

# Index

## • Numbers & Symbols •

- © copyright symbol, 77, 78
- ® registered trademark designation, 60
- 3M Post-it Note, invention of, 161
- ™ trademark designation, 60

## • A •

- Acceptable Identification of Goods and Services Manual* (USPTO), 66
- acquisition, 184, 215, 217
- advertising
  - article about invention, writing/circulating, 264, 271
  - athletic team sponsorship, 269
  - blitz, 264
  - brochure, 273
  - business plan, describing in, 163, 170
  - campaign, 262–267
  - catch phrase, 263
  - community event, through, 268, 273
  - competition, attacking, 264, 267
  - contest, through sponsoring, 269, 273
  - cost, 249, 266–267
  - coupon, 266, 273
  - direct mail, 265
  - free, 271–272
  - goal of, 262
  - identity, establishing through, 262
  - image, establishing through, 262, 263
  - joint advertising with another company, 268
  - licensing specific to advertising medium, 287
  - marketing communication, as, 261
  - media overview, 272–273
  - medium, choosing, 264–265
  - newsletter, 273
  - objective, setting, 265–266
  - phone number, choosing memorable, 272
  - placement, 265
  - press release, 264, 271–272
  - promotion, 268–269, 272, 300
  - repetition, importance of, 262
  - result, measuring, 266
  - sales kit, 269
  - seminar, through, 269, 273
  - targeting, 248, 249, 263–264
  - telemarketing, 265, 307
  - theme, 263
  - Web site, using, 160, 265, 272
  - word-of-mouth, 255
- advisory team, 15
- after discount price, 300
- agent, patent, 21–23, 26, 31, 37
- air conditioner, invention of, 313
- airplane, invention of, 314
- American Society of Association Executives Directory of Associations Online (ASAE), 234
- AMT (Alternative Minimum Tax), 139
- anchor tenant, 202
- angel investor, 182–183
- animation, inventions related to, 314
- Apple computer, 315
- art, prior, 31, 39
- ASAE (American Society of Association Executives) Directory of Associations Online, 234
- assembly line, invention of, 314
- Assessing the Commercial Potential of Ideas, Inventions and Innovations: A Balanced Approach* (IPT), 306
- attorney, patent. *See* patent attorney
- automobile insurance, 203

• **B** •

- Bell, Alexander Graham (inventor), 313
- Bessemer, Henry (inventor), 312
- bill payment, importance of
  - promptness, 185
- biography, including in business plan, 166
- Bird, Forrest M. (inventor), 317–318
- board of directors
  - angel representation on, 183
  - business plan as tool for attracting, 149
  - business plan, placing member
    - resume in, 171
  - key player representation, 166
  - shareholder election, 206
  - venture capital group representation, 187
- bookkeeper, 110
- brand name, 68
- breach of contract, 71
- breakeven analysis, 149
- brochure, advertising, 273
- Bureau of Fire Underwriters, 128
- Bureau of Labor Statistics, 234
- Burger King trademark, 59
- business card, 247, 253
- business interruption insurance, 203
- business license, 208
- Business Periodicals Index, 153
- business plan
  - advertising, describing in, 163, 170
  - appendices, 170–171
  - biography, including, 166, 171
  - board of directors, as tool
    - for attracting, 149
  - breakeven analysis, 149
  - capital requirement information, 168
  - capital structure information, 149
  - Capitalization section, 152
  - client contract, including existing, 170
  - competitive analysis chart, 158
  - consistency, checking for, 169–170
  - copyright information, 169, 170
  - Corporate Structure section, 165–167
  - Cover Page, 150
  - distribution information, 163
  - Executive Summary, 150, 151–152, 153
  - exit strategy information, 168
  - Financial Information section,
    - 167–170, 175, 176
  - goal, translating into, 148
  - government regulation compliance,
    - demonstrating in, 158, 167
  - graphics, 160, 170–171
  - importance of, 147–148
  - Industry Overview section, 154–155
  - insurance information, 170, 171
  - investor relation tool, as, 148, 149
  - key player information, 166
  - lease agreement, including, 170
  - legal counsel, consulting when creating,
    - 166–167, 168
  - letter of potential, including, 170
  - licensee, providing to potential, 282
  - licensing information, 163, 169
  - location of business, describing, 165
  - long-term view, 162
  - Management Structure section, 165–166
  - manufacturer, as tool for attracting,
    - 149, 222
  - manufacturing information, 164
  - Market Analysis section, 152–158, 162, 199
  - marketing group, as tool for attracting, 149
  - Marketing Strategy section, 162–163
  - multimedia, 160
  - Operations section, 163–164
  - Outline section, 150
  - owner agreement, including, 170
  - packaging information, 160
  - partner, as tool for attracting, 149
  - patent information, 169, 170, 199
  - pricing information, 160
  - Product section, 159–162
  - projection information, 169
  - purchase order, including existing, 170
  - purpose, defining, 150
  - reference, including, 171
  - research done, presenting, 161, 171
  - resume, including, 171
  - Sales section, 162, 163
  - Service section, 159–160
  - staffing information, 164, 170
  - steps in developing, 199–200

