

**From Dreams to Dollars**  
**Product + Viable Market = \$ales**

- I. PRODUCT EVALUATION -- Great idea? Then you must *prove it* to others.
1. Evaluate your idea – Who will buy it? Is it sellable? Can it generate a profit? Read books & articles. Join entrepreneurial/inventor support groups.
  2. Determine whether you need a patent or not. Review types of Intellectual Property (Patents, Trademark, and Copyright) and which type of legal protection you need, e.g. provisional patent vs. non-provisional, etc.
  3. Read marketing entrepreneur/inventor books.
- II. MARKETABILITY RESEARCH – Who are the customers; competitors?
1. Marketing Research – Resources to prepare list of companies to solicit your product; negotiate license agreements; or direct marketing of product.
  2. Research data at the library – From directories/databases, search for: Who makes up your market? Competitors? To which industry does your product belong? End user needs? Market size/history/trends? Demographics? Distribution channels? Trade shows? Restrictions & Regulations?
  3. Dealing with the Competition  
Analyze and learn from competitor brochures, advertisements, websites, tradeshow, company annual reports, etc. Also business directories such as:  
*Gale Research's Encyclopedia of Associations* – Great tradeshow source.  
*Thomas Register*
  4. Business Plan or Marketing Strategy
    - A. Money & Manufacturing – (more on this in licensing section)
    - B. Selling your product – various costs, various mark-ups, final end-user price, etc. Basics of retail pricing versus your actual cost; distribution steps.
  5. Get lists of companies to manufacturer or buy your inventions (from library resources or tradeshow attendance/exhibit)
    - A. *Thomas Register*
    - B. *Standard & Poor's*
    - C. *Dun & Bradstreet's Million Dollar Directory*
    - D. When consulting the directories, identify prospective manufacturers or licensees. Next contact them to determine if they have a need to make or buy your product. Does your new product fit in with the company's product lines?

### III. LICENSING BASICS

Avoid using the term “idea” and start calling it your “product” instead. Products can be purchased, while ideas are worthless. (*PatentCafe*)

What is a license? A license is a formal agreement made between an inventor (licensor) and a company (licensee). The inventor gives a company certain rights to produce, market, sell, and/or use their product or service in exchange for either royalties from product sales or a fixed payment.

*Cashing In on your Inventions* by Richard C. Levy discusses Licensing vs. Doing It Yourself. He reminds us that once your invention is established and has some form of IP protection, you must shift from technical skills to business skills. This is why licensing has been popular for many experienced independent-inventors lacking marketing background.

1. License someone else to manufacture and market your product
  - A. Advantage: Less financial risk and no business worries.
  - B. Disadvantage: You may lose control over your technology.
2. Do-it-yourself manufacturing and market Venturing.
  - A. Advantage: Business startup excitement and *possibly* higher income.
  - B. Disadvantage: Lack of capital and business management skills.
3. Bob DeMatteis’s *From Patent to Profit: Secrets & Strategies for Success*, reviews the four types of licenses and two approaches to licensing:
  - A. Four types of licenses:
    - i. Licenses to manufacture, sell and use.
    - ii. Sales-only license.
    - iii. Manufacturing-only license.
    - iv. License to use.
  - B. Two approaches to licensing: Exclusive & Non-exclusive Licenses.
4. Legal Guidance in handling licensing agreement enhances the relationship between inventor and licensee/manufacturer.
  - A. Find a specialized patent lawyer/agent that knows the field of your product. See *Attorneys and Agents Registered to Practice Before USPTO*.
  - B. Avoid scams – see scam brochure for more details. For more on the legal aspects of licensing your invention, see *Patent It Yourself*, by Pressman.

### IV. HELPFUL ORGANIZATIONS

Other PTO Resources, Inventors Councils, Library Patent Programs, etc.

- V. FINAL THOUGHTS – Inventing is only part of the equation; the real challenge is determining what needs to be invented for a *viable* market.