

WIPO/IP/MSU/97/6

ORIGINAL: English

DATE: August 1997



KINGDOM OF LESOTHO



WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO AFRICAN REGIONAL SEMINAR FOR INVENTORS AND RESEARCHERS

organized by
the World Intellectual Property Organization (WIPO)

in cooperation with
the Government of the Kingdom of Lesotho

Maseru, August 26 to 28, 1997

PROMOTION OF INNOVATION AND INVENTIVE ACTIVITY AT THE
INTERNATIONAL LEVEL: THE INTERNATIONAL FEDERATION OF INVENTOR'S
ASSOCIATIONS (IFIA)

*Lecture presented by Mr. Eduardo R. Fernandez,
President, Argentine Association of Inventors,
Member of the Executive Committee of IFIA, Buenos Aires*

CONTENTS

	<i>Paragraphs</i>
INTRODUCTION	1 to 5
IFIA	6 to 13
INNOVATION MANAGEMENT	16
Characteristic of successful new product	17 to 32
Twelve complementary characteristics of a successful new product	33
CONCLUSION	34

INTRODUCTION

1. Today's inventors often find themselves faced with a dilemma: while they usually have a surplus of creative ideas, they often don't have a good understanding of how to move their concepts into the market place.
2. The labyrinthine journey from concept to fully marketed product can be a frustrating, time-consuming effort. The inventor is faced with a wide variety of lawyers, invention marketing services, Patent Offices, research centers, venture capitalists, government agencies, and other organizations involved with protecting and marketing inventions, many of which charge heavy fees for their services.
3. Simple errors in filling out government forms or negligence in returning the forms may lead to penalties, delays, or an outright refusal by the government to consider the invention.
4. Consequently, inventors might well spend considerable time and money to turn their ideas into reality. After learning to position himself and his invention, an inventor should begin to network. He should network with as many different persons and organizations as many have a direct bearing on the success of new products. As a matter of fact, the ability to successfully launch the product depends directly on the strength of that network.
5. For such reasons, the International Federation of Inventors' Association (IFIA) was created to support inventors and inventors' associations all over the world.

IFIA

6. IFIA is a non-governmental organization created 29 years ago, more precisely in 1968, in London.
7. IFIA's main objectives is to support inventors, and improve their conditions by developing contacts and cooperation among inventors' associations.
8. Its headquarters have traveled from London to Oslo and then to Stockholm, to finally arrive in Geneva in October 1991.
9. The President of IFIA is Dr. Farag Moussa, an Egyptian who has lived in Geneva for more than 30 years. Mr. Moussa worked for 20 years for the World Intellectual Property Organization (WIPO).
10. IFIA is the only organization which groups inventors' associations worldwide. It also groups other organizations, as well as individuals.

11. IFIA members are more than 200 and they come from nearly 100 countries:

Inventors associations.....	78
Women Inventors' Organizations.....	8
Corresponding members (institutions).....	20
Corresponding members (individuals)	118
Collaborating members (Foundations and others).....	19
<hr/> Total	243

12. IFIA is the spokesman of inventors worldwide and its main activities are:

☞ publications of reference books, guides, surveys, studies, newsletters, conferences, seminars, workshops, expert group meetings and lectures;

☞ training courses (particularly in developing countries);

☞ inventions competitions and awards;

☞ illustrative exhibits on inventors/inventions;

☞ consultative services;

☞ creation of international networks among inventors.

13. IFIA Networks: by 1997, IFIA had created five international inventors networks:

IFIA-ECO, for environment;

IFIA-YOUTH, for young inventors;

IFIA-WIN, for women inventors and innovators;

IFIA-TWIN, for the twinning of inventors associations;

IFIA-WATCH, for general awareness.

INNOVATION MANAGEMENT

“The test of an innovation, after all, lies not in its novelty, its scientific content, or its cleverness. It lies in its success in the market place ...” Peter F. Drucker.

14. Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learned, capable of being practiced.

15. Inventors and entrepreneurs in general, need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation. They need to know and to apply the principles of successful innovation.

16. Innovation is the specific instrument of inventors and entrepreneurs. It is the act that endows resources with a new capacity to create wealth. Innovation, indeed, creates a resource. There is no such thing as a “resource” until an inventor find a use for something in nature and thus endows it with economic value.

