

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

INVENTION SUBMISSION CORPORATION)
t/d/b/a INVENTHELP, a Pennsylvania)
corporation,)

Plaintiff,)

v.)

IP WATCHDOG INC., a New York corporation,)
Eugene R. Quinn Jr. an individual, and)
Renee Quinn, an individual.)

Defendants.)

Civil Action No.

SUPPLEMENTAL AFFIDAVIT
OF ROBERT J. SUSA
IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY INJUNCTION

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF ALLEGHENY)

SS.:

ROBERT J. SUSA, being duly sworn, deposes and says:

1. I am the President of Invention Submission Corporation (hereinafter "InventHelp") and make this Affidavit supplementing my Affidavit of January 22, 2010, filed with the Court in Support of Plaintiff's Motion for a Preliminary Injunction.

2. InventHelp's services have produced positive results beyond a good faith review for some of our clients. For example, the Weed Thrasher, Twist-N-Set and Maxi-Edge have proven to be very successful. InventHelp has licensed a toy invention to Wham-O and InventHelp's clients' inventions have appeared on QVC. InventHelp recently partnered with the

Electronic Retailing Association to host the InventHelp INPEX New Product Showcase at the 2009 D2C Convention in Las Vegas. Attached are true and correct copies of InventHelp's web pages containing stories about the Weed Thrasher (Exhibit A), Twist-N-Set (Exhibit B), Maxi-Edge (Exhibit C), Wham-O (Exhibit D), QVC (Exhibit E) and an article about the Electronic Retailing Association and the InventHelp INPEX New Product Showcase (Exhibit F).

3. Approximately seventeen years ago in 1993, the Federal Trade Commission (FTC) and ISC agreed to consumer disclosures for presenting ISC's inventor assistance services to consumers. There was never any finding of wrongdoing against InventHelp and in the Consent Decree that resolved the case the FTC explicitly stated "that nothing contained herein shall prohibit [InventHelp] ... from offering to provide idea promotion services to clients so long as [InventHelp is] ... in compliance with all other provisions of this Consent Decree."

4. ISC has combined the FTC disclosures with a set of more comprehensive consumer disclosure policies which go far beyond what the FTC requires in disclosing the nature and scope of InventHelp's services and what clients can typically expect. InventHelp makes these disclosures both prior to contracting and at the time of contracting, and then again prior to commencement of its submission services.

5. InventHelp clearly and unambiguously communicates to potential clients that there is a very small chance of commercial success. InventHelp provides an Affirmative Disclosure Statement to every client on initial contact which states InventHelp's success

statistics. InventHelp also provides clients with the national disclosure required by The American Inventors Protection Act of 1999 (the "Act"). Attached hereto are true and correct copies of InventHelp's Affirmative Disclosure Statement (Exhibit G) and National Disclosure Form (Exhibit H) provided to consumers.

6. During the sales presentation for InventHelp's submission services the clients are asked to acknowledge, in writing, the following statement of their understanding that no success claims have been made by InventHelp.

WHAT INVENTHELP DOES NOT DO

Doesn't Promise Success

1. InventHelp doesn't state or imply, that InventHelp services will result in financial gains, earnings or success or that companies are likely to market or commercialize your idea. No projections or profits, income or royalties were made to you.

7. InventHelp follows up with every client prior to beginning submission services by sending each client, at their home, a Customer Understanding Survey. By receiving the Customer Understanding Survey at home, clients can reflect on their understanding of the services they have purchased on their own, outside the sales setting and without the participation of a sales person. Clients are asked to complete and sign the Customer Understanding Survey and send it directly to InventHelp's offices in Pittsburgh, Pa. without any input from the sales representative. In completing the Survey the client is asked to acknowledge, among other issues, the following:

- InventHelp literature, contracts and sales representatives have made it

clear that there is no promise or likelihood of success or profit and nothing has been stated to me by an InventHelp sales representative which would contradict this or lead me to believe otherwise.

- Yes, I agree that no projections of profits, income or royalties of any kind have been made to me by an InventHelp sales representative....
- Yes, I agree that no one at InventHelp has given me an opinion or made a statement about the future success of my invention, or has stated to the effect that, "Your invention looks like a sure thing," "It's a winner," or "I really believe you're going to make a lot of money on this idea." I have not in any way relied on these or any similar statement in purchasing InventHelp services"

Attached is a true and correct copy of the Customer Understanding Survey (Exhibit I).

8. If a client expresses any confusion about InventHelp's services, InventHelp's compliance department contacts the client and makes sure the client has a correct understanding and provides the client with the opportunity to cancel their contract.