- target market description, 155–156, 162
  - technical information, 160
  - thoroughness, 158
  - trade secret information, 170
  - trademark information, 169, 170
  - Use of Proceeds section, 167–168
  - Web site, referring reader to, 160
  - writer, hiring, 149–150
  - Business Research Lab, 234
  - buyback option, 186
- C •
- CAD/CAM (computer-aided design/  
computer-aided manufacturing),  
99, 100, 131
  - CAM (common area maintenance), 202
  - capitalization. *See* funding
  - Carrier, Willis Haviland (inventor), 313
  - cash flow, 174, 185
  - catch phrase, advertising, 263
  - CDC (Certified Development Company), 188
  - CE (Community of Europe) approval, 128
  - Census Bureau resources, 153, 234
  - Center for Business Research &  
Development, 121
  - Center for Business Women's Research, 234
  - Certificate of Competency (COC)  
Program, 212
  - Certificate of Occupancy, 208
  - Certified Development Company  
(CDC), 188
  - champion, 282
  - chemical composition, patenting, 19, 69
  - claim, patent, 40, 51
  - CMR (commercial market  
representative), 211
  - cobranding, 223
  - COC (Certificate of Competency)  
Program, 212
  - Coca-Cola  
patent, 69  
trademark, 65, 69
  - collateral, 178
  - commerce  
interstate, 58  
trademark declaration of use in, 60–61
  - commercial market representative  
(CMR), 211
  - commercialization plan, 281
  - commitment necessary to start  
business, 194
  - common area maintenance (CAM), 202
  - community event, advertising through,  
268, 273
  - Community of Europe (CE) approval, 128
  - company, forming, 36
  - competition  
advertising, attacking through, 264, 267  
researching, 29, 49, 125, 157–158, 229–230
  - competitive analysis chart, 158
  - computer programmer, hiring, 112, 114
  - computer-aided design/computer-aided  
manufacturing. *See* CAD/CAM
  - concept proof, prototype as, 97, 98, 102
  - conception date, registering using  
Disclosure Document Program,  
11–12, 41, 104
  - confidentiality agreement  
consultant, with, 92  
coverage, 89  
employee, with, 71, 91–92, 102, 113  
family member, with, 91  
friend, with, 91  
investor, with, 93  
licensee, with, 277, 283, 290–291, 293  
litigation, avoiding through, 90  
market research, during, 90  
patent attorney, preparation by, 90  
patent, using in addition to, 90  
protection afforded by, 89–90, 91  
prototyper, with, 90, 102  
refusal to sign, 93–94  
sample agreement, 327–328  
subcontracting, importance of having  
when, 216  
witnessing, 91
  - Consumer Product Safety Commission.  
*See* CPSC
  - Consumer Sentinel database, 307
  - container (train boxcar), 223
  - contest, advertising through sponsoring,  
269, 273

- contracting officer, 212
- copyright
  - artwork, 77
  - audio recording, 74, 76, 77, 79, 83
  - automatic, 77, 80
  - business plan, including copyright information in, 169, 170
  - © symbol, 77, 78
  - claimant, 82
  - computer program, 85
  - cost, 82, 83, 86
  - described, 73
  - eligibility criteria, 76
  - employee, claim by, 74–75
  - expiration, 80–81
  - international, 79
  - law concerning, 74, 77–78, 79–81
  - Library of Congress Control Number versus copyright registration number, 84
  - literature, on work of, 76, 85
  - literature regarding invention, on, 75, 77
  - litigation, 81
  - minor, claim by, 74
  - motion picture, 74, 75, 76, 79, 85
  - music, 75, 76, 77, 79
  - notice of, 78–79
  - ownership, 74–75, 78, 82, 88
  - packaging, of, 75, 77, 113
  - performance, public, 74, 76, 78
  - registering, 77, 81–87
  - renewing, 80–81, 83
  - search, 88
  - transferring, 88
  - unpublished work, 79, 82, 84
  - Web resource list, 337–338
- Copyright Act, 74, 77–78, 80–81
- Copyright Office
  - contacting, 87
  - Copyright Notice* circular, 78
  - Copyright Registration for Computer Programs* circular, 85
  - Copyright Registration for Works of the Visual Arts* circular, 74
- fees, 82, 83, 86, 88
- Form RE*, 83
- International Copyright Relations of the United States* circular, 79
- legal advice given by, 87
- overview, 307–308
- record search, 88
- Recordation of Transfers and Other Documents* circular, 88
- registering copyright with, 77, 81–87
- Supplementary Copyright Registration* circular, 86
- Web site, 82, 87
- corporate counsel information, including in business plan, 166–167
- corporation, 206
- correspondence, keeping record of, 10
- cost. *See also* pricing your invention
  - advertising, of, 249, 266–267
  - copyright, 82, 83, 86, 88
  - distribution, 255
  - economy of scale, 142
  - equipment leasing, 139–140
  - fixed, 140
  - liability insurance, 220
  - licensing, projecting when, 218
  - margin, 107
  - marketing, 156, 235–236, 243, 247
  - packaging, 132, 134
  - patent attorney, 21–22, 32–33
  - patent filing, 40, 43
  - patent insurance, 52, 53
  - patent litigation, 51–52
  - patent maintenance, 18, 47–48
  - patent search, 32–33
  - production, of, 104–108, 125, 139–142, 220, 225
  - prototype, 101, 105, 111
  - shipping, 136, 225
  - trade secret, 70
  - trade show, 251
  - trademark, 58, 59, 67
  - UCC-1 fee, 140
  - variable, 140
  - viability, evaluating, 123
  - warehousing, 136–137
- cotton gin, invention of, 311
- CPSC (Consumer Product Safety Commission), 105, 111, 128
- credit card, corporate, 180

