Inventors Guide

So you have an idea ‘the next big thing’ it just popped into your head over breakfast this morning!

Many ideas are never pursued but if yours is just too good to let go of and it’s compelling you to move it forward, you’re going to need help. Your decision to move forward has raised the stakes, you’ll be investing time and money in considerably amounts.

What you do next could be the difference between making your invention a success or a failure.

Perhaps you have access to development teams or patent specialist, even a comprehensive manufacturing and distribution network. But whilst you have access to all this expertise which will help the invention process, it will buy you no guarantee of future sales success. Whether you’re a large company or individual, you should approach bringing an invention to market in the same logical and orderly way.

Understanding and assessing risk enables you to mitigate its impact, providing you with the confidence to move forward, or, do the hardest thing and walk away should the evidence show that your invention is unlikely to go the distance, and ultimately return a profit.

**Stage One – Get it down on paper**

The first thing to understand is exactly what your invention is, be it a product or service. Sketch it out, write about it so you can define what you have in front of you, for example, *a ‘cordless kettle’.* Also highlight any and all details specific to your invention such as an innovative ‘*non‐drip spout’* which will support the process downstream.

**Stage Two – Got any competition?**

Although it does happen, it’s rare that an invention is completely new, so take the time to undertake a research exercise. The internet is a great tool so search ‘*cordless kettle’*  and any other key points for example ‘*non‐drip spout*’ and see what appears. If there is a product already on the market, it’s better to know about it sooner rather than later so you can work around it or walk away, it’s tough to compete against an established product.

**Stage Three – Patent Search on the cheap**

So you’ve established that your invention is new or significantly better than the competition, enough to make it commercially viable. However you need to ensure that your invention is not being mothballed by a competitor or sitting there idle in the form of a Patent by someone else without the wherewithal or energy to progress it further. Patent search activity on the internet is free and should highlight matches to your invention or keywords and although it’s a laborious task to review them, it is worth the effort. Remember you have a long road ahead and the last thing you want is to infringe or contravene an existing Patent, doing so could have a huge financial impact on you in lost royalties or legal fees.

**Stage Four – Step back**

At this stage, it’s hard to stand back and look at your invention or idea again, but this is another opportunity to ask important questions:

* Is there a real market for it, and how big is that market?
* How much time and money will it take to produce and can I afford it?
* What would the RRP be and can you make them cheap enough to make a profit?
* How are you going to get it made?
* Are you going alone or do you need partners or investors?
* What is the route to market, and are you connected?

It is unlikely that you can answer all these questions at this stage but you should be aware of them and the first rule of inventing is ‘don’t fool yourself’. If there are concerns or issues, do some more homework. It is acceptable to move forward with slight concerns as long as you understand them. Any inventor who thinks he has a ‘sure thing’ on his hands is often a naive one.

**Stage Five – Protect your Invention**

By this stage you have ascertained whether you have a viable product or not and if you do, it pays to keep things very close to your chest. Only confide in those people that are essential to the invention’s progress and prepare a Non‐Disclosure Agreement (NDA) in advance of any and all discussions you undertake. NDA’s are standard practise and you’re unlikely to meet resistance when implementing one.

At this stage protection of your Intellectual Property (IP) is key and there are several methods such as Trademarks and Copyrights to do this but for technical based inventions, a Patent in your name is an effective way to protect your invention.

Firstly you need to convey your invention in a clear and precise manner. Produce detailed sketches and explanatory notes which will suffice at this stage, a Patent Specialist would be able to work with these. The first thing they will undertake is a formal and comprehensive Patent Search. They will identify any infringement issues and discuss how to circumvent them with you where possible.

If all goes to plan, it will be safe to proceed with applying for a Patent for your invention and although not a cheap process, when it is finally granted, you will have ownership of the invention. It is now that your invention has ‘real value’.

**Stage Six – Patent Pending**

Obtaining a Patent can take time, typically 9‐12 months. Until the Patent is awarded, there is risk associated with investing any further time and money (someone else could be filing a similar invention at the same time). So you’ll need to calculate the risk of progressing under the banner of ‘Patent Pending’, bear in mind that it could be a long road.