9. InventHelp's clients also receive copies of the contract documents that they have executed. InventHelp's contract documents contain the following Notice:

NOTICE

●THE PURCHASE OF INVENTOR ASSISTANCE IS A HIGH-RISK EXPENDITURE.

●FULL PATENT PROTECTION PROVIDES LEGAL PROTECTION FOR IDEAS AND INVENTIONS. WE GIVE NO ADVICE AS TO WHETHER YOUR IDEA IS PATENTABLE. SUCH ADVICE MAY COME ONLY FROM A PATENT ATTORNEY OR LICENSED PATENT AGENT.

● YOU SHOULD TREAT YOUR IDEA AS A CONFIDENTIAL SUBJECT IN ORDER TO AVOID LOSING ANY PATENT RIGHTS YOU MAY HAVE.

● IF YOU WISH PATENT ADVICE, IT IS ADVISABLE THAT YOU SEEK ADVICE FROM AN INDEPENDENT PATENT ATTORNEY

● MANUFACTURERS OR OTHER BUSINESS ORGANIZATIONS MAY BE UNWILLING TO ENTER INTO LICENSING AGREEMENTS FOR , OR AGREE TO PAY FOR THE RIGHT TO COMMERCIALIZE, UNPATENTABLE IDEAS OR PRODUCTS

NOTICE OF CANCELLATION

If you change your mind, you can cancel this Contract, for any reason, within seven (7) business days after you signed it. If you mailed us the Contract, you can cancel it within seven (7) business days after you put the Contract in the mail. There will be no penalty or obligation if you cancel under this provision. Within ten (10) business days after we receive your written cancellation notice we will return, by mail, all monies paid by you to us pursuant to the Contract that you have cancelled.

If you choose to mail your cancellation notice, it must be placed in the United States mail properly addressed, certified mail, postage prepaid, return receipt requested, and post-marked before midnight of the last day allowed for cancellation.

Attached as Exhibit J is a true and correct copy of said Notice.

10. Every sales representative is required to sign and adhere to InventHelp's "SALES PRACTICES NOTICE" as a condition for their continued association with InventHelp. Each sales representative agrees that they are prohibited from and will not make any representations that could lead the client to believe their invention will result in commercial success. InventHelp monitors the survey responses and tracks the areas where clients indicate they are confused. This is one of the ways that the InventHelp compliance department is able to assess whether an office or sales representative is presenting InventHelp's services in compliance with InventHelp's consumer disclosure policies. Attached is a true and correct copy of said Notice (Exhibit K).

11. I have reviewed Defendants' web page titled "Services We Provide" where Defendants offer consulting services that includes licensing and marketing help. Gene Quinn states on the web page:

The trouble with intellectual property law, **licensing and invention marketing** is not that it is to difficult to understand, but there are so many different facets of protection available, and **many different strategic paths that can be followed,**

that figuring out what needs to be done can seem a daunting task. This is where IPWatchdog can help.

... I can also help you determine whether pursuing intellectual property protection is feasible and economically wise. If you do wish to move forward he can also **help you create a plan of action to follow in an effort to protect, market and economically capitalize on your invention.**" (emphasis added).

Attached as Exhibit L is a true and correct copy of an excerpt from IP Watchdog's "Services We Provide" web page beginning with the section subtitled "Consulting Services."

12. Defendants also sell their "Invent + Patent System" service as a strategic path which provides a way for the inventor to monetize their invention. See IP Watchdog's "Protecting Ideas" web page wherein they state "Many people will have great ideas, but what separates those who can turn their ideas into money from those who cannot is a strategy to define the idea enough so that it can become an asset that can be protected..." Attached as Exhibit M is a true and correct copy of said web page.

13. Defendants represent that once the client purchases Defendants' Invent + Patent System and with Defendants assistance files a provisional patent application they are able to go forward with the marketing of their idea. For example, Defendants state, as follows:

- "So during the 12 month period that the provisional patent application is pending you then move forward with trying to contact those who could manufacture your invention, those who may be able to help you sell the invention or get it placed in stores and you might consider starting a businesses to move forward. You can also see if there is interest on the part of anyone to acquire your patent rights." Attached as Exhibit N is a true and correct copy of IP Watchdog's Getting Started for New Inventors web page.
- "Reputable companies are going to require that you have at least a patent application pending, which will define your ideas with enough specificity to call it an invention" See Exhibit F to Lininger Aff.

