the safety and reduce the possible chances for injury or harm in most products and processes, and this trend has given birth to many new inventions. Often a greater increase in cost and weight can be tolerated if certain safety and health benefits accrue.
5. **Speed.** Is your invention able to do a job faster (or slower) than its previous counterpart, and is such change in speed a benefit?
6. **Ease of Use.** Is your invention easier (or harder) to use, or learn to use, than its previously known counterpart? For a combination lock, an increase in difficulty of use would be a benefit.
7. **Ease of Production.** Is your invention easier or cheaper (or harder or more expensive) to manu-

facture than previously known counterparts? Or can it be mass-produced, whereas previously known counterparts had to be made by hand? An example where making a device more difficult to manufacture would be of benefit is a credit card, which would be more difficult to forge if it were harder to make.

8. **Durability.** Does your invention last longer (or wear out sooner) than previously known counterparts? While built-in obsolescence is nothing to be admired, the stark economic reality is that many products, such as disposable razors, have earned their manufacturers millions by lasting for a shorter time than previously known counterparts.
9. **Repairability.** Is it easier to repair than previously known counterparts?
10. **Novelty.** Is your invention at all different from all previously known counterparts? Merely making an invention different may not appear to be an advantage per se, but it is usually a great advantage: It provides an alternate method or device for doing the job in case the first method or device ever encounters difficulties, for example, from government regulation, or in case the first device or method infringes a patent that you want to avoid infringing.
11. **Convenience/Social Benefit.** Does your invention make living easier or more convenient? Many inventions with a new function provide this advantage. Although you may question the ultimate wisdom and value of such gadgets as the electric knife, the remote-control TV, and the digital-readout clock, the reality remains that, in our relatively affluent society, millions of dollars have and are being made from devices that save labor and time (even though the time required to earn the after-tax money to buy the gadget is often greater than the time saved by using it). Then too, many new industries have been started by making an existing invention easier and convenient to use. Henry Ford didn't invent the automobile; he just produced it in volume and made it convenient for the masses to use. Ditto for George Eastman with his camera. And in modern times, the two Steves (Jobs and Wozniak) did much the same for the computer.
12. **Reliability.** Is your invention apt to fail less or need repair less often than previously known devices?
13. **Ecology.** Does your invention make use of what previously were thought to be waste products? Does it reduce the use of limited natural resources? Does it produce fewer waste products, such as smoke, waste water, etc.? If so, you have an advantage which is very important and which should be emphasized strongly.
14. **Salability.** Is your invention easier to sell or market than existing counterparts?
15. **Appearance.** Does your invention provide a better-appearing design than existing counterparts?
16. **Viewability.** If your invention relates to eye use, does it present a brighter, clearer, or more viewable image? For example, a color TV with a brighter picture, or photochromic eyeglasses which automatically darken in sunlight are valuable inventions.
17. **Precision.** Does your invention operate or provide greater precision or more accuracy than existing counterparts?
18. **Noise.** Does your invention operate more quietly? Does it turn unpleasant noise into a more acceptable sound?
19. **Odor.** Does your invention emanate less or more unpleasant fumes or odors?
20. **Taste.** If your invention is edible or comes into contact with the taste buds (for example, a pill or a pipe stem), does it taste better? A foul taste (or smell) can also be an advantage, e.g., for poisons to prevent ingestion by children, and for telephone cables to deter chewing by rodents.
21. **Market Size.** Is there a larger market for your invention than for previously known devices? Because of climatic or legal restrictions, for example, certain inventions are only usable in small geographical areas. And because of economic factors, certain inventions may be limited to the relatively affluent. If your invention can obviate these restrictions, your potential market

- may be greatly increased, and this can be a significant advantage.
22. **Trend of Demand.** Is the trend of demand for your device increasing? Of course you should distinguish, if possible, between a trend and a fad. The first will provide a market for your invention while the second is likely to leave you high and dry unless you catch it in the beginning stages.
 23. **Seasonal Demand.** Is your invention useful no matter what the season of the year? If so, it will have greater demand than a seasonal invention such as a sailboat.
 24. **Difficulty of Market Penetration.** Is your device an improvement of a previously accepted device? If so, it will have an easier time penetrating the market than a device which provides a completely new function.
 25. **Potential Competition.** Is your invention so simple, popular, or easy to manufacture that many imitators and copiers are likely to attempt to design around it, or break your patent as soon as it is brought out? Or is it a relatively complex, less popular, hard-to-manufacture device, which others would not be likely to produce in competition with you because of the large capital outlay required for tooling and production, etc?
 26. **Quality.** Does your invention produce or provide a higher quality output or result than existing counterparts? For example, laser disks provide a much better audio quality than do phonorecords or magnetic tape.
 27. **Excitement.** (The Neophile and the Conspicuous Consumer/Status Seeker). Almost all humans need some form of excitement in their lives: some obtain it by watching or participating in sports, others by travel, and still others by the purchase of new products, such as a 50-inch TV, a laser disk player, or a friendly household robot. Such purchasers can be called "neophiles" (lovers of the new); their excitement comes from having and showing off their new "toy." Purchasers of expensive products, like the Mercedes Benz or a Rolex watch, commonly engage in what Thorsten Veblen has called "conspicuous consumption," and what we now call "status seeking." They enjoy showing off an expensive or unique item which they've acquired. Thus, if your invention can provide consumer excitement, either through sheer newness or through evidence of a costly purchase, it has a decided advantage.
 28. **Markup.** If your invention is in an excitement category (i.e., if it is very different, novel, innovative or luxurious), it can command a very high markup, a distinct selling advantage.
 29. **Inferior Performance.** Yes, I'm serious! If your invention performs worse than comparable things which are already available, this can be a great advantage, if put to the proper use. Consider the 3M Company's fabulously successful Scotch® Post-It® note pads: Their novelty is simply that they have a strip of stickum which is inferior to known adhesives, thus providing removable self-stick notes. Here the invention may not be so much the discovery of an inferior adhesive as the discovery of a new use for it.
 30. **"Sexy" Packaging.** If your invention is or comes in a "sexy" package, or is adaptable to being sold in such a package, this can be a great advantage. Consider the Haines L'Egg® stockings where the package (shaped like an egg) made the product!
 31. **Miscellaneous/Obviation of Specific Disadvantages of Existing Devices.** This is a catchall to cover anything I may have missed in the previous categories. Often the specific disadvantages which your invention overcomes will be quite obvious; they should be included here, nonetheless.
 32. **Long Life Cycle.** If your invention has a generally long life cycle, i.e., it can be made and sold for many years before it becomes obsolete, this is an obvious strong advantage which will justify a capital expenditure for tooling, a big ad campaign, etc.
 33. **Related Product Addability.** If your invention will usher in a new product line, as did the computer, where many related products such as disk drives and printers can be added, this will be an important advantage with potentially enhanced profits.

34. **Satisfies Existing Need.** If your invention will satisfy an existing, recognized need, such as preventing drug abuse, or avoiding auto collisions, your marketing difficulties will be greatly reduced.

Negative Factors Likely to Affect the Marketability of Your Invention

Alas, every invention has one or more negative factors, even if the negative factor is merely the need to change—or design and produce—production equipment. We've seen inventions and developments that were better in every way than what already existed, but that were not used solely because the improvement did not justify the cost of replacing existing production equipment, or the cost associated with manufacturing and promoting the device.

The negative factors of your invention are generally more important and require more consideration than the positive factors, since if your invention fails, it will obviously be due to one or more of the negative factors. Since all the positive factors listed above can be disadvantages when viewed in reverse, they should be carefully considered, but will not be reproduced here. For example, consider Factor #23, Seasonal Demand. This will be a negative, rather than a positive factor if the invention is something like skis or a holiday decoration, which does have a seasonal demand, rather than an all-year-around one.

Negatives Are the Reverse of Positive Factors Listed Above

35. **Legality.** Does your invention fail to comply with, or will its use fail to comply with, existing laws, regulations, and product and manufacturing requirements? Or, are administrative approvals required? If your invention carries legal difficulties with it, its acceptance will be problematic no matter how great its positive advantages are. And if ecological or safety approvals are required (for example, for drugs and automobiles), this will be viewed as a distinct disadvantage by prospective buyers.
36. **Operability.** Is it likely to work, or will significant additional design or technical development be required to make it practicable and workable?
37. **Development.** Is the product already designed for the market, or will additional engineering, material selection, appearance work, etc., be required?
38. **Profitability.** Because of possible requirements for exotic materials, difficult machining steps, great size, etc., is your invention likely to be difficult to sell at a profit?
39. **Obsolescence.** Is the field in which your invention is used likely to die out soon? If so, most manufacturers will not be willing to invest money in production facilities.
40. **Incompatibility.** Is your invention likely to be incompatible with existing patterns of use, customs, etc.?
41. **Product Liability Risk.** Is your invention in an area (such as drugs, firearms, contact sports, automobiles, etc.) where the risks of lawsuits against the manufacturer, due to product malfunction or injury from use, are likely to be greater than average?
42. **Market Dependence.** Is the sale of your invention dependent on a market for other goods, or is it useful in its own right? For example, an improved television tuner depends on the sale of televisions for its success, so that if the television market goes into a slump, the sales of your tuner certainly will fall also.
43. **Difficulty of Distribution.** Is your invention so large, fragile, perishable, etc., that it will be difficult or costly to distribute?
44. **Service Requirements.** Does your invention require frequent servicing and adjustment? If so, this is a distinct disadvantage. But consider the first commercial color TVs which, by any reasonable standard, were a service nightmare, but which made millions for their manufacturers.
45. **New Production Facilities Required.** Almost all inventions have this disadvantage. This is because the manufacture of anything new requires new tooling and production techniques.

46. **Inertia Must Be Overcome.** An example of a great invention that so far has failed because of user inertia is the Dvorak typewriter, which, although much faster and easier to use, was unable to overcome the awkward but entrenched Qwerty keyboard. If any invention is radically different, potential manufacturers, users and sellers will usually manifest some inertia, despite the invention's value.
47. **Too Advanced Technically.** In the 60s, a client received a very broad patent on a laser pumped by a chemical reaction explosion; we were very pleased with this patent. However, it was so advanced at the time that the technology behind it was not implemented until the "Star Wars" defense effort. Unfortunately, the patent expired in the meantime. The moral? Even if you have a great invention, make sure it can be commercially implemented within about 17 years.
48. **Substantial Learning Required.** If consumers will have to undergo substantial learning in order to use your invention, this is an obvious negative. An example: the early personal computers. On the other hand, some inventions, such as the automatically talking clock, make a task even easier to do and thus have an obvious strong advantage.
49. **Difficult to Promote.** If it will be difficult to promote your invention, e.g., because it's technically complex, has subtle advantages, or is very expensive, large, awkward, etc., you've got an obvious disadvantage.
50. **Lack of Market.** If no market already exists for your invention, you'll have to convince the public that they need it—that is, that you have a "product in search of a market." While not a fatal flaw, and while this type of invention can be most profitable, you (or your licensee) will have to be prepared to expend substantial sums on promotion.
51. **Crowded Field.** If the field is already crowded, you'll have an uphill battle.
52. **Commodities.** If you've invented a new commodity—such as a better plastic, solvent, or grain—you'll face stiff price competition from the established, already streamlined standards.
53. **Combination Products.** If you've invented a "combination product"—that is, a product with two inventions that don't really groove together, like a stapler with a built-in beverage cup holder, people won't be beating a path to your door. On the other hand, the clock-radio was just the ticket.
54. **Entrenched Competition.** Despite its overwhelming advantages, Edison had a terrible time promoting his light bulb because the gas companies fought him bitterly.
55. **Instant Anachronism.** A clever inventor in Oakland, California, invented a wonderful dictionary indexing device which made it much faster to look up any word. However, he was unable to sell it to any dictionary publisher because the dictionary is being replaced by computerized devices. His clever invention was an "instant anachronism."

Complete the Positive/Negative Factors Evaluation form by assigning a weight to each listed factor, either in the positive or negative column. Also list and assign weights to any other factors you can think of which I've omitted. Then compute the sum of your positive and negative factors and determine the difference to come up with a rough idea of a net value for your invention. We suggest that you continue to pursue inventions with net values of 50 and up, that you direct your efforts elsewhere if your invention has a net value of less than 0, and that you make further critical evaluation of inventions with net values between 0 and 50.



Again, we provide three tear-out copies of the Positive/Negative Factors Evaluation form in Part I. The extra copies are in case you find others who can provide you with informed and impartial feedback on the commercial potential of your invention.

C2 Potential User Survey



RECOMMENDED READING

Patent It Yourself, Chapter 4

As part of your marketing efforts you will want to show that your invention is likely to be well accepted. One way to do this is a survey among likely users. This involves showing the invention to several such users, collecting their comments, entering them in the notebook, and (if convenient) having the users sign and date their comments. A good way to conduct this survey is to exhibit at local inventors' or new product fairs and showcases. Try a booth space in a local shopping mall. If

your invention is patented, this type of survey can be done without having each person sign a Proprietary Materials Loan Agreement. The important thing is to get as much feedback from the potential customers as possible. A professional marketing firm would charge quite a bit to provide this same information. The tear-out forms at the end of this Section permit this systematic documentation for later disclosure to investors or manufacturers.



The users should also sign a Proprietary Materials Loan Agreement if you are maintaining your invention as a trade secret (at least until a patent issues). Tear-out copies of this agreement are contained in Part I.



C3 Relevant Market Trends



RECOMMENDED READING

Do-It-Yourself Market Research by A. B. Blankenship (McGraw-Hill), and Low-Cost Market Research by Keith Gorton (Wiley)

To properly assess your invention's commercial potential, it's wise to carefully consider what existing trends, if any, will affect its acceptance in the marketplace. As mentioned above, a clever inventor in Oakland, California, invented a wonderful dictionary indexing device which made it much faster to look up any word. However, he was unable to sell it to any dictionary publisher because the dictionary was being replaced by computerized devices. His clever invention was an instant anachronism. Obviously, with some inventions, such as a dictionary indexing device, you have little choice but to swim against the commercial stream, unless of course you decide that the current is so swift that you're better off putting the invention aside in favor of something else.

The forms we have designed for this part (C3) should help you to document (at least preliminarily) the trends which bear on the marketability of your invention. This documentation can be particularly essential if you plan to seek venture capital or a business partner. It also, of course, is the basis of any intelligent marketing strategy. When a potential investor or partner says, "tell me exactly how this thing will make money," the more persuasive your analysis of market trends, the better your chance of successfully completing the transaction.

Let's say you go back to work and invent a new type of translucent bowling ball which contains holographic images that change as the ball rolls. The images could be attractive patterns, pictures of film or music celebrities, etc. If you want to sell this idea to a large manufacturer of related products, such as AMF or Brunswick, there is probably no point for you to spend time and money on an extensive market survey; they already know more about this area than you could ever hope to. If, on the other hand, you are seeking capital from someone who is not an expert in the field, you are going to have to convince him that the combination of

bowling balls and holographic images is likely to be a hot item, at least in some areas of the country or among certain age groups. Simply put, will your bowling ball "play in Peoria"?

To answer this question for your invention, you will want to find data that tells you about:

- previous and forecasted buying patterns for related or competing products in your targeted marketing areas, and
- the projected size and buying power of the population groups of your most likely customers.

Where do you find this type of information? There are several specialized reference sources, available in large public libraries, which will provide you with enough information to at least partially answer these types of questions. Chief among these reference sources are:

- **Predicasts Forecasts.** This service abstracts information in newspapers, business magazines, trade journals and government reports that deals with market data, financial data, capacities, production, product development, trade, technology and forecasts. It is published quarterly by Predicasts.
- **U.S. Industrial Outlook.** This service contains the prospects for over 350 manufacturing and service industries. It is published by the U.S. Department of Commerce.
- **Statistical Reference Index.** This publication indexes and abstracts American statistical publications from private organizations and government sources. It is published by the Congressional Information Service (CIS) and is especially useful for obtaining key demographic information.
- **American Statistical Index.** This service indexes and abstracts statistical information published by the U.S. Government. It is also useful for amassing demographic information.
- **Standard and Poor's Index.** This publication is published by Standard and Poor's Corporation and is useful for obtaining marketing information as it relates to companies.
- **Hine's Directory of Published Market Research.** This publication is a valuable directory to market

research which has been carried out for other products and services.

Each of these publications contains detailed instructions on how to use it; reference librarians can also be quite helpful.

Of course, libraries are not the only place you can find commercial data. Vast amounts of information are stored in commercial computer databases and made available to you by online data services such as Dialog, InfoMaster (Western Union), IQUEST (Compuserve), and BRS. All you need to access this information is a personal computer, a modem, and money (lots of it). While the cost of using one of these online services (approximately \$100 per hour) may sometimes be justified by your increased efficiency in searching mountains of facts and figures, efficiency tends to only come with a lot of practice. As this is an extremely expensive way to learn, the onetime user will seldom (if ever) benefit from using a computer as opposed to using the free resources available at any large public library.

A third alternative is to have someone else search the computer databases for you. Information searching has become a large and growing industry. One company, *Information on Demand*, located in Berkeley, California, will provide you the basic marketing information we suggest here at an average cost of between \$300 and \$500. They have an 800 number (800-227-0750) and can usually turn your request around in several days. While \$500 may seem like a lot of money, it's our experience that the onetime user will probably pay more and get less if she conducts the computer search herself. Certainly, if the result greatly enhances your ability to convince others to produce or invest in your invention it will seem inexpensive in the long run. If you wish to find an information service closer to home, we suggest you look under "library," "reference" or "information" in your yellow pages index. Of course, public libraries are increasingly becoming connected with the computer databases described above and you may find it possible to obtain your information through the reference services offered by your local library at a fraction of what it would cost you to do your own computer search or obtain it from others.



Before you spend a lot of money for a search conducted by others, ask for and check references. The sources you use should not only be reputable but should be independently verifiable by anyone from whom you are seeking funds.

How to Use Form C3 to Record Data from These Types of Sources

The Relevant Market Trends Form (C3) consists of three related sections:

- Regional Buying Patterns of Related Products, pages 1-3
- Predictions for Targeted Buying Groups, pages 4-6
- Conclusions, pages 7-9

There are three copies of each section to provide adequate room for more extensive surveys, or for the possibility of subsequent surveys for improved versions of your invention.

On the first three pages you should enter information you have located for sales of related products by geographical region. Taking our bowling ball example, related products could be (A) bowling balls, (B) holograms, (C) high-tech recreation products, (D) celebrity paraphernalia, and (E) bowling lanes. The relevant geographic regions would most likely begin with your local area and proceed to state or regional comparisons, national surveys, and even, if appropriate, international markets.

Regional Buying Patterns of Related Products

| REGIONAL BUYING PATTERNS OF RELATED PRODUCTS | | | |
|--|-----------------------|------------------------------|-----------------|
| Product Name | Source of Information | Sales for Last Year Surveyed | Projected Sales |
| Region: _____ | | | |
| Product A _____ | _____ | _____ | _____ |
| Product B _____ | _____ | _____ | _____ |
| Product C _____ | _____ | _____ | _____ |
| Product D _____ | _____ | _____ | _____ |
| Product E _____ | _____ | _____ | _____ |

Pages 4-6, Predictions for Targeted Buying Groups, allow you to enter demographic information gleaned from your research. First, identify the potential purchaser groups that you think will account for the largest number of sales by Age, Sex, and Other. Then, for each group, look at their numbers as a percentage of the overall population in three promising market areas (regions). Also, take a look at the average disposable income of each group by region. For example, Group 1 may be those aged 13-18 of both sexes who bowl, while Group 2 may be identified in the “Other” category as owners of bowling alleys.

Predictions for Targeted Buying Groups

| PREDICTIONS FOR TARGETED BUYING GROUPS | | | | |
|--|--------------------|-------|-----------|----------------------|
| Potential Purchasers | Age | Sex | Other | Predicted % of Sales |
| Group 1 _____ | _____ | _____ | _____ | _____ |
| Group 2 _____ | _____ | _____ | _____ | _____ |
| Group 3 _____ | _____ | _____ | _____ | _____ |
| Source of Information | Last Year Surveyed | | Projected | |
| GROUP 1 | | | | |
| % of Population | | | | |
| Region 1 _____ | _____ | _____ | _____ | _____ |
| Region 2 _____ | _____ | _____ | _____ | _____ |
| Region 3 _____ | _____ | _____ | _____ | _____ |
| Disposable Income | | | | |
| Region 1 _____ | _____ | _____ | _____ | _____ |
| Region 2 _____ | _____ | _____ | _____ | _____ |
| Region 3 _____ | _____ | _____ | _____ | _____ |

For Group 1, under “% of Pop.,” you would want to record both the present and predicted percentage of the entire population for this group in each region. This category would be irrelevant for Group 2, since the percentage of bowling alley owners is negligible. Under “Disposable Income,” you may want to record some data about the relative wealth of teenagers—this would bear on how much they have to spend on recre-

ation. Your Group 2 data in this area might focus on such items as how much owners of bowling alleys spend annually replacing old balls and how much is spent on advertising to get more young people into bowling.

The last part of the form asks you to use the data entered in the first two parts to draw some conclusions about the market trends affecting your product. To see how this is done, let’s again return to our example of the holographic bowling ball. You may have found that:

- the numbers of young people in the age groups you hope to sell your invention to are projected to decrease
- the relative buying power of these young people is rapidly rising relative to the population as a whole
- the sales of bowling balls and accessories are fairly steady
- money spent on teen idol “essentials” and futuristic toys is steadily climbing, and
- young people bowl in much larger numbers in the Southeast than the Midwest.

While the first finding is essentially negative from a marketability standpoint, the other findings are essentially positive. Make a written record of both the positive and negative results of your survey and how they may influence your marketing strategy. In your presentation to a venture capital source, you should point out the increase in disposable income and interest in holograms and stars, and that you have decided to introduce your new sensation in the Southeast with the idea of creating a fad that will bring more young people into bowling alleys across the country. If you can back up this marketing approach with some solid information, you have a much better chance of being listened to.

Relevant Market Trends

REGIONAL BUYING PATTERNS OF RELATED PRODUCTS

| Product Name | Source of Information | Sales for Last Year Surveyed | Projected Sales |
|--------------|-----------------------|------------------------------|-----------------|
|--------------|-----------------------|------------------------------|-----------------|

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Relevant Market Trends

REGIONAL BUYING PATTERNS OF RELATED PRODUCTS

| Product Name | Source of Information | Sales for Last Year Surveyed | Projected Sales |
|--------------|-----------------------|------------------------------|-----------------|
|--------------|-----------------------|------------------------------|-----------------|

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Region: _____

| | | | |
|-----------|-------|-------|-------|
| Product A | _____ | _____ | _____ |
| Product B | _____ | _____ | _____ |
| Product C | _____ | _____ | _____ |
| Product D | _____ | _____ | _____ |
| Product E | _____ | _____ | _____ |

Relevant Market Trends

REGIONAL BUYING PATTERNS OF RELATED PRODUCTS

| Product Name | Source of Information | Sales for Last Year Surveyed | Projected Sales |
|--------------|-----------------------|------------------------------|-----------------|
|--------------|-----------------------|------------------------------|-----------------|

Region: _____

Product A _____

Product B _____

Product C _____

Product D _____

Product E _____

Region: _____

Product A _____

Product B _____

Product C _____

Product D _____

Product E _____

Region: _____

Product A _____

Product B _____

Product C _____

Product D _____

Product E _____

Region: _____

Product A _____

Product B _____

Product C _____

Product D _____

Product E _____

Relevant Market Trends

PREDICTIONS FOR TARGETED BUYING GROUPS

| Potential Purchasers | Age | Sex | Other | Predicted % of Sales |
|-----------------------|--------------------|-------|-------|----------------------|
| Group 1 | _____ | _____ | _____ | _____ |
| Group 2 | _____ | _____ | _____ | _____ |
| Group 3 | _____ | _____ | _____ | _____ |
| Source of Information | Last Year Surveyed | | | Projected |

GROUP 1

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

GROUP 2

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

GROUP 3

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

Relevant Market Trends

PREDICTIONS FOR TARGETED BUYING GROUPS

| Potential Purchasers | Age | Sex | Other | Predicted % of Sales |
|-----------------------|--------------------|-------|-------|----------------------|
| Group 1 | _____ | _____ | _____ | _____ |
| Group 2 | _____ | _____ | _____ | _____ |
| Group 3 | _____ | _____ | _____ | _____ |
| Source of Information | Last Year Surveyed | | | Projected |

GROUP 1

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

GROUP 2

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

GROUP 3

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

Relevant Market Trends

PREDICTIONS FOR TARGETED BUYING GROUPS

| Potential Purchasers | Age | Sex | Other | Predicted % of Sales |
|-----------------------|--------------------|-------|-------|----------------------|
| Group 1 | _____ | _____ | _____ | _____ |
| Group 2 | _____ | _____ | _____ | _____ |
| Group 3 | _____ | _____ | _____ | _____ |
| Source of Information | Last Year Surveyed | | | Projected |

GROUP 1

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

GROUP 2

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

GROUP 3

% of Population

Region 1 _____

Region 2 _____

Region 3 _____

Disposable Income

Region 1 _____

Region 2 _____

Region 3 _____

C4 Manufacturer/ Distributor Evaluation



RECOMMENDED READING
Patent It Yourself, Chapter 11

The Inventor's Decision Chart asks you to decide whether you want to manufacture your invention yourself, and if so, whether you also plan to handle its distribution. The charts we provide here help you organize the facts on which these decisions should ultimately be based.



Manufacturer/Distributor Evaluation

If I Want to Manufacture Myself

1. Items needed

- a. Facilities: _____

- b. Machinery/tools: _____

- c. Parts/inventory: _____

- d. New manufacturing processes: _____

- e. Employees—skill level and type: _____

- f. New technical skills: _____

- g. Government approval of site/process: _____

2. Forms needed: _____

3. Time needed to perfect the product: _____

4. Liability risks: _____

5. Volume I could produce: _____

6. Potential cost per unit and projected sale price: _____

7. How long to recover initial costs? _____

8. Profit from selling invention to an existing manufacturer: _____

Conclusions: _____

Manufacturer/Distributor Evaluation

If I Want to Distribute Myself

1. Items needed

a. Facilities: _____

b. Inventory: _____

c. Employees: _____

d. New skills: _____

e. Advertising: _____

2. Funds needed: _____

3. Distribution options: _____

4. Sales volume desired: _____

5. Time needed to achieve sales volume: _____

6. Liability risks: _____

7. Time needed to recover costs: _____

8. Percent per unit that would be paid to an existing distributor: _____

Conclusions: _____

C5 Choosing the Right Company and Reaching the Decision Maker

If you decide to have someone else manufacture your invention, you need to decide which companies to approach. To do so efficiently:

- Choose companies that operate in your field, or in a related one.
- Consider size—depending on your product, you may want to deal with a small entrepreneurial outfit, or a multinational corporation.
- Consider location—companies with headquarters close to you are usually easier to approach.
- Consider company attitudes and products—do you like the company and its products?
- Consider marketing—if your product will require a good deal of consumer education to succeed (e.g., a machine that makes a cross between yogurt and peanut butter), will the company commit to a big advertising push or other long-term marketing technique that focuses on consumer education?

