



## Brown & Michaels

### Invention Marketing Companies: Are they for real?

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"Invention Marketing Companies" are companies which claim to represent inventors in taking their ideas to companies. We have had many inventors come to our firm over the years who have been "taken" by these firms. The lucky ones only got to the first stage, the unlucky ones lost tens of thousands of dollars.

#### How do they work?

- **Step 1:** These companies usually charge a fee of \$300-\$900 up front to "evaluate" an idea. Some actually have a patent attorney or agent search the invention, but these searches are of widely varying quality.

Recently we did a patent search for a client who had had a search done by an Invention Marketing Company. While the search done by the company did return some patents for devices in the same field, they missed several recent patents for nearly the identical device, which would have been found by a simple keyword search on any of the databases available over the internet, much less by a professional search in the Patent Office.

Another trap for the unwary is to offer a "free patent classification search" - basically nothing more than telling the client that their new mousetrap is classified in class 43 "Fishing, Trapping, And Vermin Destroying", and providing one or two representative patents from that class.

- **Step 2:** The company then returns a glowing glossy report stating that the idea is immensely valuable and the market is vast. Usually, 99% of the report is "boilerplate", and only the title of the invention and a page or two in the "search report" describing the invention in broad terms differs from one report to the next.

If you really want an honest evaluation of your invention, you'll want a service which will look at your invention and give you an unbiased evaluation, without any conflict of interest. There are services which will do that for you, for a fee. One of the best known companies, which some of our clients have used, is the [I<sup>2</sup> Innovation Institute](#) - formerly "WIN" (WalMart Innovation Network). We'd recommend you contact them first, and listen to their advice, before you spend any money with any kind of marketer.

- **Step 3:** The company then usually requests a fee of anywhere from \$6,000 to \$18,000 (these are figures which were quoted to our clients), for which they promise to:
  - *File a patent application.* Unfortunately, most of these companies only file design patent applications, which are generally not appropriate for most inventions (see our web page on [Patent Questions and Answers](#)) or, worse, only a [Provisional Application](#) or Disclosure Document (usually they filed Disclosure Documents if they only promised to file a "patent document" - one reason the program was ended, effective February 1, 2007). Sometimes they may hire an unscrupulous patent attorney to file a ["picture patent"](#) - a utility patent, yes, but so narrow that it is essentially worthless.
  - *Display your invention at trade shows.* Yes, but trade shows for what trade? Usually, the answer is "trade shows of invention marketers," and you can imagine how little use that is. The only people who will attend are other invention marketers and sometimes other hopeful inventors.
  - *Include your invention in a database.* OK. So what? Who ever looks at the database? Who has access to it, other than the marketing company?
  - *Include your invention in a brochure sent to manufacturers, or to produce flyers and/or videos.* Usually, the brochure is a mishmash of assorted inventions whose inventors have paid the company, and is sent "shotgun style" to all sorts of unrelated manufacturers. As far as we can tell, most, if not all, manufacturers tend to simply throw these away without looking at them.
  - *Relay all offers to you and help in negotiating licenses.* Except, of course, they almost never get any offers.

In addition to the substantial up-front fees, the company quotes a sliding scale of royalties, with the royalty percentage based on the up-front fee (pay more up front, they take less in royalties). They can afford to be generous in these royalty rates. Although these usually look like a good deal to the inventor, in fact they are irrelevant - the company makes its money from the up-front fees, not from royalties they know will never materialize.

We once had a client bring an idea to us after paying for one of these enthusiastic endorsements. It was obvious to us that the idea was to use a common material to make a simple object which had been on the market for years. Unfortunately, that material was, in fact, what the objects had always been made of. The only thing she had brought to the company was an ignorance of how the object actually worked.

The marketing company said that they had researched the idea and assured her that companies were just waiting to pay her royalties. They estimated the size of the market for her idea (easy - it was already out there), and asked for another \$12,000 to bring the idea to an eagerly waiting world. They generously offered to cut the percentage of the upcoming royalties they would keep, if she would pay them more up front. An easy offer, that - they knew there would never be any royalties to split.

In some cases, having a design patent or a publication (even a useless one) has resulted in inventors losing the rights to their inventions, since a utility patent application could no longer be filed by the time they realized they had been "had". In the case of foreign patent rights, the mere fact of publication is enough to stop you from getting a patent, and even if no one ever looks at those brochures they are still "publications".

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### What should you ask an Invention Marketer?

If you are considering going with an marketing company at all, ask them:

1. *How many inventors have they represented in the last 5-10 years?*
2. *How many of these made more money through licensing obtained by the company than they spent in having the invention marketed by them?*
3. *How many inventions were presented to them in the last 5-10 years?*
4. *How many of these inventions did they select to market?*

If they are honest and typical of the industry, the answer to question 2 will be nearly 0%, and to question 4 nearly 100%. Recently we had a client ask these questions of one of the "800 Number" companies, and he was proudly told that in the last 12 years, out of tens of thousands of clients, the company had 8 inventors earn more in royalties than they paid the company. This estimate was probably high.

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*We recommended that people ask companies these questions for many years. Since 1999, it's the law!*

### The American Inventors Protection Act of 1999

On November 29, 1999, Congress passed the AIPA, which for the first time imposed a duty on Invention Marketing Companies to disclose information to prospective clients before they sign contracts. Specifically, a company must disclose:

- Total number of inventions evaluated by the promoter in the past 5 years.
- The number of these inventions which received positive and negative evaluations.
- The number of customers who contracted with the promoter over the last 5 years.
- The total number of these customers who received a net financial profit as a direct result of the promotion services by the promoter.
- The total number of customers who have received license agreements for their inventions as a direct result of the promotion services by the promoter.
- The names and addresses of all previous invention promotion firms with which the invention promoter or its officers have been affiliated for the last 10 years.

Any customer who has contracted with a promoter and has been injured by an omission to state any of these facts, or any other material fact, or by any material false or misleading statement by the promoter will have a civil cause of action for actual damages or statutory damages of not over \$5,000, plus costs and attorneys fees. If the court finds the promoter's actions to have been willful, taking other complaints into account, the damages may be trebled.

The [USPTO has been posting complaints](#) received under the AIPA to their website.

*These provisions took effect on January 29, 2000, although many years later, many Invention Marketing are still not providing these facts to prospective consumers.*

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### What about "Company X"?

We are often asked "Have you heard of company 'x'?" For obvious reasons, we cannot comment on specific companies, unless we have information which is part of the public record. In addition, these companies often change their names and locations to avoid complaints (which is why you often cannot get any information from the Better Business Bureau), so just because a company isn't listed here, don't take that as an endorsement.