credit check, running on manufacturer,  
218, 219

customs broker, 225

cycling, product, 128–129

## • D •

*Data Sources for Business and Market  
Analysis*, 154

date of conception, registering using  
Disclosure Document Program,  
11–12, 41, 104

debt financing, 176–177, 178–179,  
180–182, 187–189

debt-to-equity ratio, 177

delivery, 136

Department of Agriculture, 191

Department of Commerce, 191, 223

Department of Defense, 191, 192

Department of Education, 191

Department of Energy, 191, 192

Department of Health and Human Services,  
191, 192

Department of Transportation, 106, 136, 191  
design

control documentation, 105–106

graphic design, 106, 110, 111, 113

packaging, 106, 133–134

patent, 20–21, 42

prototype design phases, 98–99

ding letter, 290

direct mail advertising, 265

direct selling, 249

Directory of Associations Online, 234

*The Directory of Venture Capital* (Wiley), 185

Disclosure Document Program, 11–12,  
41, 104. *See also* USPTO (United States  
Patent and Trademark Office)

disclosure, public, 21, 25, 51, 92

discretionary dollar, 158

Disney, Walt (inventor and businessman),  
314–315

displaying your product, 256

distribution, 163, 199, 247, 254–255

documenting your idea, 9–11, 105–106.

*See also* record keeping

domain name, registering, 338–339

## • E •

economy of scale, 142

Edison, Thomas (inventor), 49

education, assessing personal, 197–198  
employee

benefits, 164, 204

bookkeeper, 110

business plan, including staffing  
information in, 164, 170

confidentiality agreement, 71, 91–92,  
102, 113

contract, 71, 103–104, 113, 329

copyright claim by, 74–75

customer information source, as, 260

eligibility verification, 210

exit interview, 71

financial expert, 173, 177

government regulation concerning  
employee protection, 209–210

graphic designer, 110, 111, 113

invention ownership claim by, 103–104

investment by, 183–184

minimum wage, 210

motivating, 164

packaging staff, 111

payment schedule, 115

production staff, 142–143

prototyper, 90, 100–102, 110–111

record keeping, 113

regulatory staff, 110

retirement fund, 184

safety, 138, 210

sales staff, 110

scope creep, 115

software programmer, 112, 114

stock option, 183–184

subcontracting by, 115

trainer, 110

workers' compensation, 210

work-for-hire agreement,  
102, 112, 114–116

writer, 110, 111, 149–150

*Employer Handbook* (INS), 210

Employment Eligibility Verification Form I-9  
(INS), 210

*Encyclopedia of Associations*, 154, 234, 251

entity, small, 48  
 environment, impact of invention on, 124  
 EPA (Environmental Protection Agency), 191  
 equipment, leasing, 139–140, 170  
 equity financing, 176–177, 178–179  
 European Patent Office, 31  
 exit strategy, 168  
 expense, record of, 10  
 experience, assessing personal, 197–198

## ● F ●

failure rate of small business, 196  
 family  
   funding by, 181  
   support necessary to start business, 194  
 FCC (Federal Communications Commission), 158  
 Federal Trade Commission (FTC), 307  
 Fedstats Web site, 234  
 Ferguson, James L. (inventor), 318  
 FICA (Federal Insurance Contributions Act), 209  
 financial projection, 149  
 financing, providing for customer, 233  
*Fitzroy Dearborn International Directory of Venture Capital* (Fitzroy Dearborn Publishers), 185  
 Food and Drug Administration Medical Device Section, 128, 158  
 Ford, Henry (inventor and businessman), 314  
 Free, Helen M. (inventor), 319  
 FTC (Federal Trade Commission), 307  
*Fun Play, Safe Play* (TIA), 309  
 funding. *See also* investor  
   acquisition of other company, through, 184  
   allocating, 175  
   business plan Financial Information section, 167–170, 175, 176  
   buyback option, 186  
   cash flow, 174, 185  
   collateral, 178  
   convertible financing, 177

credit card, corporate, 180  
 debt financing, 176–177, 178–179, 180–182, 187–189  
 debt-to-equity ratio, 177  
 documentation, 9–11  
 employee investment, 183–184  
 equity financing, 176–177, 178–179  
 exit strategy, 168  
 failure caused by insufficient, 196  
 family, by, 181  
 friend, by, 181  
 government grant, 189–190  
 government loan, 187–189  
 hiring financial expert, 173, 177, 179  
 inventor, by, 180–181  
 loan, converting to equity, 168  
 managing money, 174  
 margin of error, 176  
 need, assessing, 175–176  
 paid-in capital, 183  
 return, 178–179  
 ROI, 186  
 SBA resources, 187–189, 190–192  
 secured/unsecured financing, 177  
 seed capital, 183  
 sole proprietorship, disadvantages of, 204  
 sources-and-uses table, 168  
 stock, 177, 178–179, 183–184, 206–207  
 timeline, 167  
 use of proceeds, 167–168  
 venture capital, 179, 183, 184–187, 204

## ● G ●

*GALES' Directory*, 234  
 GATT (General Agreement on Tariffs and Trade) Uruguay Round Trade Agreements, 43, 80  
 general partnership, 204  
 goal  
   business plan, translating into, 148  
   defining, 8  
 Gold Key Service, 223  
 government contract, procuring, 211, 212  
 government grant, 189–190  
 government loan, 187–189

government regulation  
  business license, 208  
  business name, 208  
  business plan, demonstrating compliance  
    in, 158, 167  
  Certificate of Occupancy, 208  
  employee protection, 209–210  
  importance of adhering to, 207  
  production, 130, 143, 220  
  state, 208  
  workers' compensation, 210  
government Web site listing, 342  
graphic design, 106, 110, 111, 113  
guesstimating invention value, 296–297

