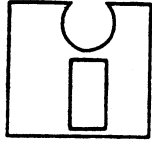


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INTERNATIONAL FEDERATION OF  
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(IFIA)



WORLD INTELLECTUAL  
PROPERTY ORGANIZATION  
GENEVA

## **WIPO-IFIA INTERNATIONAL SYMPOSIUM ON THE COMMERCIALIZATION OF PATENTED INVENTIONS**

jointly organized by  
the World Intellectual Property Organization (WIPO)  
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**THE ROLE OF INVENTION PROMOTION COMPANIES AND ORGANIZATIONS IN  
THE COMMERCIALIZATION OF PATENTED INVENTIONS**

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**Role of invention promotion companies and organizations  
in the commercialization of patented inventions.**

- stimulates growth of invention promotion companies based on specific industry demand
- transparent Positive Score rating system based on good performance
- cultivates inventors to be proactive

***INTRODUCTION***

I feel very pleased and honored to be here today at this conference on the commercialization of patented inventions. Over the last two years, I have been working on a personal photo-print innovation project, which I saw maturing from the development stage till the market-ready stage.

For more than ten years, I had gained exposure in promotion of different products. My last two years' involvement in the development of an invention to its maturity stage, filled a gap in better understanding an independent inventor's predicament and **expectations**. Let me try to share a few ideas pertaining to an environment where inventions' promotion can prosper. It would be an inventor's dream environment which would:

1. Stimulate and nurture the growth of invention promotion companies, especially those who can be proficient in the high growth sectors, e.g. digital technology.
2. Create a transparent system that benchmark the good performance of invention promotion companies.
3. Encourage and guide inventors to take a proactive role in the promotion of their inventions and thus increase the chances of success.

Let's discuss an infrastructure that embraces the above themes from the perspective of:

- (a) Invention promotion **organizations**
- (b) Invention promotion **companies**
- (c) **Inventors** intending to commercialize their inventions and products.

For this discussion, the following definitions' generalizations have been adopted:

- The invention promotion **Organization** refers to one or more parties who contribute *indirectly* to the promotion of inventions for their commercialization. The organization, regardless of whether profit or non-profit oriented, could be from any one of the following groupings: entrepreneurs, government institutions, inventors' associations or venture capital companies.

- Invention promotion **companies** are those ‘front-line’ enterprises that seek to *directly* profit from the success of promoting someone else’s invention(s). Such companies shall include advertising firms and invention promotion firms.
- **Inventors** here refers to independent inventors or small enterprises that lack capital, resources or knowledge to commercialize their own inventions.

Let’s for a moment imagine as if the following SCENE would be a reality:

### **Invention Shopping Mall: A Paradise for Inventors**

An Inventors’ Shopping Mall, where countless invention promotion firms display their services and the inventions they are promoting. Being an independent inventor with a market-ready product, I am excited at the possibilities as I walk down the aisle shopping for an invention promotion company.

#### *Expertise Classification*

Each shop has a label stuck on its shop front showing a list of inventions (products or processes) it is promoting. The listed products or processes are classified according to the International Patent Classification (IPC) commonly used by the Patent Offices; such listing will indicate to the shoppers the classes of inventions for which the particular shop claims expertise in promotion. I easily narrow my search based on the patent classification.

#### *Reliability Score*

I zoom into an invention promotion shop with a 4-star rating. This rating is similar to the Tourist Promotion Board awarding rating to shops, hotels and restaurants for good performance track record and the type of services rendered.

The staff serving me, a senior person, seemed rather aggressive. I am not sure I could entrust him with my “baby” based on his apparent lack of technical competence. Some doubts still linger on as I walk out after hearing half an hour of his sales pitch. What if the firm I selected disappoints me? How can I better prepare myself to talk to these seasoned service providers without being disadvantaged?

#### *Pro-active Level*

As I thought about these questions, I arrived at another level, named “Inventors’ Proactive Level.” My concerns seemed somewhat vanished by the sight of a ‘Reward Register’ shop. This shop has a prominent display of “Registration of Satisfaction-Grievances for Inventors.” Next to it, is a School that has a slogan screaming “Learn What You Should Know About Promoting Inventions in 48 hours.” I signed up for the course that commenced in a week’s time. I felt somewhat reassured knowing that I would be less intimidated the next time when I search around for a shop to promote my invention.

Now, this type of shopping concept may not have arrived. Such a concept is less difficult to implement in another time-space dimension, such as magazines, books, Internet or other hybrid environments.

#### **(A) The Role of Invention Promotion Organizations**

- Pool Creation: nurturing the growth of invention promotion companies
- Grading & Reward Register, a transparent benchmark system
- Cultivating inventors' proactive roles

The Inventors Shopping Paradise Concept, if not taken literally, allows us to visualize the role of an Organization as an invention business architect or a developer of the inventions' promotion infrastructure.