**In general, if a company works as described above, and in the various articles we quote here, it probably is an Invention Marketing Company. Approach such companies with extreme care, if at all.**

However, in response to the huge demand, here is a partial alphabetical list of companies on which we have any information based on public record and press reports. Some reportedly have been the subject of legal action, or have complaints filed in the USPTO. *We are not expressing any opinion at all by listing these companies - review the information and make up your own mind.*

- *Absolutely New* - see [IP&R](#)
- [Advent Product Development](#)
- [American Group for Innovation and Technology, Inc.](#), 5130 MacArthur Blvd or 4545 42d Street NW, Washington DC (now,

according to one client, moved to Florida)

- [American Idea Management](#) of Stoneham, Mass
- [American Institute for Research and Development](#) of Westfield MA (twice indicted)
- [American Invention Associates, Inc.](#) headquartered in Miami, Florida
- [American Inventors Corporation](#) of Westfield MA (twice indicted)  
Their patent attorney was also suspended by the USPTO Office of Enrollment and Discipline for his actions - [the decision is a very interesting one](#), in that it goes into detail on how these companies work.
- [American Patent Research Corporation](#) 5130 MacArthur Blvd or 4545 42d Street NW, Washington DC (now, according to one client, moved to Florida)
- [American Patent Research and Development Corporation](#) 5130 MacArthur Blvd or 4545 42d Street NW, Washington DC (now, according to one client, moved to Florida)
- [Azure Communications, Inc.](#), of Reston, Virginia (see also "[Patent & Trademark Institute](#)")
- [Concept Network, The](#) - out of Indiana and Wexford, Pennsylvania
- [Continental Ventures Inc.](#)
- [Davison & Associates, Inc.](#), of Oakmont and Indianola, Pennsylvania
- [Edge Concepts](#) (formerly *International Inventors Club*), Green Tree, PA
- [Emirates Manufacturing Company](#) - this isn't really an invention marketer, it's a variation on the Nigerian "advance fee fraud" schemes
- [Eureka Solutions International, Inc.](#) West Pittsburgh Expo Mart in Monroeville, Pennsylvania;
- [Global Development Services, Inc.](#), Manassas, VA and Madison, WI
- [Idea Management & Patent Assistance Corp.](#) of Stoneham, Mass,
- [Innovation Center, Inc](#) 5130 MacArthur Blvd or 4545 42d Street NW, Washington DC (now, according to one client, moved to Florida)
- [Innovative Patent Services](#)
- [International Licensing Corporation, Inc.](#) of Reston, Virginia
- [International Inventor's Club](#): Green Tree, PA.
- [International Patent Advisors](#) - see "[Patent & Trademark Institute](#)"
- [International Patent Consultants](#)
- [International Product Design, Inc.](#) 5130 MacArthur Blvd or 4545 42d Street NW, Washington DC (now, according to one client, moved to Florida) (see also "[Patent & Trademark Institute](#)")
- [International Marketing, Inc.](#) - see "[Patent & Trademark Institute](#)"
- [International Technology Exchange](#) (ITE) of Dublin, Ireland - off-site link to January 2004 article on "This is Money" website.
- [Inventconnect.com](#) - see [Patent & Trademark Institute of America](#)
- [InventHelp](#) - see "[Invention Submission Corporation](#)"
- [Invention Consultants, USA, Inc.](#) of Philadelphia, Pennsylvania
- [Invention Marketing, Inc.](#) of Pittsburgh, PA
- [Invention Submission Company](#) (many offices nationwide and Canada, and advertises widely on TV and radio) - now known as [InventHelp](#)
- [Invention Technologies, Inc \(Invent-Tech\)](#)
- [Inventor's Helpline](#) - see [Patent & Trademark Institute of America](#)
- [InventorLink.com / Inventor-Link LLC \(Delaware\)](#) - [offsite link to discussion on The Invent Blog](#)
- [IP&R](#)
- [London Communications, Inc.](#) of Reston, Virginia
- [National Idea Center, Inc.](#), 5130 MacArthur Blvd or 4545 42d Street NW, Washington DC (now, according to one client, moved to Florida)
- [National Idea Network, Inc.](#), of Indiana and Wexford, Pennsylvania;
- [National Invention Services, Inc. \(NISJ\)](#), of Cranford, New Jersey (also [PTO complaint](#))
- [NewInventions.com](#)
- [New Product Advisory Group](#)
- [New Products of America, Inc.](#), of Atlanta, Georgia
- [New Product Consultants](#)
- [New Product Consulting Corp.](#)
- [OEM Communications](#), West Pittsburgh Expo Mart in Monroeville, Pennsylvania
- [Pacific World Marketing](#) - [offsite link to discussion on The Invent Blog](#)
- [Patent Research, Inc. \(Inventor's Helper\)](#)
- [Patent Trademark Institute of America \(Inventorshelpline.com\)](#)
- [Synergy Consultants](#)
- [Technology Licensing Consultants Inc.](#) of Pittsburgh, Pa
- [Universal Consulting Service](#)
- [Washington Financial Group](#), West Palm Beach Florida, and Enfield, Connecticut.

The detail supporting this list follows:

### Companies against whom Legal Action has been taken

**Advent Product Development:** In the course of a lawsuit (Case 1:06-cv-04697-RMB-JS), reported in the [Invent Blog](#) on May 14,

2007, Advent filed a [disclosure statement](#) indicating that between October 1, 1998, and December 6, 2004, out of 2,452 customers who signed representation agreements with them, *ZERO* customers made more money than they paid Advent. See also [complaints filed with the USPTO](#).

**American Idea Management and Idea Management & Patent Assistance Corp. of Stoneham, Mass, and Technology Licensing Consultants Inc. of Pittsburgh, Pa. - Consent decree with Federal Trade Commission**, reported in Wall Street Journal, *Naive Inventors Fall for Optimistic Pitches Some Marketers Make* September 11, 1991. Also, [complaint filed with the USPTO](#), October 2003

**American Inventors Corporation ("AIC")**, formerly located at 82 Broad Street, Westfield, Massachusetts; **American Institute for Research and Development ("AIRD")**, formerly located at 16 North Elm Street, Westfield, Massachusetts; and **Washington Financial Group ("WFG")**, formerly located in West Palm Beach, Florida and Enfield, Connecticut. Also the following individuals: RONALD BOULERICE, age 60, of 400 Woodland Way, Russell, Massachusetts, and the former owner and President of AIC, and owner of AIRD and WFG; JOHN SAMSON, age 59, a resident of 173 Linseed Road, West Hatfield, Massachusetts, and a former Vice-President of AIC and the former President of AIRD; and LAURIE BOULERICE, age 35, a resident of 55 Maple Street, Easthampton, Massachusetts, daughter of RONALD BOULERICE, and a former Vice-President of AIC and the former President of Massachusetts Patent Services - charged with conspiracy to commit mail fraud, mail fraud, conspiracy to commit money laundering, money laundering, conspiracy to defraud the U.S. Internal Revenue Service, and filing false income tax returns. JOHN HOIME, age 49, a resident of 25 Tannery Road, No. 9, Westfield, Massachusetts, and the former manager of AIC's Sales Department - charged with conspiracy to commit mail fraud, mail fraud, conspiracy to commit money laundering, and money laundering. DIANE TAGLIAVINI, age 46, a resident of 48 Stephanie Lane, Westfield, Massachusetts, and a former AIC salesperson; LEON GILDEN, age 52, formerly a resident of Spokane, Washington, and a former patent attorney for AIC and AIRD; JEFFREY REHBEIN, age 33, a resident of 47 Arcadia Road, Longmeadow, Massachusetts, and a former AIC salesperson; SCOTT FAVREAU, age 35, a resident of 862 Army Road, Springfield, Massachusetts, and a former AIC salesperson; BEN ABEL, age 60, a resident of 19 Fuller Drive, Brattleboro, Massachusetts, and a former salesperson; are charged with conspiracy to commit mail fraud and mail fraud. - **raided by FTC, US Postal Inspectors, US Department of Justice and local authorities on October 26, 1995**. Reported in *The Law Works* December 1995 issue.

