# PATENT SECRETS EXPOSED

**Neil Montgomery**
Founder & CEO, For Sale By Inventor

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# **Genius** is 1% Inspiration & **99% Perspiration.**

First is that most people, inventors definitely included, procrastinate and do nothing and then get upset when they see an invention or a business opportunity take hold down the road. Edward Wolff, a professor of economics at New York University, reports that the top 5% of the population has more wealth than the remaining 95% all added together. My history shows that about 5% of inventors do something meaningful with their inventions. It's certainly curious how that 5% number keeps coming up.

As for my second observation, I am constantly reminded of the words of America's greatest inventor, Thomas Edison: "Genius is 1% inspiration and 99% perspiration." Perspiration comes from hard work and forging on while others tire and quit. Once again Edison is our example: it is an often told story that while struggling for months to invent a commercially viable light bulb, Edison was asked by a young reporter if he felt like a failure and had considered giving up. Edison responded, "Young man, why would I feel like a failure? And why would I ever give up? I now know definitively over 10,000 ways that an electric light bulb will not work. Success is almost in my grasp." Then after another thousand attempts or so, the light bulb was invented. Thomas Edison had both the inspiration and the perspiration that was needed to succeed.

So never procrastinate getting started toward a goal and don't be afraid of hard work and a little perspiration.

THE BEGINNINGS:

# Patents & Copyrights

Patents and Copyrights had its beginnings in 1790 with the ratification of The Constitution.

United States Constitution, Article I Section 8 Clause 8: [Congress shall have the power] "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

This Constitutional clause is the foundation upon which the United States' Patent and Copyright Laws are built. Interestingly neither term "patent" or "copyright" appear. "Author" and "Inventor" were used to recognize the rights of the individual.

As a template, English Parliament in 1624 provided inventors with 14 years of exclusive rights in the Statute of Monopolies, and a 1710 English statute provided authors of books with sole publishing rights.

Here in the United States, Congress passed the Patent Act of 1793 requiring that a patentable invention be "new, useful" and be of a "physical form." Ideas and theories were not patentable. The updated Patent Act of 1952 further added that an invention had to be "non-obvious to a person having ordinary skill in the pertinent art" to be granted a patent. These four standards continue through today.

The U.S. Congress codified copyright legislation with the Copyright Act of 1790 establishing a Copyright Office within the Library of Congress. At first, copyrights were granted for only maps, charts and books.

Today, Copyright Law protects a variety of "original works of authorship," including in part: literary, dramatic, music, jewelry designs, sculptures, sound recordings, photographs, software and other intellectual works.

Most recently in March 2013, the America Invents Act became law with significant changes to the patent law. The most notable change was that the United States went from "First to Invent" to "First to File".

Read more about "First to File" on page 4.

WHAT IS

# A Patent?

In its most basic form, a patent is an agreement between you and the government for your completely novel, new invention that nobody has ever seen before YOU introduced it to the world. In this agreement, you present your brilliant new idea in exacting detail with specific drawings and language so anyone in the industry can make your new invention by simply reading YOUR patent. In exchange for providing the marketplace your blueprint on how to make your one of a kind, new invention, you are awarded exclusive rights to sell and profit from your invention for an agreed upon number of years. After those years are up, you agree to allow anyone to make and sell your invention.

That's it in a nutshell... seems kind of simple right? Well, of course it would be if there weren't nefarious companies and individuals that knowingly infringe on patents for the sake of profit without the patent holder's consent. So, governments have had to get involved to define and enforce patent law. As you'll learn, this is not as straightforward and simple to understand. We hope that this guide will give you the foundational knowledge to get your invention patented correctly and safely. We at For Sale by Inventor are here to help!

## Johann Sebastian Bach

(1685–1750)

Bach, one of the greatest musicians of all time, composed 15 inventions for his keyboard students. The inventions were not mechanical; but rather, two-part contrapuntal exercises. According to Bach, the purpose was "to obtain good inventions (ideas) but to develop the same well." Although Bach composed during the Baroque era bringing that style to absolute perfection, his genius was not recognized until the mid-1800s. Even Jerry Garcia of Grateful Dead fame called Bach the greatest musical genius of all-time.

# First to File

Prior to March 16, 2013, the United States was a "First To Invent" country. This permitted the earliest inventor with proper documentation to have priority rights for one year before filing for a United States patent. Filing first was not the determining factor in awarding a patent when two or more similar patents were filed around the same time.

However, the U.S., along with most of the rest of the world, have since moved to a "First To File" basis to establish priority while filing for a patent. That simply means that the person who files a patent application meeting the standards required by the Patent Office has priority to the invention, provided that all subsequent steps are properly adhered to.

## Poor Man's Patent

Some inventors mistakenly believe in using a "Poor Man's Patent." This is where an inventor describes their idea in writing and drawings, then places everything in an envelope before mailing it back to him or herself, usually by registered mail. When the mail arrives, the envelope is kept sealed thus making it a Poor Man's Patent. This is a waste of postage and provides no patent protection. Inventors that use this mailing scheme are making a futile attempt to circumvent the patent process and avoid costs by adopting a procedure sometimes used by authors trying to claim a common law copyright. For an invention idea needing a patent, a common law copyright affords no legal protection or ownership rights.