The Organization, perhaps a grouping of entrepreneurs and inventors or a government sponsored institution, has a role to help make invention promotion a viable and attractive business. The role includes:

A1: Nurturing the growth of invention promotion companies

A2: Creating a transparent system or a forum for positive benchmarking of invention promotion matchmakers

A3: Cultivating inventors' proactive roles: first lesson in the business of promotion of inventions

The Organization acts as a creator of a 'river flow' infrastructure, with tributaries to different sectors of the industry, and subsequently monitors such environment to ensure that the fishes (inventions) can grow and multiply. The invention promotion companies become the body of water so essential for the mobility of the fishes to flow from their productive source (inventors) to a new home environment (buyers/users).

Translated into marketing term, the imperfect flow of market information naturally causes difficulties for an inventor to connect to the right buyer. Therefore a medium to transmit information in the form of invention promotion companies is necessary.

**A1: Nurturing the growth of invention promotion companies**

- seeking the right profile type
- program for their proliferation or growth
- making their roles visible and congruent with the demand sector

What has been more obvious in most sponsored creative agenda is to build up the creativity activity with little attention paid to the importance of *nurturing the right profile type* of invention promotion companies. The potential invention promotion entrepreneurs, who have to commit capital and human resources, may not be optimistic about the supply and demand of inventions. The Invention Promotion Organization, whether profit or non-profit oriented, has to find creative means to nurture the growth of the invention promotion companies.

These companies, playing *the resourceful invention agents'* role, can help contribute to the realization of many inventors' dreams of seeing their inventions finally reaching the users.

Presence of a large number of reliable and proficient invention promotion companies will serve to:

- act as a social glue to match inventors to buyers
- contribute to the growth of the inventions' market lubricated by the sheer size of their cumulative efforts and enthusiasm!

**A2: Creating a transparent system for positive benchmarking of invention promotion match.**

- disorganized growth lead to problems
- negative benchmarking, a knee-jerk reaction
- Positive benchmarking, proactive action

***Growth of Invention Promotion Companies: disorganized***

*“... there are a number of invention promotion companies which do not deserve the confidence of inventors and Inventors' Associations. It is a serious case in several countries, to the extent that the Government or the courts had to intervene. .... The enthusiasm of most inventors for their 'baby' makes them most vulnerable in front of promoters who make false or exaggerated claims about the market potential of their inventions.”*

*Mr. Farag Moussa, IFIA President*

Because of a lack of attention to how the invention promotion companies should be nurtured, the disorganized proliferation of such companies leads to other problems. I had read in a US magazine, some inventors had taken lawsuit alleging an invention marketing firm had engaged in racketeering with regard to a fraud of inventors.

### *Why the Promotion of Some Inventions Failed*

Some of the reasons for inventions' promotion failure:

- i) Minimum promotional efforts. No product champion.
- ii) Unrealistic or unfair promotion fees.
- iii) Dishonest promoters
- iv) Non-proficient promoters

Some form of benchmarking for the invention promotion companies should be developed:

- Market Proficiency Classification  
Inventors need to know the type of expertise as claimed by each invention promotion company. The Organization can work in tandem with these companies to formalize a classification approach.
- 'Positive' Reliability Score  
Dissatisfied inventors, over time, would group together into a 'Justice Action Register' to 'blacklist' or sue dishonest invention promotion companies. This is a re-active approach punishing errant or inefficient companies.

The Organization can help create a channel to encourage inventors

- To register basic information pertaining to whom they had contracted their invention for promotion, and which staff of the companies is responsible.
- To register inventor's satisfaction or a contract successfully concluded by the invention promotion firm.

Such additional information would help create a 'Reward Register' that will keep track of the useful information, such as:

- a) An invention promotion company's staff to inventions' ratio:  
The number of inventions assigned to each qualified staff responsible for promoting contracted inventions has to be transparent and available.
- b) Ratio of success hits to the number of inventions contracted:  
Over time, criteria are developed for awarding stars rating for successful cases with respect to the number of inventions contracted for promotion.

This information system would not register inventors' complaints alone. It would serve to reward the good performance of honest and proficient invention promotion companies. A positive-rating system stands a better chance of being supported by both the inventors and the companies.

Surely it is more interesting for an inventor to seek a list of well-credited invention promotion companies than to look at the 'blacklisted' list. Additionally, it is also in the interest of these companies to work their names into a reward-rating system.

### **A3: Cultivating inventors' proactive roles**

- low rate of success for the commercialization of inventions: many heart-broken inventors
- taking more active role in the promotion process
- casting 'votes' in the Reward Register

#### *Invention promotion companies' concern*

Let's take a cue from a multi-national corporation (or MNC) that develops a hundred inventions a year. Possibly, 15% of their inventions are developed successfully to the market-ready stage. At the marketing stage, the number of successfully promoted inventions takes a further beating till perhaps 1 or 2 inventions finally become profitable.