Companies can be researched in the same manner as products and services (see C3), either through the following written resources or in computer databases.

- *Thomas Register of American Manufacturers*
- *Dunn and Bradstreet's Million Dollar Directory*
- *Standard and Poor's Index*
- *MacRae's Verified Directory of Manufacturers' Representatives*
- *Encyclopedia of Associations* (which alerts you to the trade associations and journals that relate your invention)
- *Science Citation Index* (for scientific/technical information)

- *Business Periodical Index* (for business and finance information)

Information about any given company can also be obtained through a professional search company, as with the marketing information discussed in section C3 above.

You are most likely to do well with smaller companies near enough to you so that you would have no difficulty making a visit to personally demonstrate the advantages of your invention. Choose a company that is in a similar product line and has the marketing, distribution, and advertising appropriate to sell your item. It is important to target companies that are doing well financially; even the simplest of ideas will require a substantial investment to bring to market.

The president of the company is who you must reach, if at all possible. He knows where he wants the company to go and he knows if the resources are available to get there. Try phoning before or after normal business hours—these guys are in the office ten or more hours a day, if you are lucky enough to catch them in town. Give a brief listing of the advantages of your product and ask if you can send them your Proprietary Materials Loan Agreement. If you have difficulty getting to the president, obtain an Annual Report and try contacting members of the Board of Directors or past, or retired presidents.

The universal key to making a good living as an inventor is perseverance, but it doesn't hurt to work smart. For instance, when seeking out an appropriate company for your invention, you might be wise to attend one or two trade shows. The contacts you can make at these types of gatherings can get more done for you than weeks in a library.

Choosing the Right Company

1st Choice

- a. Name and Location: _____

- b. Officers: _____

- c. Current Products: _____

- d. Sales Volume: _____

- e. Advertising Budget: _____

- f. Other: _____

2nd Choice

- a. Name and Location: _____

- b. Officers: _____

- c. Current Products: _____

- d. Sales Volume: _____

- e. Advertising Budget: _____

- f. Other: _____

Choosing the Right Company

3rd Choice

- a. Name and Location: _____

- b. Officers: _____

- c. Current Products: _____

- d. Sales Volume: _____

- e. Advertising Budget: _____

- f. Other: _____

4th Choice

- a. Name and Location: _____

- b. Officers: _____

- c. Current Products: _____

- d. Sales Volume: _____

- e. Advertising Budget: _____

- f. Other: _____

Choosing the Right Company

5th Choice

- a. Name and Location: _____

- b. Officers: _____

- c. Current Products: _____

- d. Sales Volume: _____

- e. Advertising Budget: _____

- f. Other: _____

6th Choice

- a. Name and Location: _____

- b. Officers: _____

- c. Current Products: _____

- d. Sales Volume: _____

- e. Advertising Budget: _____

- f. Other: _____

C6 Using the Internet to Develop and Promote Your Invention

As an inventor, you know that creativity is only part of what it takes to be successful. Technical, marketing and legal knowledge, sources of financing, collaborators or licensees are also needed to get the most for your efforts. You can find all of the above with access to the Internet. With Internet access and the right software, you can “surf” the World Wide Web (the Web), use powerful search engines to search the Internet for specific information and post and read messages using newsgroups.

The Web

Your Internet access and the right software will allow you to tap into the Web and view documents (called Web pages) that may feature text, graphics, sound and animation. You can also “surf,” or move from one Web page to another, anywhere in the world, with the click of the computer mouse and for the price of a local phone call.

The following Web sites have been selected specifically as starting points for inventors to explore the vast amount of information about patenting and marketing your invention available on the Web. Other than what you pay your service provider, there is no other charge for the use of the information on these Web pages (the exception is #11 - Knowledge Express Data Systems). The listing for each site includes its address (also known as a URL or “universal resource locator”) and a description and/or listing of the resources to be found there.

Remember, the Web is constantly changing with web sites coming and going every minute of every day. We have done our best to ensure that the Web sites listed here were available at the time this edition was published. But due to the unpredictability of the Web, we cannot guarantee that they will still be there when you go to look for them. Rest assured, however, that even when a good web site disappears, dozens more on the same subject matter are activated. You may even want to consider creating your own Web page to showcase your invention.

Web Pages Useful to Inventors

1. U.S. Patent and Trademark Office

Address: <http://www.uspto.gov/>

Description: The PTO's own Web site, providing online access to the latest patent law news and a means of searching the patent databases. Searchable content areas include:

- a. Information for Newcomers to Patents and Trademarks
- b. What's New
- c. The Intellectual Property Conference of the Americas
- d. Information by PTO Organizational Structure
- e. Points of Contact with the World of Patents and Trademarks; USPTO Services Available
- f. US and International Legal Materials
- g. Search Systems and Sources of Technical Information
- h. Other Internet Resources
- i. Search the US Patent Database
- j. Search the AIDS Patent Database
- k. Order Copies of Patents and Trademarks
- l. Business Process Reengineering
- m. US Patent and Trademark Office Acquisitions

2. U.S. Small Business Administration

Address: <http://www.sbaonline.sba.gov/>

Description: The SBA's online guide to processes, procedures and points of contact. The main content areas are:

- a. Starting Your Business
- b. Financing Your Business
- c. Expanding Your Business
- d. SBA Program Offices and Resource Partners
- e. Special Interests
- f. Great Business Hot-Links!
- g. SBA's Gopher Server
- h. SBA's FTP Server
- i. Shareware Library of Programs to Run a Business
- j. Search SBA Web Pages

3. Software Patent Institute

Address: <http://www.spi.org/>

Description: The Software Patent Institute's Web site includes a database of software technologies in the form of source documents as pointers to prior art.

4. U.S. Census Bureau

Address: <http://www.census.gov/>

Description: The U.S. Census Bureau's Web site provides access to the latest Census Bureau demographic statistics in over 90 categories.

5. The Nolo Press Self-Help Law Center

Address: <http://www.nolo.com/>

Description: Nolo Press' online site covers a wide range of subjects in the area of self-help law and access to the law. The site includes a number of informative articles on patent law and frequently asked questions about patent law.

6. Edge Magazine Resource Connection

Address: <http://edgeonline.com/>

Description: Edge Magazine's site includes a directory and links to small business information on the Internet. The main subject headings are:

- a. Business News
- b. Venture Capital
- c. Business Ideas
- d. Entrepreneurial Awards
- e. Government Agencies
- f. Chambers of Commerce
- g. Business Services
- h. Education
- i. Associations
- j. Legal
- k. Publications
- l. Banking
- m. Global Trade

- n. Resource Indexes
- o. Finance
- p. Stock Market
- q. News Services

7. The Institute of Management & Administration Resource Directory

Address: <http://www.ioma.com/ioma/direct.html>

Description: Another directory of Web sites helpful to inventors and small businesses. Topics include:

- a. Competitive Intelligence and Strategy
- b. Corporate Finance and Investment
- c. Credit Management
- d. Design and Construction
- e. Financial Management, Accounting and Taxation
- f. Human Resources and Benefits
- g. Information Systems
- h. Insurance and Risk
- i. Internet Marketing
- j. Legal Resources
- k. Other Business Directories
- l. Purchasing, Inventory, Supplier and Facilities Mgmt
- m. Sales and Marketing
- n. Small Business
- o. Usenet Newsgroups

8. A Cyberpreneur's Guide to the Internet

Address: <http://www.lib.umich.edu/chdocs/cyberpreneur/cyber.html>

Description: This Web site includes miscellaneous resources for the inventor/entrepreneur. Topics and resources include:

- a. A-ha! Monthly (Idea Mag for Entrepreneurs)
- b. alt.business.misc
- c. alt.business.import-export
- d. Babson College—Entrepreneurship Gopher
- e. Business Sources on the Net
- f. China Business Journal (CBJ)
- g. City of Tucson's Small Business Financial Info Guide

- h. Commercial Sites Index
- i. Commercialization and Privatization of the Net:
COM-PRIV@PSI.COM
- j. The Company Corporation Gopher
- k. EGOPHER
- l. Electronic Data Interchange Issues
- m. Entrepreneur's Division List
- n. Entrepreneur Net
- o. Entrepreneurs on the Web
- p. Global Virtual Partnership Exchange
- q. GNN Personal Finance Center
- r. IBC: Internet Business Center
- s. Internet Business Journal
- t. Internet Credit Bureau, Inc.
- u. Internet's Electronic Link to Managing Money
- v. Internet Marketing
- w. misc.entrepreneurs
- x. misc.invest
- y. MIT Entrepreneurs Club
- z. Small Business Advancement National Center
- aa. Small Business Administration (SBA) Gopher
- bb. Software Entrepreneur's Mailing List, S.E.M.L.
- cc. University of Michigan Go M-Link Gopher/
Small Business

9. DaVinci's Inventor Homepage

Address: <http://sulcus.berkeley.edu/Invention>

Description: A "master list" of Internet resources of use and interest to inventors and entrepreneurs.

Content includes:

- a. Leonardo DaVinci Biography
- b. E-mail for inventors
- c. Invention/Entrepreneurial Related Newspaper
Articles
- d. Invention Achievement Awards & Contests
- e. Inventor & Entrepreneur Associations & Organi-
zations
- f. Patent Searching on the Internet and Beyond
- g. Invention/Inventor Resources
- h. Patent Searching Resources
- i. Legal Resources
- j. Usenet Links
- k. Entrepreneur Links
- l. Start-Up Capital

- m. Invention & Entrepreneurial Bibliography
- n. Leonardo DaVinci and Other WWW Sites

10. Nerd World: Inventions

Address: <http://www.nerdworld.com/users/dstein/nw159.html>

Description: Nerd World provides more patent resources plus links to inventions for sale or license.

Topics and resources include:

- a. 4 Tomorrow Inventions Directory
- b. Best Inventions
- c. Community of Science
- d. Helping the New Inventor
- e. Internet Marketplace
- f. Invention Dimension: The Lemelson-MIT Prize
Program
- g. Inventions at Specific Institutions in Canada—
Field Searching
- h. Inventions Eureka Mall
- i. Inventions for Sale or License
- j. Inventor's Resources—A database of 8,000+
companies with interest in review inventions
- k. Inventure Place—The National Inventors Hall of
Fame
- l. New Ideas Invention Development Services
- m. Oklahoma New Products Coalition Helps
- n. University of Waterloo Inventions
- o. Australian Inventions Looking for Distributors
- p. Engineering

11. The Internet Invention Store

Address: <http://www.catalog.com/impulse/invent>

Description: An Internet business dedicated to showcasing new products and services. Browsable areas include:

- a. List Your Product In the Major Internet Indices
- b. Invention Store Rates & Policies
- c. Its New Magazine
- d. Cohort—Australian Innovation Catalogue
- e. Free Patent Searches
- f. The Manufacturers Information Page
- g. Search the Thomas Register

12. Knowledge Express Data Systems

Address: <http://KnowledgeExpress.com/>

Description: Knowledge Express Data Systems is a commercial service with pay-as-you-go surcharges for access to databases and downloading of reports. This site includes the following:

- a. Asian Summary
- b. ATTLAS Directory
- c. BIOSCAN
- d. Business News
- e. Commerce Business Daily
- f. Company Needs/Capabilities
- g. Company Technologies
- h. CorpTech
- i. Federal Bio-Technology Transfer Directory
- j. Federal Research in Progress (FEDRIP)
- k. Federal Laboratory Technologies (FLTDB)
- l. FirstList—catalogue merger and acquisition opportunities
- m. Government Technologies—DOD, DOE, EPA, NASA, NIST, PHS, USDA and other agencies
- n. MicroPatent Alert—patents from 50 countries around the world
- o. NASA Tech Briefs
- p. Small Business Innovation Research Awards (SBIRs)
- q. TEKTRAN/USDA
- r. Technology Express News
- s. University Technologies
- t. Market Guide Quick Facts
- u. Market Guide Company Profiles
- v. Stock Quotes
- w. Zack's Earnings Estimates

General Search Engines

A “search engine” is simply software that allows you to search the Internet, opening doors to incredibly rich storehouses of information available to you from all over the world. Type in a key word or phrase and within seconds you have a vast number of leads to follow. Some of the more popular search engines are:

1. Lycos

Address: <http://www.lycos.com/>

2. WebCrawler

Address: <http://webcrawler.com/>

3. Yahoo

Address: <http://yahoo.com/>

4. All-in-One Search Page

Address: <http://www.albany.net/allinone/>

5. AltaVista

Address: <http://altavista.com/>

You can use the listed addresses to find the search engine and download it for your use.

Newsgroups

Like a collection of computer bulletin boards covering every conceivable topic, newsgroups are places where worldwide conversations occur. Your internet service provider has lists of newsgroups (in the tens of thousands) from which you can choose. First, learn what makes for good newsgroup protocol, then read the recent message postings. Within a short time you can be communicating with leading researchers from around the world to solve your, or their, technical problems. ■

Part D

Financing

This part of *The Inventor's Notebook* helps you organize your search for funds to build and test, manufacture and distribute your invention.

Section D1 guides you in arriving at several estimates of how much capital you are likely to need in the course of getting your invention out of your head and into the marketplace. Section D2 is a checklist for the steps you should take before trying to sell the invention or before seeking funding to market it yourself. Finally, Section D3 helps you to keep track of your funding and/or sales efforts.

D1 Determination of Funds Needed



RECOMMENDED READING

Pratt's Guide to Venture Capital Sources by Stanley E. Pratt (*Venture Economics Inc.*, annual edition)

Some inventors have the luxury of being able to invent without worrying about who will pick up the tab. Most of us, however, must keep a close eye on our budgets. This part of *The Inventor's Notebook* allows you to record cost estimates of your activities before initiating the building, testing, production and marketing phases of your invention. The notebook contains headings which prompt you to categorize the expenses appropriate to your invention. This means that you may be using some parts of form D1 and not others. Because there is usually a range of possibilities for costs, we provide space for a high, low, and middle estimate. The documentation called for in this section will help you design an appropriate business plan for your invention to show to persons or organizations you are seeking capital from.

We include three copies of the budget form. If you modify your invention after making one budget, you can fill out a sheet for the new version.

Budget

| Purpose | High Estimate | Middle Estimate | Low Estimate |
|----------------------------|---------------|-----------------|--------------|
| 1. Build working model | | | |
| Parts | _____ | _____ | _____ |
| Labor | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 2. Testing | | | |
| Parts | _____ | _____ | _____ |
| Labor | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 3. Obtain Legal Protection | | | |
| Labor | _____ | _____ | _____ |
| Legal fees | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 4. Test Marketing | | | |
| Survey | _____ | _____ | _____ |
| Number of units | _____ | _____ | _____ |
| Advertising/publicity | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 5. Establish Production | | | |
| Facilities | _____ | _____ | _____ |
| Materials | _____ | _____ | _____ |
| Employees | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 6. Other | _____ | _____ | _____ |
| 7. Grand Total | _____ | _____ | _____ |

Budget

| Purpose | High Estimate | Middle Estimate | Low Estimate |
|----------------------------|---------------|-----------------|--------------|
| 1. Build working model | | | |
| Parts | _____ | _____ | _____ |
| Labor | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 2. Testing | | | |
| Parts | _____ | _____ | _____ |
| Labor | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 3. Obtain Legal Protection | | | |
| Labor | _____ | _____ | _____ |
| Legal fees | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 4. Test Marketing | | | |
| Survey | _____ | _____ | _____ |
| Number of units | _____ | _____ | _____ |
| Advertising/publicity | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 5. Establish Production | | | |
| Facilities | _____ | _____ | _____ |
| Materials | _____ | _____ | _____ |
| Employees | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 6. Other | _____ | _____ | _____ |
| 7. Grand Total | _____ | _____ | _____ |

Budget

| Purpose | High Estimate | Middle Estimate | Low Estimate |
|----------------------------|---------------|-----------------|--------------|
| 1. Build working model | | | |
| Parts | _____ | _____ | _____ |
| Labor | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 2. Testing | | | |
| Parts | _____ | _____ | _____ |
| Labor | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 3. Obtain Legal Protection | | | |
| Labor | _____ | _____ | _____ |
| Legal fees | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 4. Test Marketing | | | |
| Survey | _____ | _____ | _____ |
| Number of units | _____ | _____ | _____ |
| Advertising/publicity | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 5. Establish Production | | | |
| Facilities | _____ | _____ | _____ |
| Materials | _____ | _____ | _____ |
| Employees | _____ | _____ | _____ |
| Subtotal | _____ | _____ | _____ |
| 6. Other | _____ | _____ | _____ |
| 7. Grand Total | _____ | _____ | _____ |

D2 Checklist for Selling Invention/ Seeking Capital



RECOMMENDED READING

Patent It Yourself, *Chapter 11*.

A number of important steps must be taken before you are ready to present your invention to the world. This part of the notebook provides space for you to keep track of these steps so that you can be equipped to make a thoroughly businesslike presentation when you approach potential buyers. The first page is a checklist of steps necessary to prepare you for the presentation of your invention to potential purchasers or investors. The second page will help you focus on the essential points you want to cover, prepare responses to any possible questions, and reflect on the results of a practice presentation (we recommend that you practice your presentation with an associate or friend prior to the real thing). Your entries here should be brief notes to serve as reminders rather than full-blown essays.

Two Additional Suggestions

One of the most sure-fire ways to raise money for a new idea is to get a significant number of purchase orders in hand. A good way to do this is to exhibit in one of the major trade shows in your product's industry. If you are going to do this, you should have your homework done—samples that work and have a professional finish, the proper legal protection for your idea, sales literature, attractive packaging, an awareness of who the buyers are for the major accounts you want to land, and the ability to deliver on the orders. If this event goes well, you will not only be able to obtain the financing you need—you may also receive offers from large companies to buy the rights to your invention.

Another way to substantiate the demand for your invention/product, and thereby increase the interest of investors, is from the responses generated by a press release in a national publication. Many magazines print news about new inventions or products. This does not cost you a thing other than the preparation of the materials you submit. Write to the individual publications for their guidelines on the preparations of press releases. Make sure that any photos you submit are of professional quality.

Checklist for Selling Invention/Seeking Capital

- Made working model
- Obtained legal protection
- Test-marketed
- Prepared business plan
- Return on investment projected
- Recruited management team
 - President or CEO
 - Accounting
 - Marketing
 - Engineering
- Surveyed manufacturers
- Surveyed capital sources
- Letter requesting appointment for presentation
 - 1st presentation
 - 2nd presentation
 - 3rd presentation
- Phone call confirming appointment
 - 1st presentation
 - 2nd presentation
 - 3rd presentation

Checklist for Selling Invention/Seeking Capital

Personal Presentation Notes

a. Advantages of my invention:

b. Anticipation of possible questions:

c. Profit potential:

d. Demonstration:

e.. Trial presentation (rehearsal):

D3 Funding Sources and Results



RECOMMENDED READING

How to Write a Business Plan, *Chapter 3*

As you know, funding can come from many different sources (with their attendant pluses and minuses), and it is likely to take more than one try to obtain the money you need. Make a record of those you contact and their response: if positive, how much money they committed; if negative, why they turned you down. This will give you a current assessment of how much more you need to ask for, and may prompt you to make changes in your method of presentation.

Funding Sources and Results

1. Relatives/Friends

a. Name _____ Response _____

b. Name _____ Response _____

c. Name _____ Response _____

d. Name _____ Response _____

e. Name _____ Response _____

2. Banks

a. Name _____ Response _____

b. Name _____ Response _____

c. Name _____ Response _____

d. Name _____ Response _____

e. Name _____ Response _____

Funding Sources and Results

3. Government Programs

a. Name _____ Response _____

b. Name _____ Response _____

c. Name _____ Response _____

d. Name _____ Response _____

e. Name _____ Response _____

4. Venture Capital Companies

a. Name _____ Response _____

b. Name _____ Response _____

c. Name _____ Response _____

d. Name _____ Response _____

e. Name _____ Response _____

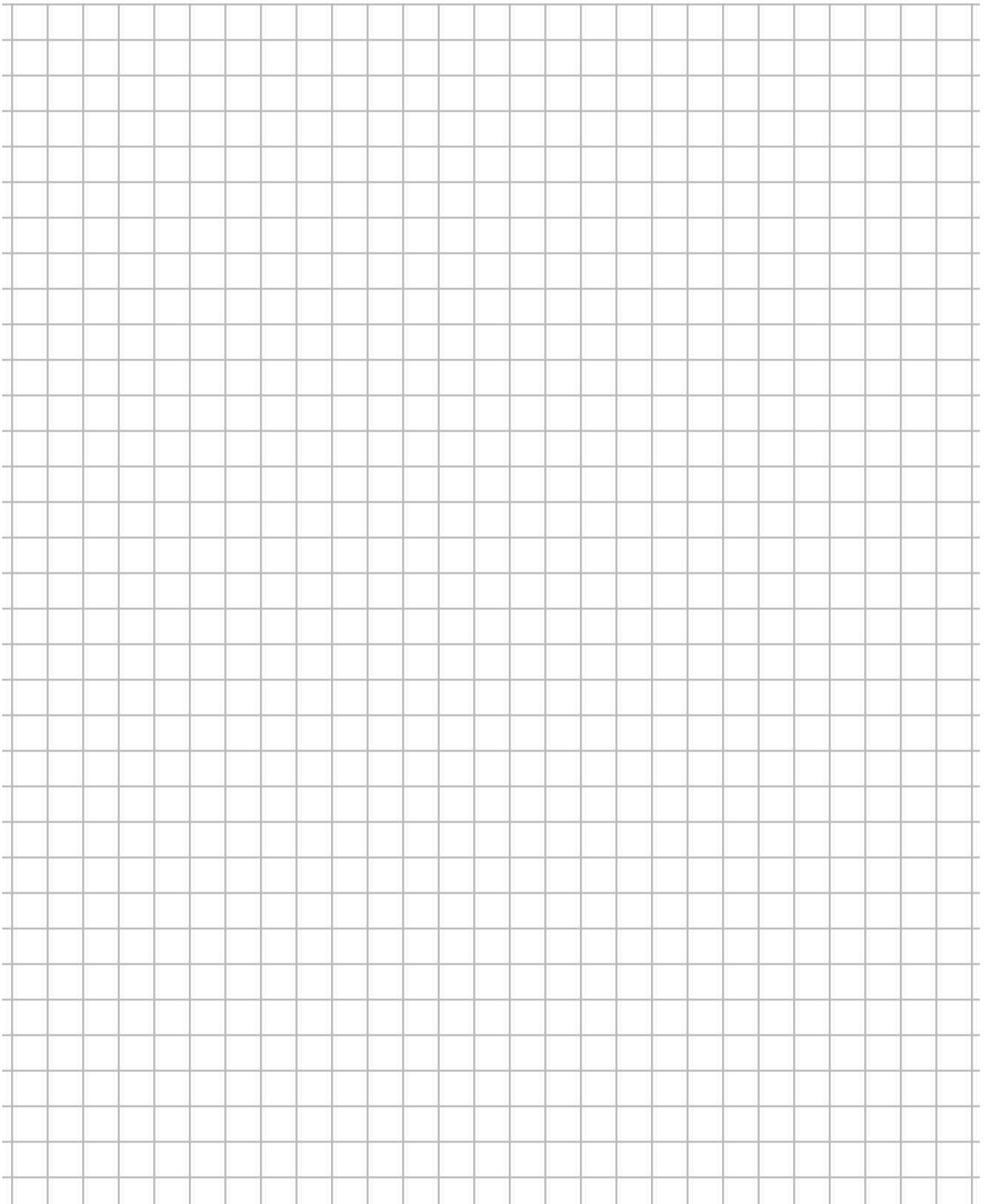
Part E

Continuation Pages

This part contains 30 pages for use as continuation sheets for entries started on one of the forms in Parts A-D. The pages are blank except for the signing and witnessing statements at the bottom, and page numbers. When you use one of these pages, designate the page number on the form you are coming from. For instance, if you are coming from Form A2 (Record the Building and Testing of Your Invention) and continuing your entry on page 118, you should enter "118" on Form A2 in the space provided.

For further description, see continuation page ____.

If there is no space for this information on the form you are coming from, simply write it in at the bottom.

