

A newsletter for small business owners.

## YOU HAVE A GREAT NEW IDEA FOR AN INVENTION... NOW WHAT?

Most people, including most patent attorneys, will tell you that the first thing you need to do is go get a patent. That's wrong. But to explain why it's wrong, we first need to talk about what a patent gives you and what it doesn't give you.

A patent does not give anyone, even the patent owner, the right to do anything. What it does give the owner is the right to prevent someone else from making products based on the patent. So, when you come up with a new idea, on day one, the rights that a patent grants aren't very important to your new business or to you making money with your idea.

### **Exactly how much does a patent application cost?**

Plan on a minimum of \$5000 to have a high quality, bare minimum patent application prepared and filed in the simplest technology. Plan on up to another \$5000 or more of second-phase expenses to get that patent application pushed through the patent office. (But that second phase of expenses probably won't begin until two or more years after the date the patent application is filed).

### **And I don't necessarily need this?**

Right.

Going back to day one of your new business, taking \$5000 out of the business to pay a patent attorney for a patent you don't yet need will probably mean that you won't have a business in six months. In fact, \$5000 is likely more than most people would be willing to invest in starting a new business in the first place.

### **So, what is the first step?**

Once you have an idea, the first step is deciding how you're going to make money from it—how are you going to get that idea into a product and onto the market. That plan is going to take money to put into action. Use some of the money to figure out the best way to get your product to market and some of the money to start executing the plan (but without revealing the invention to outsiders).

### **And then I can start selling the invention and telling people about it?**

No.

Once you know how you're going to market the invention, you need to find a patent attorney that will work with you on a timetable for filing the patent application. The patent attorney should help you decide what protection method and timetable best suits your marketing plan.

For instance, some inventions will require a patent earlier rather than later. Also, you can market some inventions without getting a patent, while other inventions require so much development time that filing a patent application now just gives away patent term. The patent may issue while the product is still years away from any sales.

Similarly, some inventions or products only have one or two companies who are likely to

want them. In those cases, sometimes you can get by with a nondisclosure agreement instead of a patent application. (Nondisclosure agreements are less than 1/5 the cost of a high-quality patent application). If the company wants to buy your invention, let them shell out the money for the patent application.

But sometimes companies won't discuss your invention until you have filed a patent application. In those cases, you'd at least know that the time was now right to prepare the patent application.

In any case your goal and your patent attorney's goal should be a thriving business with many future inventions even if that means holding off on filing a patent application today.

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