## WHAT TYPES OF Patents Exist?

There are three types of patents issued in the United States, and each is chosen dependent upon the subject matter of the product, invention, service, or solution. These types of patents include:

- **Utility Patents**
- **Provisional Patents**
- **Design Patents**
- **Plant Patents**

### UTILITY PATENTS

A utility patent is granted to any inventor who creates or discovers a new and useful process, machine, article of manufacture, or composition of matter. This also covers any new and/or useful improvement of existing products that fall under this definition.

Most patents fall into this category with protection centered around how the invention is made and works. Term is 20 years from patent filing.

### PROVISIONAL PATENTS

A provisional patent is not an actual patent, but rather an application to establish a "First To File" date when filed with the United States Patent Office. A provisional patent allows the inventor a maximum of one year to perfect the invention and to file a proper utility patent application, otherwise the application becomes abandoned. The invention becomes "patent pending" when the provisional patent application is filed.

A provisional application includes a technical specification including whatever drawing(s) that may be needed to sufficiently understand the invention's unique subject matter being sought. The provisional application is date recorded and issued a reference number but is never examined and will not become an issued patent on its own. The provisional application can be referred to in a continuing utility patent application in order to gain the benefit of the early filing if the provisional sufficiently describes the invention according to the rules and regulations of the Patent Office. Many inventors abuse the provisional patent by not properly disclosing their invention, or describing an "idea" that the would-be inventor cannot technically describe how to make and how to use.

## DESIGN PATENTS

A design patent is issued to anyone who invents a new, original, and ornamental design for an article of manufacture. For this particular patent, protection is offered only for the appearance of the particular invention, and does not cover its structural or functional features and these patents have a 15-year coverage period. Design patent applications cannot refer to a previously filed provisional patent application in order to gain any priority benefit.

Examples of design patents include ornamental designs for jewelry, beverage containers, furniture, or computer icons. A number of other countries, including Kenya, Japan, South Korea, and Hungary, issue industrial registered designs rather than a design patent.

## PLANT PATENTS

Perhaps the most unique patents offered by the US Patent and Trademark Office are plant patents. According to the USPTO, a plant patent "provides for the granting of a patent to anyone who has invented or discovered, and asexually reproduced, any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber-propagated plant or a plant found in an uncultivated state." A plant patent term is 20 years and covers the entire plant in the discovery, meaning that only one patent need be filed to protect the discovery as a whole.

# Provisional Patent Key Takeaways

Provisional Patents are often misused by inventors, television hucksters and misguided invention companies. If you know nothing else about Provisional Patents, know these two things:

- **Provisional Patents do not exist.**

It is actually a Provisional Patent "application" establishing priority rights which could be continued within one year into a Utility Patent application.

- **Receiving an Official Filing Receipt from the Patent Office does not bestow patent rights.**

Although a provisional application receives an official filing date from the Patent Office, the Filing Receipt does not mean you have a patent and will not prevent someone from stealing your idea. Provisional applications will not be searched or examined and will never become a patent unless converted to a utility application. Provisional Patents automatically expire after one year, the application can not be renewed or re-filed, and no patent certificate is issued by the Patent Office. Therefore, you cannot legally stop anyone from selling a similar product.

PATENT PENDING

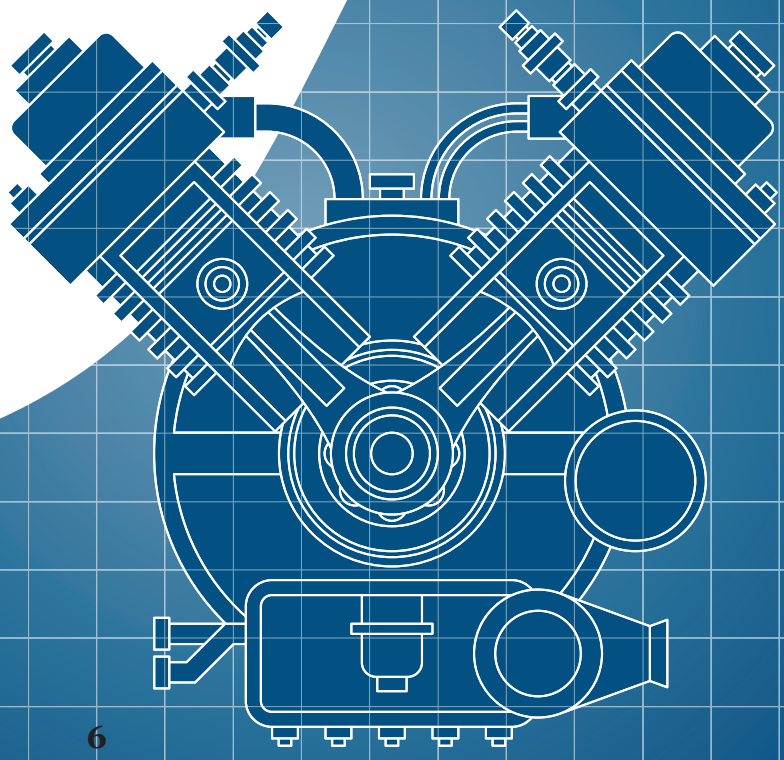
# What Does It Mean?