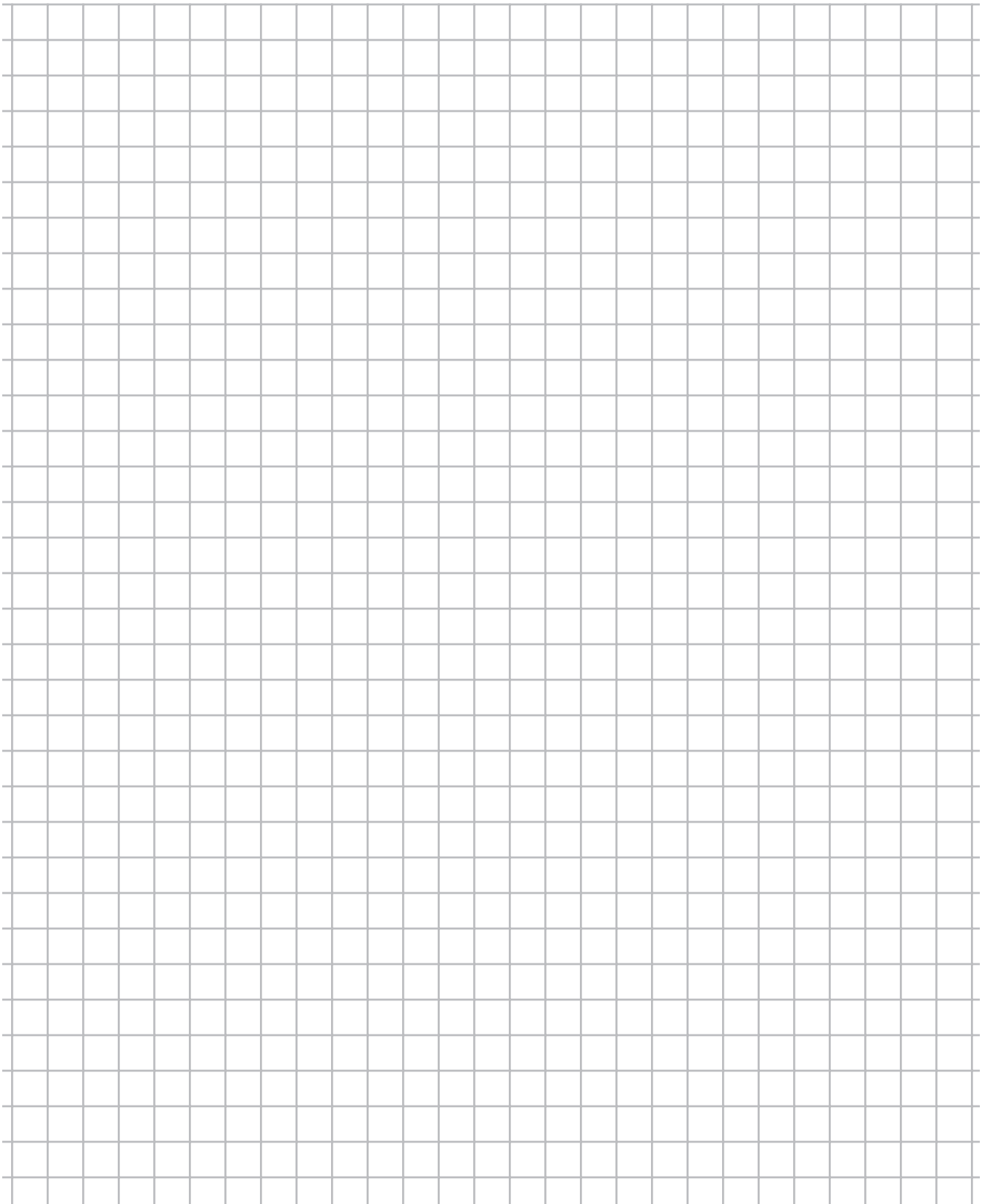


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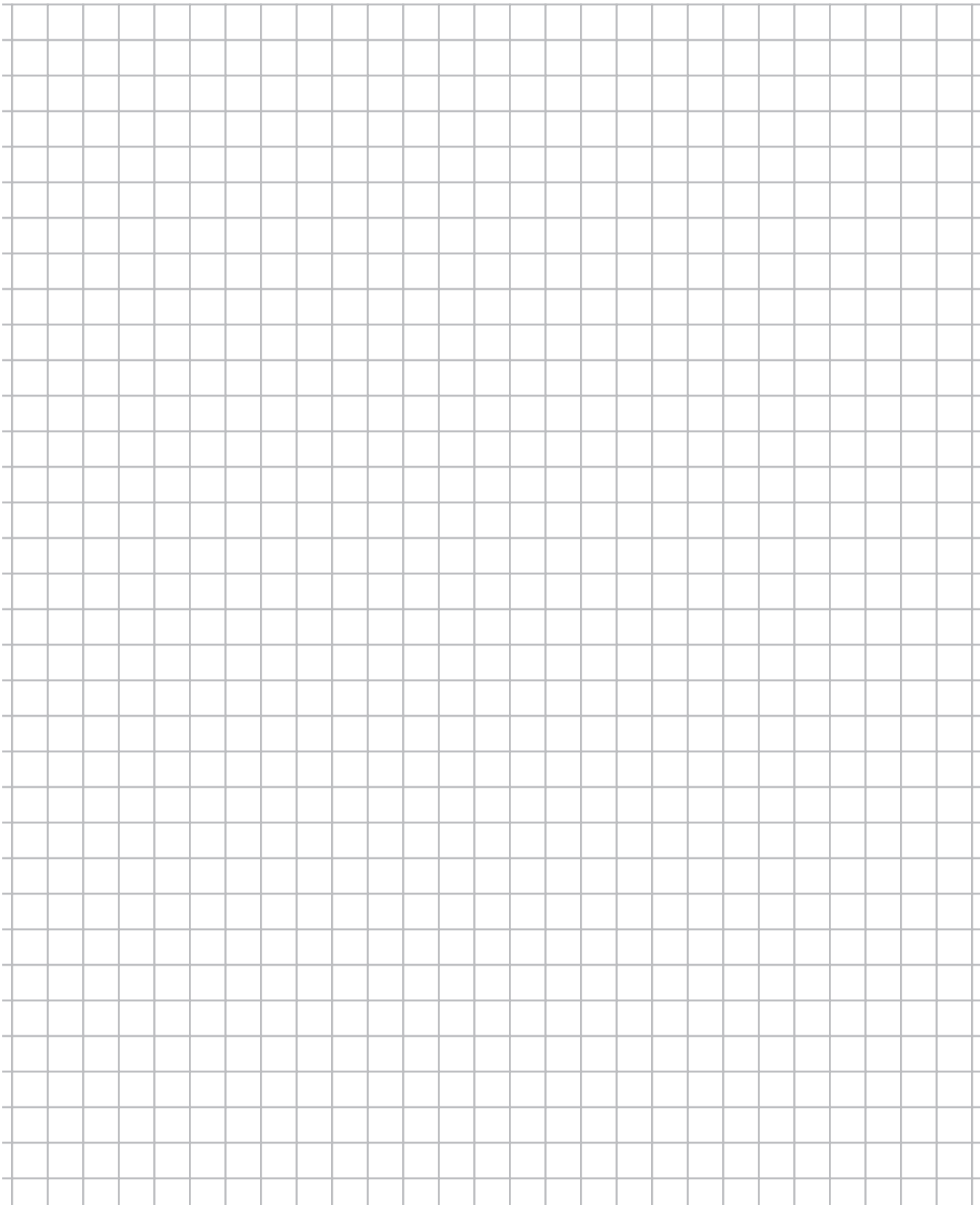


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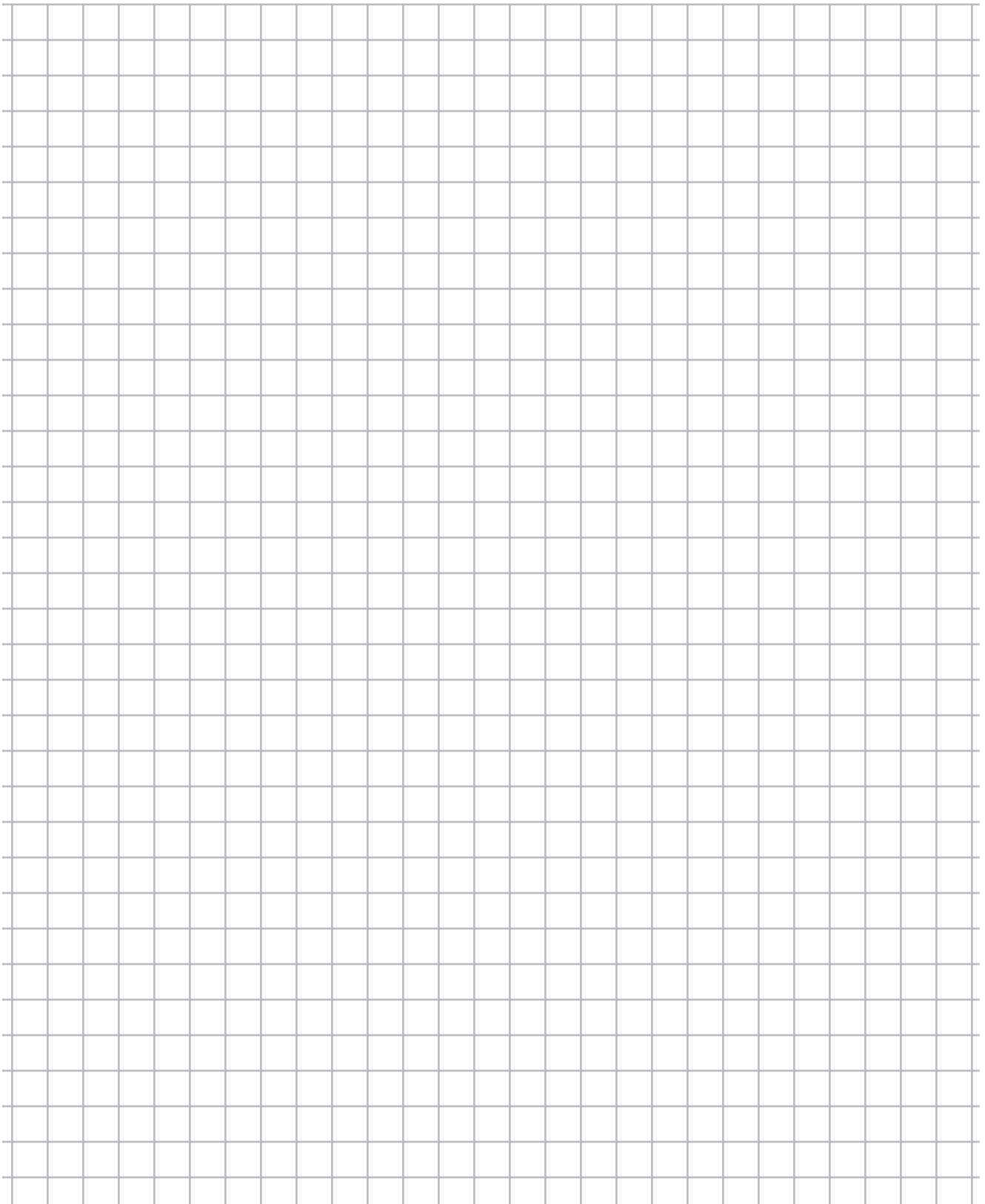


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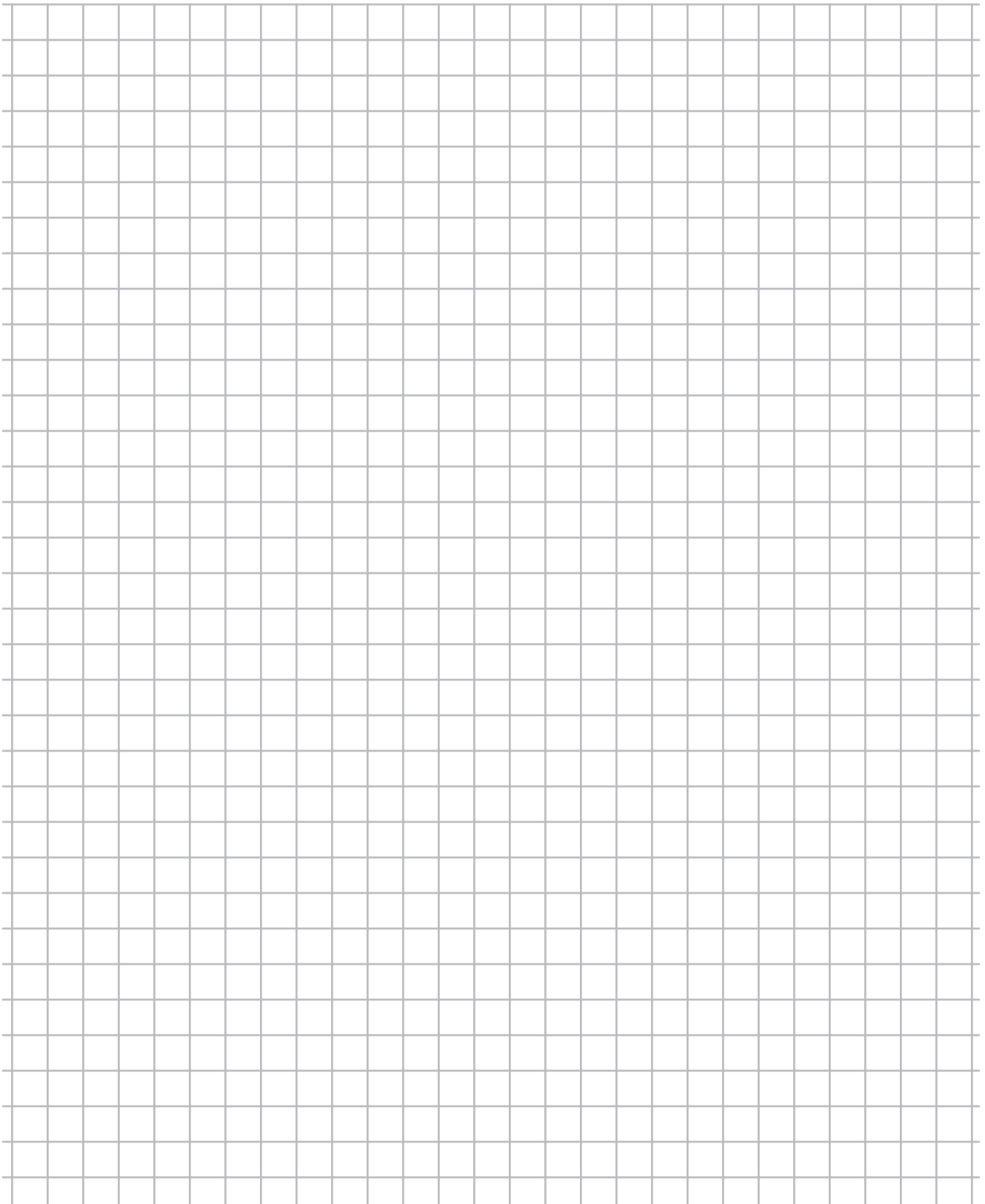


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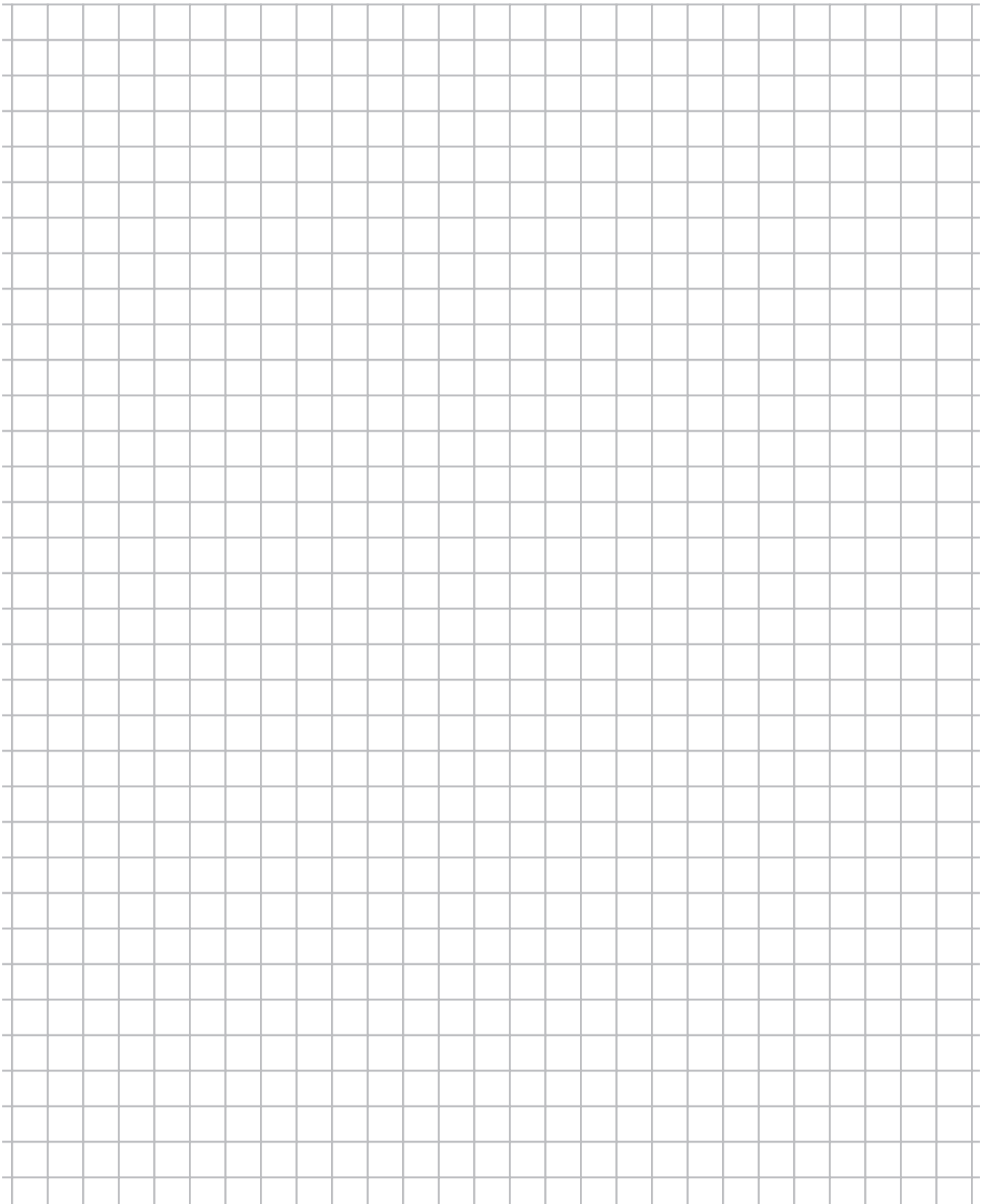


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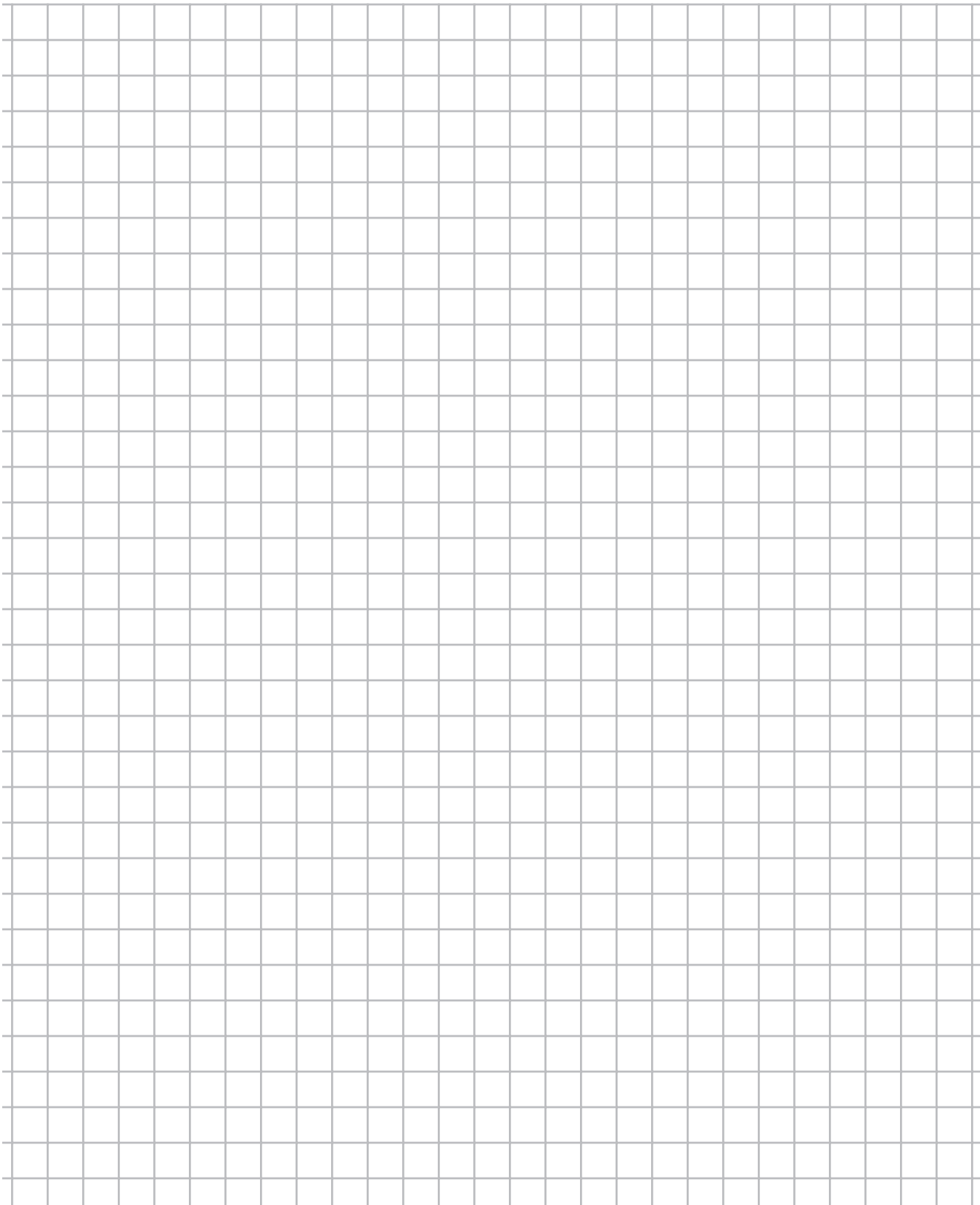


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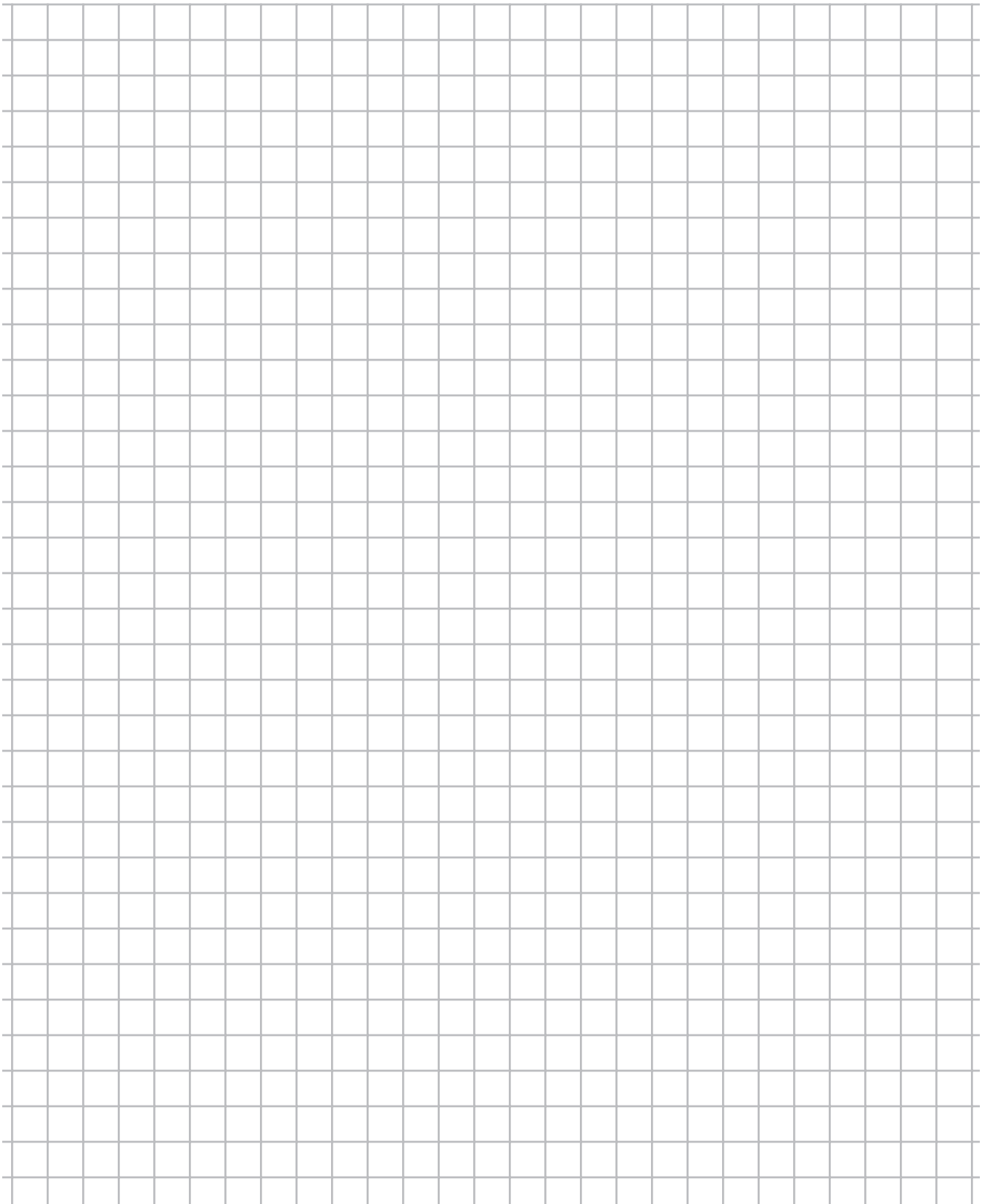


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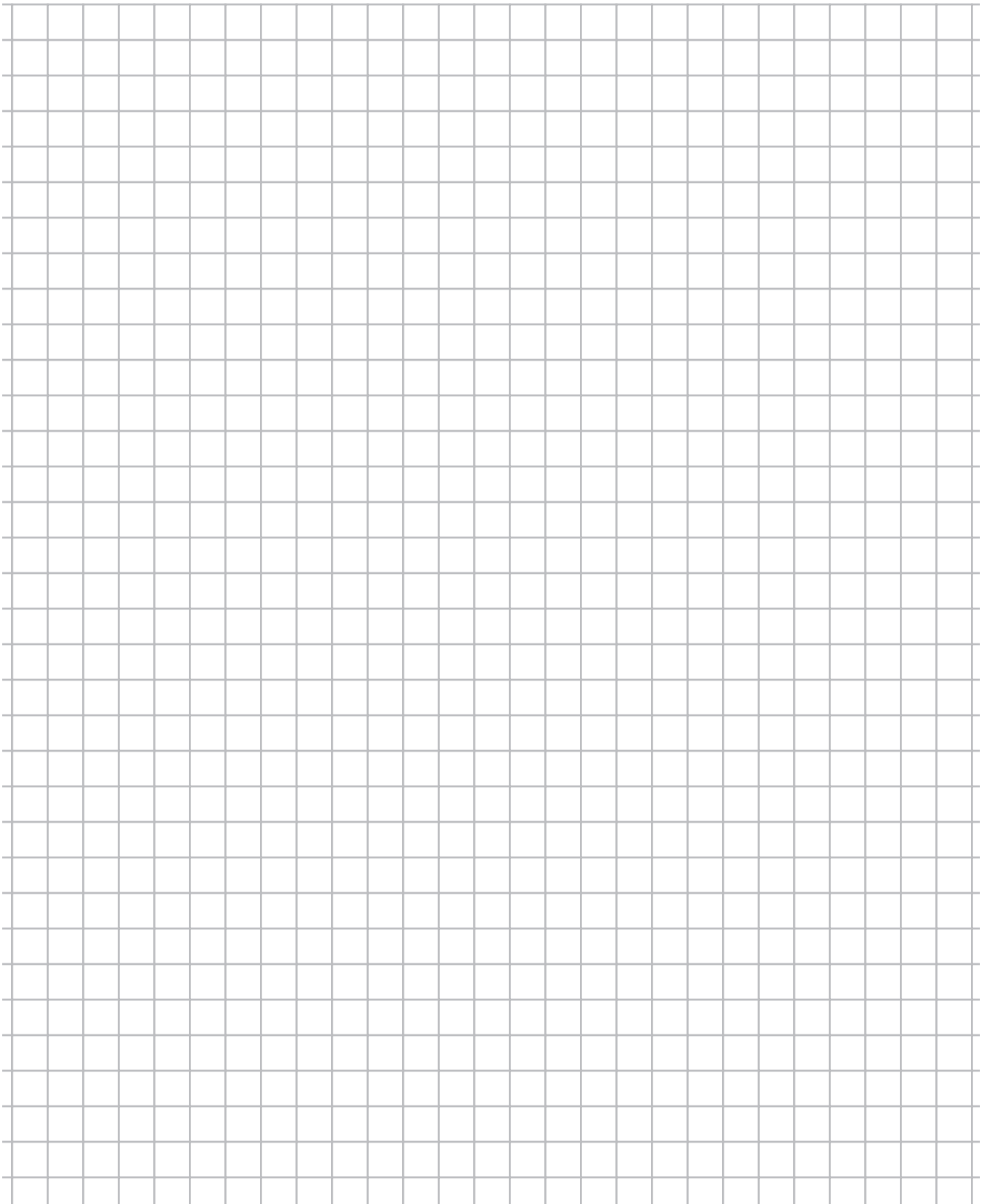