**Stage Seven – Would you invest?**

Probably a strange question but pop on your investor cap and ask yourself to invest in your own idea. If you’re not prepared to invest in your invention, it’s is unlikely others will. An investor is going to want to know what return they will receive on their investment in your idea. In order to provide this you’ll need to generate a business plan that demonstrates your road map and models the financials but also focuses on many of the other factors that you will need to understand moving forward such as:

* Time and cost to develop your invention into a marketable product or service
* Route to market

**Stage Eight – Prototyping**

Probably the first opportunity to turn your invention from an idea, artist’s impression or CAD design into something tangible or physical that can be critiqued to discover any potential problems. This is your chance to prefect the invention before you show it to potential investors or customers.

**Stage Nine – Test the water**

You have the Patent awarded, you have a Prototype, and a credible Business Plan, now’s the time to test the water before investing considerable time and money getting your prototype to a market ready product. Attend trade fairs and exhibitions where your target audience will be present and show them what you have. Speak with them to get feedback and advice, this is your chance of a reality check and you should document all the feedback, both good and bad so that you can benefit from it, improving your product and business case and where possible get the contact details of interested parties so that you can contact them at a later date.

You must stay impartial at this stage. Have a rehearsed sales pitch should you have the opportunity to talk to key influencers and decision makers. Seems silly to say but know your invention or product inside out so that you can answer questions as they arise, failure to do so could close a door as quickly as it opens. This is your opportunity to build relationships that may prove very useful in future.

Remember it’s a prototype you’re showing so it’s fine to outline any hurdles you need to overcome, such as finding a ‘suitable sized motor’. Portrayed in the right manner you may well endear yourself to the audience, which could lead to them offering additional advice, financial support or resource, or access to industry contacts, all of which can significantly improve your inventions success downstream. Remember this is reciprocal so be prepared to offer something in return.

Remember that not all the feedback will be positive and you’ll need broad shoulders, you have a new concept or product to bring to market and it virtues cannot always be conveyed quickly to an audience. Also people have agendas that you may not be aware of or understand. A good example of this is when James Dyson tried ‘unsuccessfully’ to sell his dual cyclone vacuum cleaner to the major industry players. It wasn’t that his invention had no merit, of course it did. It was just that the consumable vacuum cleaner bag market was worth £250M annually and this would be significantly dented if his product proved successful*.*

**Stage Ten – Route to Market**

There are two main options to get your invention or product to market, this can either be through a licensing arrangement where a licensee produces and markets your product for which you would receive royalty payments. Or by raising the capital to manufacture and market the product yourself.

Each have their merits but for the majority of inventors, especially those new to the process, the licensing route can be the sensible option. However royalty payments are based on a number of factors, such as the perceived value to the licensee of the product and how far down the line you are when attempting to license it. Approaching a market leader or someone with established brands in your target market will reduce the level of risk that the licensee will attach to your invention but as a rough guide royalties will be:

* Idea Only – 0.5 to 1% of the exit factory price (which is normally 1/3 of the retail price)
* Prototype with Patent Pending ‐ 3 to 4%
* Prototype with Patent awarded + industrial design and engineering – 4 to 10%

The difference in royalty payment reflects the amount of risk the licensee is willing to expose themselves too, most do not entertain any invention unless accompanied with a Patent.

It is also possible to ring fence a licensing agreement, so before entering any agreement think of the bigger picture. For example, James Dyson licensed his Dual Cyclone vacuum cleaner to the Japanese market only. He manufactured it there also and in doing so was able to use the royalties to set up his own manufacturing and marketing company in the UK.

There are distinct advantages with bringing a product to market on your own. It means you retain control of the process and stand to make a larger financial gain if the product is successful. However that means greater capital investment and you will be exposed to all of the associated risk.

So if you’ve made it to the end of this post and you have the appetite to pursue your goal of bringing you invention to market, but realise you need a little help, why not call us here at CADceptual Design LTD, we’d be delighted to support you project.

We wish you every success – Bob Taylor MD and Head of Design.

NB - on the next page is a diagram outlining the different stages of a Patent application with some indication of the associated time frames.