Defendants also promote their patent pending submission program as the sole basis by which an inventor can safely submit his or her invention for evaluation by industry. Defendants represent that this is the only way to submit ideas to a “reputable company.” and the only method which provides a “realistic chance...to monetize your idea.” For example, Defendants state as follows:

- “Reputable companies do not pay for ideas and the patent process is a costly one, so if you are not interested in spending the money required to seek a patent then there is no realistic chance you will be able to monetize your idea.” See Exhibit F to Lininger Aff.
- “In order to become something that can be protected and an asset that can be sold licensed or used, against others to create a barrier to market entry, there absolutely must be a patented invention” See Exhibit G to Lininger Aff.

14. I have reviewed the companies identified in Quinn Decl. ¶ 98 as not accepting non-confidential submissions. Five of the companies that plaintiff represents “only accept non-confidential submissions” from independent inventors, in fact, accept confidential submissions from InventHelp.

15. I have reviewed the complaints attached as Oropallo Decl. Exhibit #7. Of these complaints only the Downs Complaint dated September 1, 2006 was published by the USPTO and Mr. Oropallo did not attach InventHelp’s response which was also published by the USPTO and is attached hereto as Exhibit O. The other complaints were not published by the USPTO as they were withdrawn by the inventors. This is in accordance with the USPTO rules implementing the AIPA.

16. I have reviewed the complaints attached as Oropallo Decl. Exhibit #5. Mr. Oropallo states that Oropallo Decl. Exhibit 5 are complaints that all concern Plaintiff. Opposing Memo. p.21. Based on the limited information provided at least three out of the six complaints are not made against InventHelp. I know this because two complaints identify another company by name and one complaint identifies a cost of services which does not correspond with InventHelp's customary charges.

17. I have reviewed the complaint attached as Oropallo Decl. Exhibit #16. This complaint is against Invention Home and not Invention Submission Corporation.

18. The assertion that The Pittsburgh Channel story (Oropallo Decl. Exhibit #10) and/or the kirotv.com article (Oropallo Decl. Exhibit #9) represent "Plaintiff's typical business practices" is false. If it is determined that a sales representative has violated InventHelp's Sales Practices Notice appropriate action is taken. In the case of The Pittsburgh Channel story the sales representative was terminated for violation of InventHelp's consumer disclosure policies. The kirotv.com article also arose from circumstances surrounding the termination of a sales representative for compliance violations.

19. InventHelp, like any company, receives customer complaints. InventHelp investigates complaints that it receives in order to determine whether InventHelp has taken any action which may have resulted in consumer confusion. Also some complaints that InventHelp receives are from inventors who, although they clearly understand that their chances of success

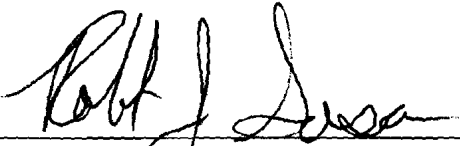
are very small, feel that they should have achieved financial success. They become upset and blame the services or believe that InventHelp did not preform the services as agreed. While this disappointment is understandable InventHelp does in fact perform useful and necessary services in accordance with its contracts with its clients.

20. Mr Quinn does not disagree that the lack of financial success may result in unreasonable consumer complaints. Mr. Quinn explains this at some length on his web site also making reference to statements of Trevor Lambert , President of Lambert & Lambert, a company to whom IPWatchdog refers inventors. Mr. Quinn states as follows:

“Unfortunately, it is typical for those who have nothing worth pursuing to get good advice from a reputable professional and then get angry and think that the reputable professional is out to get them or somehow stands in the way of what will be success beyond the wildest imagination. According to Trevor Lambert, President of Lambert & Lambert which is in my opinion a legitimate and reputable invention licensing company, it is not at all unusual for someone who receives bad news regarding their idea or invention to get very upset and to even think those trying to help and stop the wasting of many thousands of dollars are somehow the bad guys. Trevor explained:

.... They assume that anyone not in love with their invention must be unintelligent or a scam.....”

21. In late 2009, InventHelp began receiving complaints referencing the IP Watchdog web site. These complaints coincided in time with the publication of all except one of the web pages at issue. These complaints started approximately the same time as IP Watchdog began posting comments on IP Watchdog’s web pages from InventHelp’s existing and potential clients.


Robert J. Susa

Sworn to before me this 15th day
of March, 2010


Notary Public



Notarial Seal
Lisa D. Reskner Miller, Notary Public
City Of Pittsburgh, Allegheny County
My Commission Expires Aug. 9, 2010
Member, Pennsylvania State Bar of Notaries