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INVENTORS & INVENTIONS
DECEMBER 4, 2000 VOL. 156 NO. 23

Inventors Beware!

If some promotion firm says it'll make you millions, odds are it won't

BY EDWARD BARNES

So you have built the better mousetrap--the world's best mousetrap, you think. But the world hasn't seemed to have got the message and isn't exactly beating a path to your door. What to do?

The answer comes often late at night in the middle of a cable-TV show or sometimes on the back of a magazine. For a few hundred dollars, you are told, an invention-promotion company will evaluate your invention, research the patent to see whether anyone else had the idea first, and then contact manufacturers on your behalf. With one good idea, the ads say, you could be sitting on millions.

As many as 25,000 would-be inventors each year take the bait, and, quicker than you can say "rags to riches," find themselves caught in a very different kind of mousetrap. Consumer advocates, government regulators and industry experts say that virtually everyone who contacts these firms with dreams of riches will in fact end up poorer. The vast majority of these invention-promotion companies, the experts charge, are nothing but massive scams aimed at often naive and sometimes desperate backyard tinkerers, many of whom have more hope than business acumen. Even the companies that operate within the law rarely provide inventors with the tools necessary to market their inventions.

Shannon Mahaffey's experience is a case in point. He was living in Sweetwater, on the flat Texas plains that spawn tornadoes during the spring storm season. Often he would stay up nights watching the horizon as twisters cut deadly swaths nearby. Twice, he says, they touched down on his property, tearing up fences and farm equipment, though luckily missing his

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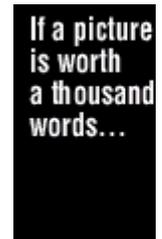
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house. One night, while waiting up in a storm-induced blackout, he wondered whether there was a better way to warn people that a twister was forming: "I knew that the one thing that always worked in the disasters was the phone lines, because they are buried. So I invented a system that would provide storm warnings to rural areas where there are no sirens through the phone lines. It was like a 911 system."

Here's the Deal...

When the lights came back on, so did Mahaffey's television. Lo and behold, right there on the screen was an ad with a toll-free number for Invention Submission Corp., the nation's largest patent broker and promotion company. He picked up the phone and dialed.

Today, after four years, Mahaffey, 34, is more than \$13,000 poorer, and his invention is still a dream. The father of two girls is disillusioned and bitter.

An enthusiastic ISC salesman told him the idea was brilliant--just what every inventor wants to hear--and pressured him to sign up before someone else came up with the same concept. Mahaffey quickly ponied up \$625, borrowed from family and friends, for the patent search. "They told me everything out there was based on radio transmissions," he recalls. "I had an original idea, and I had to hurry to protect it. My father had invented the pop-top soda can but couldn't afford to follow through. He still regrets it. I didn't want that to happen to me." When ISC told him his idea would be expensive to bring to market, he winced. Like his father, he didn't have the money. It wouldn't be a problem, the salesman told him. A subsidiary of ISC would lend him the money until the royalties began to roll in. But those royalties never came.

Within six months of borrowing the money, Mahaffey began to feel frustrated. His first inkling that ISC's promised patent search wasn't as thorough as it told him was a simple Internet search, which turned up several similar devices that were already on the market. As for the advertised promotion efforts, those consisted of "a few brochures and a couple of lines of advertising on the Web," Mahaffey says, calling the promise "a lot of baloney." With no money coming in from the invention, the loan payments to the ISC subsidiary became a burden. "We really struggled for a while, but I was afraid to back out," he says. Last February he finally paid off the loan.

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"It's a tough industry," Melinda Miller, ISC's publicity manager, explains. "It is a disappointment, but it is the nature of the industry. Mahaffey's case was not unusual. Consumers have to do their homework." She says that of the 5,324 clients the company represented from 1997 to 1999, only 11 had made more money than they invested. Consumer advocates say even that number is inflated. While no one questions the risks inherent in developing a new invention, experts say the odds shouldn't be that low. In 1996 federal authorities forced ISC, which has more than 70 offices worldwide, to return \$1.2 million to clients for allegedly making false claims to them. The firm is also facing a class action by former clients, charging the company regularly breached the contracts it signed and failed to live up to its promises. [MORE>>](#)



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ISC's treatment of Mahaffey wasn't illegal. However, experts say it is among the nicer things that happen to naive inventors who rely on any one of the dozen or so major players in the industry. Richard Apley, director of the Independent Inventor Programs for the U.S. Patent and Trademark Office, says flatly that the majority of companies now advertising these inventor services, which generate about \$200 million a year, are scams. "They offer a service of sorts but don't really do what they say they will do," says Apley. Nearly every one of their patent searches comes back with favorable results, often raising the hopes of inventors by estimating a huge market potential. After that hook is set, the rest is easy: clients are then quickly lured into paying huge amounts (the average inventor loses \$20,000) for services that are either useless or available elsewhere for far less money. The companies' "marketing" consists mainly of blind-mail brochures to manufacturers that never look at them. Most of the patents obtained by these companies, he argues, are also worthless. And most important, virtually no invention backed by these firms ever gets to the market.

"I learned one thing," says Mahaffey, who only too late began to do some research on the industry. "These companies don't do what they promise. They just make sure they get the money and you don't." Or, as Todd Dickinson, director of the Patent and Trademark Office, says, "Their best invention is themselves." **END**

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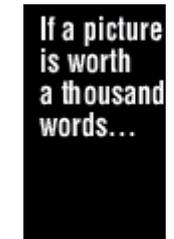
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