Patent Pending simply means that a patent has been filed – no more, no less. The patent pending notice provides no indication as to whether the patent filing was for a provisional, utility, design or plant patent. It is unknown if the application was drafted professionally or by the inventor. There's no indication if a patent search had been done to determine if the filed application had a reasonable expectation of being issued. It just means: patent pending. However, when the notice is used on a commercial product, it can mean so much more.

As you now know, patent pending doesn't provide any real information other than to inform others who might try to copy the invention that they could be liable for damages if and when the patent issues. Complicating matters further is that all pending patent applications are held in confidence by the Patent Office with no public record for at least 18 months, or unless issued earlier. Some inventors even file their applications as "non-publish" which excludes public record until the patent actually issues, which most often takes years.

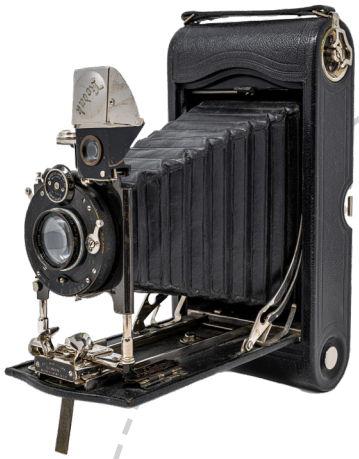
The patent pending notice seems to be straightforward enough, but there are pitfalls that can occur with its misuse. On some occasions, a small-entity inventor will file a patent (usually a provisional) and then start making a prototype. Changes may occur while prototyping to lower costs, make it easier to use, or for any number of other reasons and, unfortunately, the resulting prototype is no longer covered by the pending application.

The patent pending declaration is also commonly used as a marketing ploy. Products toting a patent pending formula or design are often attempting to attach credibility to their product. The objective is to insinuate that the product being sold has been vetted and approved by the Patent Office, which we now know is not the case.



SIMILAR PRODUCTS

# & Patentability



Before you are able to patent a new idea, certain criteria must be met. The invention or proposed concept has to be useful, nonobvious and novel.

## USEFUL

For an idea or invention to be patented, it has to be useful, having at least one specified use.

## NONOBVIOUS

An Inventor cannot patent something that is so obvious that anyone with ordinary skill in the field related to the invention would naturally have thought of it. Even with similar inventions, the differences have to be nonobvious. They have to be of such a nature that not just anyone would logically think of making those changes to arrive at the new item.

## NOVEL

Novelty is defined by patent law, and refers to the originality of the concept. An invention or concept cannot be patented if it was previously patented or described in any publication, or if it was known or used by others before the applicant invented it, or if it was in public use or on sale for more than a year before the application to patent was made. To find out if your idea is novel, you'll have to search for prior art.



# Prior Art

If someone had at any time previously described, sketched or made something similar to your invention, it is known as prior art. It does not have to exist physically; proof that it was thought of is enough. And anything can be seen as prior art, be it centuries old technology or even a description of a ridiculous idea that could not possibly work. The most common form of prior art is existing products.

CAN I PATENT AN IDEA THAT IS

# Similar To An Existing Patent?

The short answer is yes. Because in truth, prior art exists for just about every invention ever made. Novel ideas don't just materialize out of nothing, they are inspired by things that already exist and they often improve upon prior innovations. Most patented designs or ideas can be copied to some extent without too much effort, and it is up to you to decide if you'll base your design on an existing patent using a different approach. If you choose to do this, you will have to figure out how your design will differ from and improve upon the original and why it deserves to be patented.

Don't be discouraged if you find that there are prior art, patents or products similar to your idea. See it as a challenge and figure out exactly what your idea would entail, and how it can be different and better than the rest. Think outside of the box. Even though you might not have been the first to have come up with an idea to solve a specific problem, or improve a product, process or system, get ready to prove and elaborate on the reasons why your solution is the best.

**Johannes Gutenberg**
(1398–1468)

Gutenberg's 1439 invention of the mechanical printing press is arguably the single greatest invention in the history of western civilization. This invention played an integral part in the Renaissance, Reformation, Scientific Revolution and with bringing knowledge to the masses. Gutenberg's printing press system was a combination of movable type, use of oil based ink and paper press printing that enabled the mass production of printed books.

## HOW DO YOU
# Defend A Patent?

Obtaining a patent might give one a sense of security that their investment into an invention's protection will keep it safe. However, obtaining a patent is easy in many cases when compared with defending an infringement upon that patent. Although possessing a patent provides you with a strong starting point in defense of your invention, the process of defending the patent can be long and arduous.

If you find that a patent you hold has been infringed upon, you can launch a patent lawsuit by filing a complaint with the USPTO alleging patent infringement by another party.

