

EXHIBIT 3

Today's Date: March 4, 2010

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Invention Submission Companies



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The sad truth is that many inventors and entrepreneurs have had their share of difficulty with the various invention submission and idea promotion companies out there. You have probably seen them advertised on television, usually in the extremely late night or extremely early morning hours. They promise free information, and tell you that they will help you **patent your idea**, make your invention and/or market your product. Unfortunately many inventors and entrepreneurs have learned the hard way that these companies talk big and perform little or nothing. Luckily this may be coming to an end thanks to new rules set forth by the United States Patent & Trademark Office. For more on this see **[PTO Kills Invention Submission Business](#)**. Despite the new PTO rules, expect invention submission companies to try and figure a way around PTO regulation. This is a \$300 million per year industry, so I doubt they will go away. This means that as the industry shifts you need to be ever more vigilant to make sure you are not dealing with an unscrupulous operator.

If you take a look at the success rates for the "industry leaders" in the invention submission market you might find yourself quite surprised. From 2003 to 2005, 1.8% of InventHelp clients received a licensing deal, with only .23% making more money than they spent on InventHelp services. From 2006 to 2008, 1.65% of InventHelp clients received a licensing deal, with only .37% making more money than they spent on InventHelp services. So for the period between 2003 to 2008, 1.7% of InventHelp clients received a licensing deal, with only .29% making more money than they spent on InventHelp services. From 2005 to 2010 Davison had 50,343 clients, but rather than reporting their success over the same time period they report successes over the last 20+ years. Giving Davison the benefit of the doubt and assuming all successes reported as being over the last 20 years really happened over the last 5 years, this means that less than .035% of people made more money than the spend with Davison and less than .9% of people license their products as a result of Davison's services. For more information on this, and discussion of what several prominent US Senators have said about invention promoters see **[Invention Promoters and the American Inventors Protection Act](#)**.

Be very careful when dealing with those that offer to help you both obtain a patent and market your invention. As a general rule trustworthy professionals do one or the other, not both. Also remember and never forget that as inventors we all want to hear that our invention is the next big thing and will make

us a lot of money. We all want to be appreciated. We put so much time and energy into our projects. This being the case, it becomes much easier for unscrupulous people to tell us what we want to hear, even if we don't know it. The closeness we bring to the project means that objectivity can be compromised. There is nothing at all wrong with being optimistic, determined and willing to give your dream a chance, but be careful and be smart. Don't let the unscrupulous take you for a ride. For enlightening reading see:

- **How Inventors Can Avoid Scams, Traps and Raw Deals**
- **Scam Prevention** (from USPTO.gov)
- **Protect Your Innovation: Avoid Scams** (from USPTO.gov, Feb. 2010)
- **Got an invention? You, too, can be scammed** (from MSNBC)
- **Beware Invent Help Press Releases**
- **Silly Inventions are Easy to Patent?** (from Patently-O)
- **How To Avoid an Invention Company Scam** (from About.com)
- **Insider Expose on Invention Promotion Firms!** (from Inventorspot.com)
- **Avoid Invention Scams** (from DC Inventors Group)
- **Should I use an Invention Submission Company?** (from Patents 101)
- **Invention Promotion Swindlers Ordered to Pay \$60 Million** (from FTC.gov)
- **Companies Don't Accept Confidential Idea or Invention Submission**

The Federal Trade Commission has compiled a long list of complains on its website. In response to a request under the Freedom of Information Act, in February 2002, the FTC sent information regarding complains filed against Invention Submission Corporation, Inventor's Helpline and Invention Technologies (also known as Invent-Tech). The cover letter explains that the FTC has received these complaints but has not verified the allegations of the complains. Nevertheless, these complains do sound all too familiar. To see the 103 page FTC compilation **CLICK HERE**. A similar Freedom of Information Act request was made in December of 2001, but limited the request to Invention Technologies. To see the 48 page FTC compilation on Invent-Tech **CLICK HERE**.

Additionally, more recently, in 2006, the FTC won an important victory against one of the more notorious invention submission companies. The defendants were Davison & Associates Inc., now known as Davison Design and Development, Inc., Manufacturer's Support Services, Inc., George M. Davison, President and CEO, Thomas Dowler, Gordon M. Davison and Barbara Miele-Davison. The defendants were ordered to repay \$26 million to scammed inventors. For more information on this see the FTC article titled **Court Halts Bogus Invention Promotion Claims**. It also seems as if Davidson is preparing to use a different name (Invention Land). Changing names, particularly when an invention submission company gets sued or gets bad publicity, is a common ploy. Just make sure you do your homework!

Even more recently, in 2007, the FTC has gone after Patent & Trademark Institute of America (PTI). For more information see **FTC Charges Invention Promotion Swindlers with Contempt**. Of particular importance from this enforcement action against PTI is the fact that PTI took in approximately \$60 million from more than 17,000 consumers since 2000 but could not identify a single successful consumer.

For a lengthy list of formerly unpublished complaints made to the US government by inventors who believe they were ripped off see **Avoiding Invention Scams**. This list is provided by the Inventors Network of the Capital Area, which is a non-profit educational organization. The complaints were obtained through Freedom of Information Act requests.

[Continue Reading... Avoiding Invention Submission Scams](#)

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