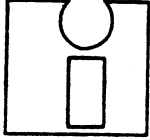


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jointly organized by
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and
the International Federation of Inventors' Associations (IFIA)
with the cooperation of
the Malaysian Invention and Design Society (MINDS)
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**COMMERCIALIZATION OF PATENTED INVENTIONS:
IFIA SURVEY OF SERVICES OFFERED BY NATIONAL ASSOCIATIONS
OF INVENTORS**

*Lecture presented by Mr. Sigurdur S. Bjarnason,
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Abstract

The objective of this IFIA survey was to find out to what extent inventors' associations members of IFIA are active in the Commercialization of Patented Inventions (CPI). The analyses of the survey was conducted in 1996 by Sigurdur S. Bjarnason of the Federation of Icelandic Innovators in cooperation with Jón Erlendsson, Director, Scientific and Technical Information Services, University of Iceland.

The results show that more than 50% of all inventors associations engage in various activities which can be characterized as CPI. These activities are mostly low key, reflecting the generally weak position of the inventors' associations. However there are some notable exceptions of associations with strong activities.

Introduction

The survey presented here was based on a questionnaire (Annex) designed by IFIA and sent to all the 60 Full member associations of inventors in IFIA and two USA inventors associations which are Corresponding members in IFIA, on February 26, 1996. Nearly 50% answered to the questionnaire. The 29 associations that responded come from the following countries: Argentina, Austria, Bulgaria, Cuba, Czech Republic, Denmark, Egypt, Finland, France, Germany, Hungary, Iceland, Japan, Kuwait, Malaysia, Netherlands, New Zealand, Norway, Philippines, Poland, Singapore, Slovenia, Sweden, Switzerland, Syria, Ukraine, United Kingdom, United States of America (2). The country codes and the full name of the association (or organization) appear on the next page.

Description

The survey consisted of the following main sections (A, B, C, etc.) which correspond to the five main sections of the questionnaire:

- A. Associations having **no** commercial activities.
- B. Associations having **no** commercial activities, **but** that **have established a separate legal entity** for that purpose.
- C. Description of the commercialization activities of the association itself (in case it is active in this respect).
- D. Experience with exhibitions, invention marketing firms and media.
- E. Commercialization of inventions through cooperation of inventors' associations and IFIA.

Participating organizations

	COUNTRY	CC	ORGANIZATION
1	Argentina	AR	Argentine Association of Inventors
2	Austria	AT	Association of Austrian Patentees and Inventors
3	Bulgaria	BG	Union of Inventors of Bulgaria
4	Cuba	CU	Asociacion Nacional de Innovadores y Racionalizadores
5	Czech Rep.	CZ	Czech Union of Inventors and Rationalizers
6	Denmark	DK	Dansk Förening för Fremme af Opfindelser
7	Egypt	EG	The Egyptian Inventors and Innovators Society
8	Finland	FI	Central Organisation of Finnish Inventors Associations
9	France	FR	FNAFI
10	Germany	DE	Deutscher Erfinderverband (DEV)
11	Hungary	HU	Association of Hungarian Inventors
12	Iceland	IS	Federation of Icelandic Innovators
13	Japan	JP	Japan Institute of Invention and Innovation (JIII)
14	Kuwait	KW	Kuwait Science Club
15	Malaysia	MY	Malaysian Invention and Design Society (MINDS)
16	Netherlands	NL	Netherlands Association for Inventors (NOVU)
16	New Zealand	NZ	The National Innovation Centre Ltd
18	Norway	NO	Norsk Oppfinnerforening
19	Philippines	PH	Filipino Inventors Society (FIS)
20	Poland	PL	Polish Union of Associations of Inventors and Rationalizers (PZSWIR)
21	Singapore	SP	Singapore's Inventors Development Association
22	Slovenia	SI	Slovenian Inventors Association
23	Sweden	SE	Sveriges Uppfinnareförening (SUF)
24	Switzerland	CH	Swiss Association of Inventors and Patentees
25	Syria	SY	Association of Syrian Inventors
26	United Kingdom	UK	Institute of Patentees and Inventors
27	Ukraine	UR	Society of Inventors and Innovators
28	United States of America	US	United Inventors Association - USA
29	United States of America	UT	Tennessee Inventors Association

CC = International Country Code

A

Associations having no commercialization activities**Overall results:**

1. **Fifteen associations (52%) indicate that they have no commercialization activity according to answers in section A.**
US, UT, CU, NO, SE, IS, NL, FR, CZ, EG, SY, KW, SP, JP, NZ
2. **Assuming that the rest has commercialization activities of some kind this means that 14 associations (48%) fall into this category.**
AR, DK, FI, CH, UK, DE, AT, BG, SI, PL, HU, UR, MY, PH
3. **Some of the answers in the first group, 4 (14%), may seem contradictory with answers to subsequent questions in later sections.**
IS, NO, UT, NZ

Questions:

What are the reasons (*for having no commercialization activities*)?