There are two types of infringements that can occur, and they include Literal and Doctrine of Equivalents infringements. Simply put, if another invention makes the exact same claims as your patented invention, there is a Literal infringement of your patent because it is copying every claim of your patent.

A Doctrine of Equivalents infringement means the invention in question is similar enough to the claims of your patent that a court will likely find substantial similarities and determine an infringement has occurred. There are, however, limits to Doctrine of Equivalents infringement cases, which makes it important to find a good patent law attorney to take up your case and help you navigate the legal process for defending your patent.

## FINDING
# A Lawyer

Assuming you file a patent lawsuit and it goes to trial, only a lawyer may represent you during the legal proceedings. The United States Patent and Trademark Office maintains a list of registered patent agents and attorneys that you can use to find a good lawyer to defend your patent in a court of law.

A patent agent cannot enforce your patent in court. A patent agent can, however, represent a party in an adversary proceeding before the USPTO, such as an inter partes review proceeding. It is important to remember that you are the only person who can enforce your patent. While the United States government and USPTO authorize patents, they do not enforce patents and are not on the lookout for infringement cases.

By working with a registered, qualified patent lawyer, you can determine the merits of your case and the existence of an infringement (Literal or Doctrine of Equivalents). Given the complexity of the legal and scientific issues surrounding the defense of a patent in the legal system, you are best served teaming with an experienced patent lawyer.

# The Lawsuit Process

Once you've launched a patent infringement lawsuit, you'll quickly realize the value of hiring a good attorney to represent you in court. The accused infringer has a number of defenses available to them and, were you to represent yourself in court, you'd spend months or years of your time showing up to court dates to defend your invention and patent.

Most accused patent infringers will begin with an attack on the requirements for a patent, which are subject matter, utility, novelty, non-obviousness, and prior disclosure. In the case of prior disclosure, most accusers will argue that a patent was "disclosed" at a point in time prior to the application for a patent, meaning the accuser's invention does not infringe upon the patent in question.

Another common tactic is to target the USPTO. The accuser will argue that the USPTO wrongly approved a patent application and, as a result, the subsequent patent is invalid. If you want to successfully defend your patent in a court of law, you'll have to prove the validity of your patent.

## Alfred Bernhard Nobel

(1833–1896)

Nobel was a Swedish chemist, engineer, armaments manufacturer and inventor of Dynamite. Although Nobel held a total of 355 patents, it was in 1867 when he added nitroglycerin to diatomaceous earth that a safe, controllable explosive powder was invented. Upon his death, Nobel bequeathed his fortune to create and to annually fund prizes for significant advancements in physics, chemistry, medicine, literature and peace.

## HOW ARE PATENTS

# Protected Internationally?

As mentioned earlier, a patent issued by the United States Patent and Trademark Office is only enforceable within the US, its territories, and other possessions of the US government. With that in mind, how can you be assured that your patent-protected invention won't be replicated overseas in a cheaper market such as China or India?

The most straightforward approach to protecting your patent internationally is to file for patent protection in other countries. Nearly every country in the world has its own set of patent laws, and if you desire to protect your patent in certain markets or countries, you'll have to file for patent protection in each of those individual jurisdictions in order to effectively protect your invention.

The USPTO does offer an Intellectual Property Rights (IPR) kit for those wishing to file for patent protection in different nations. Using this approach, US government officials in other countries such as Brazil, Croatia, China, Egypt, Korea, and the European Union nations will help you find contact information and individuals available to assist you in the process.

There is also the Patent Cooperation Treaty that exists to assist applicants seeking protection for inventions across international borders. The International Patent System, as it is known, helps patent offices across the world in granting patents, while facilitating public access to the vast array of technical information relating to new and existing protected inventions. The PCT allows individual applicants to file for patent protection under the Patent Cooperation Treaty, and seek protection for an invention in one or all of the 148 participating countries throughout the world.

While the PCT facilitates a significant portion of the patent application process, it is still the exclusive domain of national and regional patent offices to determine validity of an invention and either issue or deny a patent application. Patents facilitated by and issued through the PCT process are still territorially limited.

The goal of the PCT is not to assure individual applicants of successful patent applications, but rather, make it easier for an individual inventor to protect their intellectual property across regional and international boundaries without incurring immense cost and spending years following the process.