## • H •

Hillier, James (inventor), 319  
Hoff, Marcian E. (inventor), 320  
home office insurance, 203  
*How to Protect Your Intellectual Property  
  Right* (Customs Service), 81  
human resources. *See* employee

## • I •

idea, patenting, 19  
identity, establishing through  
  advertising, 262  
image, establishing through advertising,  
  262, 263  
Immigration Act, 210  
Immigration and Naturalization Service  
  (INS), 210  
Immigration Reform and Control Act of  
  1986, 210  
improvement, patenting, 19  
incorporating, 206–207  
incubator, 187  
indirect selling, 249  
infomercial, 233  
injunction, patent, 51  
Innovation Institute Center for Business  
  Research & Development, 121  
Innovative Product Technologies. *See* IPT  
INS (Immigration and Naturalization  
  Service), 210

insurance  
  automobile insurance, 203  
  business interruption insurance, 203  
  business plan, including insurance  
    information in, 170, 171  
  equipment, on leased, 140  
  home office insurance, 203  
  key man insurance, 203  
  liability insurance, 53, 106, 171, 202, 220  
  patent insurance, 51–54  
  property insurance, 203  
intellectual property. *See* IP  
intent-to-use trademark application, 60  
Internal Revenue Service (IRS), 209  
International Convention for the Protection  
  of Industry Property, 25  
*International Copyright Relations  
  of the United States* circular  
  (Copyright Office), 79  
*International Schedule of Classes of Goods  
  and Services* (USPTO), 66  
International Standard Book Number  
  (ISBN), 84  
International Standard Serial Number  
  (ISSN), 84  
International Standards Organization (ISO),  
  128, 284  
interstate commerce, 58  
*Inventors' Digest Magazine*, 307  
inventory, 132–133  
investor. *See also* funding  
  advisory team member, as, 15  
  angel, 182–183  
  business plan as investor relation tool,  
    148, 149  
  confidentiality agreement, 93  
  patent application by, 36–37  
  prototype, showing to, 97  
IP (intellectual property)  
  patent attorney involvement  
    in IP matter, 23  
  protecting, 9–12, 23  
  prototyper knowledge of, 111  
  trademark as, 57  
  value of, 49  
IPT (Innovative Product Technologies),  
  121, 305–306

IRS (Internal Revenue Service), 209  
 ISBN (International Standard Book Number), 84  
 ISO (International Standards Organization), 128, 284  
 ISSN (International Standard Serial Number), 84

## • J •

jobber, 279  
 joint venture, 215, 216–217, 221  
 journal, keeping while developing invention, 160  
 just-in-time principle, 141

## • K •

key man insurance, 203  
 key player, 166  
 knowledge base, personal, 195

## • L •

law, Web sites related to, 339–341  
 lawyer, patent, 37. *See also* patent attorney  
 lead time, 157  
 Lear, William P. (inventor), 320–321  
 leasing  
   anchor tenant, 202  
   assign lease, 202  
   business locale, 201–202  
   business plan, including lease agreement in, 170  
   CAM, 202  
   equipment, 139–140, 170  
   exclusivity provision, 202  
   gross lease, 202  
   nondisturbance agreement, 201, 202  
   percentage lease, 202  
   right of first refusal, 202  
   sublet, 202  
   triple net lease, 202  
 legal life of patent, 18  
 lessee, 202  
 lessor, 202

*Let's Play: A Guide to Toys for Children with Special Needs* (TIA), 309

letter  
   ding letter, 290  
   patent transmittal letter, 40  
   potential, of, 170  
   revelation, of, 10  
 liability  
   corporation, 206  
   director, 149  
   insurance, 53, 106, 171, 202, 220  
   licensing rejection, as reason for, 284  
   LLC, 206  
   shareholder, 207  
   sole proprietorship, 204  
 Library of Congress, 82, 84, 234.  
   *See also* Copyright Office  
 license, business, 208  
 licensee, 275  
 licensing  
   advantages/disadvantages, 276–277  
   advertising medium, specific to, 287  
   agreement, 50, 294, 334–335  
   approaching potential licensee, 278–279, 281–283  
   balloon payment, 299  
   business plan, including licensing information in, 163, 169  
   cancellation fee, 299  
   commercialization plan, 281  
   confidentiality agreement, 277, 283, 290–291, 293  
   cost projection, 218  
   currency clause, 300  
   default clause, 294, 299  
   described, 275  
   development time, compensation for, 298  
   evaluation of invention by licensee, 276, 284, 290–291  
   exclusive, 285–288, 334–335  
   foreign licensee, to, 288  
   idea, 278  
   inflation clause, 300  
   inventor, to company owned by, 285  
   letter, ding, 290  
   letter of intent, 291  
   likelihood of, 118–119