A) *Question of principle?*

Contrary to the statutes of the association
Not in line with a non-profit organization
May create one happy member for 100 unsatisfied members
Other reasons of principle (Please note)

B) *Practical reasons?*

The association has not the means to help
The association has not the professional expertise
The association has no experience in this field
The association has other priorities
Other practical reasons (List examples):

Results:

The respondents that indicate that they have no commercial activity give the following principal reasons for this:

- | | |
|--|----------------|
| 1. Contrary to the statutes of the association
US, SE, IS, CZ, EG, SY, KW | 7 (24%) |
| 2. Not in line with a non-profit organization
SP, IS, NL, FR, EG, SY, KW, JP | 8 (28%) |
| 3. May create one happy member for 100 unsatisfied members | 5 (17%) |

NL, EG, SY, NZ, KW

4. **Other reasons of principle** 0 (0%)

Practical reasons for not having commercialization activities were the following:

- | | | |
|----|--|---------|
| 1. | The association has not the means to help
UT, NO, IS, FR, EG, SY, NZ | 7 (24%) |
| 2. | The association has not the professional expertise
UT, NO, IS, FR, EG | 5 (17%) |
| 3. | The association has no experience in this field
UT, CU, NO, IS, EG, KW, NZ | 7 (24%) |
| 4. | The association has other priorities
SE, IS, SY, KW, JP, NZ | 6 (21%) |
| 5. | Other practical reasons | 0 (0%) |

C) *Reasons for **not** getting into commercialization:*

The next question concerned the reasons that the associations had for not engaging in **CPI**.

Questions:

Previous experience proved that it is preferable for the association **NOT** to be involved in the commercialization of the inventions of its members?

If the answer is YES, explain weather it is due to:

- The experience of the association itself
- The experience from other associations

Results:

1. **When asked about whether previous negative experience was the reason for not engaging in commercialization of patented inventions (CPI)**
seven (24%) gave this as a reason. US, IS, FR, CZ, SY, KW, JP
2. **Of those who cited previous negative experience for not undertaking CPI**
 - all seven cited the “experience of the association itself”
 - one of the above added “experience from other associations.” FR

B**Associations with no commercial activities but that have established a separate legal entity for that purpose****Question:**

Has the association established a separate organization to handle the commercialization of patented inventions (CPI) of its members?

Answers:

The following associations gave indication of having set up a separate organization to handle the commercialization of their members' inventions.

CC	Name of organization for commercialization of patented inventions
DK	Opfinderkontoret (1970-) (20-30 pr. year) (1)
FR	Some FNAFI local associations cooperate independently of FNAFI with private companies.
JP	The Japan Technomart Foundation (JTM) Japan Industrial Technology Association (JITA)
MY	MINDSMART (2)
NZ	Commercialization "in reverse". Emphasis on fighting for rights of inventors. N.I.C. has launched an autonomous publication to protect inventors.
SE	"Yes and no"
UR	Scientific Innovation Centre "CONEL"

Comments:

- (1) "Innovation is no longer independent, but is subordinated to the government system."
- (2) MINDSMART was established in 1993 by MINDS (Malaysian Invention and Design Society).

C

Commercialization by the association itself**Questions:**

What are the services offered?

Establishment of lists and addresses of experts in the various fields:

- Patent attorneys
- Commercial brokers
- Invention promotion firms

Educational assistance:

- Lectures, courses
- Written information

Counseling services:

- Does the association establish, on its own initiative, contacts with companies, firms or brokers?
- Does the association respond to requests from firms?
- Does the association engage in negotiations with potential license partners or buyers?

