

The Active Consumer

Don't Let Deception Steal Your Invention

(NAPS)—Turning an idea into a product and bringing that product to market can be a thrilling and rewarding process.

But the Federal Trade Commission (FTC) has found that many invention promotion firms claim—falsely—that they can turn almost any idea into cash.

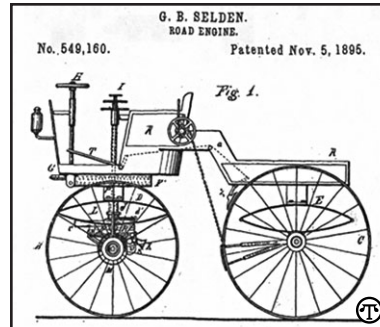
Some invention promotion firms claim to know or have special access to manufacturers who are likely to be interested in licensing your invention. In addition, some firms claim to represent manufacturers on the lookout for new product ideas.

Before you do business with a promoter, consider these tips:

- Ask for proof, such as contacts at manufacturers, before you sign a contract with any invention promotion firm that claims special relationships with manufacturers.
- If the promoter provides only one or two names, be wary: The contacts may be “shills”—people hired to give favorable testimonials.
- Early in your discussion with a promotion firm, ask for the total cost of its services, from the “research” about your invention through the marketing and licensing.

Be cautious if a firm tells you it needs to do a market evaluation of your idea—for a fee that can be several hundred dollars. Sometimes the “research” is bogus, and the “positive” reports are mass produced in an effort to sell clients on additional invention promotion and marketing services.

- If a firm is enthusiastic about the market potential of your idea—but wants to charge you a large fee in advance—take your business elsewhere.



Before contracting for the services of an invention promotion firm, remember, no one can guarantee an invention's success.

Reputable licensing agents usually don't rely on large advance fees. Rather, they depend on royalties from the successful licensing of client inventions.

The American Inventors Protection Act of 1999 gives inventors certain rights when dealing with invention promoters. Before an invention promoter can enter into a contract with you, it must tell you how many inventions it has evaluated over the last five years, how many of those inventions received positive or negative evaluations, its total number of customers, how many of those customers received a net profit from the promoter's services, and how many of those customers have licensed their inventions due to the promoter's services.

Before contracting for the services of an invention promotion firm, remember, no one can guarantee your invention's success. Investigate the company before you sign a contract.

To learn more, please visit www.ftc.gov/inventions or call toll free 1-877-FTC-HELP.