- litigation against licensee, 282–283
- location, specific to geographic, 287
- lot quantity discount, 300
- marketing when, 291
- negotiating with licensee, 289–296
- NIH syndrome, 283–284
- nonexclusive, 285–288
- nonpayment clause, 299
- patent infringement, avoiding through, 277
- patent, obtaining before, 283, 293
- payment, guaranteeing minimum, 298
- presenting invention to licensee, 292
- production by inventor versus, 137
- profit potential, importance of, 276, 278
- prototype as tool in obtaining, 98
- qualities looked for in invention, 276, 284, 290
- rejection, fine-tuning product after, 291
- rejection, reason for, 276, 284
- researching licensee, 278–280
- restraint of trade considerations, 286
- royalty, 50, 232, 291, 294, 297–302
- service rendered, by, 288
- stock option, 297
- sublicensing, 286
- threatening existing licensee product, 298–299
- upfront fee, 298
- value, estimating, 296–297
- wedge product, 278
- work-for-hire agreement
  - considerations, 112
- life cycle of product, 12–15, 18, 125, 126, 161
- limited liability company (LLC), 205–206
- limited partnership, 205
- litigation
  - confidentiality agreement, avoiding via, 90
  - copyright infringement, 81
  - licensee, against, 282–283
  - patent infringement, 37, 50–51
- LLC (limited liability company), 205–206
- location of business, 200–202
- logbook, 9–12
- logo, 58, 65, 164, 247, 263
- lot quantity discount, 300
- Lowe, Edward (inventor), 321
- **M** •
  - machine, patenting, 19
  - management need, evaluating, 126
  - Manual of U.S. Patent Classification* (USPTO), 30
  - manufacturing. *See* production
  - manufacturing process, patenting, 19
  - margin, 107
  - mark. *See* service mark; trademark
  - Market Reader Pro (company), 236
  - market segment, 246
  - marketing. *See also* advertising
    - barrier, researching, 125
    - blitz, 264
    - business plan as tool for attracting marketing group, 149
    - business plan Market Analysis section, 152–158, 162, 199
    - business plan Marketing Strategy section, 162–163
    - cobranding, 233
    - communication, 261
    - competition, researching, 29, 49, 125, 157–158, 229–230
    - competitive analysis chart, 158
    - confidentiality agreement, having in force while researching, 90
    - contact, following up, 253, 272
    - cost, 156, 235–236, 243, 247
    - demand stability, 125
    - direct selling, 249
    - display, 256
    - employee as customer information source, 260
    - evaluation service, hiring, 119–122
    - field experiment, researching market using, 236
    - financing, providing for customer, 233
    - focus group, researching market using, 156, 237
    - hiring market research company, 236, 240
    - indirect selling, 249
    - industry, researching related, 155, 157, 237, 248
    - infomercial, 233
    - instrument, research, 237

marketing (*continued*)

- international, 24, 164
- liability insurance prerequisite, 220
- licensee, providing market analysis to potential, 281
- licensing, when, 291
- mix, 247–248
- objective, setting, 235–236
- opportunity addressed by invention, defining, 235
- originality of idea, 118
- packaging, importance of, 106, 230, 256
- patent attorney, advice from, 22
- patent, using pending, 44–45
- patent, using provisional, 43–44
- patent, without, 33
- personal qualities necessary for, 195
- price as marketing tool, 233, 247
- primary market research, 156–157, 233
- problem addressed by invention, defining, 235
- profiling customer, 153, 228–229, 243, 260
- profitability, assessing, 119
- progress, evaluating, 259–260
- promotion, 268–269, 272, 300
- questionnaire, researching market using, 156, 236, 237–243
- research tool overview, 153–154, 234
- run on product, creating, 272
- sales cycle, 157
- sales presentation, 249–250
- scam marketing company, 121, 122, 256–259, 307
- seasonal product, 157
- secondary market research, 157, 233–234
- store manager as research resource, 240–242
- strategy, 162–163, 245–248
- target market, 153, 155–156, 162, 227–229, 248–249
- timetable for market research, 236
- tracking client, 247
- trade show, 250–254, 269
- vendor, 249–250
- viability of invention, evaluating, 117–126
- warfare analogy, 228, 246

- market-ready version, 100.