Results:

Twenty-one (72%) associations do provide certain services to their members. The breakdown of these is the following:

Establishment of lists and addresses of experts in the various fields:

- **Patent attorneys 13 (45%)** UT, AR, FI, CH, FR, AT, BG, SI, PL, HU, UR, MY, NZ
- **Commercial brokers 10 (35%)** UT, AR, FI, CH, FR, AT, BG, HU, UR, NZ
- **Invention promotion firms 12 (41%)** AR, DK, FI, CH, FR, DE, AT, BG, PL, HU, UR,

NZ

Educational assistance:

- **Lectures, courses 18 (64%)** UT, AR, NO, DK, FI, IS, CH, FR, DE, AT, BG, SI, PL, CZ,

UR,

MY, NZ, PH

- **Written information 18 (64%)** UT, AR, NO, DK, FI, IS, CH, FR, UK, AT, BG, PL, CZ,

HU,

UR, MY, NZ, PH

Counseling service

- **Fifteen associations (52%) establish on their own initiative contacts with firms or brokers.** AR, NO, FL, FR, AT, BG, SI, PL, CZ, HU, UR, SY, KW, MY, NZ

- **Eighteen associations (62%) respond to requests from firms.**
UT, AR, NO, DK, FL, IS, FR, UK, DE, AT, BG, SI, PL, CZ, HU, UR, SY, NZ
- **Eleven associations (38%) engage in negotiations with potential license partners or buyers.** NO, FL, IS, FR, UK, SI, HU, UR, SY, NZ, PH

Questions:**Assistance of a specific or original nature**

- Explain in brief the system offered (if necessary on a separate sheet of paper, or annex the relevant information material):
- Title of the system:
- Since when (Year)?
- Is it national or has it a worldwide basis
- Free services
- Amount of money requested by the association from the inventor for such a service (in addition to the normal annual fees):
- How successful is the system?
Total number of assisted inventions:
Number of successful cases:

Answers:

CC	Title of system	Start	YO	SP	FR	Cost (1)	I.A.	S.C.
AR	No title	1990	6	N	F	\$10 pr.month	200	5
AT	Erfindertreffen Landesgruppe	1985	11	RG	F	(1)	300	45
DE	DEV-Wegweiser	1995	1	N	NA	NA	-	-
HU	Hungarian invention on floppy	1993	3	N	F	10 USD	140	110
NZ	Equitable Launch System (E.L.S.)	1991	5	W	F	10% (7)	X00	50+
PH	FIMCOOP (8)	NA		NA	NA	NA	NA	NA
PL	Consulting stations, legal assistance	1987	9	N	F	Free	X00 (5)	
SI	No title (2) (3)	NA	NA	N	F	(4)	1500	1500
SY	No title (6)	NA	NA	N	F	NA	NA	NA
UK	IPI Fax Back Service	1995	1	W	F	126 UKP	110 (9)	1
UR	No title	NA	NA	N	F	NA	138	61

Explanations:

CC = International Country Code, YO = Years of operation, SP = Span (RG= Regional, N=National, W =World Wide), FR = Free services (F = Free), I.A. = Inventions assisted , S.C. = Successful cases (number), NA = No Answer

Comments and suggestions by respondents:

- (1) Cost for writing and sending letters to firms is paid by the inventor.
- (2) Help in the form of engineering, financial and accounting consultation.
- (3) This high success rate is a strange anomaly. Can hardly be true in light of the experience of others. Could be a different interpretation of the term "success."
- (4) "0.3% of invoicing amount."
- (5) X00 = "A few hundred."
- (6) "Answers will be submitted during the Symposium."
- (7) "Free or 10% - if agreeable."
- (8) Filipino Inventors Multi-purpose Co-operative.
- (9) Unclear writing. Could be 40.

Results:

1. **Ten associations (35%) and one innovation center operate services that can be called "specific" or "original".**
2. **Of these services, 7 (24%) carry specific titles and four (14%) are untitled.**
3. **Nine respondents (31%) say that they operate this service for "free". Five of these however report that the charge is mostly very low.**
4. **The success rate of the systems is as follows:**

- Extremely high (E)	(>70%)	2	
- High (H)	(40-70%)	1	1
- Moderate (M)	(10-40%)	2	
- Low (L)	(<10%)	2	
- Lacking data		4	

D**Experience of associations with exhibitions,
invention marketing firms and media****Questions:****Experience with invention exhibitions:**

Does your association organize such exhibitions?

Does your association co-organize such exhibitions?

Does your association organize the participation of its members (or non-members) in exhibitions organized by others at the:

- national level
- international level

If the answer is YES, does the association representative participate in the:

- establishment of contacts with potential license partners or buyers?
- negotiations with the same?

What are the financial conditions requested by the association to:

- the inventor?
- the potential license partner or buyer?