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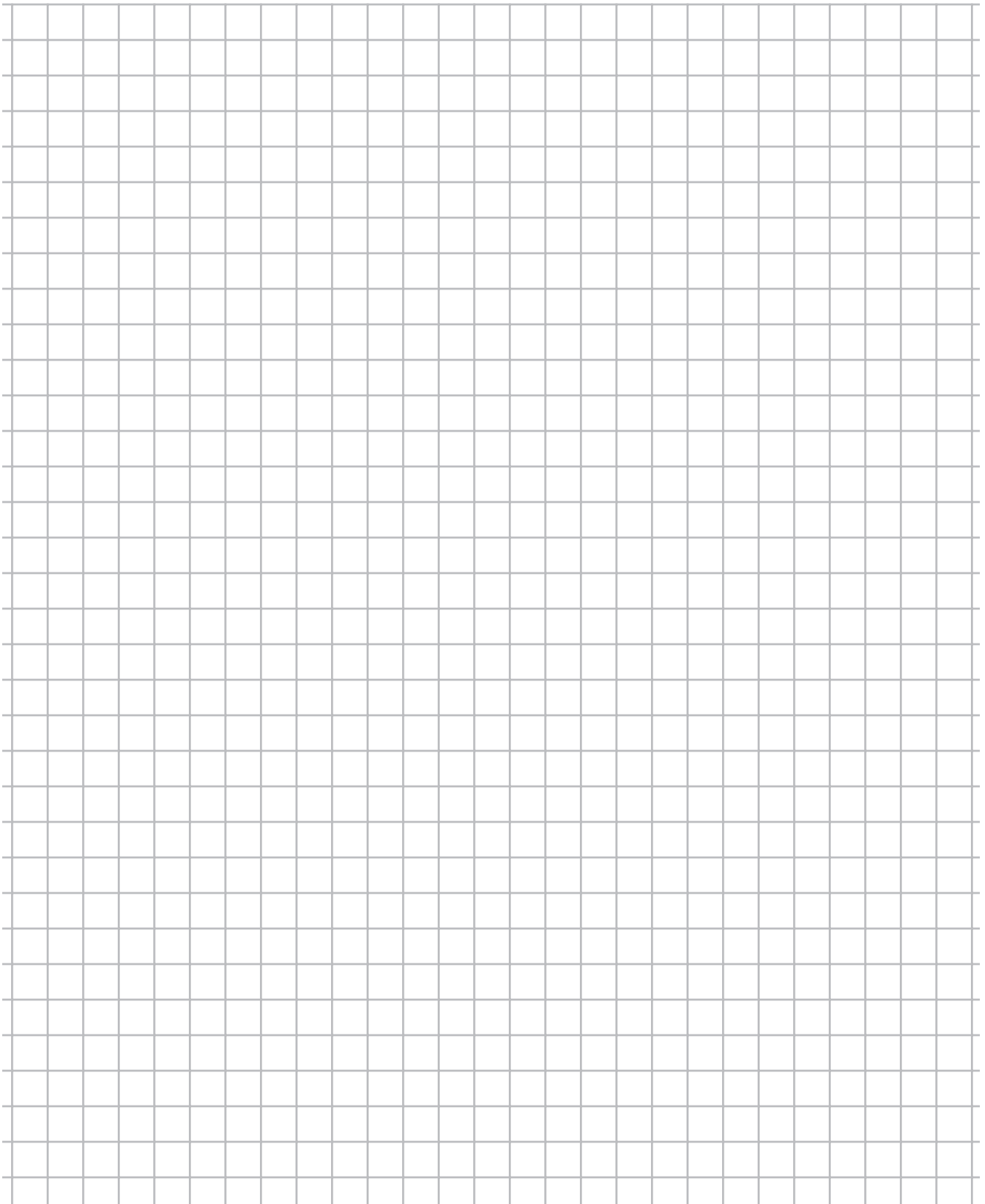


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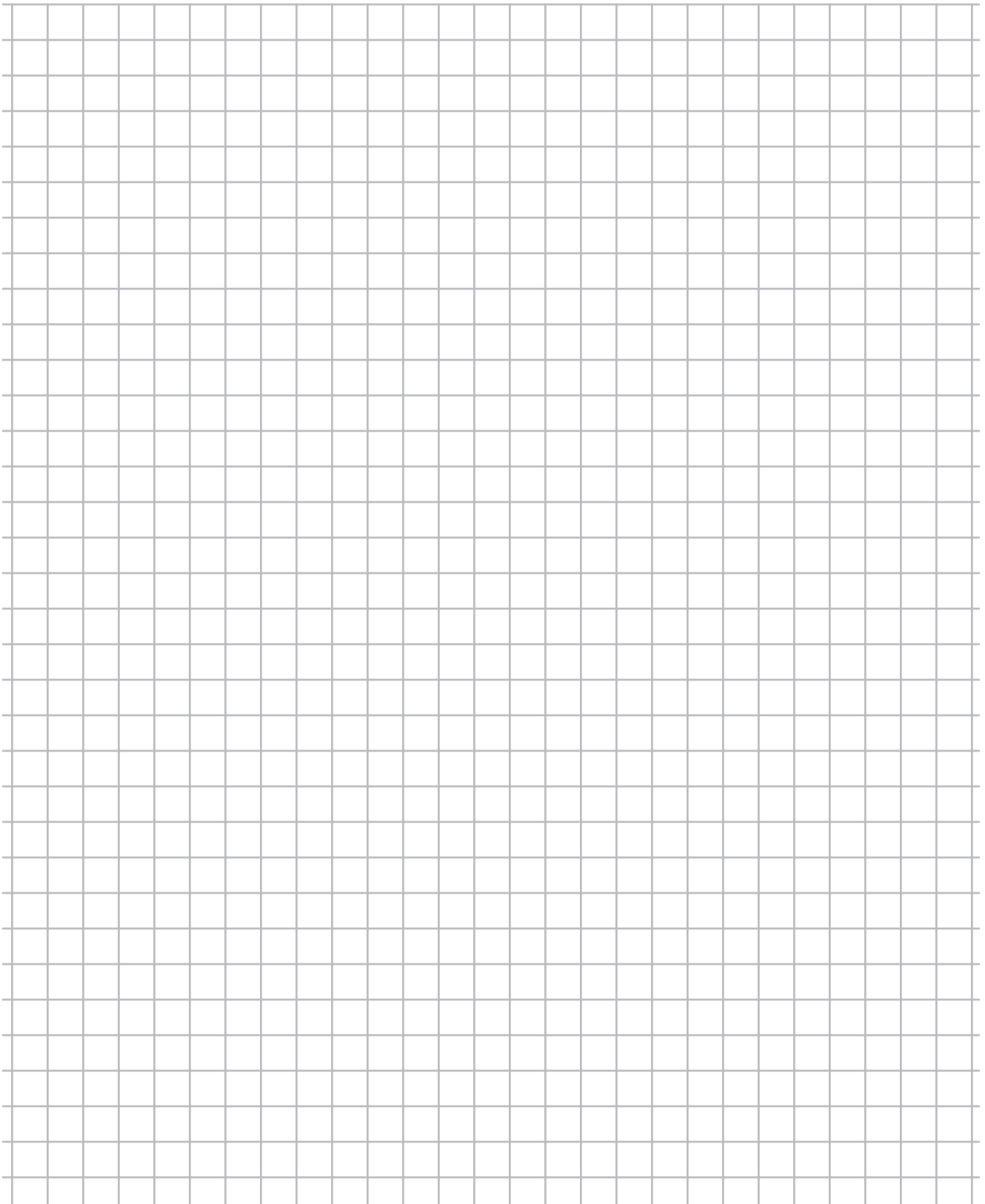


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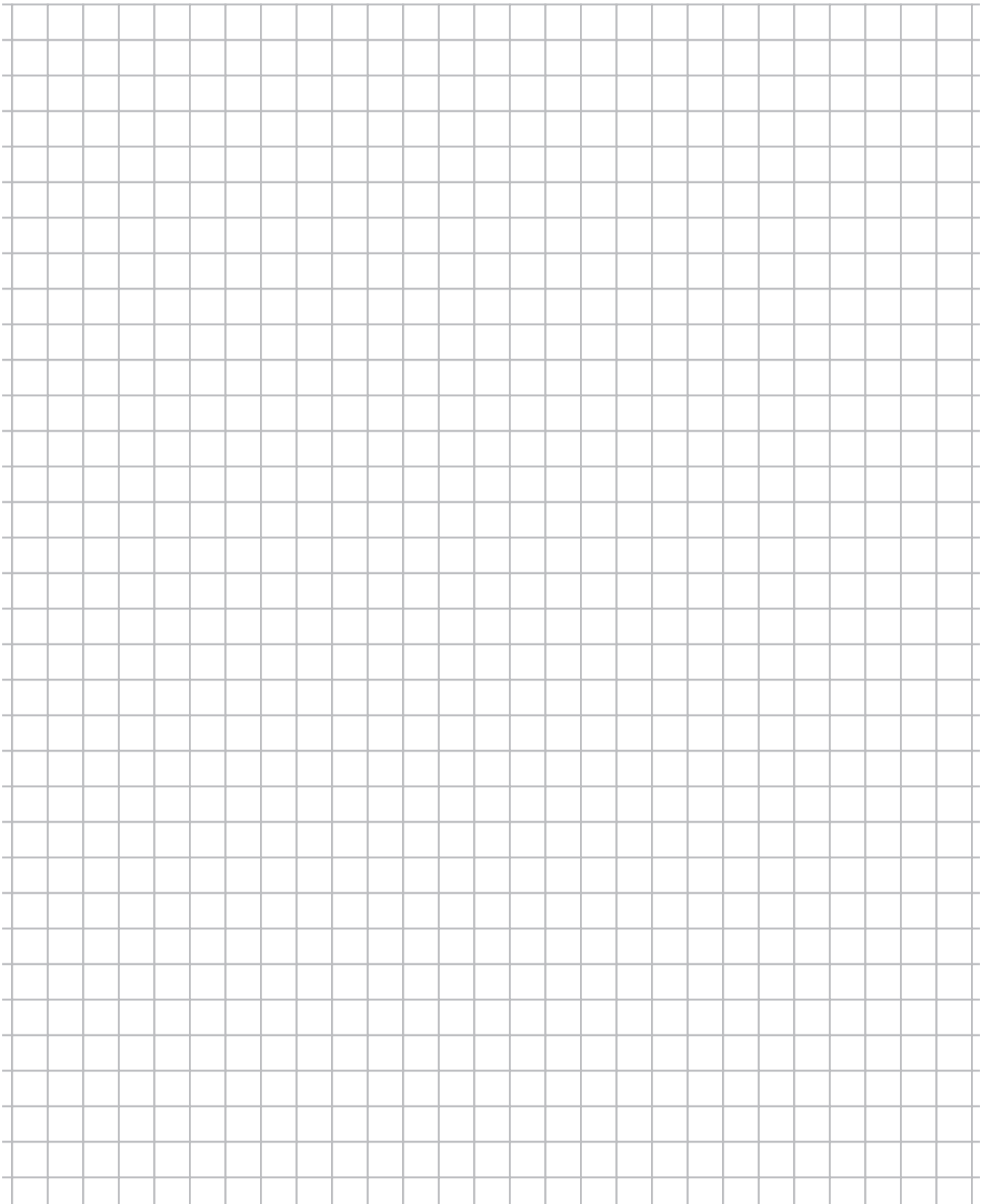


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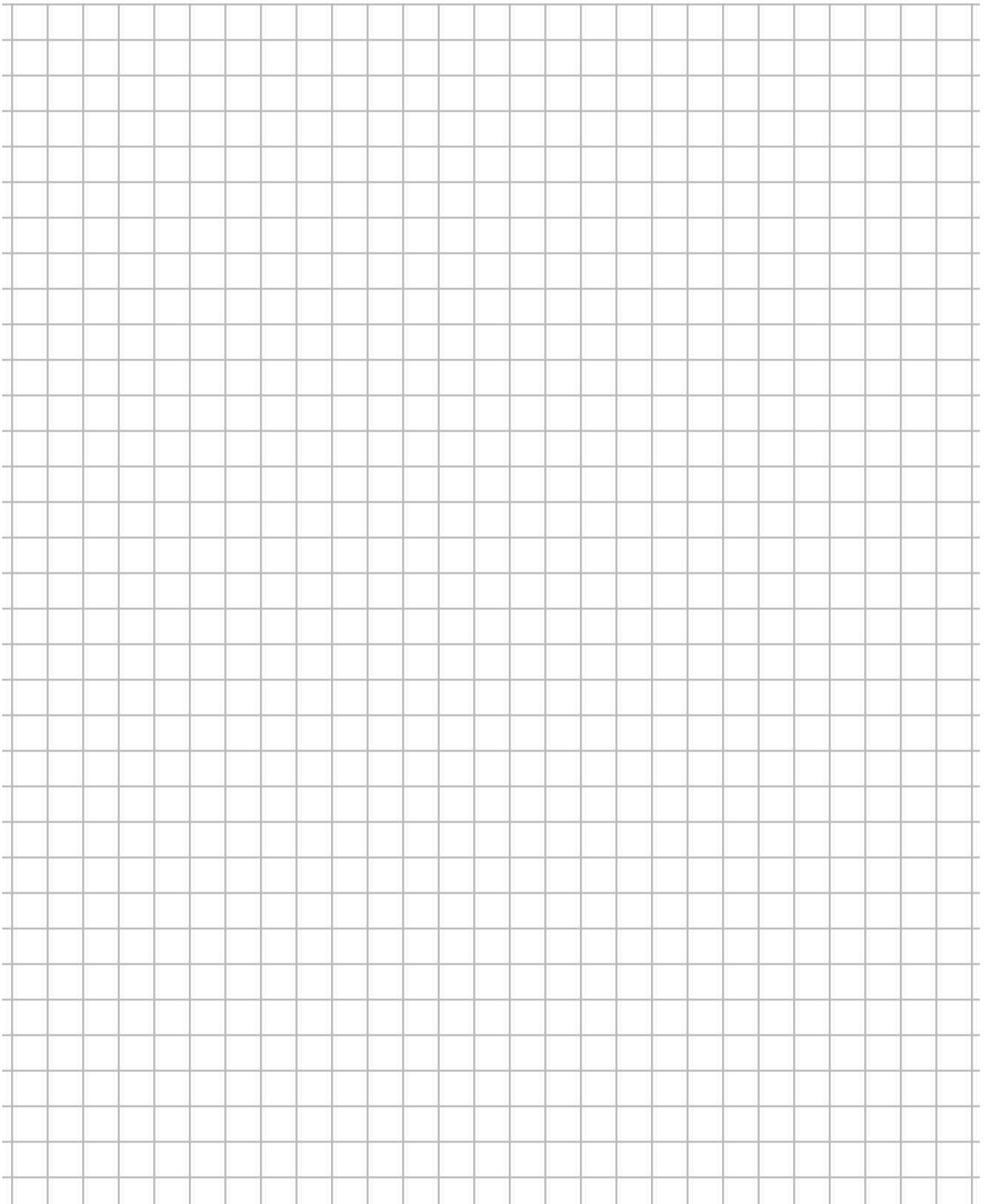


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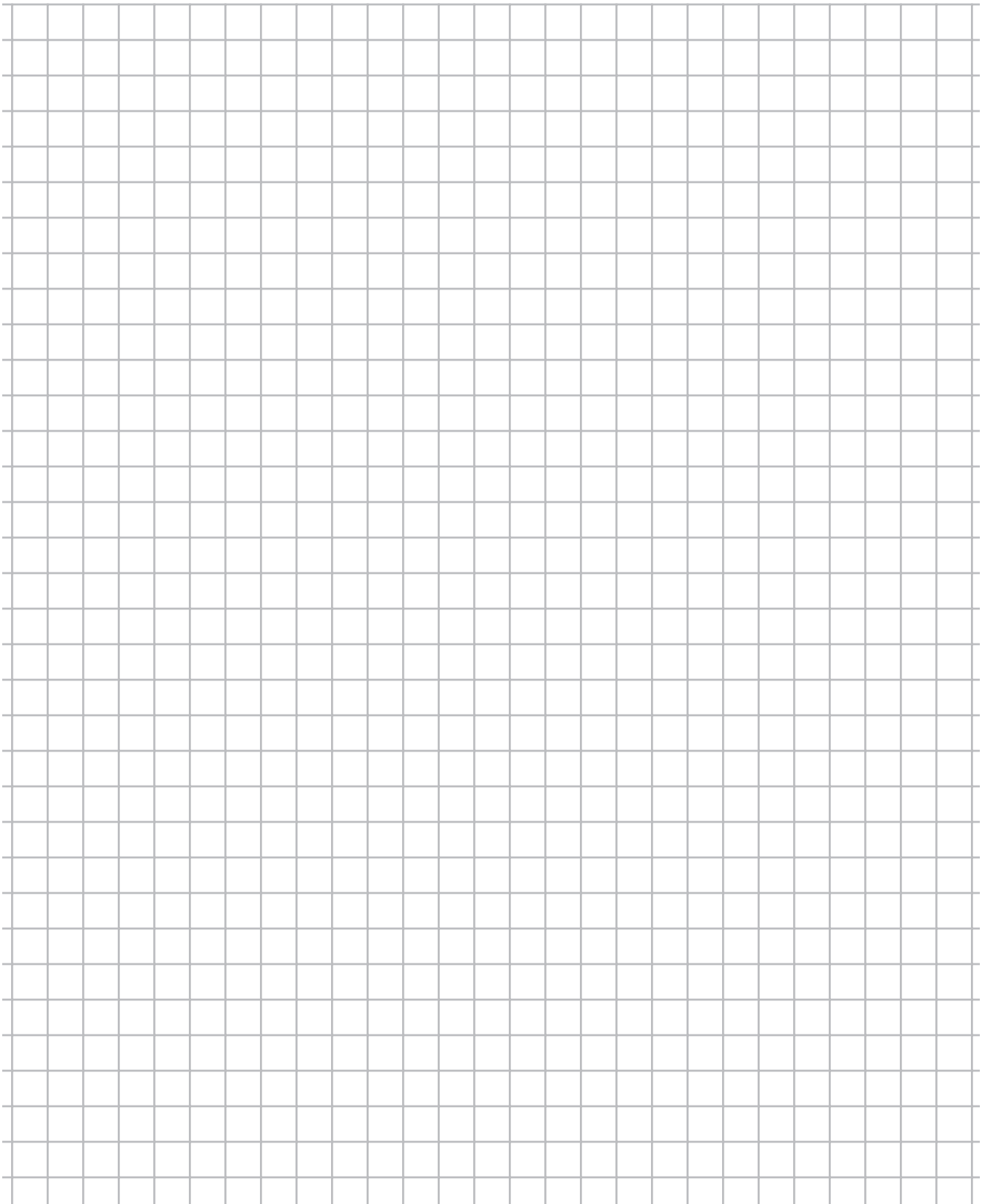


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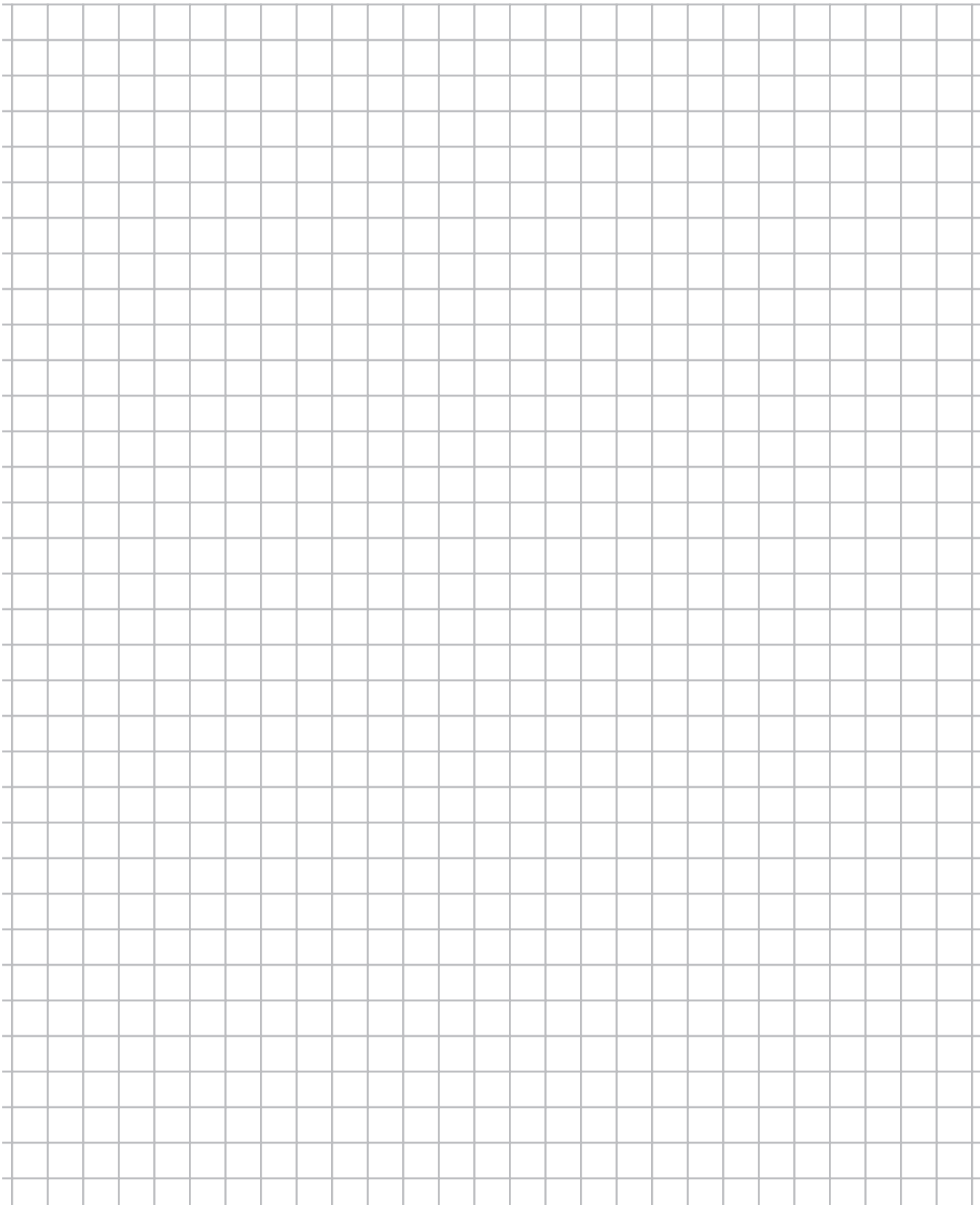


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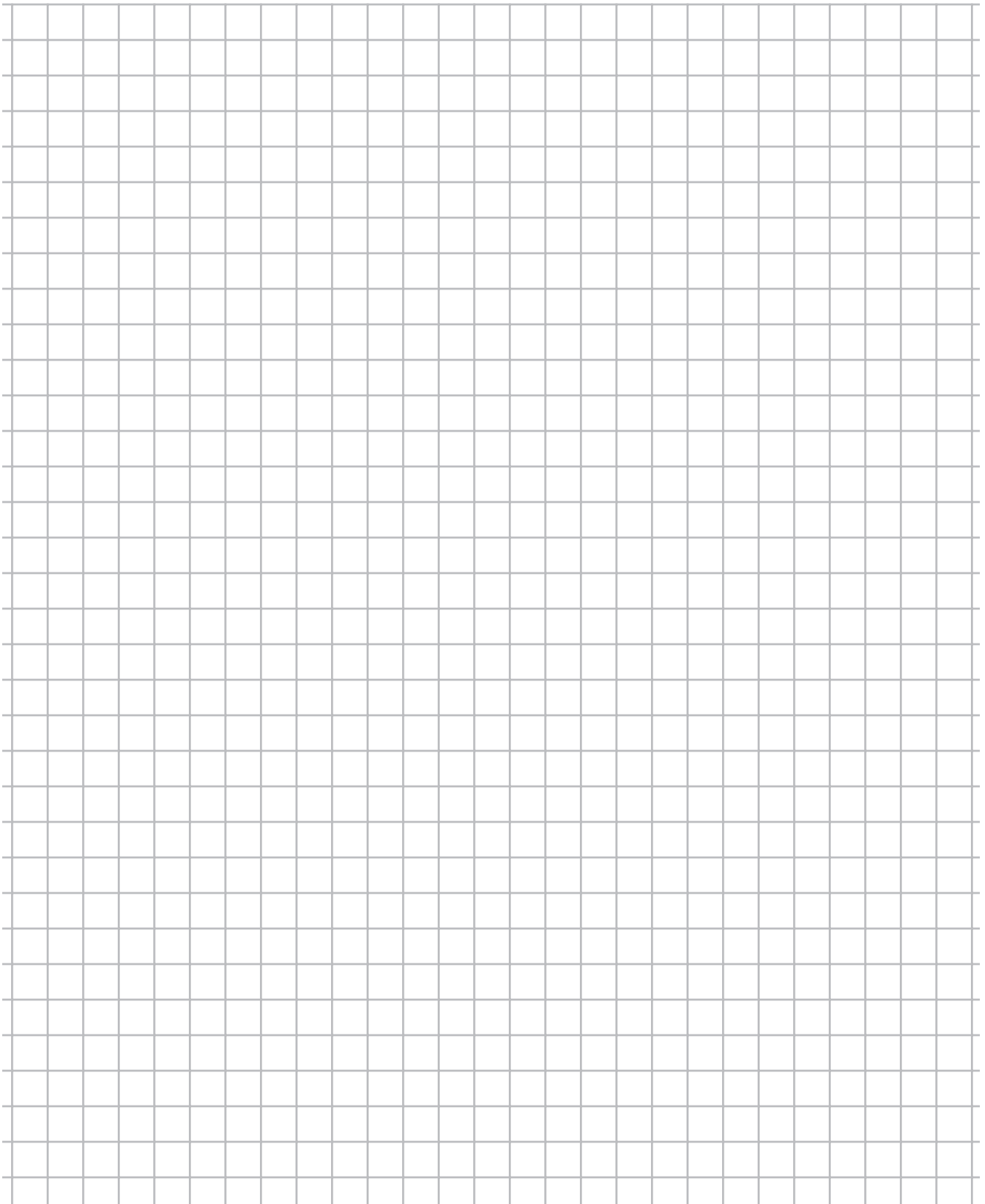