*The following is an excerpt from an article in the April 2, 2002, Union News (Massachusetts):*

SPRINGFIELD - A top executive of a former Westfield company which preyed on amateur inventors was sentenced to three years in prison yesterday, and ordered to pay up to \$2.28 million to aid the company's victims.

John L. Samson, 62, of Hatfield, vice president of the former American Inventors Corp., was sentenced in U.S. District Court by Judge Michael A. Ponsor. Samson pleaded guilty last year to counts of mail fraud, money laundering and filing a false tax return, and is one of more than two dozen American Inventors employees to plead guilty to crimes.

...

On hand to see Samson sentenced was Jacqueline E. Blair of Whitinsville, one of the 34,000 amateur inventors who prosecutors say poured more than \$58 million into American Inventors during a 20-year period. Prosecutors have said that American Inventors convinced clients that questionable inventions had potential, and plied them with false promises of marketing and patenting help.

...

Blair testified that American Inventors eventually paid an Attleboro manufacturing company \$6,000 in 1993 to make her believe she was getting a \$6,000 advance on future royalties. Then, American Inventors officials coaxed her into making a videotape about the product's supposed launch. Blair said the tape was later used without her knowledge to promote American Inventors' affiliate American Institute for Research and Development, Inc., of which Samson was president. "I happened to show up when they needed a success story," Blair said.

*(The following is an excerpt from an article at [www.patentcafe.com](http://www.patentcafe.com), quoting the US Attorney's Office in Boston):*

*May 18, 1999:*

"United States Attorney Donald K. Stern, Michael Ahern, Inspector in Charge of the Northeast Division U.S. Postal Inspector's Office, and Michael Lahey, Acting Chief of the U.S. Internal Revenue Service's Criminal Investigation Division in Boston, announced today the unsealing of two indictments charging ten individuals for their involvement in a \$60 million mail fraud scheme that defrauded over 34,000 victims while operating in Westfield, Massachusetts, from 1982 through 1996.

U.S. Attorney Stern stated: "The only thing successful about these companies was the unparalleled size and scope of their scam, which yielded \$60 million dollars from over 34,000 victims. The patenting and marketing services they provided were worthless. The big dreams of small inventors were exploited by this cynical and cruel hoax."

At least three of AIC's patent attorneys - Leon Gilden, Michael Colitz and S. Michael Bender, were suspended or excluded from practice by the USPTO Office of Enrollment and Discipline for their actions in working with AIC's customers.

[Working for AIC, patent attorney Leon] Gilden employed draftsmen to add decorative ornamentation or surface indicia to the drawings of the inventions even though such embellishment was not invented by the

named inventor...The alleged purpose of this scheme was to make it easier to obtain a patent and to avoid a refund of the inventors' fee under AIC's money-back guarantee. Gildden's alleged involvement in the embellishment scheme prompted the PTO to initiate disciplinary action against him in the early 1990s...Ultimately, Gildden entered into a settlement agreement with the PTO and received a five-month suspension. - from the *CAFC* decision in [Bender v Dudas](#)

Colitz' [decision is a very interesting one](#), in that it goes into detail on how these companies work.

On June 21, 2007, another one of their attorneys, S. Michael Bender, who replaced Gilder, [lost his appeal to the CAFC](#) of his exclusion from practice before the USPTO.

Although Bender may have only had the best intentions in mind in assuming prosecution of the Gildden applications, the best of intentions cannot absolve Bender's complicity with AIC in a scheme fraught with deception and adversely affecting a large number of unsuspecting inventors. As an experienced patent practitioner, Bender had to have appreciated that the wholesale practice of filing design applications with unauthorized design embellishments in hundreds of applications was not in the inventors' interests but instead was driven by AIC's money-back guarantee.

**Davison & Associates, Inc.**, of Oakmont and Indianola, Pennsylvania; President and CEO George M. Davison, III, and sales associate Thomas Dowler;

**1997 FTC Case: Davison & Associates: File No. 962 3310 / U.S. District Court for the Western District of Pennsylvania, in Pittsburgh, Civil Action No. 97-1278** - Contact: Steven Balster, FTC Cleveland Regional Office, 216-263-3455

**After nine years, the FTC case against Davison & Associates was finally concluded, with a victory for the Federal Trade Commission.** On March 17, 2006, Judge Gary L. Lancaster issued an order entering a **\$26 Million judgment** in consumer redress. This amount represents \$18 Million Davison earned in 2004 alone, plus \$8 Million pre-complaint. Monies collected on this judgment shall be deposited by plaintiff into an interest bearing account for distribution pursuant to a disbursement plan to be approved by the court.

He also issued an **Order for a Permanent Injunction** in this case. The order prohibited Davison from making any misrepresentation:

- (a) that Davison is selective in deciding to whom services will be offered;
- (b) that they have a combined stake in the consumer's invention because they "work for free" and/or receive significant income from royalties;
- (c) falsely stating their track record in terms of numbers of consumers contracted with, number of consumers realizing a net profit, or licenses obtained;
- (d) that their invention-promotion services helped any specific invention ideas become successful products without disclosing whether the consumer realized a net profit;
- (e) that they have a vast network of corporations with whom they have ongoing relationships and regularly negotiate successful licensing agreements;
- (f) that their services are necessary for consumers to license invention ideas; and
- (g) that they prepare objective and expert analyses of the marketability or patentability of consumers' invention ideas.

The injunction also ordered Davison to provide a special disclosure of ten different facts about Davison's operation to every customer within three days of the first communication from the consumer - the court noted this was in addition to [the disclosure required by the AIPA](#), and it is needed due to Davison's "**blatant, varied, and repeated misrepresentations** regarding their selectivity and success rate and the importance of royalties to their relationship with consumers." Davison is also required to provide specific information and warnings to consumers before accepting money from them.

The Findings of Fact in the case are instructive. They find, among other things, that:

- (a) Less than 1% of Davison's income comes from royalties
- (b) Out of 40,516 disclosures received in the first half of 2005, Davison accepted 26,309 submissions for "phase one" evaluation (at \$700 and 10% royalty) . Of these, 4,371 consumers purchased "phase one" services. 3,455 of those who purchased "phase one" were offered "phase two" agreements, at a cost of \$8-14,000 plus a percentage.

(c) Davison "tries to convince consumers that they select a limited number of ideas for further work, when the vast majority of consumers are offered further services."

(d) Davison offered 30% more consumers "phase two" services after the FTC filed its complaint than it did before.

(e) Davison represents that it "works for free" because of its percentage royalty arrangement. "In reality, and unbeknownst to the consumer, there is no real shared interest, because royalty payments from consumer licenses are a miniscule percentage of defendant's revenues."

(f) Davison misrepresents its track record by by hiding information and overstating the reasonable probability of financial gain. By pretending that the royalty agreement and the fixed costs are separate, Davison claimed that anyone who made even \$1 in royalties had made a "profit" because the Contingency Agreement was "free", when in fact the consumers had spent thousands on the fixed fee parts of the arrangement.