If a 2% success rate is used as a projection by an invention promotion company, there will be many heart-broken inventors. To a MNC, one successfully hatched egg, amongst many in a basket, is important to make up for the failures of the other inventions or new products. This is where the paradox lies: practically every invention belongs to a different inventor. Hence a successfully promoted invention does not make up for the failure of the others. Each inventor expects the service provider to succeed!

#### *Educating the inventors to be proactive*

It is difficult for the inventor to be a Product Champion or a Lead Entrepreneur. In a similar vein, it is unlikely that an employee of an invention promotion company is capable of being a Product Champion given the numerous invention portfolios he will have to manage.

The potential difficulty in promoting a new-to-the-world invention was mentioned in a few cases:

*I do not believe that any amount of market research could have told us that the Sony Walkman would be successful, not to say a sensational hit that would spawn many imitators.*                      -- Akio Morita, Sony

3M Post-It Note: 3M's scientist Spencer Silver had discovered a weak adhesive for which there was no apparent market need. Arthur Fry, 3M's entrepreneur responsible for "Post-It Note" development, was the champion that saw this product passing through all kind of obstacles despite "doom-to-fail" prediction from feedback.

Inventors, by working proactively with the staff of the invention promotion company, can help overcome obstacles, predicted and unforeseen.

### ***Casting Vote In The Reward Register***

It is important for an inventor to voluntarily keep a registry informed when there is credit due to a promotion company. Such registry could be administered by an inventors' association. Information registry should not require inventors nor companies to divulge confidential information. Basic information such as the name of the staff, who is responsible for the commercialization implementation, should be given.

### **(B) The Role of Invention Promotion Companies**

- Market Proficiency Classification
  - marketing segmentation
  - marketing depth
  - marketing dimension
  
- Reliability Score
  - engaging qualified staff
  - industrial sector proficiency
  - type of marketing, know-how & fee

### **Transparent Classification System**

We had mentioned the role of invention promotion companies playing a useful role in lubricating the transfer of inventions to the right profile buyers. These companies have a *role to help reassure inventors* about their reliability via an "open-book" or audit mechanism. The audit mechanism could be an adaptation of the ISO 9001 Quality Management System.



**B1. Market Proficiency Classification**

Let's discuss the invention promotion company's proficiency. It takes time to make this transparent. These companies can generalize their proficiency when the number of promoting companies is small. When the number of companies increase, competition would oblige them to specialize in certain fields.

- **Industrial Sector Proficiency:**

Area of practicing expertise,

For example: technology, industrial or consumer based products.

- Classify the industrial sector of interest for invention promotion business, based on the International Patent Classification System.

- track record in the industrial sector of invention promotion

- **Marketing Depth:**

Depth of invention promotion activity,

e.g. Comprehensive: Managing from a desk sketch to the market

Basic: Licensing deal arrangement, as a matchmaker

- **Marketing Dimension:** InventBranding

Buyers of inventions are different from buyers of consumer products, and this is an important point that has to be recognized by these companies. Creative promotion companies can adapt some form of "guerrilla warfare" marketing taking an occasional *shot* at different group of buyers for the budget conscious inventors.

There seemed to be a disproportionately low participation by advertisement firms in this business of invention promotion. Their expertise in packaging products from an emotional angle of appeal can perhaps contribute to the advancement of invention promotion industry that is at its infancy.

**B2. Reliability Score**

- **Assigned qualified staff:**

Assigning qualified staff so that he or she can be 'debited' for failed invention and 'credited' for an invention that is successfully promoted. This concept resembles the ISO 9000 Quality System Standards certification adopted by companies, both from the manufacturing and service sectors.

The number of invention portfolios per staff should be made available upon inventors' requests.

- **Type of Marketing, Knowledge and fees:**
  - Comprehensive Marketing  
If an inventor pays a fee of \$7,500, is this amount under-priced for services that includes prototype built-up to market-ready and launch? (Moral: If you pay peanuts, you are likely to get monkeys.)
  - Basic Marketing Role or Matchmaker Role only  
If an inventor pays \$7,500 as a fee to a matchmaker, would this be considered as overpricing?
  - Front-end cash fee or commission basis?  
Fewer disputes: Companies that do not require a front-end cash fee from inventors, but are willing to take the risk with the inventions by relying for compensation on commissions resulting from successful sales.

## CONCLUSION

In conclusion, the role of invention promotion companies and organizations in the commercialization of patented inventions can be summarized as follows:

1. the need to create an environment that helps stimulates and nurture the growth of invention promotion companies.
2. the need to have a transparent system to benchmark good performance of invention promotion companies.
3. cultivate proactive role in inventors, in order to increase the chances of success.

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