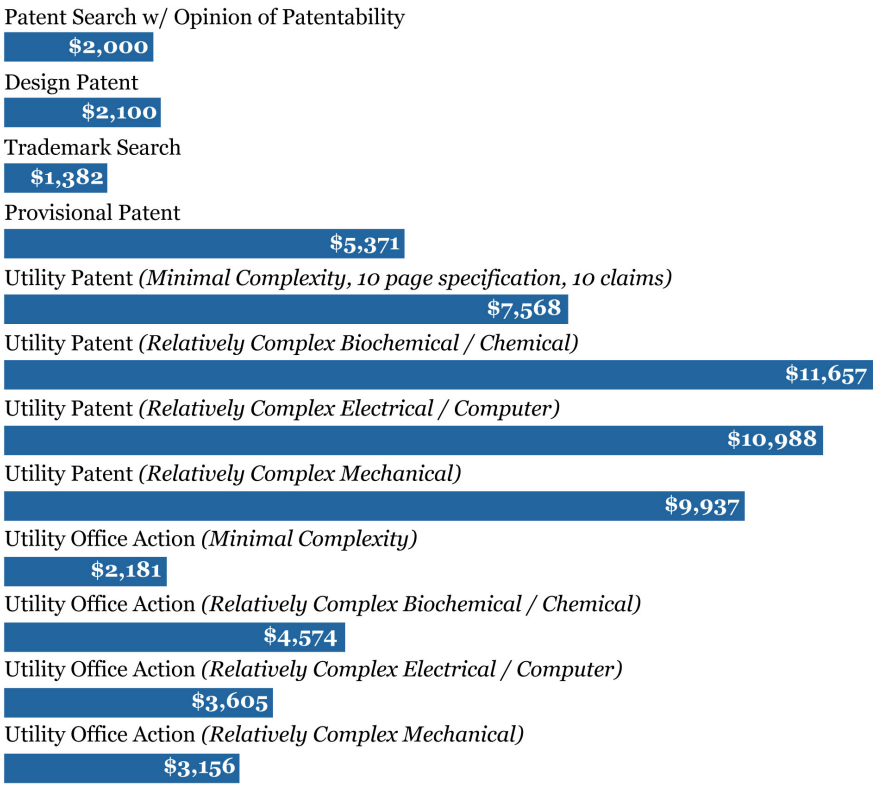
HOW MUCH DOES

# A Patent Cost?

You already know that you have a great idea, have spent time developing it, and you think you are ready to pursue a patent... but at what cost? If you've ever tried to research the patent price range online, you've likely been faced with the vague and frustrating answer of "well, it depends." Don't give up just yet!

At a Hardware Show in Las Vegas, several inventors who were exhibiting were asked if they got a patent on their invention and if they wouldn't mind sharing what they spent for it. Interestingly, everybody did get patent protection for their product. Even more interesting, nobody was even close to each other when it came to cost. The range went from $400 all the way to over $20,000. How is this even possible?

Below is a snapshot from the American Intellectual Property Law Association (AIPLA) 2021 Report of the Economic Survey.




American Intellectual Property Law Association (AIPLA) 2021 Report of the Economic Survey.

(The AIPLA is an association of attorneys specializing in patent law.) This is a report where the AIPLA combines and averages the prices of various sized intellectual property firms across the country who provided their charges for the items listed below.

As you can see, simply getting started with the patent process by utilizing the services of an IP attorney requires a significant investment for the average individual. Your invention's complexity, patent type requested, and which firm you choose will directly affect the amount you're charged for patent services. All of these charges are only for the services of a licensed patent professional and do not include any government fees.

HOW TO SAVE MONEY NAVIGATING

# The Patent Price Range

Whether you're creating a new software program or a physical product, understanding how the patent process works and the costs associated with it is the best way to choose which option is right for you. The factors listed below directly affect the patent price range, or patent cost. The more detailed information you can provide will reduce the time needed to prepare your application, which should directly affect your cost if you're being billed hourly.

## TYPE OF PATENT APPLICATION AND SCOPE

A provisional patent application may cost less than a nonprovisional patent, but only initially, as much more research and preparation are required before the latter must be filed. Also, if your invention would benefit from international protection, you may need to file an international patent application, otherwise known as a Patent Cooperative Treaty (PCT) patent application. Filing a PCT patent application involves more in-depth research, substantial government filing fees and more attorney costs, which will ultimately be thousands of dollars more for your patent protection.

## PATENT SEARCH WITH OPINION

Performing a patent search on your own is always a good first step, but obtaining a patent search with opinion of patentability by a licensed practitioner acts as insurance for you as you decide whether to pursue patent protection. In fact, the USPTO recommends starting with a Patent Search before moving forward with the patent process.

## GOVERNMENT FEES AND ENTITY STATUS.

The majority of individual inventors are considered a micro entity when applying for patents which saves them 75% on government fees vs large entities that are mainly for-profit brands or those with multiple patents. To qualify for micro-entity status, an inventor, among other things, needs to earn less than 3X the median household income, which would be roughly $200,000 in 2020, according to the United States Census Bureau. Inventors earning more

than that amount still get a discount of about 50% vs. large entity inventors. To put this in perspective, a micro entity's filing fee for a non-provisional utility patent is $400, a small entity is $730 and $1600 for large entities, for example. To learn more about micro entity income requirements, check out the USPTO website. This link will show you all of the various government fees by the USPTO that may or may not apply to your situation.

## COMPLEXITY OF THE INVENTION

Varying degrees of complexity exist when evaluating an invention. For example, filing a patent for an extremely simple invention, such as a coat hanger, will be less expensive than performing the same process for a complex diagnostic device or software program. As the complexity of your invention increases, so will the cost to obtain a patent.

## ENGINEERING SPECIFICATION

Your patent needs to be written with enough detail that someone skilled in the field of your invention can simply take your patent and go make it themselves. Because the patent requires this level of specific information, an engineer will often be needed to draft the specification for the patent to satisfy this requirement.