(g) Davison's material is not misleading in indicating that many people make money on their inventions - in fact, it emphasizes that very few do. The problem is that Davison "used unlawful techniques to convince consumers that they have the rare idea that falls into the exception category."

(h) Davison implied that they had "special relationships" with hundreds of large, nationally known companies - and they did not. They had little, if any special access.

(i) Davison claimed to have close working relationships with specific companies, "when defendant's submission procedures do not even meet the company's requirements for the submission of unsolicited ideas".

(j) Davison's "misrepresentations regarding special acces are exacerbated by false claims of confidentiality. Even post-complaint, when consumers ask for details regarding a company's interest in their idea before agreeing to purchase the Production Sample Presentation Agreement, defendants refuse, citing confidentiality concerns. Such confidentiality claims are suspect because all defendants have done at that point is pull the name of a company that makes the same type of products as the consumer's invention from their computer database."

(k) "Even after the court issued a Temporary Restraining Order, ... defendants continued to engage in deceptive practices, albeit in slightly different forms. Based on this past pattern of conduct, there is a very real danger that defendants will alter their business again, yet continue to engage in wrongdoing."

**Update: On July 14, 2008**, Davison and the FTC settled the suit for \$10.7 million. The [FTC Press Release](#) explained the settlement:

Under the proposed settlement, in connection with providing research, patent, marketing, and/or invention promotion services, the defendants cannot misrepresent that they're selective in accepting inventors, and that they have a stake in an invention because they "work for free" and/or receive significant income from royalties. They also can't misrepresent how many consumers have contracted with them, how many of those consumers realized a net profit, or how many product licenses they obtained for consumers.

The settlement also bans the defendants from misrepresenting that they've helped inventions become products without disclosing whether consumers have profited from the product, and that they have a vast network of corporations with which they regularly negotiate licensing agreements. They also can't misrepresent that their services are necessary for consumers to license their ideas, and that they prepare objective and expert analyses of the marketability or patentability of ideas.

The settlement requires the defendants to post on any Web site or advertising, and to furnish to prospective clients, an affirmative disclosure statement that clearly and unequivocally states:

- How many consumers submitted ideas within the past five years;
- Of those, how many were offered, and how many signed, agreements for defendants' several services including research, presentation, and licensing services; and
- How many consumers succeeded in licensing their ideas, how many made more money in royalties than they paid the defendants in fees, and the percentage of the defendants' income that comes from royalties earned from their customers' inventions.

The statement must include, in bold print, how many consumers in the last five years made

more money in royalties or sales proceeds than they paid the defendants, and the percentage of the defendants' income that came from royalties paid on licenses of consumers' products.

In reporting the settlement, the AP noted:

John Mendenhall, who directs the FTC's regional office in Cleveland, said the settlement "will not cover all the injury from the case, (but) it will be fairly significant." Mendenhall said that Davison will remain under very close federal scrutiny through 2014. He said the FTC is continuing to look at the manner by which it makes sales calls to move its "services."

Davison issued a statement saying it has added risk-disclosure statements to its marketing materials to tell inventors that "new product design is a high-risk venture."

On January 16, 2005, he *Pittsburgh Tribune-Review* [published an article](#) on the FTC suit, still pending eight years later, entitled "Inventors Tell of Dashed Dreams". Among other things, the article reported:

"The Federal Trade Commission contends that Davison & Associates continues to violate a 1997 court order barring the firm from making false statements to customers about its ability to market inventions. The FTC says the firm still is making misleading statements to customers about its marketing success. ... The FTC's lawsuit, filed in 1997, alleges that Davison & Associates is engaging in a big scam. The slick sales talk, glossy brochures and professional resumes hide a con game, the federal agency contends. The firm charges hefty fees for so-called expertise that is actually worthless, the agency claims. Davison & Associates brings in big money, but not for inventors. Instead, the firm is the one raking in the money, according to the documents. The firm's financial records show that hopeful inventors paid more than \$7.2 million from 1994-97. In return, Davison & Associates produced \$30,000 for inventors, the commission states."

"Company sales associates were given scripted presentations to close deals with investors. One memo instructed them to tell potential customers: 'The guarantee is that we will have the resources to sit down face to face with the CEO's of these companies. They know us and trust us.' ... In reality, the firm sends out unsolicited mass mailings touting proposed inventions to companies across the nation. Virtually all the mailings get tossed in the trash, the FTC states in court filings. "

See: [http://www.pittsburghlive.com/x/search/s\\_293702.html#](http://www.pittsburghlive.com/x/search/s_293702.html#)

**Update - February 1, 2010:** Davison's website has an Affirmative Disclosure Statement which lists the following statistics on their operations over the preceding five years (current as of January 10, 2010):

- The total number of consumers who submitted new product ideas to Davison during the past five years is five hundred seventy thousand seven hundred ninety eight (570,798).
- The total number of consumers who were offered a Pre-Development or Contingency Agreement (or other contract for licensing representation) is three hundred twenty six thousand one hundred ninety seven (326,197).
- The total number of consumers who purchased a Pre-Development or Contingency Agreement or other licensing representation agreement is fifty thousand three hundred forty three (50,343).
- The total number of consumers who were offered a New Product Sample Agreement (or any other contract for design services for a virtual or a product sample) is thirty eight thousand three hundred ninety two (38,392).
- The number of consumers who signed a New Product Sample Agreement or similar agreement is thirteen thousand eight hundred twenty one (13,821).
- The number of consumers who obtained a written license with a company that is not affiliated with Davison is three hundred forty one (341).
- The total number of consumers in the last five years who made more money in royalties than they paid, in total, under any and all agreements with Davison, is fourteen (14).
- The percentage of Davison's income that came from royalties paid on licenses of consumers' products is .001%.

Reference: <http://www.davison.com/legal/ads1.html>

**Emirates Manufacturing Company** - This isn't an invention marketing company at all, it's a scam of a different sort. The "company" contacts inventors and offers to buy their inventions for big money. When the inventors get taken in by the glowing promises, they discover that first they have to send thousands of dollars to the scammers to "register the invention" or "pay an agent to review the patent" or some other fraudulent expenses. Basically, it's the same old Nigerian 4-1-9 scheme, with a phony "manufacturing company" replacing the deposed dictator's widow, petroleum revenue clerk, lawyer with deceased client... fill in the blank. If you ever hear from them, delete the message and don't answer. For more information see this [Invent Blog entry](#), which explains the scam in detail (off-site link).

**Eureka Solutions International, Inc.** and **OEM Communications**, both doing business out of the West Pittsburgh Expo Mart in Monroeville, Pennsylvania; President and founder Gregory S. Bender, and sales representative Frank J. Cillo. **1997 FTC Case: Eureka Solutions: File No. 972 3057 / U.S. District Court for the Western District of Pennsylvania, in Pittsburgh, Civil Action No. 97-1280** - contact Steven Balster, FTC Cleveland Regional Office, 216/263-3455

**Global Development Services, Inc.**, Manassas, VA and Madison, WI, headed by Kenneth A Rogers of Nokesville, VA - **Raided by the FTC and FBI on May 22, 1996**. Settled out of court on July 23, 1996, agreeing to pay \$1,000,000 in consumer refunds and to give customers a written notice stating that, since its inception in January 1994 not one of its clients has received profits of any kind from an invention as a result of Global's services. See the [FTC press release](#) for details.