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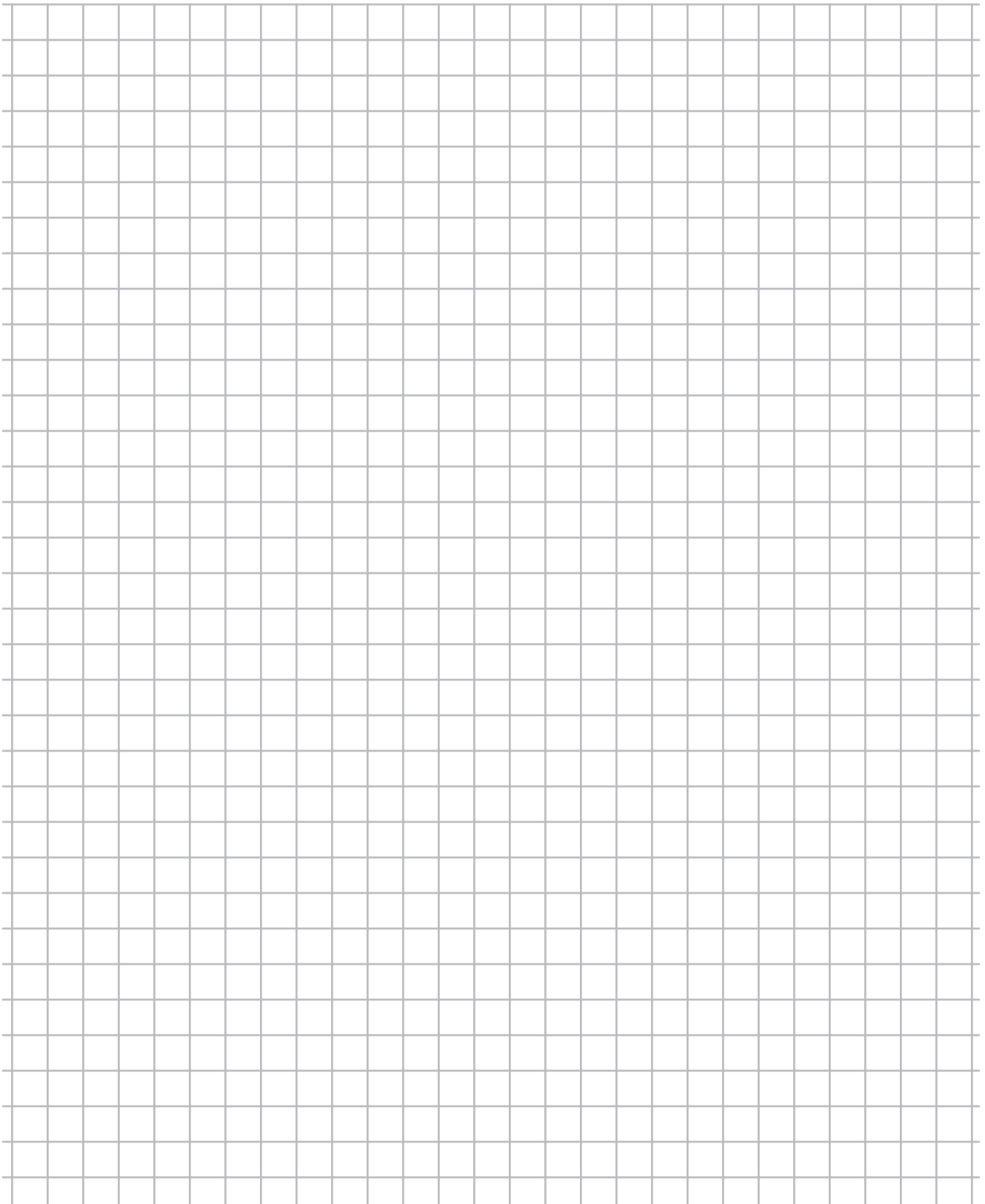


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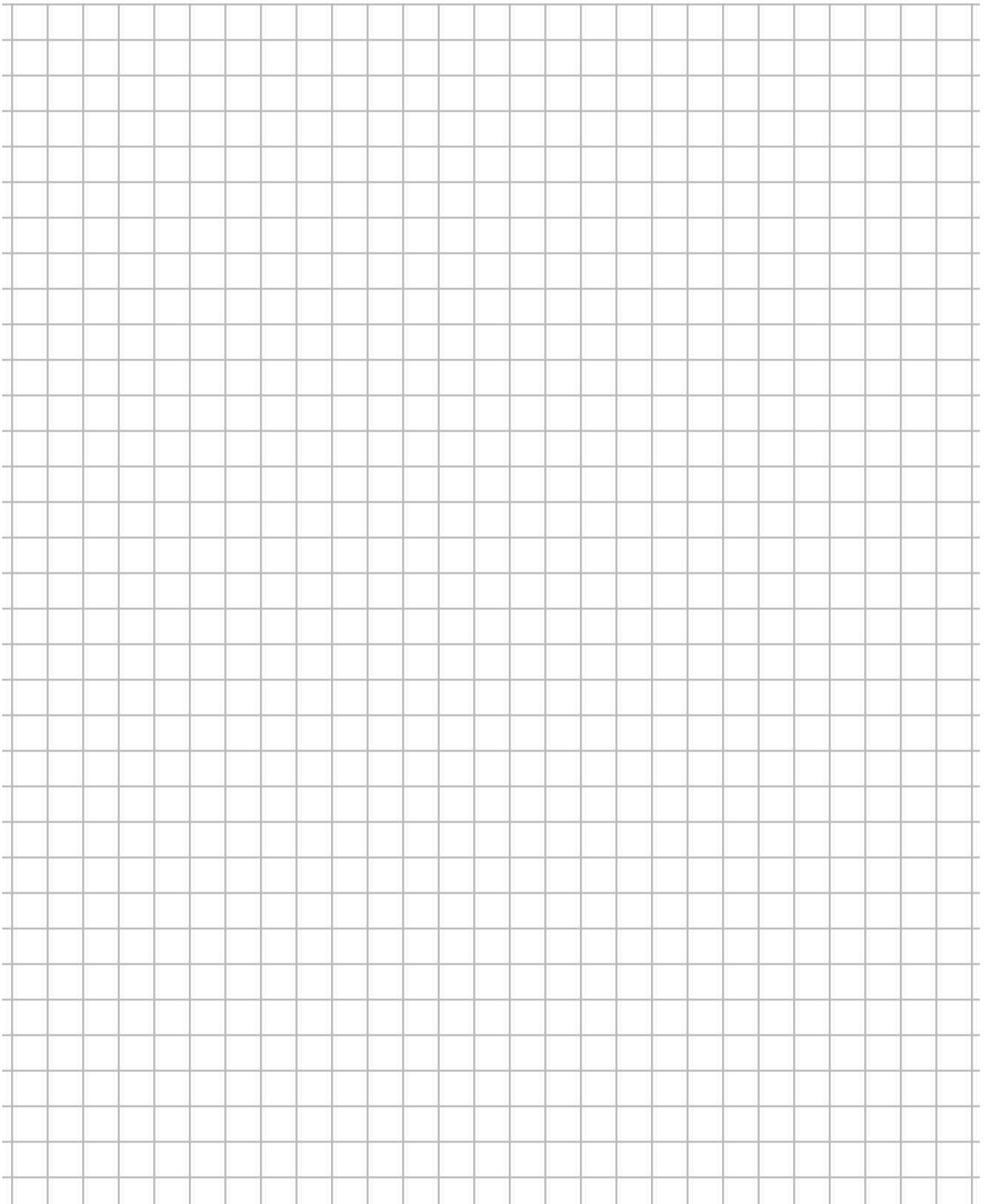


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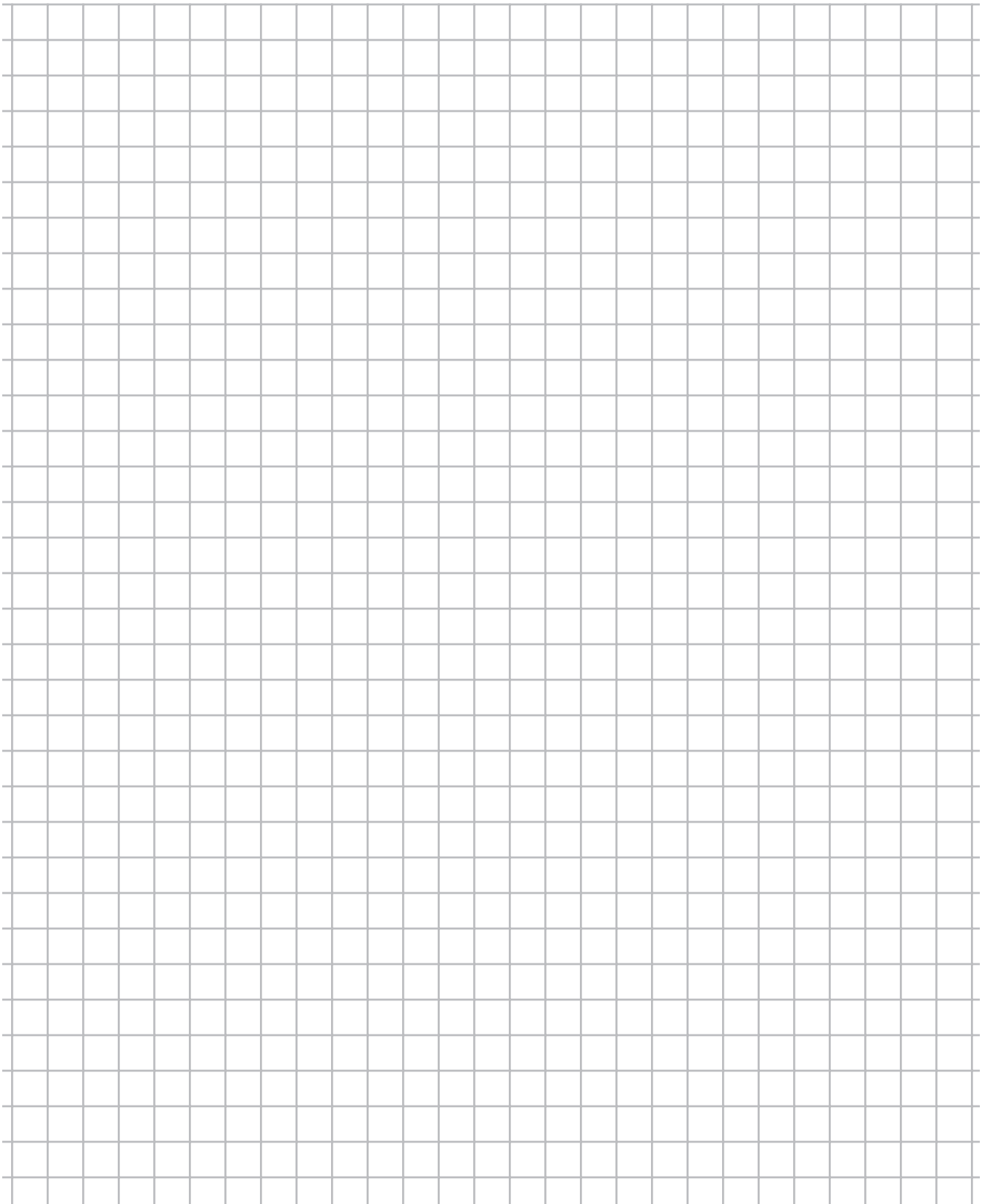


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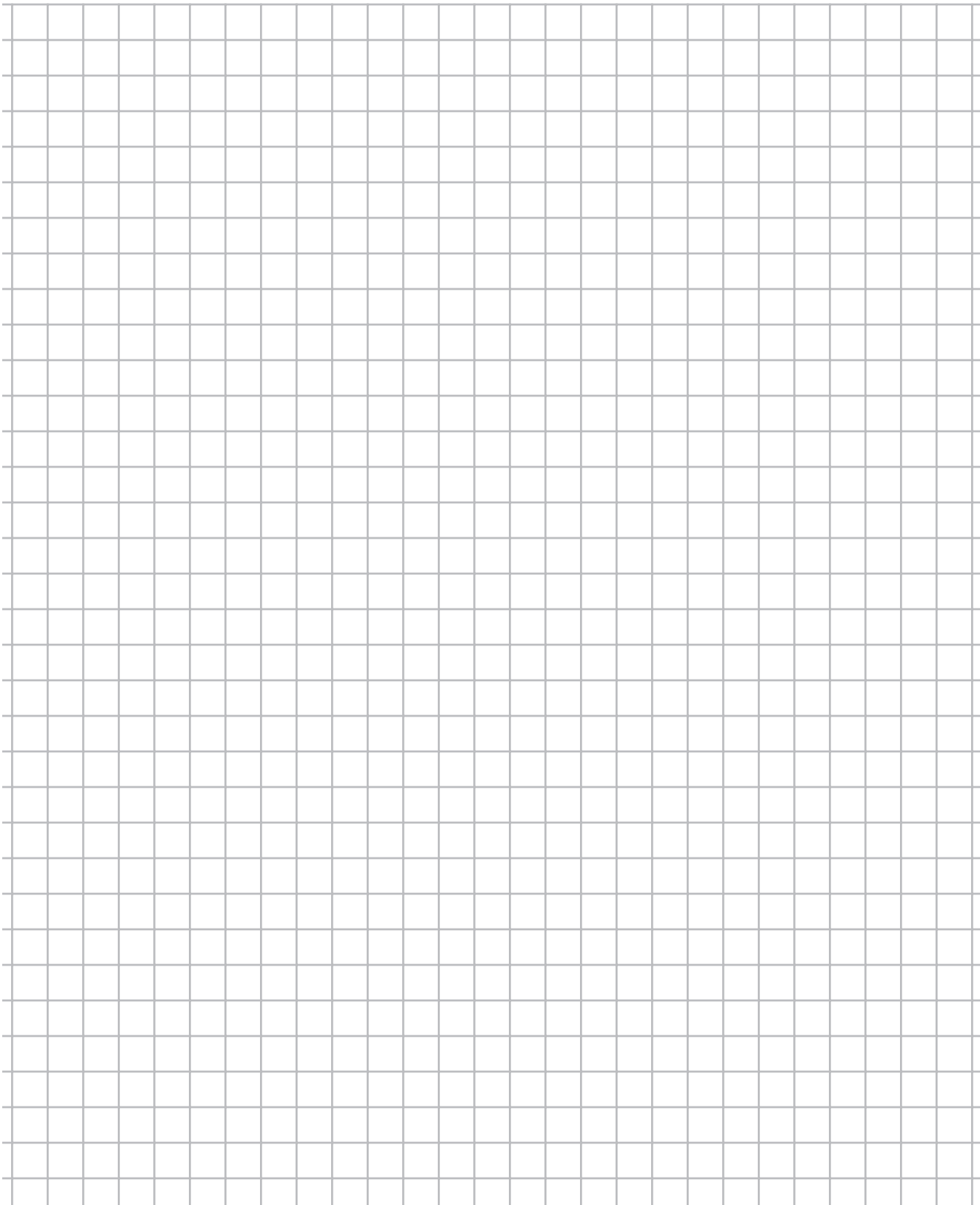


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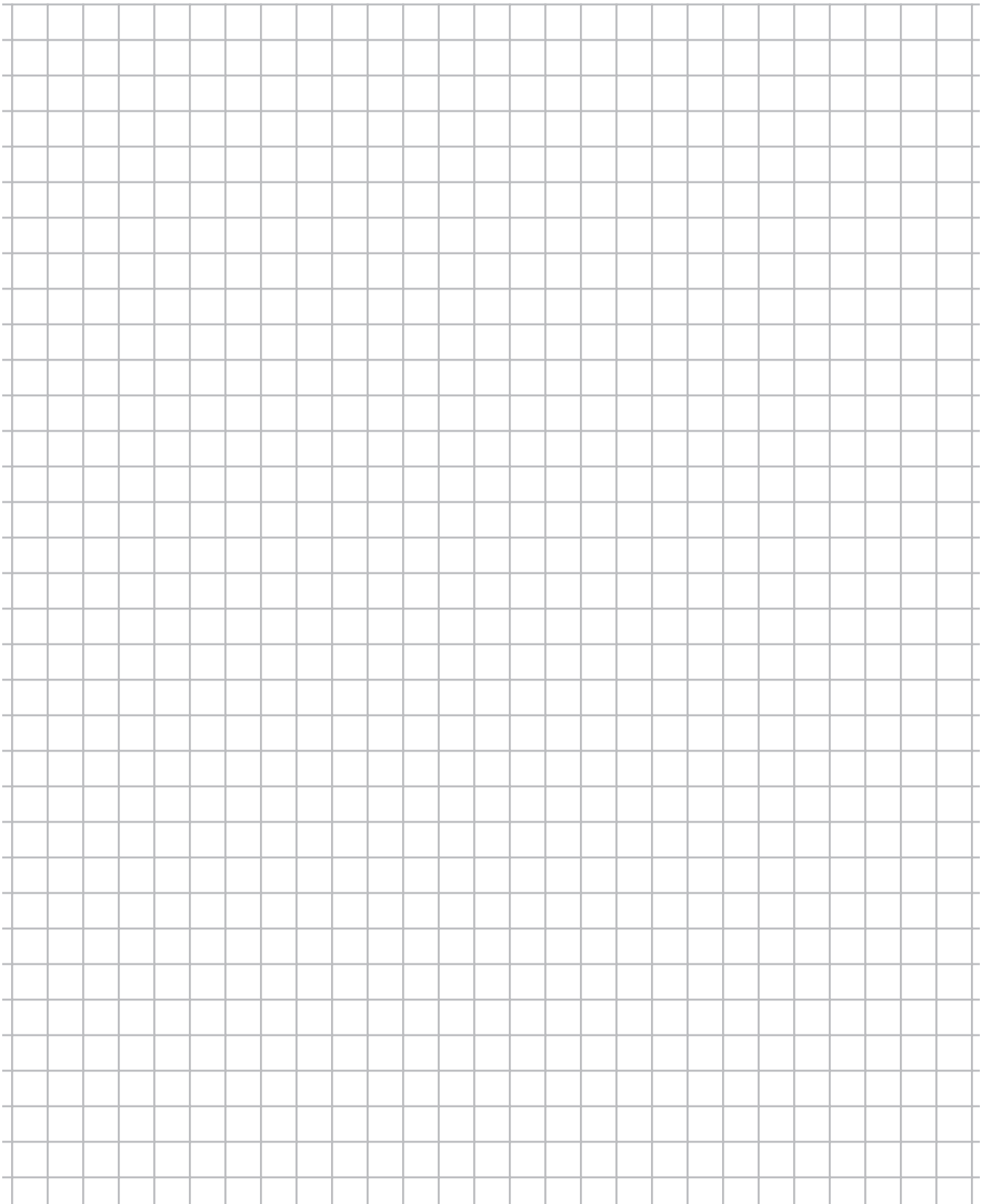


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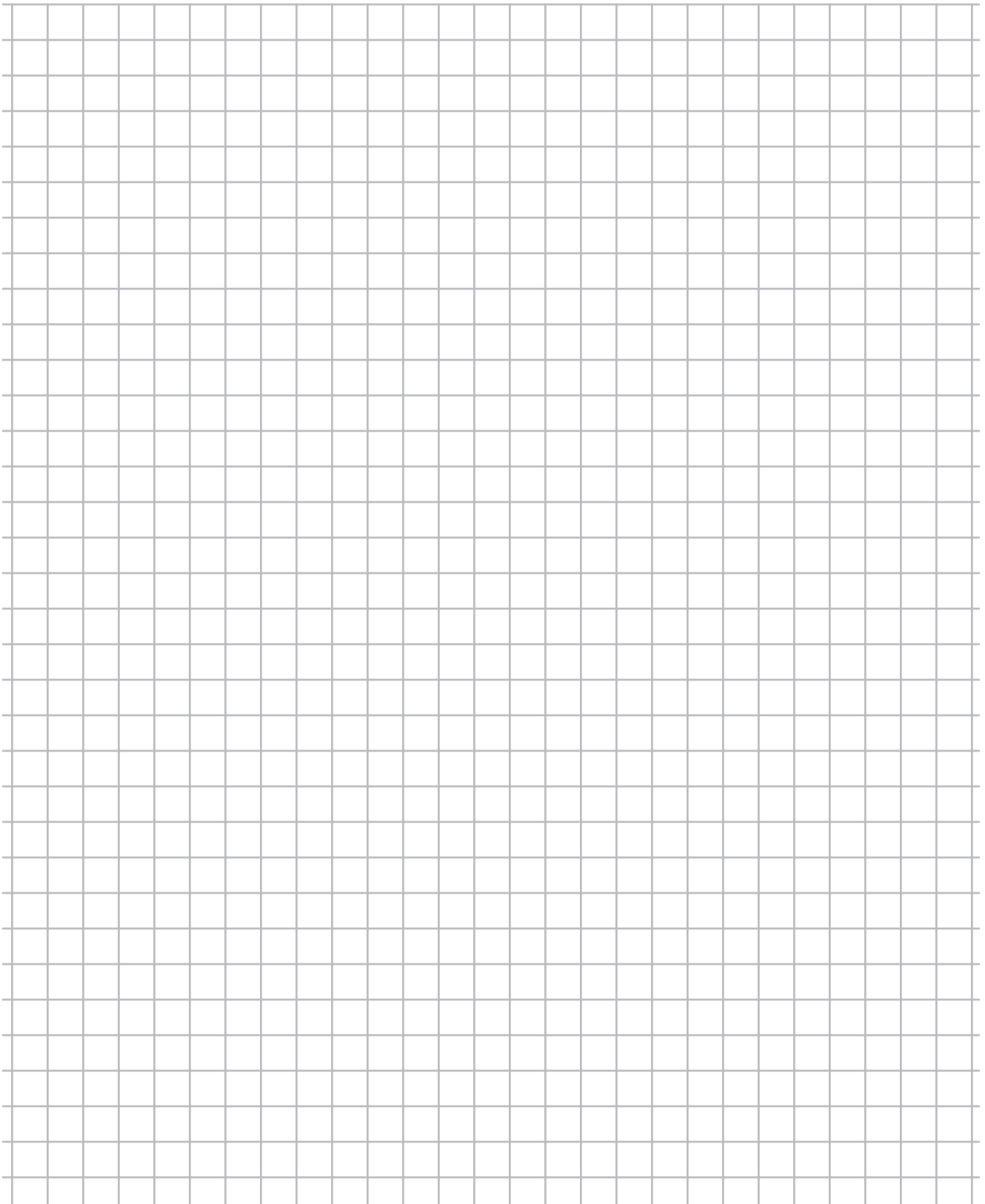


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Witnessed and understood by: _____ Date: _____



Invented by: _____ Date: _____

Invented by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Witnessed and understood by: _____ Date: _____

Bibliography—Books of Use and Interest

Throughout this notebook we have suggested specific outside readings for each section. This part is designed to help you find additional print resources that can extend your understanding of issues addressed in this book and help you answer questions and address issues not covered by this book. We list these suggested resources under the following categories:

- Government publications
- Law Books Relating to Patents
- General Interest Books and Magazines Relating to Patents, Inventions and Trademarks
- Publications Relating to Business, and
- Books Relating to Self-Improvement.

We also provide a brief comment where the title of the book or source isn't self-explanatory. Most of these books may be found in a law library, if not in a general or business library. This bibliography is not exclusive by any means. If you browse in an appropriate library or bookstore you'll probably find many other valuable books of interest. Prices aren't indicated since they are subject to frequent change.

Government Publications

Annual Index of Patents. Issued yearly in two volumes: *Patentees* and *Titles of Inventions*. U.S. Government Printing Office (GPO), Washington, DC 20402. Comes out long after the end of year to which it pertains—for instance, in September. Available in search and public libraries.

Attorneys and Agents Registered to Practice Before the U.S. Patent and Trademark Office. GPO. Annual. Contains alphabetical and geographical listings of all attorneys and agents.

Classification Definitions. GPO. Many loose-leaf volumes. Contains definitions for each of 66,000 subclasses. Available in search libraries.

Guide for the Preparation of Patent Drawings. GPO.

Index to Classification. Loose-leaf. Contains about 70,000 subclasses and cross-references arranged alphabetically. Search libraries.

Manual of Classification. GPO. Loose-leaf. Contains 300 search classes for patents arranged numerically, together with subclasses in each class. Search libraries.

Manual of Patent Examining Procedure. GPO. Revisions issued several times per year. Called “the patent examiner’s Bible,” the MPEP provides answers to most questions about patent prosecution.

Official Gazette—Patents and O.G.—Trademarks. GPO. Weekly. Lists all patents and TMs issued and registered; also contains latest PCT fees and notices of interest. Available in search and public libraries.

Questions and Answers about Plant Patents. PTO. Free.

Questions and Answers about Trademarks. PTO. Free.

Rules of Practice in Patent Cases. (Title 37, Code of Federal Regulations) GPO. Revised annually. The PTO’s Rules of Practice. A must for all who prosecute their own patent applications. Almost always incomplete due to frequent rule changes. Look in *Official Gazette* (especially the first volume each year) for later rules.

The Story of the U.S. PTO. GPO. 1985.

In addition to being available in paperbound publications, most of the above publications are now avail-

able on CD-ROMs, which are updated quarterly and which may be read on the computer in any Patent and Trademark Depository Library. (See list of libraries in *Patent It Yourself*, Chapter 6.) They are also available on the Internet. (See *Patent It Yourself*, Appendix 5, Mail, Telephone, and Computer Communications With the PTO.)

Law Books Relating to Patents

Copyright Your Software, by Fishman, S. Nolo Press, 1994.