## PATENT DRAWINGS

Patent drawings are required to be filed with your application in order to fully understand the invention. Since design patents protect how a product looks, 6 drawings or more are usually needed to see the invention from all sides. Depending on the size and complexity of the invention, more or less drawings may be needed in order to fully illustrate what the invention looks like and does.

## ATTORNEY INVOLVEMENT

Because attorney fees are generally the bulk of the patent cost, some inventors consider omitting legal help altogether. When compared with the initial costs of DIY patents, traditional patents involving an attorney will involve more expense. However, because intellectual property attorneys have in-depth knowledge of the patent application process and know how to professionally prepare an appropriate application, you can rest easy knowing you're legally protected. Like everything else in life, you do get what you pay for when it comes to patenting.

DIY PATENTS:

# Are They Right For You?

It is possible to search for patents and complete the application yourself. Some inventors feel that they are the best person to explain the technical aspects of an invention anyway, so why pay someone else? Before choosing this option, consider the drawbacks of DIY patents.

## NAILING THE CLAIMS SECTION

Though most inventors believe the technical aspect of their invention is the most important part when filing a patent application, professionals know it's truly the claims section that carries the bulk of legal weight. Failure to complete this section properly leaves inventors and their creations vulnerable in matters of infringement and validity.

## MASTERING LEGAL LANGUAGE

For those without a legal background, legalese seems like an entirely new language. If patent applications aren't filed with meticulous attention to every word, inventors ultimately suffer the consequences when their application is reviewed with a fine-tooth comb.

## POST-FILING RISKS

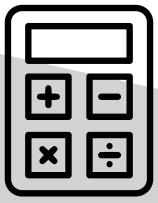
Completing a patent application is intended to uncover similar patents, pending lawsuits or litigation involving other inventions, and bring other agreements and contracts to light. If information is missing or incomplete once reviewed by a patent officer, your patented invention may not have enough legal weight to prosecute claims against similar products.

Filing a patent application yourself might avoid steep attorney fees in the beginning, but will most likely not offer you any real protection. In the event of litigation, a self-filed patent is at risk of severe scrutiny by any legal entity and may not hold its weight if a similar invention comes along. If the invention is as good as you think it is, you should expect copycats to hit the market soon after launch. For inventors, this could mean loss of equity in their invention and inability to access legal recourse should a competitor enter the market.

IS THE PATENT COST

# Worth It?

That can only be answered by the inventor. Nobody is going to force you to get a patent on your invention. The question you need to ask yourself is, "Would you mind someone else copying and profiting off of your invention idea for free?" If that answer is yes, consider if the potential profit you could generate would cover the patenting cost.



**Crunch the numbers for yourself using our Patent Cost Calculator:**

https://forsalebyinventor.com/patent-cost-calculator/

HOW CAN YOU

# Make Money On A Patent?

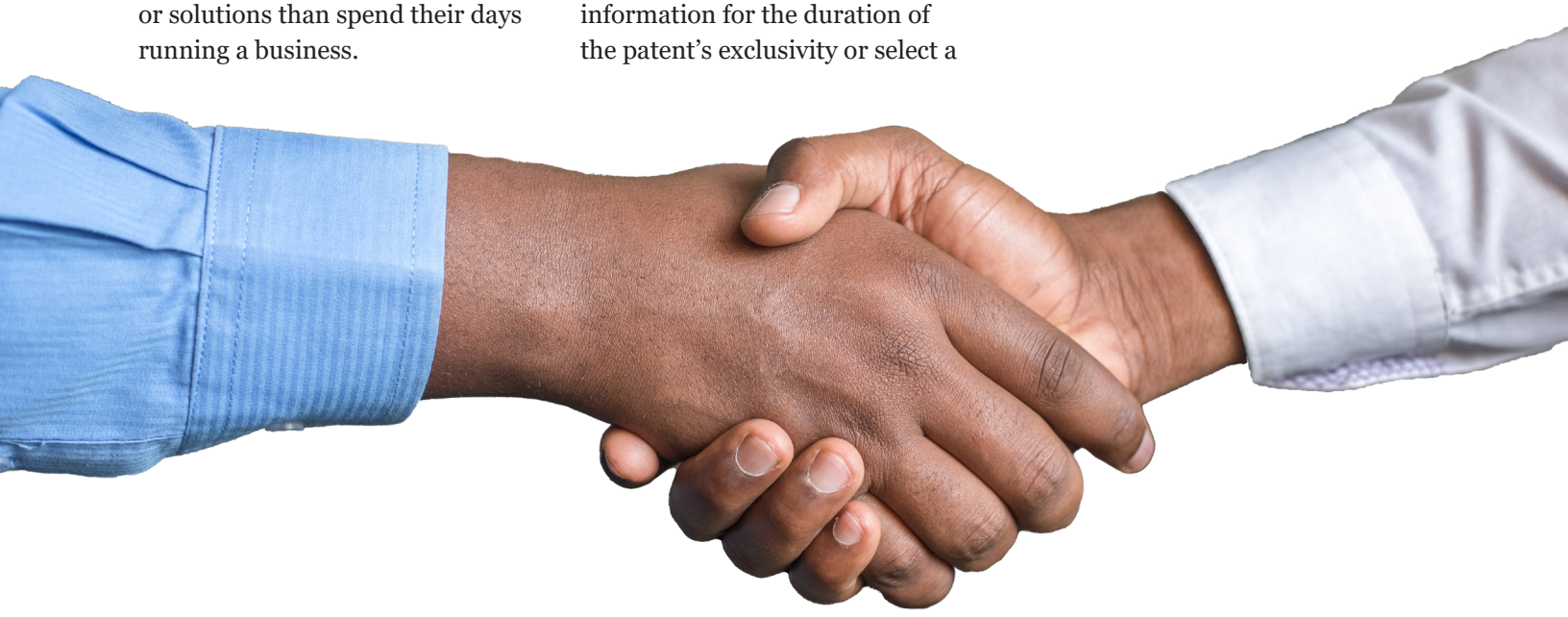
If there is a flaw in the patent system, it is the fact that so many inventors spend countless hours and thousands of dollars seeking a patent to protect their idea without reaping any monetary reward for their efforts. In most cases, a patent ends up as a framed piece of paper that hangs proudly on the wall of an office. According to AllBusiness.com, nearly 97% of patents issued in the US never make any money for the individual inventor.