Results:

1. The following results were obtained concerning the organization of invention exhibitions (I.E.) by the responding associations:

Number of associations who:

- **organize I.E. 19 (66%)** UT, NO, SE, FI, IS, CH, NL, FR, AT, PL, CZ, UR, EG, SY, KW, MY, JP, NZ, PH
- **co-organize - 23 (79%)** US, UT, NO, DK, SE, FI, IS, NL, FR, UK, DE, AT, BG, SI, PL, HU, UR, EG, SY, KW, MY, JP, PH
- **organize participation in I.E. at national level 25 (86%)**
UT, CU, NO, DK, SE, FI, IS, CH, NL, FR, UK, DE, AT, BG, SI, PL, HU, UR, EG, SY, KW, MY, JP, NZ, PH
- **organize participation in I.E. at international level 19 (66%)**
CU, AR, FI, IS, CH, NL, FR, AT, SI, PL, CZ, HU, UR, SY, KW, MY, JP, NZ, PH

2. Of the associations who either organize I.E. or organize only participation in I.E. some let their representative participate in:

- **the establishment of contacts with potential license partners or buyers 12 (41%)** AR, NO, FI, CH, AT, SI, HU, UR, EG, MY, NZ, PH
- **negotiations with the same 8 (28%)** AR, AT, SI, HU, UR, MY, NZ, PH

Questions:

Participation in exhibitions

What are the financial conditions requested by the association to:

- the inventor?
- the potential license partner or buyer?

Answers:

		INVENTOR	Potential License Partner or Buyer
Argentina	P	“5% of the first licensing agreement”	“5% of the first licensing agreement”
Austria	FR	None	None
Czech Rep.	C	“Overhead expenses”	“According to contract”
Finland	C	“A moderate part of costs”	NA
Hungary	CF	“ca. 250 USD”	
Netherlands	C	0 - 750 dfl/m*	0 - 750 dfl/m*
New Zealand	P	“Max. of 10% if successful”	
Slovenia	P	“A percentage of contract”	(“Agreed”)
Switzerland	FR	None	None
Syria	NA	“Answers during Symposium”	
Ukraine	NX	“By agreement”	“By agreement”

NA = No answer and not interpreted, NX = Inconclusive, FR = Free, C = Cost based, P = Percentage.

Results:

1. Eleven associations (38%) indicated that the financial conditions requested can be categorized in the following way:

- Percent of contract (P) 3 (10%) AR, SI, NZ
- Cost based pricing (C) 3 (10%) FI, CZ, NL
- Flat fee (CF) 1 (3%) HU
- Free (FR) 2 (7%) CH, AT

2. One association answers inconclusively (UR) and one (SY) intends to answer later (at the Symposium).

Questions:

Experience with private companies (Invention marketing firms, promotion companies, or commercial brokers), offering to provide inventors with assistance in bringing their ideas to the market:

How does your organization identify honest or reputable firms?

Has the association heard of “unscrupulous”, “fraudulent”, “dishonest” invention marketing firms or has it been contacted by some of them?

If the answer to the second question is YES, has the association made known those firms to its members:

- orally?
- through written material (newsletter, circular etc.)?

Results:

1. **Seventeen associations (59%) indicate that they have some method of checking the honesty of the firms.** US, AR, SE, AT, PL, EG, SY, NZ, MY, PH, NO, FI, NL, UK, FR, SI, DE
2. **Four associations at least (14%) learn about fraudulent firms mostly “by experience or chance.”** NO, FI, NL, UK
3. **Six associations (21%) indicate that they do direct checks on individual firms using references and/or “informal background information.”** AR, SE, PL, SI, ML, PH
4. **Three associations (10%) seem to indicate that they work in a systematic fashion by “centralizing the information”, using “surveys” or a “process.”** US, FR, NZ
5. **Two associations (7%) have serious misgivings about private brokers in general.** EG, SY
6. **Eighteen associations (62%) indicate that they have heard of fraudulent firms or been contacted by these.**
US, UT, AR, NO, FI, IS, CH, NL, FR, UK, DE, AT, SI, PL, HU, UR, NZ, PH

This information is communicated to association members

- orally by **18 (64 %)** US, UT, AR, NO, FI, IS, CH, NL, FR, UK, DE, AT, SI, PL, HU, UR, NZ, PH
 - in writing by **6 (21 %)** UT, AR, AT, HU, UR, NZ
7. **One association does not provide any “direct evaluation of the private firms because of a fear of lawsuits.”** US

Questions:

Experience with written and audio-visual publicity:

Experience with **written publicity** through newsletters, catalogues, etc.