Corpus Juris Secundum, vol. 69, Patents. A legal encyclopedia which will answer almost any question on patent law. West Pub. Co., St. Paul, 1958 (supplemented annually). Any law library.

Desk Encyclopedia of Intellectual Property, by McCarthy, J.T. BNA, 1991.

Drafting Patent License Agreements, by Mayers & Brunsvold. 3rd. ed., BNA, 1991.

The Inventor's Notebook, by Grissom, F., & Pressman, D., Nolo Press, Berkeley, CA.

Journal of the Patent and TM Office Society. Monthly. Box 2600, Arlington, VA 22202. Contains articles on patent law and advertisements by patent services, for instance, draftspersons, drawing reproducers, searchers.

Landis on the Mechanics of Patent Claim Drafting, by Robert Faber, 1990. Practising Law Institute, 810 Seventh Avenue, New York, NY 10019.

Patent and Trademark Laws. BNA. Revised annually.

Patent License Agreements, by Nordhaus, R.C. Jural, Chicago, IL, 1976.

Patent Licensing Transactions—Forms, by Einhorn. Matthew Bender, New York, 1990. Contains many license agreement forms.

Patent Litigation Procedure & Tactics, by White, R.S. Matthew Bender, New York, 1974.

Patents Throughout the World, by Greene, A.M. Clark Boardman, 1980. Revised annually.

Small Business Administration. The SBA's list of free publications has three sections: "Management Aids," "Small Marketer's Aids" and "Small Business Bibliographies." Listed are dozens of excellent, concise business pamphlets, such as No. 82, *Reducing the Risks in Product Development*, and 6.004, *Selecting the Legal Structure for Your Firm*. Order from your local SBA office or SBA, Washington, DC 20416.

Software Development: A Legal Guide, by Fishman, S. Nolo Press, Berkeley, CA 1994.

Trade Secrets, by Milgrim, R.M. Matthew Bender, New York, 1967.

Walker on Patents (2nd ed. by Deller; 3rd ed. by Lipscomb). Bancroft-Whitney. A comprehensive legal treatise. Law libraries.

General Interest Books and Magazines Relating to Patents, Inventions and Trademarks

The Catalyst, by Harness, Charles R., Esq. Pocket Books, New York, 1980. Science fiction story involving a patent attorney, an invention, and an interference.

Complete Guide to Making Money With Your Ideas and Inventions, by Paige, R.E. Barnes & Noble, New York, 1976. Excellent guide to invention marketing.

Compu-Mark Directory of U.S. Trademarks. Thomson & Thomson, Quincy, MA. Available in search libraries.

Dream Merchant (a magazine for inventors with ads for products wanted and from model makers). 2309 - Torrance Blvd., Suite 201, Torrance, CA 90501. Tel. 310-328-1925; Fax 310-328-1844. \$16 for six issues/year.

Edison, The Man Who Made the Future, by Clark, R.W. Putnam, New York, 1977.

The Existential Pleasures of Engineering, by Florman, S.C. St. Martins, 1976. A brilliant, eloquent panegyric of technology; a crushing blow to Reich, Mumford, Rozak, et al.

Inventing: How the Masters Did It. Moore Pub., Durham, NC, 1974.

Man of High Fidelity: Edwin Howard Armstrong, by Lessing, L. Lippincott, Philadelphia, 1956. Biography of the inventor of frequency modulation; he committed suicide because of the delays and difficulties of patent litigation against the large radio companies, but his widow eventually collected millions in settlements.

The National Inventors Hall of Fame. *Biographies of Inductees.* NIH Foundation, Room 1D01, Crystal Plaza 3, 2001 Jefferson Davis Hwy., Arlington, VA 22202. Free.

Perpetual Motion: The History of An Obsession, by Ord-Hume, A. St. Martin's, 1981. A must if you're filing on a perpetual-motion machine.

Trademark: How to Name A Business & Product, by McGrath, K., & Elias, S., with Sarah Shena. Nolo Press, 1996. The best self-help book on the topic.

Trademark Register of the United States. Annual. Trademark Register, Washington Bldg., Washington, DC 20005. Lists all registered trademarks by subject matter classes.

One Day at Kitty Hawk, by Walsh, J.E. Crowell, New York, 1975. The story of the development and sale of rights to the airplane.

Publications Relating to Business

Apollo Handbook of Practical Public Relations, by Adams, A.B. Apollo Editions, New York, 1970. How to get publicity.

Applied Sciences and Technology Index. H.W. Wilson Co., Bronx, NY 10452. Lists engineering, scientific, and industrial periodical articles by subject.

Gale Directory of Publications and Broadcast Media. Annual. Ayer Press, Philadelphia, PA 19106. Lists United States newspapers and magazines geographically.

Bacon's Publicity Checker—Magazines; Bacon's Publicity Checker—Newspapers. Annual. Bacon Pub. Co., Chicago. Classifies all sources of publicity.

Business Plans That Win \$\$\$: Lessons From the MIT Enterprises Forum, by Rich, S.R., & Gumpert, D. Harper & Row, 1985.

California Manufacturers Register. Annual. 1115 S. Boyle Ave., Los Angeles, CA 90023.

The Entrepreneur's Manual by Brown, D. Ballantine, 1981.

Conover Mast Purchasing Directory. Conover Mast, Denver, CO 80206. Annual. Three volumes. Manufacturers listed alphabetically and by products. Also lists trademarks.

Dun & Bradstreet Reference Book. Six issues per year. Lists three million businesses in the United States and Canada. D&B also publishes specialized reference books and directories, such as *Apparel Trades Book* and *Metalworking Marketing Directory*.

Getting to Yes; Negotiating Agreements Without Giving In, by Fisher, R. & Ury, W. Penguin, 1991.

Guide to American Directories. 9th ed. B. Klein Pubs., New York, 1975. Lists directories by industry, profession, and function.

How to Market A Product for Under \$500! by Dobkin, J., Danielle Adams Pub., Box 100, Merion Station, PA 19066, 1996.

How to Write a Business Plan, 4th ed., by McKeever, M., Nolo Press, 1994.

Innovation and Entrepreneurship, by Drucker, P. Harper & Row, 1985. How any organization can become entrepreneurial.

International Yellow Pages. R.H. Donnelley Corp., New York, NY 10017. Similar to local Yellow Pages, but provides foreign business listings.

MacRae's Blue Book. MacRae's Blue Book Co., Hinsdale, IL 60521. Sources of industrial equipment, products, and materials. Also lists trademarks.

Marketing Without Advertising, 1st ed., by Phillips, M., & Rasberry, S., Nolo Press, 1988.

The Partnership Book, 4th ed., by Clifford, D., & Warner, R., Nolo Press, 1991.

Pratt's Guide to Venture Capital Sources, Venture Economics, Inc., 1991.

R & D Partnerships, by Petillon, L.R., & Hull, R.J. Clark Boardman, 1985.

Thomas Register of American Manufacturers. Thomas Pub. Co., New York, NY 10001. Eleven volumes. Similar to *Conover Mast Directory* above.

Ulrich's International Periodicals Directory. R.R. Bowker Co., New York, NY 10036. Lists periodicals by subject.

Up Your Own Organization, by Dible, D.M. Entrepreneur Press, c/o Hawthorn Books, New York. How to start and finance a business.

What's What; A Visual Glossary of Everyday Objects, by Bragonier, R., Jr., and Fisher, J. Ballantine, 1981.



Books Relating to Self-Improvement

I believe that the real key to success and happiness, in inventing as well as life, lies principally within each individual's own mind. A positive, optimistic attitude, hard work and perseverance, the willingness to take full responsibility for one's own destiny, and living and thinking mainly in the present time—rather than luck, inherited abilities, and circumstances—are principally responsible for success and happiness. I have therefore provided a list of books whose main purpose is to prime you with the attitude to secure such success and happiness so that you'll be able to use *The Inventor's Notebook* as effectively as possible.

Explorations in Awareness, by Bois, S. Harper & Row, 1957. Break through mental blocks and preconceptions.

Higher Creativity—Liberating the Unconscious for Breakthrough Insights, by Harman, W., & Rheingold, H., J. P. Tarcher, 1984.

Language in Thought and Action, 5th ed., by Hayakawa, S.I., and A.R., Harcourt Brace Jovanovich, 1991.

Levels of Knowing & Existence, by Weinberg, H., Harper & Row, 1961. A new approach that answers many questions.

A New Guide to Rational Living, by Ellis, A., and Harper, R.A. Wilshire Book Co., Los Angeles, 1975.

People In Quandries, by Johnson, W. Harper & Row, 1946. Classic book on emotional problem solving.

The Psychology of Self-Esteem, by Branden, N., Nash, Los Angeles, 1971.

303 of the World's Worst Predictions, by Coffey, W., Tribeca Communications, Inc.

Your Erroneous Zones, by Dyer, W.W. Funk & Wagnalls, New York, 1976. ■

Glossary

This Glossary¹ provides a list of useful words to describe the hardware, parts, and functions of your invention in the specification and claims. The most esoteric of these words are briefly defined. Because of space limitations some definitions are similar; however, all words have nuances in meanings.

If you're looking for a word to describe a certain part, look through the list for a likely prospect and then check a dictionary for its precise meaning. If you can't find the right word here, look in your search patents, in *What's What* or another visual dictionary, or in a thesaurus. If you can't find an appropriate word, you'll probably be able to get away with "member" or "means-plus-a-function" language. Also, for new fields, you may invent words, preferably using Latin or Greek roots, as Farnsworth did with "television," or by extending the meaning of words from analogous devices (e.g., "base" for a part of a transistor). Very technical or

specialized fields have their own vocabulary (e.g., "catamenial" in medicine, "syzygy" in astronomy); look in appropriate tutorial texts for these. The words are grouped loosely by the following functions:

1. Structure
2. Mounting & Fastening
3. Springs
4. Numbers
5. Placement
6. Voids
7. Shape
8. Materials & Properties
9. Optics
10. Fluid Flow
11. Electronics
12. Movement
13. Rotation

¹ Expanded from a list originally prepared by Louis B. Applebaum, Esq., of Newport, RI. Used with Mr. Applebaum's kind permission.

1. Structure

annulus (ring)
 apron
 arbor (shaft)
 arm
 bail (arch wire)
 band
 barrel
 bascale (seesaw)
 base
 beam
 —cantilever
 —simple
 belt
 bib
 blade
 blower
 board
 body
 boom
 boss (projection)
 bougie (body-insertion member)
 boule (pear-shaped)
 branch
 breech (back part)
 canard (front wing)
 carriage
 case
 chord
 cincture (encircling band)
 clew (sail part)
 column
 configuration
 container
 conveyor
 cornice (horiz. top of structure)
 cover
 cylinder
 dasher (plunger, churn)
 detent
 device
 die

disparate (dissimilar)
 diversion
 doctor blade (scraper)
 dog (holder)
 drum
 echelon (staggered line)
 element
 enclosure
 fence (stop on tool)
 fillet (narrow strip)
 fin
 finger
 finial
 flange
 fluke (triangular part)
 flute (groove on shaft)
 frame
 frit (vitreous substance)
 frustrum (cut-off area)
 furcate (branch)
 futtock (curved ship timber)
 gauge
 generatrix (path traced)
 gnomon (sundial upright)
 grommet
 gudgeon (pivot)
 gusset (triangular insert)
 handle
 head
 header (base, support)
 homologous
 housing
 hub
 jacket
 jaw
 Jib (crane arm)
 lagging (support)
 leg
 lip
 list (margin strip)
 lobe
 magazine
 mandrel (tapered axle)
 manifold
 marginate (w/margin)

medium
 member
 mullion (dividing strip)
 nacelle (pod)
 neck
 object
 panel
 particle
 partition
 piece
 piston
 placket (slit in garment)
 platform
 plug
 pontoon
 portion
 post
 projection
 purlin (horiz. rafter support)
 pylon (support)
 rib
 ring
 rod
 sash (frame)
 screed (guide strip)
 scroll
 sear (catch)
 shell
 shoe
 shoulder
 skeleton
 sleeve
 snorkel
 spar (pole support)
 spline (projection on shaft)
 spoke
 sprag (spoke stop)
 spur
 stanchion
 station
 stay
 stem
 stent (stretcher)
 step
 stepped

stile (dividing strip)
 stop
 strake (ship plank)
 strip
 strut
 tang (shank, tool)
 tine
 tip
 tongue
 trace (pivoted rod)
 tracery (scrolling)
 track
 trave (crossbar)
 truss
 tuft
 turret
 tuyere (air pipe)
 upright
 volar (palm, sole)
 wall
 warp
 woof (weft)

2. Mounting & Fastening

attach
 billet (tip of belt)
 bolt
 busing
 cable
 clamp
 cleat (reinforcer)
 clevis (U-shaped pin)
 connection
 couple
 coupling
 demountably
 docking
 dowel
 engage
 fay (join)
 ferrule (barrel)
 ferruminate (attach, solder)

fix
 gland (sliding holder)
 guy wire
 harp (lamp shade support)
 hold
 holder
 hook
 imbricate (regular overlap)
 joint
 —universal
 keeper
 key
 latch
 lock
 lug
 matrix
 mount
 nail
 nut
 pin
 ribband (holds ribs)
 rivet
 scarf (notched joint)
 screw
 seam
 seat
 secure
 set
 sliding
 solder
 springably
 support
 thrust
 weld

3. Springs

air
 bias
 —element
 coil
 compressed
 elastic
 expanded

helical
 —compression
 —tension
 leaf
 press
 relaxed
 resilient
 springably
 torsional
 urge

4. Numbers

argument
 compound
 difference
 dividend
 divisor
 equation
 formula
 index
 lemma
 minuend
 modulo
 multiplicand
 multiplicity
 multiplier
 plurality
 power
 product
 quotient
 remainder
 subtrahend
 variable

5. Placement (Relation)

adjacent
 aft
 aligned
 angle
 aposition (facing)

array
 attached
 axial
 bottom
 close
 complementary
 concentric
 contiguous
 contracted
 course
 crest
 disposed
 distal
 divided
 edge
 engaged
 evert (inside out)
 extended
 external
 face
 fiducial (reference)
 film
 fore
 horizontal
 integral
 intermediate
 internal
 interposed
 juxtaposed
 layer
 located
 lower
 mating
 meshing
 mesial (between)
 normal
 oblique
 obtuse
 offset
 open
 opposed
 overlapping
 parallel
 perpendicular
 positioned

projecting
 prolapsed (out of place)
 proximal
 proximate
 reference
 removable
 resting
 rim
 row
 sandwich
 section
 slant
 spacer
 staggered
 superimposed
 supported
 surface
 surrounding
 symmetrical
 tilt
 top
 vernier (9:10 gauge)
 vertical

6. Voids

aperture
 bore
 cavity
 chamber
 concavity
 cutout
 dimple
 duct
 embrasure (slant opening)
 engraved
 filister (groove)
 foramen (opening)
 fossa (depression)
 gain (notch)
 gap
 groove
 hole
 hollow

intaginated (engraved)
 lumen (bore of tube)
 mortise (cutout)
 nock (notch on arrow)
 notch
 opening
 orifice
 passage
 placket (garment slit)
 rabbet (groove)
 raceway
 recess
 separation
 slit
 slot
 sulcus (groove)
 ullage (lost liquid)
 via (path)
 void

7. Shape

acclivity (slope)
 acicular (needle-shaped)
 agonic (no angle)
 annular
 anticline (peak)
 arch
 arcuate
 barrel
 bevel
 bifurcated (2 branches)
 bight (bend)
 bucket
 buckled
 chamfer (beveled)
 channel
 circular
 coin
 concave
 conical
 convex
 convoluted (curled in)

corner (inside, outside)
 corrugated
 crest
 crimp
 crispate (curled)
 cup
 cusp (projection)
 cylinder
 depression
 dihedral (two-faced)
 direction
 disc
 dome
 drawing (pulling out)
 elliptical
 fairing (streamlined)
 fin
 flange
 fold
 fork
 fossa (groove)
 fundus (base)
 furcate (branched)
 helical
 hook
 incurvate (curved in)
 line
 lozenge (diamond-shaped)
 mammilated (nipple-shaped)
 notch
 oblate (flattened)
 oblong
 ogive (pointed arch)
 orb (globe)
 oval
 parabolic
 parallelogram
 plane
 prolate (cigar-shaped)
 rectangular
 reticulated (gridlike)
 rhomboid (non-parallel sides)

rhombus (not lozenge)
 round
 salient (standing out)
 serrated
 setaceous (bristlelike)
 sheet
 shelf
 sinusoidal
 slab
 spherical
 spica (overlapping reverse spirals)
 square
 stamped
 striated (grooved or ridged)
 swaged (flattened)
 swale (depression)
 syncline (V-shaped)
 taper terminus (end)
 tessellated (tiled)
 thill (horse joiner stake)
 topology (unchangeable geometry)
 tram (on wheels)
 trefoil (three-leaved)
 triangular
 trihedral (3-sided)
 trough
 tubular
 tumescence (detumescence)
 turbinate (top/spiral-shaped)
 twist
 upset (distorted)
 vermiculate (worm-eaten)
 volute (spiral)
 wafer
 web
 wedge
 xyresic (razor-sharp)

8. Materials & Properties

adhesive
 concrete
 cork
 dappled (spotted)
 denier (gauge)
 dense
 elastic
 enlarged
 fabric
 fiber
 flexible
 foraminous
 haptic (sense of touch)
 humectant (moistener)
 insulation
 liquid
 material
 metal
 nappy
 opaque
 pied (splotched)
 plastic
 porous
 prill (pure metal)
 refractory
 resilient
 rigid
 rubber
 sand
 screen
 shirred (gathered)
 smectic (cleaning)
 stratified (layered)
 strong
 sturdy
 translucent
 transparent
 wood
 xerotic (dry)

9. Optics

astigmatic
 bezel
 bulb
 —fluorescent
 —incandescent
 fresnel
 lamp
 light
 —beam
 —ray
 opaque
 pellicle
 pellucid (clear)
 reflection
 refraction
 schlieren (streaks)
 translucent
 transmission
 transparent
 window

10. Fluid Flow

accumulator
 afferent (to center)
 aspirator
 bellows
 bibb (valve)
 bung (hole or stopper)
 cock (valve)
 conduit
 connector
 convection
 cylinder
 —piston
 —rod
 dashpot
 diaphragm
 discharge
 dispenser
 efferent (away from center)
 filter

fitting
 flue
 gasket
 hose
 hydraulic
 medium
 navicular (like boat)
 nozzle
 obturator (blocker)
 outlet
 pipe
 plunger
 port
 —inlet
 —outlet
 pump
 —centrifugal
 —gear
 —piston
 —reservoir
 —seal
 —siphon
 —tank
 —vane
 sparge (spray)
 sprue (vent tube)
 tube
 valve
 —ball
 —check
 —control
 —gate
 —shutoff
 wattle (intertwined wall)
 weir (dam)
 wicket (gate or door)

11. Electronics

adder
 amplifier
 astable
 capacitance
 clipping

conductor
 contact
 control element
 demodulator
 diode
 electrode
 electromagnet
 filament
 flip flop
 gate (AND, OR, etc.)
 impedance
 inductance
 insulator
 integrated circuit
 laser
 lead
 light-emitting diode
 line cord
 liquid crystal
 maser
 memory
 motor
 multiplier
 multivibrator
 oscillator
 pixel (CRT spot)
 power supply
 raster
 read-and-write memory
 read-only memory
 resistance
 sampling
 Schmitt trigger
 shift register
 Shottky diode
 socket
 solenoid
 switch
 terminal
 thermistor
 transformer
 transistor
 triode
 valve
 varistor

wire
 Zener diode

12. Movement

alternate
 articulate (jointed)
 avulsion (tear away)
 cam
 compression
 cyclic
 detent (click)
 downward
 draft (pull)
 drag
 drift pin
 drill
 eccentric
 emergent
 epicyclic (on circle)
 extensible
 extrude
 grinding
 impact
 inclined plane
 inertia
 interval
 lag
 lead
 lever
 linkage
 —parallel
 longitudinal
 machine
 meeting
 nutate (to and fro)
 pressing
 propelling
 pulverize
 sagging
 sequacious (regular)
 severing
 skive (peel)
 slidable

straight line
 —motion
 snub (stop)
 terminating
 toggle
 torque
 traction
 transverse
 traversing
 triturate (grind to powder)
 trochoid (roll on circle)
 urging
 vibrating
 wedge

13. Rotation

antifriction
 —ball
 —needle

—roller
 —tapered
 arbor (shaft)
 bell crank
 brake
 —band
 —disc
 —shoe
 bushing
 cam
 chain
 clevis (circular holder)
 clutch
 —centrifugal
 —one-way
 —sprag (stop)
 —toothed
 cog (tooth)
 connecting rod
 crank arm
 drive

—belt
 —pulley
 —sheave
 —toothed
 flexible coupling
 friction
 fulcrum
 gear
 —bevel
 —crown
 —internal
 —non-circular
 —pinion
 —right angle
 —spur
 —wheel
 —worm
 guide
 intermittent
 —escapement

—geneva
 —pawl
 —pendulum
 —ratchet
 jack
 journal
 orbit
 pivot
 pulley
 radial
 radius bar
 screw
 seal
 sheave (pulley)
 sprocket
 tappet (valve cam)
 variable speed
 ward (ridge or notch)
 winch
 yoke

Part H

Fee Schedule

These fees are correct as of October 1, 1996, but if you are reading this much later, you should check with the PTO, 703-308-HELP, its PCT Office, 703-308-3257, a later printing, or the Nolo News (published quarterly by Nolo Press). If you underpay any fee, PTO imposes a stiff surcharge. (If you overpay any fee, the PTO will send you a refund.) Two fees separated by a slash refer to large entity/small entity; single fees apply to both entities. PTO fees are listed in order for the patenting process.

| Service or Item | Fee (\$) | Service or Item | Fee (\$) |
|--|----------|--|-----------|
| PTO Fees (Rule) | | Extensions to Reply to Office Action: | |
| Disclosure Document, filing (21(c)) | 10 | 1st Month (17(a)) | 110/55 |
| Provisional Patent Appn., Filing | 150/75 | 2nd Month (17(b)) | 390/195 |
| Printed Copy of Patent or Patent Order Coupon Utility/Design; Also for Copy of SIR (19(a)) | 3 | 3rd Month (17(c)) | 930/465 |
| Copy of Patent With Color Drawings (19(a)) | 24 | 4th Month (if available) (17(d)) | 1,470/735 |
| Application Filing Fees: | | Petition to Revive Abandoned Appn.: | |
| Utility Patent (incl. reissue) (16(a)) | 770/385 | Unavoidable Delay (17(l)) | 110/55 |
| Design Patent (16(f)) | 320/160 | Unintentional Delay (17(m)) | 1,290/645 |
| Plant Patent (16(g)) | 530/265 | Certified Copy Patent Application as Filed (19(b)) | 15 |
| Fee for Each Independent Claim Over Three (16(b)) | 80/40 | Late IDS Fee (before final action) (17(p)) | 230 |
| Fee for Each Claim Over Twenty (Independent or Dependent) (16(c)) | 22/11 | Late IDS Fee (after final action or notice of allowance) | 130 |
| Surcharge — Multiple Dependent Claims in Any Application (16(d)) | 260/130 | Appeal to Board of Appeals & Pat. Infrfs.: | |
| Surcharge if Filing Fee or Declaration Late (16(e)) | 130/65 | Filing Notice of Appeal (17(e)) | 300/150 |
| Recording Assignment per Application or Patent Involved (21(h)) | 40 | Filing Brief (17(f)) | 300/150 |
| Surcharge if Any Check Bounces (21(m)) | 50 | Oral Hearing (17(g)) | 260/130 |
| Petitions to Commissioner: | | Application Issue Fees: | |
| To Accept Color Drawings or Photos or B&W Photos for Drawings | 130 | Utility Patent (18(a)) | 1,290/645 |
| Regarding Inventorship, Misc., Maint. Fees, Interferences, Foreign Filing Licenses, Access to Records, Foreign Priority Papers, Amendments After Issue Fee, Defer/Withdraw a Case From Issue | 130 | Design Patent (18(b)) | 440/220 |
| To Make Application Special | 130 | Plant Patent (18(c)) | 650/325 |
| | | Certificate to Correct Patent (Applicant's Mistake) (20(a)) | 100 |
| | | Reexamination Fee (20(c)) | 2,460 |

| Service or Item | Fee (\$) | Service or Item | Fee (\$) |
|---|-------------|---|----------|
| Utility Patent Maintenance Fees: | | PCT Fees (Always check just before filing; these fees change frequently) | |
| I (3.5 years — pays for yrs 4 thru 8) (20(e)) | 1,020/510 | Transmittal Fee | 220 |
| II (7.5 years — pays for yrs 9 thru 12) (20(f)) | 2,050/1,025 | Search Fees: | |
| III (11.5 years — pays for yrs 13 thru 17) (20(g)) | 3,080/1,540 | In U.S. PTO | |
| Late Charge (in 6-month grace period) (20(h)) | 130/65 | —no corres. prior U.S. appn. filed | 660 |
| Petition to Revive (after patent expires)— unintentional delay (20(i)) | 1,600 | —corres. prior U.S. appn. filed | 430 |
| Petition to Revive (after patent expires)— unavoidable delay (20(i)) | 680 | In European Patent Office | 1,700 |
| Certified Copy of File & Contents— Issued Patent (19(b)(2)) | 150 | International Fees: | |
| Certified Copy of Patent Assignment Record (19(b)(3)) | 25 | Basic (First 30 Sheets) | 677 |
| Disclaimer of Claims or Terminal Part of Term of Patent (20(d)) | 110/55 | Each Additional Sheet Over 30 | 13 |
| Dedication of Entire Term or Terminal Part of Term of Patent | NC | Designation Fee, each country or office up to 10 | 164 |
| | | 11th and additional countries or offices | NC |
| | | Chapter II Fees: | |
| | | Handling Fee | 207 |
| | | Examination Fee | |
| | | In U.S. PTO | 470 |
| | | In EPO | 710 |
| Other Fees | | | |
| Trademark Application Filing (in PTO) | 245 | | |
| Trademark Application Filing (in California) | 120 | | |
| Copyright Application Filing (in Copyright Office) | 20 | | |
| Filing a European or Japanese Pat. Appn., incl. agent's fee, approx. | 6,000-7,000 | | |

Part I

Forms



RECOMMENDED READING

Patent It Yourself, Chapters 1 and 3.