If an inventor wanted to, they could start a new company for the purpose of developing and marketing their patented invention. However, this approach is not typical because most inventors are creative individuals who would rather continue with the process of inventing new products, services, or solutions than spend their days running a business.

Instead, most inventors will approach another company to take over the development and marketing of an invention. This is a process known as licensing, and it creates a contract under which another company may produce and market an invention for a specified period of time. For as long as the license runs, the company must pay royalties on each sale or use of the invention to the patent owner. There are a variety of ways in which this can occur. For example, a license may be exclusive to just one manufacturer or non-exclusive, meaning that a variety of companies can purchase the right to develop and market the same patented invention.

As the patent holder, the issuer can decide to license the patented information for the duration of the patent's exclusivity or select a shorter period of time. Protection of the patent in a licensing agreement is typically limited to the geographic extent of the patent in question. For example, a US patent will license the manufacturer to produce the product in the US, but does not extend outside of the United States.

On top of that, it is possible for a licensee to make money off of a patent by sub-licensing the patent to other companies for the marketing or distribution of the invention. The extent to which the original inventor and patent holder benefits from this arrangement depends upon the specific terms of the agreement signed with the primary licensee.



LICENSE FOR ROYALTIES

# Example Process

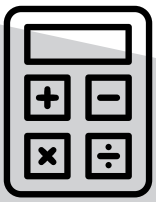
Let's say an inventor has a brilliant idea to create a new and improved hammer. Instead of making and selling the hammer themselves, which would require much more time and risk, the inventor could decide to pursue a licensing arrangement with a manufacturer to produce it and sell it into mass retail chain stores like The Home Depot™ and Lowe's™.

If the hammer retails for $20.00, a typical 50% profit margin for a big box retailer would have a wholesale cost of $10.00. This wholesale cost is the price the retailer pays to take inventory of the product and sell at their retail locations. In many cases, retailers will receive more than 50% with large quantity purchases, fast pay discounts, rebates, new store discounts, etc.

Now, let's say the inventor's licensing deal with the manufacturer earns a royalty of 10% based on the wholesale cost. That means that the hammer inventor would earn a royalty of $1 per hammer sold at wholesale.

$1 may not sound like much in this day and age. An important thing to consider, though, is that a lot of manufacturers already have their supply chains and distribution in place. In the United States alone, The Home Depot has about 2,300 locations with Lowe's stores coming in closer to 2,200. If each store puts in a conservative 10 unit purchase order for each store for the holidays, the inventor would make $45,000 dollars on the first order. If the product was also lucky enough to get into Walmart, this initial order would soar to $92,000 with their 4,700 U.S. locations.

Licensing is appealing for many inventors on a budget because it avoids the big upfront costs of starting a business and launching a product on their own. Of course there is no guarantee of success if you choose this route, but it does significantly mitigate the risk of product development.



**Curious to see how much your invention could put in your pocket? We've developed several calculators to help you out.**

