INVENTION/TECHNOLOGY EVALUATION RESULTS:

With Focus On Assessing License Feasibility of the Product Submitted

EVALUATION PERFORMED BY:

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LICENSING AND TECHNOLOGY TRANSFER
Thank you for submitting your invention to Lambert & Lambert. All inventions are scrutinized in the same manner and judged by our staff and associates. If, in our judgment, an invention successfully passes, we would seek to invest in your invention and represent you for marketing and licensing services, with no additional out of pocket cost to you (the inventor). Since we would be investing thousands of dollars of our time and money into an invention when we take on a client, coupled with the fact that only 2% of patented inventions make a profit for the inventor, you can understand why we are very rigorous in our evaluation of an invention.

Below you will find the philosophy and methodology we utilize when we evaluate new products as well as our findings and analysis of your specific invention. It is important to understand both the lens that we look through when considering the viability of your invention and the specific results of our assessment since it will provide you with a comprehensive understanding of the evaluation.

**VALUE PROPOSITION – WHAT PROBLEM DOES IT SOLVE?**

The very first question we consider when evaluating a new product or invention is: "What problem does it solve?" In marketing, another way it is phrased is, "What is the product’s value proposition?"

A value proposition can be defined as the sum of the total benefits that your product can offer a consumer. Without a clear value proposition a product or technology will not be successfully licensed or commercialized. At its basics a product needs to fulfill a consumer need. Furthermore, the value proposition needs to be clearly defined so that consumers, retailers and potential licensees can readily perceive the benefits. Remember, a consumer makes a decision on product purchases in only a few seconds, so your product must capture the audience and convince them to change their existing spending habits. That is, instead of purchasing Brand A, they should buy New Product B. Benefits, price point, and other factors make up a products value proposition, but if you are unable to define it, you should move on to your next invention.
Once we have identified the value proposition of an invention further research is required. Initially we must ask two important questions prior to moving forward:

1. Is the value proposition novel?
2. How does the value proposition compare with other solutions available to consumers currently?

To answer these questions, it is now time to research various sources to evaluate the competitive landscape of the market that it will compete in.

**INDUSTRY RESEARCH**

To begin researching an invention and the industry, there are various sources for gathering critical information. We check product directories, industry catalogues, reference books or on-line. Internet searches online, such as Google and Yahoo are certainly effective when surveying the marketplace to ascertain a product’s novelty and the competitive advantages or disadvantages. Actually, it is sometimes surprising how much industry information can be gleaned from these sources.

Aside from online, in-store research is an important step since it gives us a visual understanding of where your product will compete with other products. However, to thoroughly perform in-store research, it is necessary to visit different retail store chains that may carry your product since different store chains often times purchase different products depending on the category. In addition to gathering competitive information, it is helpful to also note the companies providing product in that modular since they could be potential licensees should you choose to go that route further in the commercialization process.

If we find your invention as a product on today’s market, it may not be worth your time or investment to continue onto patenting unless you have developed patentable improvements or modifications since licensing will most definitely be a challenge.

**PATENT AND PRIOR ART SEARCHES**

Next, we must check to see if the invention that you have conceived has already been patented. Just because we may not have been able to find your product or technology available to consumers or in use, it is still possible that it has been conceived and patented by others in the past. As mentioned earlier, studies suggest that just 2% of patented products are commercially successful. There are numerous reasons why an inventor in the past may not have been able to capitalize on their invention. There could have been various market barriers; lack of consumer demand, competitive inferiority, profitability issues, etc., the list goes on. Nevertheless, if your product [or something very similar] has already been issued a patent, further consideration is required on whether to proceed by improving it or to abandon the project altogether. No matter the result, a patent search provides an inventor with a tremendous amount of information in their specific field. By doing so, an inventor can educate themselves on their industry and potentially be able to make improvements on the invention.
Even though a patent search is not required by the Patent and Trademark Office to obtain a patent, it is highly recommended and thus the reason we make it an important component in our evaluation. A patent search can uncover many unknown variables such as patentability in comparison to previous art, gathering background information for preparing your patent application, obtaining proof of novel and unobvious requirements and to determine whether your invention would be infringing on any other patents.