In this part we provide you with:

- 1 tear-out copy of the “Potential User Survey” form
- 5 tear-out copies of the “Consultant’s Work Agreement”
- 5 copies of a “Proprietary Materials Agreement”
- 5 copies of the “Positive and Negative Factors Evaluation” form discussed in C1
- 1 tear-out copy of a “Joint Owner’s Agreement” (Recommended reading—*Patent It Yourself*, Chapter 16.)
- 1 tear-out copy of an “Assignment of Invention and Patent Application” (Recommended reading—*Patent It Yourself*, Chapter 16.) and
- 1 tear-out copy of a “Universal License Agreement.” (Recommended reading—*Patent It Yourself*, Chapter 16.)

The Proprietary Materials Loan Agreement is designed for use when you disclose significant details about an unpatented invention to potential developers, investors, evaluators, or partners. The form binds the recipient of the information to confidentiality so you can preserve your invention as a trade secret up until the time you are granted a patent (or beyond, in the event your patent application is denied).

Although the form speaks in terms of a loan of materials, it is also appropriate when information is disclosed orally or in writing, or when the invention is displayed or demonstrated. Simply fill in the blanks and have the person to whom you are disclosing information sign the form before the disclosure. Then:

- put the form with your other papers related to your invention; and
- enter the person’s name in Section B6 of the notebook (Contacts with Others), along with a notation that the agreement has been signed.

If a person signing one of these forms later discloses information about your invention to others, you may be able to obtain court relief (assuming you have taken the other steps necessary to preserve your invention as a trade secret).

The five copies of our Positive and Negative Factors Evaluation form are for use in the event you involve friends, family or associates in the process discussed in C1.



Potential User Survey

| Name and Date | Agreement Signed? |
|---------------|-------------------|
|---------------|-------------------|

1. _____

Comments: _____

Signed: _____ Date: _____

| Name and Date | Agreement Signed? |
|---------------|-------------------|
|---------------|-------------------|

2. _____

Comments: _____

Signed: _____ Date: _____

Consultant's Work Agreement

1. **Parties:** This Work Agreement is made between the following parties:

Name(s): _____

Address(es): _____

(hereinafter Contractor), and

Name(s): _____

Address(es): _____

(hereinafter Consultant).

2. **Name of Project:**

3. **Work to Be Performed by Consultant:**

4. **Work/Payment Schedule:**

5. **Date:** This Agreement shall be effective as of the latter date below written.
6. **Recitals:** Contractor has one or more ideas relating to the above project and desires to have such project developed more completely, as specified in the above statement of Work. Consultant has certain skills desired by Contractor relating to performance of the above Work.
7. **Performance:** Consultant will perform the above work for Contractor in accordance with the above-scheduled Work/Payment Schedule, and Contractor will make the above-scheduled payments to Consultant. Any changes to the Work to Be Performed or the Work/Payment Schedule shall be described in a writing referring to this Agreement and signed and dated by both parties. Time is of the essence of this Agreement, and if Consultant fails to perform according to the above work schedule, contractor may (a) void this agreement and pay consultant 50% of what would otherwise be due, or (b) require that Consultant pay contractor a penalty of \$_____ per day.
8. **Intellectual Property:** All intellectual property, including trademarks, writings, information, trade secrets, inventions, discoveries, or improvements, whether or not registrable or patentable, which are conceived, constructed, or written by Consultant and arise out of or are related to work and services performed under this agreement, are, or shall become and remain the sole and exclusive property of Contractor, whether or not such intellectual property is conceived during the time such work and services are performed or billed.
- 9A. **Protection of Intellectual Property:** Contractor and Consultant recognize that under U.S. patent laws, all patent applications must be filed in the name of the true and actual inventor(s) of the subject matter sought to be patented. Thus if Consultant makes any patentable inventions relating to the above project, Consultant agrees to be named as an applicant in any U.S. patent application(s) filed on such invention(s). Actual ownership of such patent applications shall be governed by clause 8.

- 9B. Consultant shall promptly disclose to Contractor in writing all information pertaining to any intellectual property generated or conceived by Consultant under this Agreement. Consultant hereby assigns and agrees to assign all of Consultant's rights to such intellectual property, including patent rights and foreign priority rights. Consultant hereby expressly agrees, without further charge for time, to do all things and sign all documents deemed by Contractor to be necessary or appropriate to invest in intellectual property, including obtaining for and vesting in Contractor all U.S. and foreign patents and patent applications which Contractor desires to obtain to cover such intellectual property, provided that Contractor shall bear all expenses relating thereto. All reasonable local travel time and expenses shall be borne by Consultant.
10. **Trade Secrets:** Consultant recognizes that all information relating to the above Project disclosed to Consultant by Contractor, and all information generated by Consultant in the performance of the above Work, is a valuable trade secret of Contractor and Consultant shall treat all such information as strictly confidential, during and after the performance of Work under this Agreement. Specifically Consultant shall not reveal, publish, or communicate any such information to anyone other than Contractor, and shall safeguard all such information from access to anyone other than Contractor, except upon the express written authorization of Contractor. This clause shall not apply to any information which Consultant can document in writing is presently in or enters the public domain from a bona fide source other than Consultant.
11. **Return of Property:** Consultant agree to return all written materials and objects received from Contractor, to deliver to Contractor all objects and a copy (and all copies and originals if requested by Contractor) of all written materials resulting from or relating to work performed under this Agreement, and not to deliver to any person, organization, or publisher, or cause to be published, any such written material without prior written authorization.
12. **Conflicts of Interest:** Consultant recognizes a fiduciary obligation to Contractor arising out of the work and services performed under this agreement and accordingly will not offer Consultant's service to or perform services for any competitor, potential or actual, of Contractor for the above Project, or perform any other acts which may result in any conflict of interest by Consultant, during and after the term of this Agreement.
13. **Mediation and Arbitration:** If any dispute arises under this Agreement, the parties shall negotiate in good faith to settle such dispute. If the parties cannot resolve such dispute themselves, then either party may submit the dispute to mediation by a mediator approved by both parties. If the parties cannot agree to any mediator, or if either party does not wish to abide by any decision of the mediator, they shall submit the dispute to arbitration by any mutually acceptable arbitrator, or the American Arbitration Association (AAA). If the AAA is selected, the arbitration shall take place under the auspices of the nearest branch of such to both parties. The costs of the arbitration proceeding shall be borne according to the decision of the arbitrator, who may apportion costs equally, or in accordance with any finding or fault or lack of good faith of either party. The arbitrator's award shall be nonappealable and enforceable in any court of competent jurisdiction.
14. **Governing Law:** This Agreement shall be governed by and interpreted under and according to the laws of the State of _____.
15. **Signatures:** The parties have indicated their agreement to all of the above terms by signing this Agreement on the respective dates below indicated. Each party has received an original signed copy hereof.

Contractor: _____ Date: _____

Consultant: _____ Date: _____

Consultant's Work Agreement

1. **Parties:** This Work Agreement is made between the following parties:

Name(s): _____

Address(es): _____

(hereinafter Contractor), and

Name(s): _____

Address(es): _____

(hereinafter Consultant).

2. **Name of Project:**

3. **Work to Be Performed by Consultant:**

4. **Work/Payment Schedule:**

5. **Date:** This Agreement shall be effective as of the latter date below written.

6. **Recitals:** Contractor has one or more ideas relating to the above project and desires to have such project developed more completely, as specified in the above statement of Work. Consultant has certain skills desired by Contractor relating to performance of the above Work.

7. **Performance:** Consultant will perform the above work for Contractor in accordance with the above-scheduled Work/Payment Schedule, and Contractor will make the above-scheduled payments to Consultant. Any changes to the Work to Be Performed or the Work/Payment Schedule shall be described in a writing referring to this Agreement and signed and dated by both parties. Time is of the essence of this Agreement, and if Consultant fails to perform according to the above work schedule, contractor may (a) void this agreement and pay consultant 50% of what would otherwise be due, or (b) require that Consultant pay contractor a penalty of \$_____ per day.

8. **Intellectual Property:** All intellectual property, including trademarks, writings, information, trade secrets, inventions, discoveries, or improvements, whether or not registrable or patentable, which are conceived, constructed, or written by Consultant and arise out of or are related to work and services performed under this agreement, are, or shall become and remain the sole and exclusive property of Contractor, whether or not such intellectual property is conceived during the time such work and services are performed or billed.

- 9A. **Protection of Intellectual Property:** Contractor and Consultant recognize that under U.S. patent laws, all patent applications must be filed in the name of the true and actual inventor(s) of the subject matter sought to be patented. Thus if Consultant makes any patentable inventions relating to the above project, Consultant agrees to be named as an applicant in any U.S. patent application(s) filed on such invention(s). Actual ownership of such patent applications shall be governed by clause 8.

- 9B. Consultant shall promptly disclose to Contractor in writing all information pertaining to any intellectual property generated or conceived by Consultant under this Agreement. Consultant hereby assigns and agrees to assign all of Consultant's rights to such intellectual property, including patent rights and foreign priority rights. Consultant hereby expressly agrees, without further charge for time, to do all things and sign all documents deemed by Contractor to be necessary or appropriate to invest in intellectual property, including obtaining for and vesting in Contractor all U.S. and foreign patents and patent applications which Contractor desires to obtain to cover such intellectual property, provided that Contractor shall bear all expenses relating thereto. All reasonable local travel time and expenses shall be borne by Consultant.
10. **Trade Secrets:** Consultant recognizes that all information relating to the above Project disclosed to Consultant by Contractor, and all information generated by Consultant in the performance of the above Work, is a valuable trade secret of Contractor and Consultant shall treat all such information as strictly confidential, during and after the performance of Work under this Agreement. Specifically Consultant shall not reveal, publish, or communicate any such information to anyone other than Contractor, and shall safeguard all such information from access to anyone other than Contractor, except upon the express written authorization of Contractor. This clause shall not apply to any information which Consultant can document in writing is presently in or enters the public domain from a bona fide source other than Consultant.
11. **Return of Property:** Consultant agree to return all written materials and objects received from Contractor, to deliver to Contractor all objects and a copy (and all copies and originals if requested by Contractor) of all written materials resulting from or relating to work performed under this Agreement, and not to deliver to any person, organization, or publisher, or cause to be published, any such written material without prior written authorization.
12. **Conflicts of Interest:** Consultant recognizes a fiduciary obligation to Contractor arising out of the work and services performed under this agreement and accordingly will not offer Consultant's service to or perform services for any competitor, potential or actual, of Contractor for the above Project, or perform any other acts which may result in any conflict of interest by Consultant, during and after the term of this Agreement.
13. **Mediation and Arbitration:** If any dispute arises under this Agreement, the parties shall negotiate in good faith to settle such dispute. If the parties cannot resolve such dispute themselves, then either party may submit the dispute to mediation by a mediator approved by both parties. If the parties cannot agree to any mediator, or if either party does not wish to abide by any decision of the mediator, they shall submit the dispute to arbitration by any mutually acceptable arbitrator, or the American Arbitration Association (AAA). If the AAA is selected, the arbitration shall take place under the auspices of the nearest branch of such to both parties. The costs of the arbitration proceeding shall be borne according to the decision of the arbitrator, who may apportion costs equally, or in accordance with any finding or fault or lack of good faith of either party. The arbitrator's award shall be nonappealable and enforceable in any court of competent jurisdiction.
14. **Governing Law:** This Agreement shall be governed by and interpreted under and according to the laws of the State of _____.
15. **Signatures:** The parties have indicated their agreement to all of the above terms by signing this Agreement on the respective dates below indicated. Each party has received an original signed copy hereof.

Contractor: _____ Date: _____

Consultant: _____ Date: _____

Consultant's Work Agreement

1. **Parties:** This Work Agreement is made between the following parties:

Name(s): _____

Address(es): _____

(hereinafter Contractor), and

Name(s): _____

Address(es): _____

(hereinafter Consultant).

2. **Name of Project:**

3. **Work to Be Performed by Consultant:**

4. **Work/Payment Schedule:**

5. **Date:** This Agreement shall be effective as of the latter date below written.
6. **Recitals:** Contractor has one or more ideas relating to the above project and desires to have such project developed more completely, as specified in the above statement of Work. Consultant has certain skills desired by Contractor relating to performance of the above Work.
7. **Performance:** Consultant will perform the above work for Contractor in accordance with the above-scheduled Work/Payment Schedule, and Contractor will make the above-scheduled payments to Consultant. Any changes to the Work to Be Performed or the Work/Payment Schedule shall be described in a writing referring to this Agreement and signed and dated by both parties. Time is of the essence of this Agreement, and if Consultant fails to perform according to the above work schedule, contractor may (a) void this agreement and pay consultant 50% of what would otherwise be due, or (b) require that Consultant pay contractor a penalty of \$_____ per day.
8. **Intellectual Property:** All intellectual property, including trademarks, writings, information, trade secrets, inventions, discoveries, or improvements, whether or not registrable or patentable, which are conceived, constructed, or written by Consultant and arise out of or are related to work and services performed under this agreement, are, or shall become and remain the sole and exclusive property of Contractor, whether or not such intellectual property is conceived during the time such work and services are performed or billed.
- 9A. **Protection of Intellectual Property:** Contractor and Consultant recognize that under U.S. patent laws, all patent applications must be filed in the name of the true and actual inventor(s) of the subject matter sought to be patented. Thus if Consultant makes any patentable inventions relating to the above project, Consultant agrees to be named as an applicant in any U.S. patent application(s) filed on such invention(s). Actual ownership of such patent applications shall be governed by clause 8.

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10. **Trade Secrets:** Consultant recognizes that all information relating to the above Project disclosed to Consultant by Contractor, and all information generated by Consultant in the performance of the above Work, is a valuable trade secret of Contractor and Consultant shall treat all such information as strictly confidential, during and after the performance of Work under this Agreement. Specifically Consultant shall not reveal, publish, or communicate any such information to anyone other than Contractor, and shall safeguard all such information from access to anyone other than Contractor, except upon the express written authorization of Contractor. This clause shall not apply to any information which Consultant can document in writing is presently in or enters the public domain from a bona fide source other than Consultant.
11. **Return of Property:** Consultant agree to return all written materials and objects received from Contractor, to deliver to Contractor all objects and a copy (and all copies and originals if requested by Contractor) of all written materials resulting from or relating to work performed under this Agreement, and not to deliver to any person, organization, or publisher, or cause to be published, any such written material without prior written authorization.
12. **Conflicts of Interest:** Consultant recognizes a fiduciary obligation to Contractor arising out of the work and services performed under this agreement and accordingly will not offer Consultant's service to or perform services for any competitor, potential or actual, of Contractor for the above Project, or perform any other acts which may result in any conflict of interest by Consultant, during and after the term of this Agreement.
13. **Mediation and Arbitration:** If any dispute arises under this Agreement, the parties shall negotiate in good faith to settle such dispute. If the parties cannot resolve such dispute themselves, then either party may submit the dispute to mediation by a mediator approved by both parties. If the parties cannot agree to any mediator, or if either party does not wish to abide by any decision of the mediator, they shall submit the dispute to arbitration by any mutually acceptable arbitrator, or the American Arbitration Association (AAA). If the AAA is selected, the arbitration shall take place under the auspices of the nearest branch of such to both parties. The costs of the arbitration proceeding shall be borne according to the decision of the arbitrator, who may apportion costs equally, or in accordance with any finding or fault or lack of good faith of either party. The arbitrator's award shall be nonappealable and enforceable in any court of competent jurisdiction.
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Contractor: _____ Date: _____

Consultant: _____ Date: _____

Consultant's Work Agreement

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Name(s): _____

Address(es): _____

(hereinafter Contractor), and

Name(s): _____

Address(es): _____

(hereinafter Consultant).

2. **Name of Project:**

3. **Work to Be Performed by Consultant:**

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- 9A. **Protection of Intellectual Property:** Contractor and Consultant recognize that under U.S. patent laws, all patent applications must be filed in the name of the true and actual inventor(s) of the subject matter sought to be patented. Thus if Consultant makes any patentable inventions relating to the above project, Consultant agrees to be named as an applicant in any U.S. patent application(s) filed on such invention(s). Actual ownership of such patent applications shall be governed by clause 8.

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10. **Trade Secrets:** Consultant recognizes that all information relating to the above Project disclosed to Consultant by Contractor, and all information generated by Consultant in the performance of the above Work, is a valuable trade secret of Contractor and Consultant shall treat all such information as strictly confidential, during and after the performance of Work under this Agreement. Specifically Consultant shall not reveal, publish, or communicate any such information to anyone other than Contractor, and shall safeguard all such information from access to anyone other than Contractor, except upon the express written authorization of Contractor. This clause shall not apply to any information which Consultant can document in writing is presently in or enters the public domain from a bona fide source other than Consultant.
11. **Return of Property:** Consultant agree to return all written materials and objects received from Contractor, to deliver to Contractor all objects and a copy (and all copies and originals if requested by Contractor) of all written materials resulting from or relating to work performed under this Agreement, and not to deliver to any person, organization, or publisher, or cause to be published, any such written material without prior written authorization.
12. **Conflicts of Interest:** Consultant recognizes a fiduciary obligation to Contractor arising out of the work and services performed under this agreement and accordingly will not offer Consultant's service to or perform services for any competitor, potential or actual, of Contractor for the above Project, or perform any other acts which may result in any conflict of interest by Consultant, during and after the term of this Agreement.
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14. **Governing Law:** This Agreement shall be governed by and interpreted under and according to the laws of the State of _____.
15. **Signatures:** The parties have indicated their agreement to all of the above terms by signing this Agreement on the respective dates below indicated. Each party has received an original signed copy hereof.

Contractor: _____ Date: _____

Consultant: _____ Date: _____

Consultant's Work Agreement

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Name(s): _____

Address(es): _____

(hereinafter Contractor), and

Name(s): _____

Address(es): _____

(hereinafter Consultant).

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- 9A. **Protection of Intellectual Property:** Contractor and Consultant recognize that under U.S. patent laws, all patent applications must be filed in the name of the true and actual inventor(s) of the subject matter sought to be patented. Thus if Consultant makes any patentable inventions relating to the above project, Consultant agrees to be named as an applicant in any U.S. patent application(s) filed on such invention(s). Actual ownership of such patent applications shall be governed by clause 8.

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12. **Conflicts of Interest:** Consultant recognizes a fiduciary obligation to Contractor arising out of the work and services performed under this agreement and accordingly will not offer Consultant's service to or perform services for any competitor, potential or actual, of Contractor for the above Project, or perform any other acts which may result in any conflict of interest by Consultant, during and after the term of this Agreement.
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15. **Signatures:** The parties have indicated their agreement to all of the above terms by signing this Agreement on the respective dates below indicated. Each party has received an original signed copy hereof.

Contractor: _____ Date: _____

Consultant: _____ Date: _____

Proprietary Materials Agreement

(Keep Confidential/Non-Disclosure Agreement)

PROPRIETARY MATERIALS (items, documents, or models loaned—describe or identify fully, including number of sheets):

PROPRIETARY MATERIALS loaned by (name and address):

_____ (“LENDER”)

PROPRIETARY MATERIALS loaned to (name and address):

_____ (“BORROWER”)

BORROWER acknowledges and agrees as follows:

(1) Borrower:

- (a) has received the above Proprietary Materials from Lender (_____)
- (b) understands that LENDER will immediately send the above PROPRIETARY MATERIALS to BORROWER upon LENDER’S receipt, from BORROWER, of a signed copy of this Agreement (_____)

[BORROWER cross out (a) and initial (b), or vice-versa, as appropriate]

- (2) These PROPRIETARY MATERIALS contain valuable proprietary information of LENDER. This proprietary information constitutes a trade secret of LENDER and loss or outside disclosure of these materials or the information contained within these materials will harm lender economically.
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 - (c) BORROWER and all persons within BORROWER’S organization shall exercise a high degree of care to safeguard these PROPRIETARY MATERIALS and the information they contain from access or disclosure to all unauthorized persons.

- (d) BORROWER shall not make any copies of these PROPRIETARY MATERIALS except upon written permission of LENDER and BORROWER and shall return all PROPRIETARY MATERIALS (including any copies made) to LENDER at any time upon request by LENDER.
- (4) These terms shall not apply to any information which BORROWER can document becomes part of the general public knowledge without fault of BORROWER or comes into BORROWER'S possession in good faith without restriction.

BORROWER: _____
(Name of Organization or Individual)

By: _____

(Name and Title)

Date: ____ / ____ / ____

Other persons within BORROWER'S organization obtaining access to PROPRIETARY MATERIALS:

_____ / ____ / ____

Print Name: _____

_____ / ____ / ____

Print Name: _____

Proprietary Materials Agreement

(Keep Confidential/Non-Disclosure Agreement)

PROPRIETARY MATERIALS (items, documents, or models loaned—describe or identify fully, including number of sheets):

PROPRIETARY MATERIALS loaned by (name and address):

_____ (“LENDER”)

PROPRIETARY MATERIALS loaned to (name and address):

_____ (“BORROWER”)

BORROWER acknowledges and agrees as follows:

(1) Borrower:

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- (b) understands that LENDER will immediately send the above PROPRIETARY MATERIALS to BORROWER upon LENDER’S receipt, from BORROWER, of a signed copy of this Agreement (_____)

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BORROWER: _____
(Name of Organization or Individual)

By: _____

(Name and Title)

Date: ____/____/____

Other persons within BORROWER'S organization obtaining access to PROPRIETARY MATERIALS:

_____ ____/____/____

Print Name: _____

_____ ____/____/____

Print Name: _____

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BORROWER: _____
(Name of Organization or Individual)

By: _____

(Name and Title)

Date: ____ / ____ / ____

Other persons within BORROWER'S organization obtaining access to PROPRIETARY MATERIALS:

_____ / ____ / ____

Print Name: _____

_____ / ____ / ____

Print Name: _____

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(Name of Organization or Individual)

By: _____

(Name and Title)

Date: ____/____/____

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Print Name: _____

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(Name of Organization or Individual)

By: _____

(Name and Title)

Date: ____ / ____ / ____

Other persons within BORROWER'S organization obtaining access to PROPRIETARY MATERIALS:

_____ / ____ / ____

Print Name: _____

_____ / ____ / ____

Print Name: _____

Positive and Negative Factors Evaluation

Inventor(s): _____

Invention: _____

| Factor | Weight (-100 to +100) |
|--------------------------------------|--------------------------|
| 1. Cost | _____ |
| 2. Weight | _____ |
| 3. Size | _____ |
| 4. Safety/Health | _____ |
| 5. Speed | _____ |
| 6. Ease of Use | _____ |
| 7. Ease of Production | _____ |
| 8. Durability | _____ |
| 9. Repairability | _____ |
| 10. Novelty | _____ |
| 11. Convenience/Social Benefit | _____ |
| 12. Reliability | _____ |
| 13. Ecology | _____ |
| 14. Salability | _____ |
| 15. Appearance | _____ |
| 16. Viewability | _____ |
| 17. Precision | _____ |
| 18. Noise | _____ |
| 19. Odor | _____ |
| 20. Taste | _____ |
| 21. Market Size | _____ |
| 22. Trend of Demand | _____ |
| 23. Seasonal Demand | _____ |
| 24. Difficulty of Market Penetration | _____ |
| 25. Potential Competition | _____ |
| 26. Quality | _____ |
| 27. Excitement | _____ |
| Total Positive | _____ |
| Less: Total Negative | _____ |
| NET: | ===== |

| Factor | Weight (-100 to +100) |
|-----------------------------------|--------------------------|
| 28. Markup | _____ |
| 29. Inferior Performance | _____ |
| 30. "Sexy" Packaging | _____ |
| 31. Miscellaneous | _____ |
| 32. Long Life Cycle | _____ |
| 33. Related Product Addability | _____ |
| 34. Satisfies Existing Need | _____ |
| 35. Legality | _____ |
| 36. Operability | _____ |
| 37. Development | _____ |
| 38. Profitability | _____ |
| 39. Obsolescence | _____ |
| 40. Incompatibility | _____ |
| 41. Product Liability Risk | _____ |
| 42. Market Dependence | _____ |
| 43. Difficulty of Distribution | _____ |
| 44. Service Requirements | _____ |
| 45. New Tooling Required | _____ |
| 46. Inertia Must Be Overcome | _____ |
| 47. Too Advanced Technically | _____ |
| 48. Substantial Learning Required | _____ |
| 49. Difficult to Promote | _____ |
| 50. Lack of Market | _____ |
| 51. Crowded Field | _____ |
| 52. Commodities | _____ |
| 53. Combination Products | _____ |
| 54. Entrenched Competition | _____ |
| 55. Instant Anachronism | _____ |

Signed: _____

Date: _____

Positive and Negative Factors Evaluation

Inventor(s): _____

Invention: _____

| Factor | Weight (-100 to +100) |
|--------------------------------------|--------------------------|
| 1. Cost | _____ |
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| 3. Size | _____ |
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Positive and Negative Factors Evaluation

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| Factor | Weight (-100 to +100) |
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Date: _____

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Inventor(s): _____

Invention: _____

| Factor | Weight (-100 to +100) |
|--------------------------------------|--------------------------|
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Signed: _____

Date: _____

Positive and Negative Factors Evaluation

Inventor(s): _____

Invention: _____

| Factor | Weight (-100 to +100) |
|--------------------------------------|--------------------------|
| 1. Cost | _____ |
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| 52. Commodities | _____ |
| 53. Combination Products | _____ |
| 54. Entrenched Competition | _____ |
| 55. Instant Anachronism | _____ |

Signed: _____

Date: _____

Joint Owners' Agreement

This agreement is made by and between the following parties who, by separate assignment or as joint applicants, own the following respective shares of the invention, patent application or patent identified below:

_____ of _____, _____%,
_____ of _____, _____%,
_____ of _____, _____%,

Invention Title: _____

Patent Application Ser. Nr.: _____, Filed: _____

Patent Nr.: _____, Issued: _____

Applicants: _____

The above patent application data is to be filled in as soon as it becomes available if the application has not yet been filed.

The parties desire to stipulate the terms under which they will exploit this invention and patent application and therefore agree as follows:

- 1. No Action Without Everyone's Consent:** None of the parties to this agreement shall license, use, make, or sell the invention or application, or take any other action, other than normal prosecution, without the written consent and cooperation of the other party or parties (hereinafter "parties") to this agreement, except as provided below. Any action so taken shall be committed to a writing signed by all of the parties, or as many parties as consent, with copies to all other parties.
- 2. Decisions:** In case any decision must be made in connection with the invention or the patent application, including foreign filing, appealing from an adverse decision in the Patent and Trademark Office, or any opportunity to license, sell, make, or use the invention or application, the parties shall consult on such opportunity and a majority decision shall control. In the event the parties are equally divided, the matter shall be decided in accordance with Paragraph 5 below. After a decision is so made, all parties shall abide by the decision and shall cooperate fully by whatever means are necessary to implement and give full force to such decision. However, if an offer is involved and there is time for any parties to obtain a better or different offer, they shall be entitled to do so and the decision shall be postponed for up to one month to allow such other parties to act.
- 3. Proportionate Sharing:** The parties to this agreement shall share, in the percentages indicated above, in all income from, liabilities, and expenditures agreed to be made by any decision under Part 2 above in connection with the invention or patent application. In case a decision is made to make any expenditure, as for foreign patent application filing, exploitation, etc., and a minority or other parties opposes such expenditure or is unable to contribute his or her proportionate share, then the others shall advance the minority or other parties' share of the expenditure. Such others shall be reimbursed by the minority or other parties by double the amount so advanced from the minority or other parties' proportionate share of any income received, provided such income has some reasonable connection with the expenditure. No party shall be entitled to reimbursement or credit for any labor unless agreed to in advance by all of the parties hereto.