What was the rate of success? () Very good, () Good, () Weak, () Nil.

Experience with **audio-visual publicity**. What was the rate of success of such methods?

() Very good, () Good, () Weak, () Nil.

Results:**The experience with written publicity was as follows:**

- **Very good** **4** **(14%)** NO, MY, NZ, PH
- **Good** **10** **(35%)** UT, CH, NL, UK, DE, AT, SI, HU, UR, SY
- **Weak** **9** **(31%)** FI, IS, CH, FR, BG, PL, CZ, EG, JP
- **Nil** **1** **(3%)** CU

- **No answer** **5** **(17%)** US, DK, SE, KW, SP

Comments:

Good or very good results are reported by 14 respondents (48%).

Weak or nil results are reported by 10 (35%).

The experience with audio -visual publicity was as follows:

- **Very good** **1** **(3%)** PH
- **Good** **7** **(24%)** UT, FI, UR, EG, SY, MY, NZ
- **Weak** **4** **(14%)** AR, CH, BG, PL
- **Nil** **3** **(10%)** FR, UK, CZ

- **No answer** **14** **(48%)**

Comments:

**Very good or good results with AV publicity are reported by 8 (28%) respondents.
Weak or nil results are reported by 7 (24%) respondents.**

One association has achieved very good results with AV publicity (Television) PH.

E

Commercialization of inventions through cooperation of inventor associations and IFIA

Questions:

What would be the opinion of the association on a system of cross promotion of inventions in case the association **has already experienced** this system?

() Very good, () Good, () Weak, () Nil.

In case the association **has not experienced** this system:

() Probably useful, () Probably useless, () No opinion

Results:**Opinion of cross promotion of inventions for associations who have had experience with it:**

- **Very good** **3 (10%)** NO, AT, HU
- **Good** **1 (3%)** SY
- **Weak** **4 (14%)** CH, FR, UR, NZ
- **Nil** **2 (7%)** UK, EG

- **No answer or no experience:** **19 (66%)** US, UT, CU, AR, DK, SE, FI, IS, NL, DE, BG, SI, PL, CZ, KW, MY, JP, SP, PH

Comments:

Good or very good opinion of cross promotion of inventions is held by 4 (14%) of the associations.

Eight associations (28%) think that there is some value in cross promotion of inventions.

Opinion of cross promotion of inventions for associations who have not had experience with it:

- **Probably useful** **16 (55%)** UT, CU, SE, FI, IS, NL, DE, BG, SI, PL, UR, EG, KW, MY, NZ, PH
- **Probably useless** **1 (3%)** CH
- **No opinion** **4 (14%)** DK, UK, CZ, JP

- **No answer** **8 (28%)** US, AR, NO, FR, AT, HU, SY, SP

A majority of the associations (16) (55%) thought that cross promotion of inventions through IFIA was “probably useful.”

One thought it was probably useless NL.

No opinion was expressed by 4 (14%) and no answer given by 5 (17%).

Question:

If your association used the former IFIA-NCIO Commercialization Program, please indicate your rate of success for the inventions which you submitted:

Results:

	TOT.SUB.	T. SUCC.
Argentina	20	0
France	3-4	NI
Philippines	1	0

TOT.SUB. = Total number of inventions submitted
T. SUCC. = Total number of successful negotiations
NI = No Information given

1. **Only three associations (10%) had experience with the IFIA-NCIO Program.**
PH, AR, FR
2. **Inventions submitted to the program totaled 24-25. No case of success could be reported.**

Question:

Cross Promotion of inventions through innovations centers recognized by governments.

Should IFIA encourage cross promotion of inventions through innovation centers recognized by Governments? () Yes, () No.

Results:

1. **Most respondents, 25 (86%), thought that cross promotion of inventions through innovation centers recognized by government should be encouraged.** US, UT, CU, AR, NO, SE, FI, IS, CH, NL, FR, DE, AT, BG, SI, PL, HU, UR, EG, SY, KW, MY, JP, NZ, PH
2. **Two were against promotion by such innovation centers.** UK, DK
3. **One thought that “recognition by inventors associations was more important than recognition by governments.”** NL

Comments and suggestions by respondents:

1. One suggested that “it is important to organize international training courses using successful professional inventors as lecturers.” AR
2. One suggested that cross promotion should be “only between a developed and a developing country.” FR
3. One respondent suggested that “an European program could be a good start.” NL

[Annex follows]