**International Inventors' Club (a/k/a Edge Concepts)**: (an excerpt from an article in the Pittsburgh *Post-Gazette*, August 11, 1998, page F-7):

A Green Tree invention marketing firm will pay \$152,000 to settle charges it defrauded inventors, state regulators announced yesterday. Mark Gracy's International Inventors Club has agreed to pay \$52,600 to 16 inventors whose problems were the basis of a civil lawsuit filed against the firm last year. The club, now operating as Edge Concepts, also will pay \$50,000 in civil penalties and \$50,000 to cover the costs of the investigation.

IIC was one of four Western Pennsylvania clubs caught in July 1997 by Project Mousetrap, a Federal Trade Commission investigation of the invention marketing business. The case against Gracy was brought by state Attorney General Mike Fisher, whose agents cooperated with the FTC. The complaints against Gracy's firm mirrored charges lodged against similar firms in the past.

The invention marketing industry has been a haven for operators who take advantage of gullible consumers. Believing their ideas are the equivalent of winning lottery tickets, consumers pay invention marketing firms thousands of dollars to research and market their ideas. Regulators say most times it's money down the drain.

State regulators said Gracy's IIC collected up to \$9,000 from individuals, misleading them into believing they were paying for impartial, expert advice. In most cases, the inventors were told their ideas were unique and worth pursuing even though the chances of successfully marketing an invention were "far less than 1 percent," the attorney general's office said. The ideas included a disposable, milk-saving bra that working mothers could use to store breast milk, a shower caddy that holds shampoo and other toiletries and a switch that automatically turns on a car's headlights when the windshield wipers are in use. In the case of the car switch, the inventor paid about \$8,000 to IIC only to discover the idea was not original and that a patent already existed for such a device, state regulators said.

**International Product Design, Inc., The Innovation Center, Inc.**(\* see note, below \*), and the **National Idea Center, Inc.**, all of which were headquartered in Washington, D.C. and preceded the following four firms: **American Invention Associates, Inc.** headquartered in Miami, Florida; **Invention Consultants, USA, Inc.** of Philadelphia, Pennsylvania; **New Products of America, Inc.**, of Atlanta, Georgia; **International Licensing Corporation, Inc.** of Reston, Virginia; and **Azure Communications, Inc.**, of Reston, Virginia, doing business as **London Communications, Inc.** and which is the corporate headquarters of the four successor firms; and officers of one or more of the companies Robert N. Waxman, Peter Doran, Darrell Mormando, Julian Gumpel and Greg Wilson; **1997 FTC Case: American Invention Associates, Inc.: File No. 962 3276 / U.S. District Court for the Eastern District of Virginia, in Alexandria, Civil Action No. 96-1114-A**

The defendants in this case agreed to a "Stipulated Order For Permanent Injunction And Final Relief" ("consent decree") on November 17, 1998.

The order required the defendants to refrain from making material false representations, "including, but not limited to, falsely representing, directly or by implication:"

- (1) the likelihood that defendants' invention promotion services will result in financial gain for any customer;
- (2) defendants' past success in assisting customers to market their inventions, ideas or products;
- (3) that defendants assess or evaluate the potential, patentability, technical feasibility, or merit of ideas submitted by any customer;
- (4) that defendants make money from royalties generated by defendants' customers;
- (5) the amount of royalties received by defendants' customers;
- (6) any aspect of a refund policy or service contract;
- (7) any fact material to a customer's decision to purchase invention promotion services;
- (8) that the FTC had endorsed, authorized, or approved sales materials or practices of defendants;
- (9) the terms of this Final Judgment

The defendants were further ordered to send each prospective client two copies of an Affirmative Disclosure Statement on the initial contact, and that one copy must be signed and returned before any services could be contracted for. They were also ordered to set up a special fund of \$250,000 to pay valid claims by "eligible clients".

- for more information, contact David Fix, Raouf Abdullah or Michelle Chua at the FTC, 202-326-3248, fax 202-326-3392

Invention Consultants USA also had a [complaint](#) filed against them in the USPTO in January 2004.

Also: *Innovation Center, Inc., International Product Design, Inc., National Idea Center, Inc., (formerly American Patent Research Corporation and American Patent Research and Development Corporation) and American Group for Innovation and Technology, Inc.*, all of 5130 MacArthur Blvd or 4545 42d Street NW, Washington DC (now, according to one client, moved to Florida) - **subject to Consent Decree by District of Columbia Department of Consumer and Regulatory Affairs**, filed in the Patent Office September 19, 1994 (1167 OG 68)

*\*Note: The Innovation Center, Inc., should not be confused with the "[Canadian Innovation Centre](#)" in Waterloo, Ontario, Canada, which is a spin-off of the University of Waterloo and Industry Canada. The Canadian Innovation Centre has been in the business of helping evaluate new ideas for Canadians for over 20 years, and is not an invention marketing company.*

***Invention Marketing, Inc. of Pittsburgh, PA*** judgment in case brought by State of Wisconsin Department of Justice, filed in Patent Office May 16, 1986 (1076 TMOG 13)

***Invention Submission Company***, [reported to have paid \\$1.2 million](#) in an out-of-court settlement, and was required to disclose its success rate to customers.

A March 16, 1999, *Wall Street Journal* article confirmed the 1994 settlement and reported that ISC's own disclosure statements revealed that between 1995 and 1997, only 8 clients out of 5,291 made more from their inventions than they paid ISC. "We take pride in our success rate", said an ISC spokesperson in the article. The article also reported that in 1996 a patent law firm working for ISC required its associates to write a minimum of eight patents a week (the norm is more like one to four a month in most law firms, according to the USPTO).

In 2003 the USPTO Office of Independent Inventor Programs (OIIP) ran advertisements warning against the use of Invention Marketing Companies. The ads featured an actual inventor who "had spent \$13,000 dollars on the services of an invention promotion company but "ha[d]n't seen a penny." Although the ads did not name any particular company, the inventor had been a client of ISC, this fact came out in a news report on the ads, and ISC sued the USPTO.

ISC lost at the district and circuit court levels, on the grounds that the ads were not a "final agency decision" and has petitioned the Supreme Court to overturn the lower courts' rulings - the following is from the [USPTO brief](#) in the Supreme Court appeal in the case (*Invention Submission Corporation v. Jonathan Dudas (USPTO Director)*):

"In January 2003, the PTO initiated an advertising campaign in order to warn the public of invention promotion scams and to encourage inventors to utilize the OIIP's services. In a press release describing the forthcoming campaign, the PTO noted that the agency's advertisements would feature "an actual inventor, Edward Lewis, who lost several thousand dollars." In the advertisements, Lewis described how he had spent \$13,000 dollars on the services of an invention promotion company but "ha[d]n't seen a penny." *Ibid*. The advertisements did not accuse any particular promotion company of engaging in scams, nor did they identify the company to which Lewis referred.

"A cable television journalist who had seen the advertising campaign located Mr. Lewis (with contact information obtained through the PTO) and interviewed him. The cable network then published a story in which it disclosed that petitioner, Invention Submission Corporation, was the invention promotion company with which Lewis had dealt. The story reported that Lewis had filed a complaint against petitioner with the PTO and that petitioner denied Lewis's accusations. In addition, the cable story disclosed that the FTC had investigated petitioner in the 1990s "for misrepresentation in patent marketing schemes," and that petitioner had settled the matter by refunding \$1.2 million and agreeing to change its practices.