- See also* prototype

- markup ratio, 232

- Matchmaker Trade Delegation, 223–224

- McCormick, Cyrus Hall (inventor), 312

- merger, 215, 217

- minimum wage, 210

- molding, 131, 138, 222

- Morton, Jay (inventor), 322

## • N •

### name

- brand name, 68

- business name, 208

- (NASA) National Aeronautics and Space Administration, 103, 191, 192, 308

- National Science Foundation, 192

- net price, 300

- newsletter, promoting invention through, 273

- NIH (not invented here) syndrome, 118, 283–284

- nondisclosure agreement. *See* confidentiality agreement

- nondisturbance agreement, 201, 202

- novelty, 28

## • O •

- obsolescence, planned, 161

- Occupational Safety and Health Act of 1970, 138

- Occupational Safety and Health Administration (OSHA) 138, 210

- Office Action memo, 39

- Official Gazette* (USPTO), 59, 64

- operational profile, 279

- organizational structure, 165–166

- originality of invention, 20, 28, 39, 118

- OSDBU (Office of Small and Disadvantaged Business Utilization), 308

- OSHA (Occupational Safety and Health Administration), 138, 210

## ● p ●

- packaging
  - breakage, preventing, 133–134
  - business plan, including packaging information in, 160
  - cardboard box, 135, 136
  - copyrighting, 75, 77, 113
  - cost, 132, 134
  - designing, 106, 133–134
  - DOT requirement, 136
  - foam, 135, 136
  - marketing, importance in, 106, 230, 256
  - palletizing, 135
  - personnel, hiring, 111
  - shell, plastic, 135
  - shipment, for, 134–136
  - standards, 136
  - subcontracting, 132, 134
  - wrap, 135
- paid-in capital, 183
- Paris Convention for the Protection of Industrial Property, 25
- partnership, 204–205
- Pasteur, Louis (inventor), 312–313
- patent. *See also* USPTO (United States Patent and Trademark Office)
  - agent, 21–23, 26, 31, 37
  - applying for, 35–44
  - assigning to third party, 49–50
  - attorney, 21–23, 25, 26, 31–33, 37–38
  - business plan, place in, 169, 170, 199
  - chemical composition, patenting, 19, 69
  - claim, 40, 51
  - Coca-Cola example, 69
  - composition of matter patent, 19
  - confidentiality agreement, using
    - in addition to, 90
  - cost of filing, 40, 43
  - description needed for, 19
  - design patent, 20–21, 42
  - enforcing, 18, 22, 50–51, 52
  - evaluating invention before
    - applying for, 120
  - expiration, 15, 18–19, 21, 44, 48
  - grant document, 18
  - idea, patenting, 19
  - improvement patent, 19
  - indemnification against infringement, 114–115
  - injunction involving, 51
  - insuring, 51–54
  - international, 24–26, 31, 51, 224, 288
  - introduced, 17–19
  - inventor estate, issued to, 36
  - inventor group, issued to, 36–37
  - inventor guardian, issued to, 36
  - inventor, issued to first, 10, 19, 25, 51
  - inventor spouse, issued to, 37
  - investor, issued to, 36–37
  - lawyer, 37
  - legal description of invention, 41
  - legal life, 18
  - licensing, avoiding infringement through, 277
  - licensing, obtaining before, 283, 293
  - litigation, 37, 50–51
  - machine patent, 19
  - maintenance fee, 18, 47–49
  - manufacture patent, 19
  - marketing without, 33
  - misrepresenting, 45
  - novelty, overall, 28
  - PCT, 24
  - pending, 35, 44–45
  - plant patent, 21, 42–43
  - prior art, 31, 39
  - process patent, 19
  - provisional, 43–44
  - public access to information contained in, 29, 46, 69
  - public disclosure considerations, 21, 25, 51, 92
  - public domain idea versus, 18
  - public domain, passage of patent to, 18, 48
  - renewing, 18
  - right afforded by, 18
  - search, 22, 27–33, 39, 54, 258
  - shape, patenting, 20
  - specification sheet, 41
  - subcontracting, importance of having when, 216

- patent (*continued*)
  - suggestion, patenting, 19
  - title, 42
  - trade secret, patenting, 69, 70
  - transmittal letter, 40
  - USPTO Disclosure Document versus
    - patent application, 12
  - utility patent, 18–19, 20, 40–41, 47
  - value of, monetary, 49–50, 162
  - value of, practical, 45–46
  - warranty against infringement, 114–115
  - Web resource list, 337–338
  - wedge, 278
- Patent and Trademark Depository Library (PTDL), 62
- patent attorney
  - choosing, 23, 38
  - confidentiality agreement
    - preparation by, 90
  - cost, 21–22, 32–33
  - described, 22
  - foreign patent, specialized in, 25, 26
  - IP matter, involvement in, 23
  - marketing advice from, 22
  - patent agent versus, 22, 37
  - patent application, hiring for, 37–38
  - patent search conducted by, 22, 31–33
- PCR (procurement center representative), 211
- PCT (Patent Cooperation Treaty), 24
- personal qualities necessary to start
  - business, 193–196, 197–198
- phone number, choosing memorable, 272
- PIES (Preliminary Innovation Evaluation System), 123–124, 305
- placement, product, 256
- planned obsolescence, 161
- planning. *See* business plan; production, planning
- plant patent, 21, 42–43
- plastic resin, 108
- player, key, 166
- Post-it Note example, 161
- potential, letter of, 170
- Pratt's Guide to Venture Capital Sources* (Stanley E. Pratt), 185
- Preliminary Innovation Evaluation System (PIES), 123–124, 305
- preproduction model, 99–100, 131
  - See also* prototype
- Pre-Solicitation Announcement (PSA), 191
- press release, 264, 271–272
- pricing your invention
  - business plan, including pricing
    - information in, 160
  - competitor price, checking, 230
  - consumer, researching, 231
  - margin, 107
  - marketing tool, as, 233, 247
  - markup, determining, 107, 231–233, 246
  - reevaluating price, 259
  - restraint of trade considerations, 286
  - retail price, 300
  - royalty portion of price, 232
- Prime Contracts Program, 211
- prior art, 31, 39
- problem addressed by invention, defining, 235
- procurement, 211, 212
- procurement center representative (PCR), 211
- product cycling, 128–129
- production
  - business plan as tool for attracting
    - manufacturer, 149, 222
  - business plan, including manufacturing
    - information in, 164
  - CAD/CAM, role in, 131
  - contract, 221–222, 332–333
  - cost, 104–108, 125, 139–142, 220, 225
  - credit check, running on manufacturer, 218, 219
  - economy of scale, 142
  - equipment, leasing, 139–140, 170
  - facility, evaluating, 130, 137–138, 219–220
  - facility, gaining through acquisition
    - of other company, 184
  - facility location, 200–202
  - government regulation, 130, 143, 220
  - inventor, by, 119, 139
  - inventory control, 132–133
  - joint venture with manufacturer, 221
  - just-in-time principle, 141

