

EXHIBIT 3

FOR RELEASE: APRIL 20, 1993

INVENTION PROMOTION COMPANY CHARGED WITH MAKING
FALSE AND DECEPTIVE CLAIMS
FTC Asks Court to Order Consumer Redress

The Federal Trade Commission has charged Invention Submission Corporation of Pittsburgh, Pennsylvania, with misrepresenting the nature, quality, and success rate of the invention promotion services it sells to consumers for prices ranging from hundreds of dollars to a total package price of approximately \$5,000. Despite representations to the contrary, the FTC alleged, virtually none of the company's customers have earned more for their inventions than they paid for the promotion services. The FTC has asked a federal court to prohibit the defendants from engaging in the deceptive practices in the future, and to order them to pay consumer redress.

The FTC's complaint detailing its allegations also names Western Invention Submission Corporation (WISC), Intromark Incorporated, and the parent company of all three, Technosystems Consolidated Corporation (TCC); as well as Martin S. Berger, who is the sole officer and director of the firms (collectively, ISC). All of the defendants are located in Pittsburgh.

Since 1984, according to the complaint, the defendants have sold a variety of invention promotion services to individual inventors in stages. First, the defendants allegedly offer to prepare a "Basic Information Package" concerning the idea or product for \$395 to \$590. In the second stage, the defendants offer to provide certain marketing and licensing services under a "Submission Agreement" at a cost ranging from \$3450 to \$4890, the complaint states. Third, ISC provides any leads it may receive on

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a client's idea to Intromark, which allegedly attempts to negotiate a license for the idea or invention, with clients agreeing to share a percentage of any payments as a result of ISC's services. (Additionally, ISC and WISC offer clients with more fully developed ideas a separate service called the "Market Supplement Program," for approximately \$12,500.) The defendants allegedly have promoted and advertised their services on television and radio and in newspapers and magazines across the country, as well as through telephone and in-person sales presentations.

The FTC charged that the defendants have made numerous false representations in the course of selling these services. Among them, the complaint alleges, were representations that the defendants' services have resulted in financial gain for their "Basic Information Package" and "Submission Agreement" customers, and that their clients have a reasonable expectation of realizing financial gain as a result of their services. Neither representation was true, according to the complaint.

In addition, the FTC charged that the defendants misrepresented that they will evaluate or appraise the merit or marketability of their clients' ideas or inventions and that they have specialized,

valuable access to manufacturers. In fact, the FTC charged, neither representation was true.

Other representations charged by the FTC to be false were:

-- that defendants perform services to develop or refine clients' ideas or inventions;

-- that the processes used by defendants to search for manufacturers or potential licensees will identify those who are reasonably likely to be interested in commercializing clients' ideas or inventions;

-- that the completion of the Basic Information Package requires a substantial amount of research, drafting, or other preparation;

-- that defendants submit clients' ideas or inventions to those who are reasonably likely to respond and to be interested in commercializing them;

-- that the New Product Submissions contain information that manufacturers or potential licensees consider necessary or valuable in determining whether to license or market the idea;

-- that seeking patent protection for an invention or idea is undesirable or unnecessary and that ideas for which proprietary or patent protection cannot be obtained can still be successfully marketed;

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-- that defendants will assist clients to obtain a patent; and

-- that clients' ideas or products will be effectively promoted at trade shows.

In addition, the FTC charged that the defendants have misrepresented their background, qualifications, experience, and expertise as invention promoters and, more specifically, the background and professional qualifications of their staff. Further, according to the complaint, the defendants misrepresented the value, financial gain, or exposure to potential manufacturers that clients may realize by having their ideas included in defendants' new product advertisements or catalogs.

The FTC filed its complaint in the U.S District Court for the Western District of Pennsylvania, in Pittsburgh, today. In addition to asking the court to prohibit the misrepresentations alleged in the complaint, the FTC asked the court to order the defendants to pay consumer redress and to rescind contracts consumers have with ISC.

The Commission vote to file the complaint was 5-0. This investigation is being handled by the FTC's Boston Regional Office.

NOTE: The Commission files a complaint when it has "reason to believe" that the law has been or is being violated and that a

proceeding is in the public interest. The complaint is not a finding or ruling that the law has actually been violated. The case will be decided by the court.

Copies of the complaint and the fact sheet are available from the FTC's Public Reference Branch, Room 130, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580; 202-326-2222; TTY for the hearing impaired 1-866-653-4261.

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