"As reported in the cable story, Lewis had, in fact, filed a complaint with the PTO against petitioner. The dispute was apparently resolved, and Lewis withdrew his complaint prior to any response by petitioner. Lewis's complaint was never posted on the PTO's web site.

"Shortly after resolving Lewis's claim, petitioner filed the present suit in the United States District Court for the Eastern District of Virginia against the Director of the PTO under the Administrative Procedure Act (APA), 5 U.S.C. 701 et seq. Pet. App. 5. Petitioner alleged that the PTO acted beyond its authority when it publicized Lewis's complaint in its advertisements, and that the PTO had done so in order to penalize petitioner. Petitioner further alleged that "the Acting Director of [OIIP] \* \* \* 'demonstrated [an] animus of the PTO against [petitioner] when he stated an intention to solicit and investigate customer complaints despite the PTO's lack of authority to do this.'

...

"[T]he publicity campaign challenged here was undertaken in furtherance of Congress's specific desire, reflected in the IRA, to "warn[] the public about invention promotion scams." Pet. App. 15. Congress itself found, and reported, that "certain invention promotion companies" were engaging in "deceptive practices." H.R. Conf. Rep. No. 464, 106th Cong., 1st Sess. 118 (1999). See H.R. Rep. No. 287, 106th Cong., 1st

Sess. Pt. 1, at 32 (1999) ("First-time inventors are frequently cheated out of hundreds of millions of dollars annually by unscrupulous invention promoters."). In the IRA, Congress authorized the PTO to publicize inventors' complaints as a way to combat this problem. 35 U.S.C. 297(d). Notably, petitioner does not challenge the PTO's authority under the IRA to publicize the prevalence of invention promotion scams generally or the OIIP's services to assist inventors to avoid such scams, including the collection and publication of inventor complaints. See Pet. App. 14. The campaign's use of an actual inventor to dramatize the issue, but without mentioning the particular company with which the inventor had dealt, did not convert the campaign into a "sanction" against petitioner."

The case has yet to be heard by the Supreme Court, as of October 2004.

The FTC has a 103-page [compilation of complaints](#) about ISC, among other companies. It should be noted that these are just consumer complaints, and not adjudications of wrongdoing, so read them and make up your own mind. (see also [USPTO](#) complaints, below)

ISC is now doing business as InventHelp. Their website states that

From 2007-2009, we signed Submission Agreements with 5,336 clients. As a result of our services, 86 clients have received license agreements for their products, and 27 clients have received more money than they paid us for these services.

reference: <http://www.inventhelp.com/inventhelp-client-invention-stories.asp>

That means that during these years, 0.5% of customers who paid money to InventHelp made more money than they paid.

See the *InventorEd* website's page "Falling Out With ISC Aired On Ebay" for an interesting page from a former ISC employee on how ISC operates. ([off-site link](#))

***Invention Technologies, Inc. (Invent-Tech)*** - The FTC has a 48-page [compilation of complaints](#) about InventTech, and some complaints about InventTech are also included in the [103-page compilation](#) indexed under ISC. It should be noted that these are just consumer complaints, and not adjudications of wrongdoing, so read them and make up your own mind. (see also [USPTO](#) complaints, below)

***National Idea Network, Inc.***, doing business as ***The Concept Network*** out of Indiana and Wexford, Pennsylvania; CEO and President Harry E. Sharf, III, Executive Vice President Wayne R. Obitz, and Senior Marketing Representative Robert J. Zarko; **1997 FTC Case: National Idea Network: File No 962 3296 / U.S. District Court for the Western District of Pennsylvania, in Pittsburgh, Civil Action No. 97-1279** - contact Russell Damtoft, FTC Chicago Regional Office, 312-353-3771. In the November 18, 1997, issue of the *Wall Street Journal*, the FTC announced that two senior corporate officers of this corporation agreed to pay \$40,000 each as part of a legal settlement of this case. In addition, "the company agreed in the future to make important disclosures to potential clients - telling them, for example, how many (or, more importantly how few) existing clients have made money on use of the services." According to the article, "The companies caught in [the FTC's Operation] Mousetrap collectively generate annual revenue of \$90 million for themselves, but "very little for their clients." (see also [USPTO](#) complaints, below)

***National Invention Services, Inc. (NISI)***, an invention promotion firm out of Cranford, New Jersey, and its president and CEO, John F. Lee, have agreed to pay approximately \$745,000 in consumer redress under a proposed settlement [announced](#) July 15, 1998, by the Federal Trade Commission.

The complaint against NISI alleged that the defendants misrepresented the likelihood of financial gain to consumers who purchased their invention promotion services. [The settlement](#) prohibits the defendants from making false statements about, or failing to disclose, any material aspect of their invention-promotion services. It specifically prohibits the defendants from making misrepresentations about the likelihood that clients will realize financial gain as a result of using NISI's services, or falsely representing that the defendants have successfully assisted customers in marketing their invention or ideas.

In addition, the order prohibits the defendants from misrepresenting that the FTC has endorsed or approved the sales materials or sales practices of the defendants. The settlement also contains record keeping requirements by the defendants which are designed to assist the FTC in monitoring the defendants' compliance with the order.

The Civil Division of the Office of the United States Attorney in Newark, New Jersey provided the FTC with invaluable assistance during the investigation and prosecution phases of the case. The Newark office of the Attorney General of New Jersey's Department of Law & Public Safety, Division of Consumer Affairs, which obtained an Administrative Action Order against NISI on March 23, 1998, also provided significant assistance to the FTC during the case. The FTC filed the [stipulated order in the U.S. District Court](#), District of New Jersey, in Newark on July 13, 1998.

NOTE: This stipulated order is for settlement purposes only and does not constitute an admission by the defendants of a law violation. Court settlements have the force of law when signed by the judge. Copies of the settlement and other documents associated with "Project Mousetrap," are available from the FTC's web site at <http://www.ftc.gov> and also from the FTC's Consumer Response Center, Room 130, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C.

20580; 202-FTC-HELP (202-382-4357); TTY for the hearing impaired 202-326-2502. To find out the latest news as it is announced, call the FTC NewsPhone recording at 202-326-2710. STAFF CONTACT: Peter Lambertson Bureau of Consumer Protection 202-326-3274 or Jerry Steiner \_San Francisco Regional Office 901 Market Street, Suite 570 San Francisco, CA 94103 415-356-5282 *Note: a complaint was filed against this company in the USPTO, as well - see [below](#).*

**Universal Consulting Service**, which also did business as **Continental Ventures Inc.**: From the Missouri Attorney General's [website](#) -- An invention promotion business that grossly misrepresented its selection process to clients has been forever barred from doing business in Missouri as the result of a suit filed by Attorney General Jay Nixon. Under the court order signed by Jackson County Circuit Court Judge David Shinn, the company also will refund more than \$240,000 to consumers and pay \$39,138 to the state.