- liability insurance of manufacturer, 220
  - licensing versus, 137
  - material, procuring in bulk, 141
  - material, selecting, 107–108, 132
  - molding, 131, 138, 222
  - offshore, 223–226
  - payment policy with manufacturer, 220
  - penalty clause with manufacturer, 220
  - planning, 131–132
  - product cycling, 128–129
  - prototype preproduction model, 99–100, 131, 222
  - quality control, 143–144, 220
  - reference from manufacturer, checking, 221
  - reporting on, 141
  - safety, 138
  - scheduling, 129, 141
  - seasonal product, 129, 130
  - selecting manufacturer, 130, 137–138, 218–221
  - staff, 142–143
  - standards, mandatory, 128, 130
  - storage, 132, 138
  - subcontracting, 129–131, 137–138, 139, 211, 215–216
  - sweatshop, 225
  - timeliness, 220
  - tooling, 132
  - turnaround time, 128–129
  - profitability, assessing, 119
  - programmer, hiring, 112, 114
  - proof of concept, prototype as, 97, 98, 102
  - property insurance, 203
  - prototype
    - building, 98–104, 105
    - CAD/CAM, using, 100
    - co-inventor, danger of prototyper becoming, 102, 113
    - confidentiality agreement with prototyper, 90, 102
    - cost effectiveness of production, establishing using, 104–108
    - cost of building, 101, 105, 111
    - design documentation, 105–106
    - design phases, 98–99
    - hiring prototyper, 90, 100–102, 110–111
    - investor, showing to, 97
    - IP, prototyper knowledge of, 111
    - licensing, as tool in obtaining, 98
    - life cycle of product, place in, 13
    - manufacturer, prototyping with existing, 103–104
    - market-ready version, 100
    - material choice, determining using, 107–108
    - preproduction model, 99–100, 131, 222
    - proof of concept, as, 97, 98, 102
    - record keeping during prototyping process, 104
    - safety of invention, determining using, 105, 111
    - SATOP, assistance from, 103
    - study model, 99
  - PSA (Pre-Solicitation Announcement), 191
  - PTDL (Patent and Trademark Depository Library), 62
  - public disclosure, 21, 25, 51, 92
  - public relations, 269–271
- *Q* •
- quality control, 143–144, 220
- *R* •
- ® trademark designation, 60
  - record keeping. *See also* documenting your idea
    - correspondence, 10
    - employee-related, 113
    - expense record, 10
    - importance of, 9
    - journal, 160
    - logbook, 9–12
    - production report, 141
    - prototyping, during, 104
  - Recordation of Transfers and Other Documents* circular (Copyright Office), 88
  - regulatory personnel, hiring, 110
  - restraint of trade, 286
  - retail price, 300
  - revelation, letter of, 10

Rines, Robert H. (inventor), 322–323  
 risk, 126, 176, 178–179, 194, 196–197  
 ROI (return on investment), 186  
 royalty, 50, 232, 291, 294, 297–302.  
*See also* licensing  
 run on product, creating, 272

## • S •

### safety

employee protection, 138, 210  
 invention, of, 105, 110–111, 124, 128  
*Sales and Marketing Management*, 154  
 sales cycle, 157  
 sales tax, 209  
 SATOP (Space Alliance Technology Outreach Program), 103  
 SBA (Small Business Administration)  
 COC Program, 212  
 contact information, 310  
 debt financing resources, 182, 187–189  
 grant resources, 190–192  
 overview, 310  
 Prime Contracts Program, 211  
 SBDC, 213, 308  
 SBI, 213  
 SBIR program, 190–191  
 STTR program, 191–192  
 Subcontracting Assistance Program, 211  
 Web site, 37  
 SBDC (Small Business Development Center), 213, 308  
 SBI (Small Business Institute), 213  
 SBIR (Small Business Innovation Research) program, 190–191  
 schematic design, 99  
 scope creep, 115  
 SCORE (Senior Corps of Retired Executives), 128, 213  
 searching  
 copyright, 88  
 patent, 22, 27–33, 39, 54, 258  
 seasonal product, 129, 130, 157  
 SEC (Securities and Exchange Commission), 279–280  
 seed capital, 183  
 seminar, advertising through, 269, 273

Senior Corps of Retired Executives (SCORE), 128, 213  
 service mark, 58, 60  
 shape, patenting, 20  
 shareholder, 206–207  
 shipping, 134–136, 138, 225  
*Simmons Reports*, 154  
 skill, assessing personal, 195–196, 197–198  
 Small Business Administration. *See* SBA  
 Small Business Development Center (SBDC), 213, 308  
 Small Business Innovation Research program (SBIR) program, 190–191  
 Small Business Institute (SBI), 213  
*Small Business Sourcebook*, 154, 229  
 Small Business Technology Transfer program (STTR) program, 191–192  
 small entity, 48  
 Social Security Tax, 209  
 software programmer, hiring, 112, 114  
 sole proprietorship, 203–204  
 Space Alliance Technology Outreach Program (SATOP), 103  
 spin-off product, 124  
 STAC (Southern Technology Applications Center), 228  
 staffing. *See* employee  
 standards  
 ISO, 128, 284  
 OSHA, 138  
 packaging, 136  
 production, 128, 130  
*Standards for General Industry* (OSHA), 138  
 State Board of Workers' Compensation, 210  
 stock  
 funding mechanism, as, 177, 178–179, 183–184, 206–207  
 licensee stock option, 297  
 storage, 132, 136–137  
 structure, organizational, 165–166  
 STTR (Small Business Technology Transfer) program, 191–192  
 study model, 99. *See also* prototype  
 subcontracting  
 employee, by, 115  
 packaging, 132, 134  
 production, 129–131, 137–138, 139, 211, 215–216