### Invention Startup Cost Calculator

https://forsalebyinventor.com/invention-startup-cost-calculator/

### Invention Royalty Calculator:

https://forsalebyinventor.com/invention-royalty-calculator/

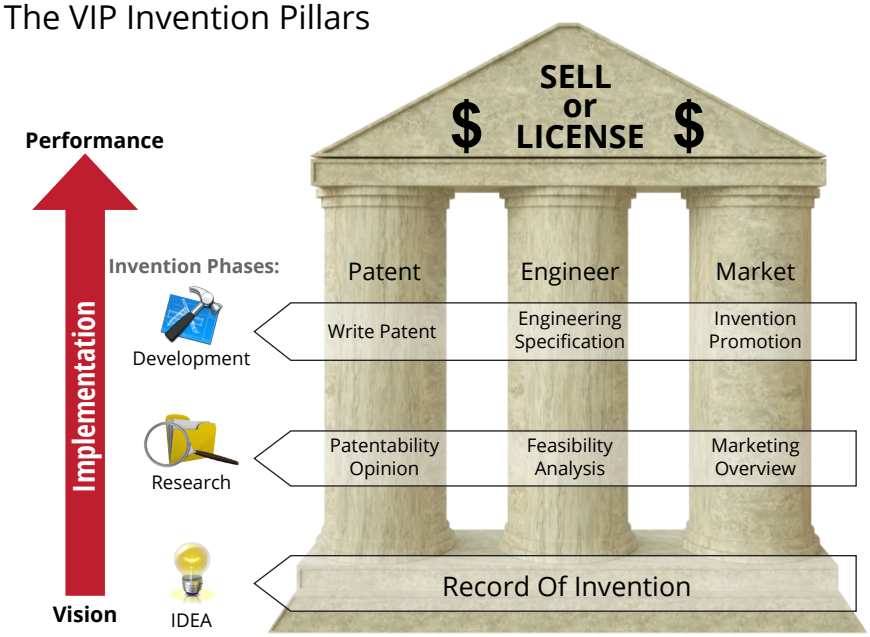
### Invention Commissions Savings Calculator:

https://forsalebyinventor.com/invention-commission-calculator/

HOW TO PATENT &

# Sell An Invention Idea

The VIP Invention Pillars




Great ideas and visions are only that if not carried into action. Our VIP Formula for Invention Success model stands on three pillars: Patenting, Engineering & Marketing. Missing any one pillar can cause your foundation to crumble.

At For Sale by Inventor, empowering inventors to launch their dreams and get their inventions out into the world is the driving force behind what we do. We know it can be difficult and overwhelming, but we're here to help with the following:

## EDUCATION

If you are a new inventor and just doing research, check out our blog and our Inventor Education page for resources on how to capitalize on your great invention.

## ENGINEERING

It's a part of our standard operating procedure to ensure every client receives a Statement of Feasibility, signed and certified by our Professional Engineer. This is done prior to you filing the patent or submitting the invention idea to market. Only a Registered Professional Engineer can legally provide this.

## PATENT, COPYRIGHT© & TRADEMARK® PROTECTION

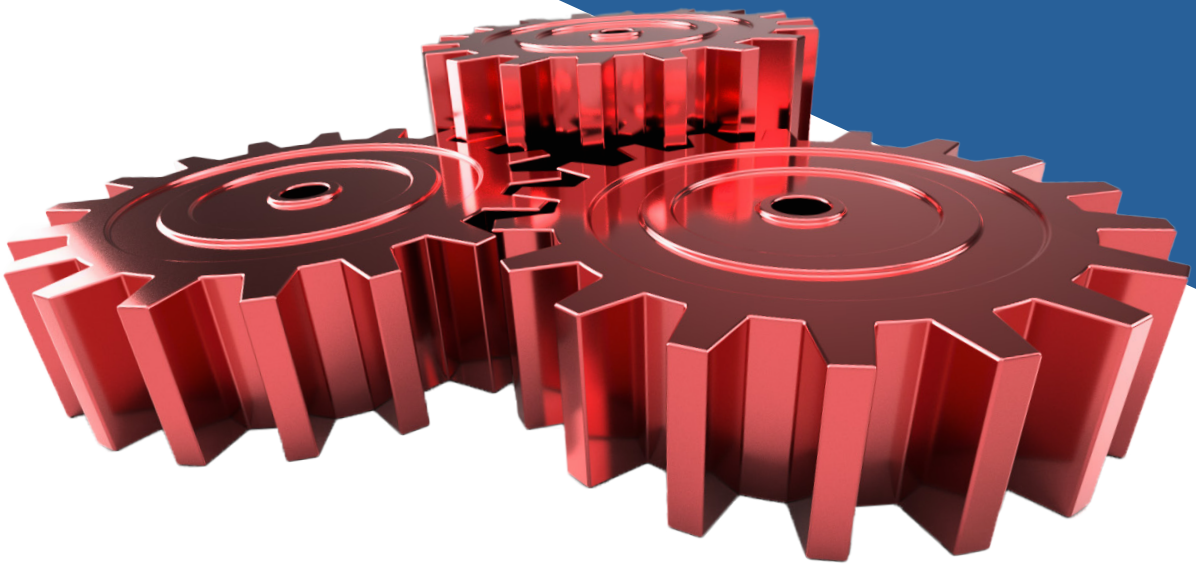
For Sale By Inventor refers all legal work to a separate patent law firm, Cramer Patent & Design.

## MARKETING

We offer different Marketing Packages as well as customizable options to give inventions the proper exposure depending on the invention, inventor & their budget.

No one can predict the success of any invention, even inventors with a proven track record. But you can't be sure where your invention journey will take you if you never take the first step.

For Sale by inventor®



# Curious about marketing, copyright vs. trademark, or leveraging tradeshows to your advantage?

## Learn about these topics and more over on our Blog.

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