To perform an actual search of issued patents, the most convenient way is browse patents utilizing applications on the internet. There are several search tools online, some are free whereas others may have more powerful features and thus warrant monthly usage fees. Some of the more notable online search tools are:

**DELPHION** - FREE FOR BASIC SERVICE OR MONTHLY FEE
http://www.delphion.com
By far the most powerful search tool online since it has numerous added features for the licensing professional. Besides Boolean operators (AND, OR, etc.) for searching, it also can search patents worldwide, create mapping for patent citations, establish the corporate tree on patent assignees and much more.

**US PATENT AND TRADEMARK OFFICE** - FREE
http://patft.uspto.gov
The website has both simple and advanced settings for searching. The advanced setting utilizes Boolean operators which improves the quality of search results. A common complaint though is that the patent drawing image viewer is slow and cumbersome.

By typing in keywords that you would use to describe your invention, these sites provide lists of related patents and applications that link to other similar inventions. When we do the research, we note the class and subclass of the inventions that appear to be most similar to your invention and then research the definitions of the subclasses as provided by the Patent Classification System [see www.uspto.gov](http://www.uspto.gov) to find those that we think best describe the class that your invention should fit in. Then we read through all of the inventions in the subclasses that you identify to see if any existing patents are similar to your invention. If we are finding it difficult to identify patents that are similar, we also try to use engineering terminology in keyword searches. It is a rather time-consuming process, but certainly worth the effort since you want to ensure the novelty of the invention that you have just conceived.

**EVALUATING MARKETABILITY AND LICENSABILITY**

Upon collecting the competitive landscape of an industry and the state of prior art, it is critical to differentiate evaluating marketability versus evaluating licensability.

"Marketability" can be defined as the readiness of a product to be salable. Simply put, will consumers want to buy my product and can a company manufacture and sell it profitably?
FACTORS AFFECTING MARKETABILITY:

- **Value proposition considerations:** Does the product have more features? Is it more effective at solving the problem, less expensive or more convenient?
- **Financial considerations:** Can the product be manufactured with adequate margins and at a retail price that consumers are willing to pay?
- **Marketplace considerations:** Is the market for similar products crowded and is it large enough so that the sales volume covers the required investment? Is the timing right?

"Licensability" requires that the product be "marketable" as mentioned above, however it also must have some sort of proprietary position or intellectual property (or the opportunity to acquire the intellectual property) that will deter competitors and thus offer a licensee added value. This may seem like subtle difference, however attaining a strong utility patent that is not easily circumvented by competing companies is critical to the successful licensing of a product.

FACTORS AFFECTING LICENSABILITY:

- **Intellectual property considerations:** What is the scope and breadth of your patent claims? Is the innovation critical to your product’s specific market segment?
- **Potential licensee considerations:** Are the major players in the industry open to inventions that have been developed outside the company? Do the companies have the ability to develop the product?
- **Licensor considerations:** Does the owner of the technology have reasonable expectations on the value of the invention?

KEY EVALUATION CRITERIA

At Lambert & Lambert, we are in search of products or technologies that have notable innovation, provide a superior solution to a common problem, and have a significant potential market. To identify these we have established an evaluation method which researches prior art, provides competitive analysis and rates products on an extensive number of criteria. Below is a list of our criteria that we judge inventions on:

1. Invention performance
2. Societal Influence
3. Legality
4. Safety
5. Developmental Stage
6. Patent
7. Invention R&D
8. Manufacturing Feasibility
9. Profitability
10. Demand trend
11. Market size
12. Product Line Possibility
13. Consumer Appeal
14. Quantity of Competition
15. Quality of Competition
16. Licensability

In the next pages we have utilized our methodology that has been described herein to assess the licensing feasibility of your specific invention.
16 MARKETABILITY & LICENSABILITY CRITERIA

1. **INVENTION PERFORMANCE**
   Does the invention perform the task that it claims to do?
   - 0 No. It probably will not work.
   - 1 Yes, but requires substantial changes.
   - 3 Yes, but will require substantial changes during development.
   - 6 Yes, but may require minor changes during development.
   - 7 Yes. It will not require changes.

2. **SOCIETAL INFLUENCE**
   The new invention/idea/product would likely have an influence on society that is...
   - 0 Very harmful.
   - 0 Moderately harmful.
   - 5 Neither harmful nor beneficial.
   - 6 Beneficial.
   - 7 Very beneficial.