Universal Consulting Service, which also did business as Continental Ventures Inc., and two of its high-ranking officers, Ken Kruta and Alton Hauswirth, have agreed to stop doing business in the state and with Missouri residents. The company agreed to refund \$240,700 to already identified consumers and will refund all fees to any customer who files a written request for a refund with the company, the Attorney General's Office, the Better Business Bureau or the Patent and Trademark Office by February 4, 2000. The company also agreed to not collect on more than \$70,000 still owed by Missouri consumers.

In his suit, Nixon said the company took fees ranging from \$3,000 to more than \$18,000 after greatly misrepresenting to Missouri customers the marketability, uniqueness and patentability of the customers' inventions. Customers were asked to make progressively greater payments to UCS after being told the invention appeared to be patentable and marketable. Unfavorable information about the invention was rarely passed on to the customer, Nixon said.

"We found the merits of the invention reported to the customer were determined by UCS based on the customer's ability or willingness to pay," Nixon said. "Now it's time for UCS to pay."

Consumers wishing to file a request for a refund should call the Attorney General's Consumer Protection Hotline at 800-392-8222. Written requests must be filed by February 3, 2000.

- For more information on some of the preceding cases, see the July 23, 1997, [FTC newsletter](#) about "Operation Mousetrap".

**NewInventions.com** - reported in an article on [MSN news](#):

"NewInventions.com is currently out of business, says Lee Schierenbeck, an investigator at the Hillsborough County Consumer Protection Agency, where the company was located. About 100 victims gave up to \$10,000 each to the company, she said; her office has received 23 complaints.

"This is some people's life savings. Granted, for some of them it's a pipe dream. But it's sad," Schierenbeck said. "There are a lot of angry people out there."

**Patent & Trademark Institute of America** (a/k/a **Inventorshelpline.com**, a/k/a **inventconnect.com**)

The FTC has a number of complaints against this company in its [103-page compilation](#), which also includes Invent-Tech and ISC. It should be noted that these are just consumer complaints, and not adjudications of wrongdoing, so read them and make up your own mind. (Also see [USPTO complaints](#), below)

On January 8, 2007, the Federal Trade Commission instituted contempt proceedings in the US District Court for the Eastern District of Virginia against PTI for violation of a 1998 court order prohibiting the Julian Gumpel, one of the principals of PTI, then operating under the name of "International Product Design", from deceptively marketing invention promotion services. (FTC v. International Product Design, Inc., et al., Case No. 1:97-cv-01114-AVB)

The case was brought against Julian Gumpel, owner of PTI, and eight corporate entities: Technical Lithographers Inc., d/b/a Patent and Trademark Institute of America (PTI), United Licensing Corporation, International Patent Advisors Inc., Datatech Consulting Inc., International Product Marketing Inc., Unicorn Consulting Inc., d/b/a/ UNI Corp. Inc, Azure Communications Inc., and London Communications Inc. On March 9th, the court also issued a show cause order against Michael Fleisher, Wilson, and Mormando, a/k/a Darrell Johnson, managers and salesmen for PTI.

On January 10th the court placed PTI in receivership, pending the outcome of the case. The receiver reported that he could not identify one single consumer for whom PTI successfully marketed an invention, out of more than 17,000 consumers PTI has contracted with since 2000, from which they received about \$60 million.

The FTC has set up a hotline for consumers who feel they have been harmed by PTI: 202-326-2926 . According to a notice on the PTI website, "Phillip S. Stenger has been appointed the temporary receiver. Mr. Stenger and his assistant, Sara Kandelac, can be reached at (616) 940-1190 or by email at [phil@stengerlaw.com](mailto:phil@stengerlaw.com) or [sarak@stengerlaw.com](mailto:sarak@stengerlaw.com)."

For more information, see the article on [ConsumerAffairs.com](#).

A [March 24, 2007, article](#) in the Charleston *Daily Mail* reported on PTI, saying, in part:

Some obviously flawed ideas passed PTI's so-called "screening process," including a turkey fryer that employed high-pressure water to suppress an oil fire, according to court papers. Only after the investigator paid PTI \$895 for a report did the company disclose that water is not effective in extinguishing oil fires. ...

The receiver and law enforcement officials raided Gumpel's businesses in January and froze his business and personal assets, including \$2.7 million in bank accounts, \$310,000 worth of artwork and a \$30,000 2005 Infinity FX35 with the license plate NVENT. ...

PTI and its other promotion businesses have received \$61 million from 17,007 customers over six years, yet "PTI has not obtained a license for even one of its clients," according to court papers filed by the receiver, which has taken control of the companies. They are now effectively out of operation.

*(Note: PTI has been operating as Inventorshelpline.com - "inventors", plural. Inventorhelpline.com - "inventor", singular - belongs to Neustel Law Offices, a legitimate law firm in Minnesota)*

PTI was placed in receivership in 2007 - the receiver's website has been taken down, but is still [available on the Internet Archive](#). That page includes links for various findings and restraining orders which are interesting, and states:

The Inventors Helpline and its related entities are currently in Receivership by order of the Honorable Gerald Bruce Lee in the matter of *FTC v. International Product Design, Inc., et al.*, Case No. 1:97-cv-01114-AVB. Phillip S. Stenger has been appointed the receiver. Mr. Stenger and his assistant, Sara Kandelac, can be reached at (616) 940-1190 or by email at [phil@stengerlaw.com](mailto:phil@stengerlaw.com) or [sarak@stengerlaw.com](mailto:sarak@stengerlaw.com).

There is a [September 6, 2007, press release](#) on the FTC website describing the operations of PTI and the outcome of the case. The following are a few excerpts from that press release:

The operators of an invention promotion business, which a judge called "one grand con game to take money away from consumers," have been ordered to pay \$60 million for violating a 1998 court order.

"By changing the name of their company, these individuals thought they could continue to make false promises and take inventors' money, but they didn't get away with it," said Lydia Parnes, Director of the FTC's Bureau of Consumer Protection. "This scam should also remind inventors to question the assurances of promotion firms. No one can guarantee an invention's commercial success."

Under the 1998 order, Julian Gumpel, Darrell Mormando, Michael Fleisher, and Greg Wilson were barred from misrepresenting the services they offered to amateur inventors, but they revived their scam under a new name, the Patent & Trademark Institute (PTI). For a fee of \$895 to \$1,295, PTI promised to evaluate the marketability and patentability of inventors' ideas, but its evaluations were almost always positive and were not meaningful, according to the FTC. For a fee of \$5,000 to \$45,000, PTI's clients were offered legal protection and assistance to obtain commercial licenses for their inventions. They also were told that PTI would help them earn substantial royalties from their inventions, but PTI did not help consumers license their inventions, and clients did not earn royalties.

On May 3, 2007, after a four-day hearing, U.S. District Court Judge Gerald Bruce Lee held the defendants in contempt, finding, among other things, that PTI failed to disclose to consumers that none of its clients had successfully marketed an invention. The judge concluded that consumers were defrauded of \$61 million through "lies and misstatements."

An [October 21, 2008 press release](#) from the FTC states:

#### **Invention Promoter Charged with Deceptive Marketing Settles with FTC, Goes Out of Business**

An invention promotion marketer has agreed to settle Federal Trade Commission charges that he violated federal law by duping consumers with false promises. The proposed settlement bans him from marketing invention promotion services and requires him to dismiss his appeal of a contempt judgment and stipulate that his \$59 million liability from the contempt action cannot be voided through bankruptcy.

