



Popular Mechanics Inventors Conference: 25 & 26 September 2009

Patents

Think about a design patent. It describes exactly what the product looks like. This can be done in foreign countries where it is going to be sold. Most companies need to be innovative. You have to be able to come up with ideas, but there is a general lack of understanding of the process by the public. Rule of thumb; don't spend too much money initially. Test the market, find out what the market thinks about it – is there a market for the product. Many entrepreneurs spend hundreds of thousands of Rands on a product only to find no one wants to buy their product or it's overpriced.

www.mypatents.co.za is a good place to start. All sorts of confidentiality agreements can be downloaded there. They assist in patent registrations.

Search <http://www.google.com/patents> (Google patents) for existing patents.

Patent renewal fees are ± 240/year. There is an option to pay it off in one go i.e. R 2400.

Trademarks are alternatives to patents: Logos, Words, Shapes, Slogans, colours. Stay away from descriptive names such as “Wonder polish”.

There are tax incentives for any Research and Development expenditures.

Innovation fund/Government funding

Can be beneficial – see www.spii.co.za Beware that there are strings attached. Read the contract carefully. If you are planning to outsource production to China – you won't be able to. You are bound by long term contracts and royalties will be payable. Visit <http://www.wipo.int/portal/index.html.en> for more information.

The three steps of getting a product developed are: Patent, Prototyping and commercialization.

General Advice for innovators

Industrial Designers can take your idea through to commercialization, including quality inspection. They do market research for you across the spectrum i.e. gender, age and cultures. When doing prototypes think of more subtle colours to attract corporate sponsors, such as creams or silvers – but get advice from external sources – marketing agencies. See the Rugga Rang www.glomail.co.za/products_rugga_rang.asp for inspiration. When developing your product do research into current markets, competitors and existing patents – who are your aiming it for? – expose it to criticism – experiment with different materials – don't invest heavily – use green materials. If you state that it does something – it had better do it. Find a partner to help develop your product. Can take you up to 12 years to get into production - don't give up. Don't let your ego take over. Learn to take the backseat sometimes and let others that are experts develop the market. If at first you don't succeed you know you are on the right road!

If it works well the first time you know there must be something seriously wrong! How to get rewarded through this process? Partner with someone who can negotiate on your behalf. i.e. agreements etc. Get expertise on your side. Be satisfied with only a royalty. Once you have a product on the market, lower its selling price to enable you to compete, you can eventually raise it when the market accepts the product. Partner up with someone. Power is the next big thing. Aim product at first world emerging markets, i.e. with gift products or gadgets. For remote areas the product has to be super durable and will have to withstand harsh treatment and environments. You will attract US competitors in the energy sector. You need strong distributing manufacturing capability. More difficult to sell in Europe. Volume is the name of the game in the mass market. It's sometimes better to do low volumes. Large manufacturers can copy your product – not just Chinese. The key to success is DISTRIBUTION. Look for distribution first. Bring in experts, know your strengths. Banks – leave them alone! Also don't knock at the CSIR's door. Think big, think global. SA only has 2% market share in the global market. SA success story: <http://www.littleluxury.co.za/>

NGO's

Humanitarian product? Don't ignore World Health Organisation / USAID / UNICEF or Donor Aid Orgs. They can be bureaucratic, but you have durable relationships. You can get 5 year funding approved for your product. To get in there don't try and sell them your product or try to convince them. Find out what their needs are and give them a solution. Don't go to them with an idea – you have to have a proven product or product that is already developed. You will have to give a presentation. Aim the product at women and children. Funding: Don't apply for development funding – try access Sales funding. Clean water is a huge focus point at the moment as well as education and cheap technology in education such as the 100\$ laptop. Check out <http://www.water4drinking.com/> of an example of a project

China

Go to China to have the product made there. You don't have to go through the tooling expense. It takes about 8 months to have the product ready for shipping. Don't be too scared of the Chinese. Once you have created a market sector for a product that was not there before, you will however have to compete against China. Lower cost sector products must be left to Chinese companies. Concentrate on higher end products. QS ?? is a trusted Chinese agent, but you must insist on getting your tooling back from them, otherwise they will copy it.

Rapid prototyping

www.liquid-edge.co.za . Durable products that don't require tooling. Send them a CAD file and get a quotation.