3. **LEGAL**
   The new invention/idea/product will comply with applicable law...
   - 0 Under no circumstances.
   - 1 With significant modifications.
   - 4 With some modifications.
   - 6 With minor modifications possibly necessary.
   - 7 Without any changes.

4. **POSSIBLE HAZARDS**
   Bearing in mind its possible hazards and side effects, the new invention/idea/product is likely to be...
   - 0 Very dangerous.
   - 1 Dangerous.
   - 4 Moderately safe.
   - 6 Safe.
   - 7 Very safe.

5. **DEVELOPMENTAL STAGE**
   Submitted information can best be described as...
   - 4 A rough idea.
   - 5 A descriptive idea.
   - 6 An idea with drawings.
   - 7 An idea with a prototype.
   - 7 An idea ready for market.

6. **PATENT** (not the comprehensive search by a patent attorney yet)
   Bearing in mind the inventions already receiving patents and products on the market, the possibility that the invention/idea/product will be granted a patent is likely to be...
   - 0 Very low, clearly anticipated by prior art.
   - 1 Low, likely to be rejected as obvious.
   - 3 Moderate, will pay for patent search if the invention passes this analysis.
   - 6 Very good, will pay for patent search if the invention passes this analysis.
   - 7 Excellent, non-provisional patent already issued.
7. **Invention R&D**
The research and development necessary to achieve a market ready product, in terms of difficulty and expense, is likely to be...

0 Very high.
1 High.
3 Moderate.
5 Low.
6 Very low.

8. **Manufacturing**:
Bearing in mind the current technology and what would be needed to manufacture or practice the invention/idea/product, manufacturing or practicing the invention will be...

0 Unfeasible now or anytime soon.
2 Feasible, but very complicated.
4 Feasible, but with major foreseeable difficulties.
5 Feasible, but with minor foreseeable difficulties.
6 Feasible, without foreseeable difficulties.

9. **Profitability**:
Are the margins for profitability such that there will be a substantial profit? Projected revenues are likely to be...

0 Very low.
1 Low.
3 Modest.
5 High.
7 Very high.

10. **Demand Trend**
For products in the category of the invention/idea/product, the market demand seems to be...

0 Very low, likely to become outdated.
2 Low, decreasing.
5 Moderate, stable.
6 High, moderately increasing.
7 Very high, increasing.

11. **Size of Market**
For products in the category of the invention/idea/product, the potential market seems to be...

0 Very small, local or specialized market.
2 Small, regional or relatively specialized market.
4 Medium, multiple regions or moderately specialized market.
6 Large, national or broad market.
7 Very large, international or very broad market.

12. **Product-Line Possibility**
The potential for the invention/idea/product to expand into a line of products is...

0 Very low, limited to the one product.
2 Low, slight modifications possible.
4 Moderate, many modifications possible.
5 High, numerous products possible.
6 Very high, a new market.
13. **Overall Consumer Appeal/Demand**
Bearing in mind the potential consumers' overall attractiveness to the new invention/idea/product, the demand for the new invention/idea/product is likely to be...

- 0 Very low.
- 1 Low.
- 3 Moderate.
- 5 High.
- 7 Very high.

14. **Quantity of Competition**
Bearing in mind the existing products that the new invention/idea/product will compete with, the barriers to market entry are likely to be...

- 0 Very high, extremely difficult penetration.
- 1 High, difficult penetration.
- 3 Moderate.
- 5 Low, easy market penetration.
- 6 Very low, extremely easy market penetration.

15. **Quality of Competition**
Bearing in mind the existing products that the new invention/idea/product will compete with (including price, quality, etc.), the invention/idea/product will likely be perceived as...

- 0 Very inferior, extremely difficult to overcome.
- 1 Inferior, difficult to overcome.
- 3 The same. Some advantages and disadvantages.
- 5 Superior, some advantage.
- 6 Very superior, obvious advantage.

16. **Licensing Potential**
Bearing in mind many of the past 15 questions, the chances that a manufacturer will seek to license the new invention/idea/product is...

- 0 Very low.
- 1 Low.
- 3 Average.
- 5 Good.
- 7 Very good.