4. **If Any Parties Desire to Manufacture, Etc.:** If any parties who do not constitute all of the parties to this agreement desire to manufacture, distribute, or sell any product or service embodying the above invention, they may do so with the written consent of the other parties under Part 1 above. The cost of the product or service shall include, in addition to normal profit, labor, commission, and/or overhead, etc., provision for a reasonable royalty which shall be paid for the term of the above patent application and any patent which may issue thereon. Such royalty shall be determined before any action is taken under this part and as if a valid patent on the invention had been licensed to an unrelated exclusive licensee (or a nonexclusive licensee if the patent is licensed to others) in an arm's length transaction. Such royalty shall be distributed to all of the parties hereto according to their proportionate shares and on a quarterly basis, accompanied by a written royalty report and sent within one month after the close of each calendar quarter.

5. **In Case of Dispute:** In case any dispute, disagreement, or need for any decision arises out of this agreement or in connection with the invention or patent application, and the parties cannot settle the matter or come to a decision in accordance with Paragraph 2, above, the parties shall first confer as much as necessary to settle the disagreement; all parties shall act and compromise to at least the degree a reasonable person would act. If the parties cannot settle their differences or come to a decision on their own, they shall submit the dispute or matter to mediation and decision by an impartial third party or professional mediator agreed to by all of the parties. If the parties cannot agree on a mediator, or cannot come to an agreement after mediation, then they shall submit the matter to binding arbitration with a mutually acceptable arbitrator or the American Arbitration Association. The arbitrator shall settle the dispute in whatever manner he or she feels will do substantial justice, recognizing the rights of all parties and commercial realities of the marketplace. The parties shall abide by the terms of the arbitrator's decision and shall cooperate fully and do any acts necessary to implement such decision. The costs of the arbitrator shall be advanced by all of the parties or in accordance with Part 3 above and the arbitrator may make any allocation of arbitration costs he or she feels is reasonable.

6. **Non-Frustration:** Neither party to this Agreement shall commit any act or take any action which frustrates or hampers the rights of the other party under this Agreement. Each party shall act in good faith and engage in fair dealing when taking any action under or related to this Agreement.

| | |
|-----------|------|
| Signature | Date |
| Signature | Date |
| Signature | Date |

Assignment of Invention and Patent Application

For value received, _____,

of _____

(hereinafter Assignor), hereby sells, assigns, transfers, and sets over unto _____

of _____

and her or his successors or assigns (hereinafter Assignee) ____% of the following: (A) ASSIGNOR'S right, title and interest in and to the invention entitled " _____ "

invented by ASSIGNOR; (B) the application for United States patent therefor, signed by ASSIGNOR on _____, U.S. Patent and Trademark Office Serial Number _____, filed _____; (C) any patent or reissues of any patent that may be granted thereon; and (D) any applications which are continuations, continuations-in-part, substitutes, or divisions of said application. ASSIGNOR authorizes ASSIGNEE to enter the date of signature and/or Serial Number and Filing Date in the spaces above. ASSIGNOR also authorizes and requests the Assistant Commissioner for Patents to issue any resulting patent(s) as follows: _____% to ASSIGNOR and _____% to ASSIGNEE. (The singular shall include the plural and vice-versa herein.)

ASSIGNOR hereby further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ASSIGNOR'S entire right, title and interest in and to said invention in each and every country foreign to the United States; and ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights resulting from the above-identified application for United States patent. ASSIGNOR agrees to execute all papers, give any required testimony and perform other lawful acts, at ASSIGNEE'S expense, as ASSIGNEE may require to enable ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United States and countries foreign thereto, and to acquire, hold, enforce, convey, and uphold the validity of said patent and reissues and extensions thereof, and ASSIGNEE'S interest therein.

In testimony whereof ASSIGNOR has hereunto set its hand and seal on the date below.

State: _____ } ss
County: _____ }

Subscribed and sworn to before me _____, 199__.

Notary Public

SEAL

Universal License Agreement

1. Parties, Terms, and Summary:

This agreement is between:

Licensor: _____, of

Licensee: _____, of

Summary: Royalty Rate (%): _____% x Est. 1st Yr's Sales (units): _____ x
Estimated Unit Price \$ _____ = Resultant Licensing Fee \$ _____

Type of License: Exclusive Nonexclusive

Invention Title: _____

Patent Application Ser. Nr.: _____, Filing Date: _____

Minimum Nr. of Units to Be Sold to Compute Min. Annual Royalty: _____

Minimum Annual Royalties Start Year Commencing 19_____.

Option Granted: Premium \$ _____ for Term of (months): _____

Know-How Licensed: Know-How Royalty Rate (%): _____

Running Royalty (Patent Royalty and Know-How Royalty, if applicable) (%): _____.

2. **Effective Date:** This agreement shall be effective as of the latter of the signature dates below written and shall be referred to as the Agreement of such date.

3. Recitals:

A. **LICENSOR** has developed an invention having the above title and warrants that LICENSOR has filed a patent application on such invention in the U.S. Patent and Trademark Office, which patent application is identified by the above title, Serial Number, and Filing Date. LICENSOR warrants that LICENSOR has full and exclusive right to grant this license on this invention and LICENSOR'S patent application. If the "Know-How Licensed" box above is checked, LICENSOR has also developed know-how in connection with said invention and warrants that LICENSOR owns and has the right to license said know-how.

B. **LICENSEE** desires, if the "Option Granted" box above is checked, to exclusively investigate LICENSOR'S above invention for the term indicated. If said "Option Granted" box is not checked, or if said box is checked and LICENSEE investigates LICENSOR'S invention for the term indicated and such investigation is favorable, LICENSEE desires to make, use and sell the products embodying such invention and covered by the claims of LICENSOR'S patent application and any patent(s) issuing thereon (hereinafter "Licensed Product").

4. **If Option Granted:** If the "Option Granted" box above is checked, then (A) the patent license grant of Part 5 below shall not take effect except as defined in this part, and (B) LICENSOR hereby grants LICENSEE, for the option premium stated above, an exclusive option to investigate LICENSOR'S invention for the term indicated above, such term to commence from the date of this Agreement. LICENSOR will furnish LICENSEE with all information and know-how (if any) concerning LICENSOR'S invention in LICENSOR'S possession. LICENSEE will investigate LICENSOR'S invention for operability, costing, marketing, etc. LICENSEE shall report the results of its investigation to LICENSOR at any time before the end of the option term. If LICENSEE'S determination is favorable, it may thereupon exercise this option and the patent license grant of Part 5 below shall become effective. If LICENSEE'S determination is unfavorable, then said option shall not be exercised and no patent license grant shall take effect and all rights hereunder shall revert to LICENSOR and LICENSEE shall deliver to LICENSOR all results of its investigations for LICENSOR'S benefit.

- 5. Patent License if Option Exercised or if Option Not Granted:** If the "Option Granted" box above is checked and LICENSEE has investigated LICENSOR'S invention and such investigation is favorable and LICENSEE has exercised its option, or if said box is not checked, then LICENSOR hereby grants to LICENSEE, subject to the terms and conditions herein, a patent license of the type (Exclusive or Nonexclusive) checked above. Such patent license shall include the right to grant sublicenses, to make, have made, use, and sell the Licensed Product throughout the United States, its territories, and possessions. Such patent license shall be under LICENSOR'S patent application, any continuations, divisions, continuations-in-part, substitutes, reissues of any patent from any of such applications (hereinafter and hereinbefore LICENSOR'S patent application), any patent(s) issuing thereon, and if the "Know-How Licensed" box is checked above, any know-how transferred to LICENSEE.
- 6. If Know-How Licensed:** If the "Know-How" box above is checked, LICENSOR shall communicate to LICENSEE all of LICENSOR'S know-how in respect of LICENSOR'S invention within one month after the date of this Agreement and shall be available to consult with LICENSEE, for up to 80 hours, with respect to the licensed invention and know-how. All travel and other expenses of LICENSOR for such consultation shall be reimbursed by LICENSEE within one month after LICENSOR submits its voucher therefor. LICENSOR makes no warranty regarding the value, suitability, or workability of such know-how. The royalty applicable for such know-how shall be paid, at the rate indicated above, for a minimum of three years from the date of this Agreement if no option is granted, or for three years from the date of exercise if an option is granted and exercised by LICENSOR, and thereafter for so long as LICENSEE makes, uses, or sells Licensed Products and has a share in the United States for of at least 15% of the competitive market for Licensed Products.
- 7. Royalties:**
- A. Licensing Fee:** Unless the "Option Granted" box above is checked, LICENSEE shall pay to LICENSOR, upon execution of this Agreement, a nonrefundable Licensing Fee. This Licensing Fee shall also serve as an advance against future royalties. Such Licensing Fee shall be computed as follows: (A) Take the Running Royalty Rate in percent, as stated above. (B) Multiply by LICENSEE'S Estimate of Its First Year's Sales, in units of Licensed Product, as stated above. (C) Multiply by LICENSEE'S Estimated Unit Price of Licensed Product, in dollars, as stated above. (D) The combined product shall be the Resultant Licensing Fee, in dollars, as stated above. When LICENSEE begins actual sales of the Licensed Product, it shall certify its Actual Net Factory Sales Price of Licensed Product to LICENSOR in writing and shall either (1) simultaneously pay LICENSOR any difference due if the Actual Net Factory Sales Price of Licensed Product is more than the Estimated Unit Price, stated above, or (2) advise LICENSOR of any credit to which LICENSEE is entitled if the Actual Net Factory Sales Price of Licensed Product is less than the above Estimated Unit Price. In the latter case, LICENSEE may deduct such credit from its first royalty remittance to LICENSOR, under subpart B below. If an option is granted and exercised under Part 4 above, then LICENSEE shall pay this Resultant Licensing Fee to LICENSOR if and when LICENSEE exercises its option.
- B. Running Royalty:** If the "Option Granted" box above is not checked, or if said box is checked and LICENSEE has exercised its option under Part 4, LICENSEE shall also pay to LICENSOR a Running Royalty, at the rate stated above. Such royalty shall be at the Patent Royalty Rate stated in Part 1 above, plus, if the "Know-How Licensed" box above is checked, a Know-How Royalty at the Know-How Royalty Rate stated above. Said Running Royalty shall be computed on LICENSEE'S Net Factory Sales Price of Licensed Product. Such Running Royalty shall accrue when the Licensed Products are first sold or disposed of

by LICENSEE, or by any sublicensee of LICENSEE. LICENSEE shall pay the Running Royalty due to LICENSOR within one month after the end of each calendar quarter, together with a written report to LICENSOR of the number of units, respective sales prices, and total sales made in such quarter, together with a full itemization of any adjustments made pursuant to subpart F below. LICENSEE'S first report and payment shall be made within one month after the end of the first calendar quarter following the execution of this Agreement. No royalties shall be paid by LICENSEE to LICENSOR until after the Licensing Fee under subpart A above has been earned, but LICENSEE shall make a quarterly report hereunder for every calendar quarter after the execution hereof, whether or not any royalty payment is due for such quarter, except that if an option is granted, LICENSEE shall not make any royalty reports until and if LICENSEE exercises its option.

- C. Minimum Annual Royalties:** If the "Exclusive" box above is checked, so that this is an exclusive license, then this subpart C and subpart D shall be applicable. But if the "Nonexclusive" box is checked above, then these subparts C and D shall be inapplicable. There shall be no minimum annual royalties due under this Agreement until the "Year Commencing," as identified in Part 1 above. For the exclusivity privilege of the patent license grant under Part 5 above, a minimum annual royalty shall be due beginning with such royalty year and for each royalty year ending on the anniversary of such royalty year thereafter. Such minimum annual royalty shall be equal to the royalty which would have been due if the "Minimum Number of Units [of Licensed Product] to Be Sold to Compute Minimum Annual Royalty" identified in Part 1 above were sold during such royalty year. If less than such number of units of Licensed Product are sold in any royalty year, then the royalty payable for the fourth quarter of such year shall be increased so as to cause the royalty payments for such year to equal said minimum annual royalty. If an option is granted under Parts 1 and 4, then no minimum annual royalties shall be due in any case until and if LICENSEE exercises its option.
- D. If Minimum Not Paid:** If this part is applicable and if sales of Licensed Product in any royalty year do not equal or exceed the minimum number of units identified in Part 1 above, LICENSEE may choose not to pay the minimum annual royalty under subpart C above. In this case, LICENSEE shall so notify LICENSOR by the date on which the last royalty for such year is due, i.e., within one month after any anniversary of the date identified in Part 1 above. Thereupon the license grant under Part 4 above shall be converted to a nonexclusive grant, and LICENSOR may immediately license others under the above patent.
- E. Most Favored Licensee:** If this license is nonexclusive, or if it becomes nonexclusive under subpart D above, then (a) LICENSOR shall not grant any other license under the above patent to any other party under any terms which are more favorable than those which LICENSEE pays or enjoys under this Agreement, and (b) LICENSOR shall promptly advise LICENSEE of any such other grant and the terms thereof.
- F. When No Royalties Due:** No Patent Royalties shall be due under this Agreement after the above patent expires or if it is declared invalid by a court of competent jurisdiction from which no appeal can be taken. Also, if LICENSOR'S patent application becomes finally abandoned without any patent issuing, then the Patent Royalty under this Agreement shall be terminated as of the date of abandonment. Any Know-How Royalties under Part 6 above shall continue after any Patent Royalties terminate, provided such Know-How Royalties are otherwise due under such Part 6.
- G. Late Payments:** If any payment due under this Agreement is not timely paid, then the unpaid balance shall bear interest until paid at an annual rate of 10% until the delinquent balance is paid. Such interest shall be compounded monthly.

H. Net Factory Sales Price: “Net Factory Sales Price” is defined as the gross factory selling price of Licensed Product, or the U.S. importer’s gross selling price if Licensed Product is made abroad, less usual trade discounts actually allowed, but not including advertising allowances or fees or commissions paid to employees or agents of LICENSEE. The Net Factory Sales Price shall not include (1) packing costs, if itemized separately, (2) import and export taxes, excise and other sales taxes, and customs duties, and (3) costs of insurance and transportation, if separately billed, from the place of manufacture if in the U.S., or from the place of importation if manufactured abroad, to the customer’s premises or next point of distribution or sale. Bona fide returns may be deducted from units shipped in computing the royalty payable after such returns are made.

8. Records: LICENSEE and any of its sublicensees shall keep full, clear, and accurate records with respect to sales subject to royalty under this Agreement. The records shall be made in a manner such that the royalty reports made pursuant to Part 7B can be verified. LICENSOR, or its authorized agent, shall have the right to examine and audit such records upon reasonable notice during normal business hours, but not more than twice per year. In case of any dispute as to the sufficiency or accuracy of such records, LICENSOR may have any independent auditor examine and certify such records. LICENSEE shall make prompt adjustment to compensate for any errors or omissions disclosed by any such examination and certification of LICENSEE’S records. If LICENSOR does not examine LICENSEE’S records or question any royalty report within two years from the date thereof, then such report shall be considered final and LICENSOR shall have no further right to contest such report.

9. Sublicensees: If LICENSEE grants any sublicenses hereunder, it shall notify LICENSOR within one month from any such grant and shall provide LICENSOR with a true copy of any sublicense agreement. Any sublicensee of LICENSEE under this Agreement shall be bound by all of the terms applying to LICENSEE hereunder and LICENSEE shall be responsible for the obligations and duties of any of its sublicensees.

10. Patent Prosecution:

A. Domestic: LICENSOR shall, at LICENSOR’S own expense, prosecute its above U.S. patent application, and any continuations, divisions, continuations-in-part, substitutes, and reissues of such patent application or any patent thereon, at its own expense, until all applicable patents issue or any patent application becomes finally abandoned. LICENSOR shall also pay any maintenance fees which are due on any patent(s) which issue on said patent application. If for any reason LICENSOR intends to abandon any patent application hereunder, it shall notify LICENSEE at least two months in advance of any such abandonment so as to give LICENSEE the opportunity to take over prosecution of any such application and maintenance of any patent. If LICENSEE takes over prosecution, LICENSOR shall cooperate with LICENSEE in any manner LICENSEE requires, at LICENSEE’S expense.

B. Foreign: LICENSOR shall have the opportunity, but not the obligation, to file corresponding foreign patent applications to any patent application under subpart A above. If LICENSOR files any such foreign patent applications, LICENSOR may license, sell, or otherwise exploit the invention, Licensed Product, or any such foreign application in any countries foreign to the United States as it chooses, provided that LICENSOR must give LICENSEE a right of first refusal and at least one month to exercise this right before undertaking any such foreign exploitation. If LICENSOR chooses not to file any corresponding foreign applications under this part, it shall notify LICENSEE at least one month prior to the first anniversary of the above patent application so as to give LICENSEE the opportunity to file corresponding foreign patent applications if it so chooses.

C. If Licensee Acts: If LICENSEE takes over prosecution of any U.S. patent application under subpart A above, and LICENSEE is successful so that a patent issues, then LICENSEE shall pay LICENSOR royalties thereafter at a rate of 75% of the royalty rate and any applicable minimum under Part 7C above and LICENSEE shall be entitled to deduct prosecution and maintenance expenses from its royalty payments. If LICENSEE elects to prosecute any foreign patent applications under subpart B above, then LICENSEE shall pay LICENSOR royalties of 50% of the royalty rate under Part 7 above for any applicable foreign sales, less all foreign prosecution and maintenance expenses incurred by LICENSEE.

11. Marking: LICENSEE shall mark all units of Licensed Product, or its container if direct marking is not feasible, with the legend "Patent Pending" until any patent(s) issue from the above patent application. When any patent(s) issue, LICENSOR shall promptly notify LICENSEE and thereafter LICENSEE shall mark all units of Licensed Product which it sells with proper notice of patent marking under 35 U.S.C. Section 287.

12. If Infringement Occurs: If either party discovers that the above patent is infringed, it shall communicate the details to the other party. LICENSOR shall thereupon have the right, but not the obligation, to take whatever action it deems necessary, including the filing of lawsuits, to protect the rights of the parties to this Agreement and to terminate such infringement. LICENSEE shall cooperate with LICENSOR if LICENSOR takes any such action, but all expenses of LICENSOR shall be borne by LICENSOR. If LICENSOR recovers any damages or compensation for any action it takes hereunder, LICENSOR shall retain 100% of such damages. If LICENSOR does not wish to take any action hereunder, LICENSEE shall also have the right, but not the obligation, to take any such action, in which case LICENSOR shall cooperate with LICENSEE, but all of LICENSEE'S expenses shall be borne by LICENSEE. LICENSEE shall receive 75% of any damages or compensation it recovers for any such infringement and shall pay 25% of such damages or compensation to LICENSOR, after deducting its costs, including attorney fees.

13. Disclaimer and Hold Harmless:

A. Disclaimer of Warranty: Nothing herein shall be construed as a warranty or representation by LICENSOR as to the scope or validity of the above patent application or any patent issuing thereon.

B. Product Liability: LICENSEE shall hold LICENSOR harmless from any product liability actions involving Licensed Product.

14. Term: The term of this Agreement shall end with the expiration of the last of any patent(s) which issues on LICENSOR'S patent application, unless terminated sooner for any reason provided herein, or unless know-how is licensed, in which case the terms of Part 6 shall cover the term of this Agreement.

15. Termination: This Agreement may be terminated under and according to any of the following contingencies:

A. Default: If LICENSEE fails to make any payment on the date such payment is due under this Agreement, or if LICENSEE makes any other default under or breach of this Agreement, LICENSOR shall have the right to terminate this Agreement upon giving three months' written Notice of Intent to Terminate, specifying such failure, breach, or default to LICENSEE. If LICENSEE fails to make any payment in arrears, or otherwise fails to cure the breach or default within such three-month period, then LICENSOR may then send a written Notice of Termination to LICENSEE, whereupon this Agreement shall terminate in one month from the date of such Notice of Termination. If this Agreement is terminated hereunder, LICENSEE shall not be relieved of any of its obligations to the date of

termination and LICENSOR may act to enforce LICENSEE'S obligations after any such termination.

B. Bankruptcy, Etc.: If LICENSEE shall go into receivership, bankruptcy, or insolvency, or make an assignment for the benefit of creditors, or go out of business, this Agreement shall be immediately terminable by LICENSOR by written notice, but without prejudice to any rights of LICENSOR hereunder.

C. Antishelving: If LICENSEE discontinues its sales or manufacture of Licensed Product without intent to resume, it shall so notify LICENSOR within one month of such discontinuance, whereupon LICENSOR shall have the right to terminate this Agreement upon one month's written notice, even if this Agreement has been converted to a nonexclusive grant under Part 7D above. If LICENSEE does not begin manufacture or sales of Licensed Product within one and one-half years from the date of this Agreement or the date of its option exercise if an option is granted, or, after commencing manufacture and sales of Licensed Product, discontinues its manufacture and sales of Licensed Product for one and one-half years, LICENSOR shall have the right to terminate this Agreement upon one month's written notice, unless LICENSEE can show that it in good faith intends and is actually working to resume or begin manufacture or sales, and has a reasonable basis to justify its delay. In such case LICENSEE shall advise LICENSOR in writing, before the end of such one-and-one-half-year period, of the circumstances involved and LICENSEE shall thereupon have up to an additional year to resume or begin manufacture or sales. It is the intent of the parties hereto that LICENSOR shall not be deprived of the opportunity, for an unreasonable length of time, to exclusively license its patent if LICENSEE has discontinued or has not commenced manufacture or sales of Licensed Product. In no case shall LICENSOR have the right to terminate this Agreement if and so long as LICENSEE is paying LICENSOR minimum annual royalties under Part 7C above.

16. Notices: All notices, payments, or statements under this Agreement shall be in writing and shall be sent by first-class certified mail, return receipt requested, postage prepaid, to the party concerned at the above address, or to any substituted address given by notice hereunder. Any such notice, payment, or statement shall be considered sent or made on the day deposited in the mails. Payments and statements may be sent by ordinary mail.

17. Mediation and Arbitration: If any dispute arises under this Agreement, the parties shall negotiate in good faith to settle such dispute. If the parties cannot resolve such dispute themselves, then either party may submit the dispute to mediation by a mediator approved by both parties. The parties shall both cooperate with the mediator. If the parties cannot agree to any mediator, or if either party does not wish to abide by any decision of the mediator, then they shall submit the dispute to arbitration by any mutually acceptable arbitrator. If no arbitrator is mutually acceptable, then they shall submit the matter to arbitration under the rules of the American Arbitration Association (AAA). Under any arbitration, both parties shall cooperate with and agree to abide finally by any decision of the arbitration proceeding. If the AAA is selected, the arbitration shall take place under the auspices of the nearest branch of the AAA to the other party. The costs of the arbitration proceeding shall be borne according to the decision of the arbitrator, who may apportion costs equally, or in accordance with any finding of fault or lack of good faith of either party. The arbitrator's award shall be nonappealable and enforceable in any court of competent jurisdiction.

18. Assignment: The rights of LICENSOR under this Agreement shall be assignable or otherwise transferrable, in whole or in part, by LICENSOR and shall vest LICENSOR'S assigns or transferees with the same rights and obligations as were held by LICENSOR. This Agreement shall be assignable by LICENSEE to any entity that succeeds to the business of LICENSEE to

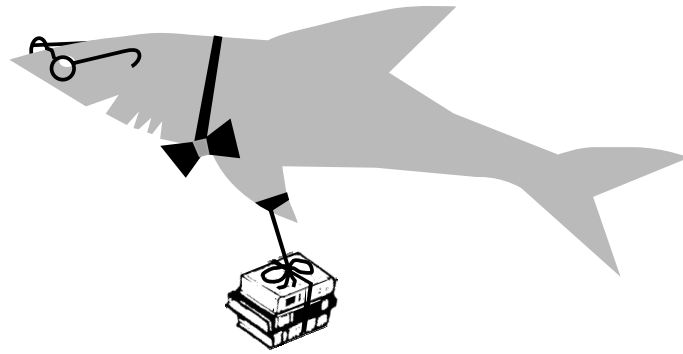
which Licensed Products relate or to any other entity if LICENSOR'S permission is first obtained in writing.

- 19. Jurisdiction and Venue:** This Agreement shall be interpreted under the laws of LICENSOR'S state, as given in Part 1 above. Any action related to this Agreement shall be brought in the county of LICENSOR'S above address; LICENSEE hereby consents to such venue.
- 20. Non-Frustration:** Neither party to this Agreement shall commit any act or take any action which frustrates or hampers the rights of the other party under this Agreement. Each party shall act in good faith and engage in fair dealing when taking any action under or related to this Agreement.
- 21. Rectification:** In case of any mistake in this Agreement, including any error, ambiguity, illegality, contradiction, or omission, this Agreement shall be interpreted as if such mistake were rectified in a manner which implements the intent of the parties as nearly as possible and effects substantial fairness, considering all pertinent circumstances.
- 22. Entire Agreement:** This Agreement sets forth the entire understanding between the parties and supersedes any prior or contemporaneous oral understandings and any prior written agreements.
- 23. Signatures:** The parties, having carefully read this Agreement and having consulted or have been given an opportunity to consult counsel, have indicated their agreement to all of the above terms by signing this Agreement on the respective dates below indicated. LICENSEE and LICENSOR have each received a copy of this Agreement with both LICENSEE'S and LICENSOR'S original ink signatures thereon.

| | |
|-----------------------|-------|
| _____ | _____ |
| Licensor's Signature | Date |
| _____ | |
| Print Licensor's Name | |
| _____ | _____ |
| Licensee's Signature | Date |
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| Licensee's Name | |

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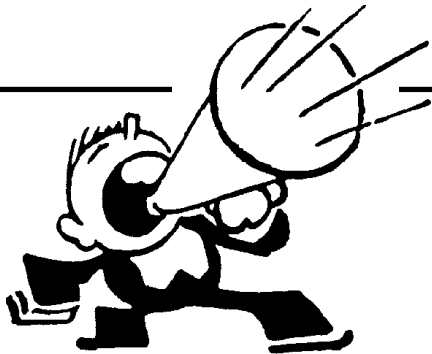
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