

Do you have a great idea that is waiting to get produced and into the marketplace? Have you fully designed your invention and have it ready to get potentially patent? Should you start your own company along with raising working capital or license your invention to an existing, qualified company that will invest the time and money to produce and market your products? If you choose to pursue licensing as your preferred path, how do you go about it successfully?

The simple answer is that you present your ideas to potential vendors that you feel have products complimentary to your inventions. It is best to have a provisional patent to cover your idea legally. It only costs \$135 to file but you do need to have the patent application written in the appropriate manner, either by a patent attorney or properly research to write correctly. If possible, ask them to sign an NDA (non disclosure Agreement...easy to find online free...it just says they won't develop something similar if they are not already doing so).

You need to do lots of research for the proper companies to present your ideas. Do they license inventions from people such as yourself? This is VERY important as you don't want to put your ideas out there...even with a provisional patent...if the prospective licensee does not have a program in place to work with royalty agreements with inventors. Also look them up on the web to be sure no major negatives online with Better Business Bureau, etc. that would give you a red flag not to pursue anything with them.

Should you be worried about being knocked off? Yes and no. If you do your research properly, you will be only be presenting your idea (with provisional patent and NDA) to reputable companies. There is really not a whole lot you can do to prevent companies from taking your idea if they want to do so...even with a full patent. You can sue them, of course...but need to have the legal funds to pursue them, which can be substantial, and there needs to be enough money on the table (millions) to make it worthwhile to take the legal route.

Do your best to have your invention fully designed including design specifications, CAD drawings with dimensions, etc., so it is ready for prospective licensees to get accurate costing quotations from their suppliers to determine financial feasibility and marketing potential. These costs will dictate the final retail price and based on any similar products, will indicate whether your product will be successful or not with consumers.

Conserve your cash reserves! You do not need to spend a lot of money as an inventor making prototypes, lovely websites and other expensive marketing materials just to present for licensing!! But you DO need to have your invention properly designed and ready to produce, if at all possible, along with good digital drawings and product overview explanation to support your efforts to negotiate the best licensing deals.

It is always ideal to be the first to market with your unique product, either with a good company as a licensee or raising working capital and making your own company!

Generally speaking, the royalty rate for inventions ranges from 3% - 5% on net wholesale volume, paid quarterly. Most licensing contracts for patented inventions are for 10 or more years with options for renewal, based on the licensees annual performance agreements. Depending on the company's policy and your invention, you will be able to negotiate an advance guarantee

royalty ranging from \$1,000 on up to millions. It usually takes 12 - 18 months for a company to get your invention produced and into the marketplace, once your licensing agreement is signed, so you need to have patience and perserverence.

I offer my consulting services as an inventor Licensing Agent for selected products for consumer goods or to start your own business. I have been designing, producing and marketing my own products for the past 40+ years with over \$65 million in sales! I am now working solely as a licensing agent and consultant for product development, production/sourcing, import, customs, warehousing logistics, margins, marketing and overall business strategy.

Please take a look at my website to learn more about my background in the gift and housewares industry. Feel free to drop me a note for my 'Five Key Stages for Successful Product Launch' to david@dreamproductguru.com.

David Lieberstein