The settlement resolves an FTC complaint filed in May 2008, charging Michael S. Fleisher with violating the FTC Act by falsely representing that the purchase of services from the Patent & Trademark Institute (PTI) was likely to result in financial gain for consumers, and that PTI evaluated the market potential, patentability, technical feasibility, and merit of consumers' ideas.

A 1998 court order barred former associates of Fleisher from misrepresenting their invention promotion services, but they revived their business, formerly called International Product Design Inc., as PTI. In 2007, Fleisher and his associates were found in contempt for violating the order. They were ordered to pay

approximately \$59 million to the FTC, and all but Fleisher were banned from marketing invention promotion services. Fleisher wasn't subject to the ban because he wasn't an original defendant in the case.

The proposed settlement also would bar Fleisher from making misrepresentations about any product or service, such as the likelihood that purchasing goods or services will result in financial gain for any customer; past success in providing goods or services; any aspect of a refund policy or service contract; that the FTC has endorsed, authorized, or approved sales materials or sales practices; or the terms, effect, or purpose of the settlement order. The settlement also contains record keeping provisions to allow the FTC to monitor compliance with its order.

The Commission vote to authorize the staff to file the stipulated final order was 4-0. The order was filed in the U.S. District Court for the Eastern District of Virginia, Alexandria Division.

**NOTE:** This stipulated final order is for settlement purposes only and does not constitute an admission by the defendant of a law violation. A stipulated final order requires approval by the court and has the force of law when signed by the judge.

- *Patent Research, Inc. (Inventor's Helper)*

The FTC has a number of complaints against this company in its [103-page compilation](#), which also includes Invent-Tech and ISC. It should be noted that these are just consumer complaints, and not adjudications of wrongdoing, so read them and make up your own mind.

### Complaints to USPTO

Under the American Inventor's Protection Act, since 2000 the United States Patent & Trademark Office (USPTO) has been accepting complaints about Invention Marketing Companies. At least some of these [complaints filed with USPTO](#) are posted to their website: <http://www.uspto.gov/web/offices/com/iip/complaints.htm>. Some of the promotion firms have responded to the complaints, and their responses are posted to the same site.

*It should be noted that these are complaints made by consumers, and should not be interpreted as government action or conviction of any wrongdoing.* We are providing this list for information only, and not as an endorsement or agreement with any of the complaints, about which we know nothing more than that they were posted - read them and judge for yourself.

A listing of companies against whom consumers have posted complaints as of June, 2010, is as follows:

- Absolutely New (*formerly IP&R*) - March 2010
- Advent Product Development - March 2002, February 2003, July 2003, October 2003 (four complaints), March 2004, February 2005, February 2008, March 2010
- American Idea Management - October 2003
- [American Inventors Corp.](#) - July 2002, December 2004
- [Concept Network](#) - July 2002, October 2003
- [Davison & Associates Inc.](#) - October 2002, December 2002, October 2003 (two complaints), January 2004 (mail returned undeliverable), March 2004 (two complaints), December 2004 (two complaints), January 2005, May 2005, August 2005 (two complaints), November 2005 (two complaints), July 2006, September 2006 (three complaints), November 2006, December 2006 (four complaints), July 2007, February 2008 (three complaints), March 2010 (two complaints)
- Davison Design & Development (*we're not sure if this is another name for Davison & Associates or not*) - March 2010
- Davison Inventegration (*we're not sure if this is another name for Davison & Associates or not*) - June 2007, February 2008 (two complaints), March 2008 (two complaints), July 2008, March 2010
- Innovative Patent Services - October 2005, March 2009
- International Patent Consultants - December 2004, August 2005, and mail returned undeliverable.
- International Product Design - October 2002, July 2002, September 2006
- Invent Help - April 2008
- Invention Development Company - March 2007
- [Invention Submission Corporation](#) - February 2007
- [Invention Technologies, Inc. \(InventTech\)](#)- February 2003, July 2003, January 2004, December 2004, May 2005 (two complaints), June 2005 (two complaints), August 2005, October 2005 (two complaints), November 2005, December 2006 (five complaints), February 2007, September 2008 (two complaints)
- [Invention Consultants, USA](#) - January 2004
- IP&R - October 2002, November 2002, January 2004, March 2004, January 2005, June 2005, September 2005, June 2007, April 2008 (three complaints), July 2008 (*now "Absolutely New"*)
- [National Invention Services, Inc.](#) - October 2003
- New Product Advisory Group - January 2004
- New Product Consultants - July 2002
- New Product Consulting Corp.- October 2002, July 2002, May 2005
- New Products of America - April 2002
- [Patent & Trademark Institute of America](#) - July 2003, October 2003, January 2004, March 2004, December 2004 (two complaints), May 2005, June 2005, August 2005 (two complaints), October 2005, December 2005, July 2008 (three

- complaints), March 2009
  - Synergy Consultants - February 2005, October 2005
- 

## Various Articles on Invention Marketing Companies

- Here's what the Deputy Commissioner of the [Patent Office](#) had to say in testimony about a 1994 bill to regulate such companies.
  - The [comments of chairman of the Intellectual Property Section of the ABA](#).
  - ["The Picture Claim - The Latest Invention Broker Scam"](#) - a review of Invention Marketing Company "patent" techniques by Robert Platt Bell.
  - [US Patent & Trademark Office \(USPTO\)](#) maintains a listing of IMC's against which they have received complaints, and provides advice about dealing with invention promoters. They also have a [publication on avoiding invention promotion scams](#) (PDF).
  - [The National Inventor Fraud Center, Inc. \(NIFC\)](#) provides information to inventors about invention marketing companies and how to market their invention. To quote their site, "We have a list of BAD Guys that, in the NIFC's opinion, provide questionable value for the fees they charge. We also have a list of GOOD Guys that can help you during the invention process that have proven value. We also have a list of 10 Questions to Ask any company prior to paying them any money. We have a list of common tactics by the BAD Guys in our Don't Be Fooled section."
  - [InventorEd.org](#) - Education & News For Inventors, founded by inventor Ronald J. Riley.
  - The [United Inventors Association](#) "is a registered 501(c)3 non-profit whose mission is to offer educational information to inventors, as well as Certification to local support groups and invention service providers who comply with rigorous professional and ethical standards. Together, we all strive to keep inventing safe, rewarding and fun!"
  - Federal Trade Commission Publications on Invention Marketers:
    - [Don't Let Deception Steal Your Invention](#) (PDF)
    - [Spotting Sweet-Sounding Promises](#) of Fraudulent Invention Promotion Firms ([duplicate copy](#) in PDF on Inventblog.com)
    - Federal Trade Commission Facts for Consumers on Invention Promotion Firms ([PDF copy](#) on Inventblog.com)
  - [Inventor Red Flags](#) - from the April 1996 issue of the *Disclaimer*, now on the University of New Hampshire website.
  - Also from University of New Hampshire School of Law: two essays by Prof. Thomas Field: [Seeking Cost-Effective Patents](#) - How to evaluate your invention in terms of patent protection, and ["So You Have an Idea,"](#) a guide to help independent inventors make an assessment of their situation. Prof. Field's general page, ["Copyright, Patent and Trademark Basics"](#) also links to a number of other useful essays.
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