Subcontracting Assistance Program, 211  
 suggested retail price, 300  
 suggestion box, 248  
 suggestion, patenting, 19  
*Supplementary Copyright Registration*  
   circular (Copyright Office), 86  
 sweat equity, 180, 195  
 sweatshop production, 225

## • T •

tax  
   equipment lease, on, 140  
   government regulation concerning  
     withholding, 208–209  
   IRS, 209  
   partnership situation, 205  
   sales tax, 209  
   unemployment insurance tax, 210  
 TEAS (Trademark Electronic Application System), 62  
 technical information, including in business plan, 160  
 telemarketing, 265, 307  
*Thomas Register*, 154, 218, 278  
 3M Post-it Note, invention of, 161  
 TIA (Toy Industry Association), 309  
 tooling, 132  
*Toy Inventor/Designer Guide* (TIA), 309  
 Trade Name Registration Act, 208  
 trade secret, 68–71, 170  
 trade show, 250–254, 269, 278–279  
 trademark  
   Allegation of Use application, 68  
   attorney, 60, 63  
   basis for filing, 61  
   Burger King example, 59  
   business plan including trademark information in, 169, 170  
   Coca-Cola example, 65, 69  
   cost, 58, 59, 67  
   declaration of use in commerce, 60–61  
   described, 57–58  
   drawing, 64–65  
   federal, 58–67  
   generic, 68  
   goods, for, 61, 65–66

image association, establishing through advertising, 263  
 intent-to-use application, 60, 67–68  
 international, 61, 66  
 IP, as, 57  
 logo as, 58  
 ownership, 63  
 PTDL, 62  
   ® designation, 60  
   recognition, 68  
   registering, 59  
   serial number, 62  
   service, for, 61, 65–66  
   service mark versus, 58  
   specimen, 66–67  
   state, 58–60  
   TEAS, 62  
   ™ designation, 60  
   USPTO, registering with, 59, 60–68  
 trademark designation ®, 60  
 Trademark Electronic Application System (TEAS), 62  
 trainer, hiring, 110  
 transportation, 134–136, 138, 225  
 turnaround time, 128–129

## • U •

UCC-1 fee, 140  
 UIA (United Inventors Association)  
   contact information, 309  
   invention evaluation service, 121, 258  
   networking resources, 212–213  
   overview, 309  
   patent attorney listing, 23  
   patent search by, 258  
   prototype resources, 100  
 UL (Underwriters Laboratory), 106, 128  
 unemployment insurance tax, 210  
 uniqueness of invention, 20, 28, 39, 118  
 United Inventors Association. *See* UIA  
 United States. *See specific agency, department, law and program*  
 United States Patent and Trademark Office. *See* USPTO  
 URAA (Uruguay Round Agreements Act), 80  
 Uruguay Round Trade Agreements, 43, 80  
 use of proceeds, 167–168

USPTO (United States Patent and Trademark Office)

- Acceptable Identification of Goods and Services Manual*, 66
- application file wrapper, 67
- contact information, 310
- credit card payment, 67
- Disclosure Document Program, 11–12, 41, 104
- drafting department, 38
- evaluating product before submitting to, 120
- International Schedule of Classes of Goods and Services* document, 66
- licensee research, using for, 279
- mailing address, keeping up-to-date, 48, 63
- Manual of U.S. Patent Classification*, 30
- Office Action memo, 39
- Official Gazette*, 59, 64
- overview, 310
- patent agent/attorney, finding through, 23
- patent amendment objection, 39
- patent application license, international, 24
- patent application process, 35–44
- patent assignment to third party, registering, 50
- patent enforcement by, 18
- patent examination process, 39–40
- patent fee transmittal form, 40
- patent issuance, 17–18, 25–26, 39
- patent maintenance, 47–49
- patent rules and guidelines document, 19
- patent search resources, 28, 29–30
- Principal Register, 59
- TEAS, 62
- telephone service, automated, 62
- trademark, registering, 59, 60–68
- utility patent, 18–19, 20, 40–41, 47

## • U •

- value of invention, estimating, 296–297.  
*See also* pricing your invention
- Vankirk's Venture Capital Directory* (Online Publishing), 185
- vendor, 249–250
- venture capital, 179, 183, 184–187, 204
- viability of invention, evaluating, 117–126

## • W •

- warehousing, 136–137
- Web site. *See also* specific Web site
  - business plan, referring to Web site in, 160
  - domain name, registering, 338–339
  - promoting invention using, 160, 265, 272
- wedge, 278
- West, James E. (inventor), 323–324
- Whitney, Eli (inventor), 311
- wholesale price, 300
- WIN (World Innovation Network) Innovation Center, 306
- WISC (Wisconsin Innovation Service Center), 121, 306
- workers' compensation, 210
- work-for-hire agreement, 102, 112, 114–116, 330–331
- Wozniak, Steve (Apple computer founder), 315
- Wright brothers (inventors), 314
- writer, hiring, 110, 111, 149–150

## • Y •

- Your Business Tax Kit (IRS), 209