17. Characteristics of a successful new product:

Most of the reasons for success have nothing to do with the nature of the product, but everything to do with the vigor in which the product is marketed.

18. Five basic questions should be answered satisfactorily before being presented to a potential strategic partner:

(a) Does it really work?

19. There is various ways a reasonable person can be assured that a product or process does what is intended. Since most technologies are not “advanced technologies”, the answer is usually obvious.

20. However some determinations are very difficult, specially when the device claims a significant mechanical, chemical or electronic improvement and does not have a working prototype.

21. When the question “Does it really work?” is not clear from ideas drawn on a paper or even computer drawings, making sense of the project and obtaining necessary independent technical evaluations becomes a real challenge.

(b) Is it unique?

22. A general principle of product success is that it must solve a problem or fill a need better than its direct and indirect competition.

23. Strategic alliance partners, aware of the effects competition can have on a project, always look for some kind of proprietary position. A project’s uniqueness usually is determined by a patent or patent pending but could also be in the manufacturing technique, or even in the distribution channels.

24. Exclusivity is the most important consideration in determining royalty rates for inventors.

25. The examination of patents, trademarks, copyrights and trade secrets enters into a project at some point. Generally this analysis resolves around the patent search, the preliminary response from the patent examiner (if still pending) and/or the breath of coverage granted by the issued patent. This too depends on where the project is in its development.

26. Patents attorneys and agents are necessary ingredients. One of the first questions asked by a potential licensee or joint venture partner is “Who did the patent work?.” Unless a professional has done the work, credibility of the project is usually lost.

27. The second question asked is “Will the patent be easy to design around?.” From this point only a positive answer from a professional patent attorney or agent will move the project forward.

28. Also performed is a preliminary competitive analysis. Intellectual property rights do not guarantee success any more than firing a bullet guarantees hitting the target. If the product or process does not possess a unique advantage over the features, benefits or pricing of the competition, the question asked is “Why to produce it?.”

(c) Is there a real market?

29. Usually to gain the interest of potential alliance partners there has to be a preliminary and independent product analysis, even a rudimentary form. This is done through the use of new product surveys and testimonial letters from users or industrial experts. In most cases, on-line computer searches quickly identify and retrieve relevant information describing the industry and market.

30. The bottom line is that private sector firms do not want to hear an inventor’s dream or glorified estimates of market size. They want facts and quality information upon which decisions can be made.

(d) What are the manufacturing costs?

31. Will a product be successful if the retail price is only twice the cost of raw materials and labor? It usually requires three or four times this amount to cover the overhead and an array of sales and marketing expenses, while still leaving room for profits. If the product can be made of plastic, is injection molding or vacuum molding the best choice? How much will the mold cost? What are all the possible distribution channels? Would it be best to use distributors or sell direct to consumer? Many new product innovators overlook such critical questions. Accurate answers require experienced input from both manufacturing and marketing.

(e) Is the owner of the intellectual property prepared to make a deal?

32. Has the inventor enough information, training, skills and will, to face all the difficulties of the innovation process? This is the most important of the five questions.

33. Twelve complementary characteristics of a successful new product

(a) The new product must be an innovative solution to a problem, not simply a solution, but an innovative solution. It must clearly solve some problem better than any other solution.

(b) The new product must be easily understood. Do not try to educate the consumer.

(c) The new product must be obvious. Its attributes must be self-evident. It cannot require marketing to distinguish it from its competition.

(d) The new product must be low technology. It must sell without a warranty.

(e) The product must utilize simple materials and processes. There must be low tooling investment.

(f) The product must be at the right price point. It must qualify as an impulse purchase or gift and retail for US\$ 40 or less.

(g) The new product must convey consumer satisfaction. It must not be too faddish or temporary.

(h) The product must be positive. It cannot be destructive, unsafe, harmful to the environment, sexist and so forth.

(i) The product must be free-standing. It must be independent. It cannot be tied to the success of another product.

(j) The new product must have an established distribution network. It must have a known retail or catalog source for availability.

(k) The product must be desirable. It should be irresistible. It can be a “need”, but must be a “want” as well.

(l) The new product should not appeal to everyone. If it does, there is danger that it will appeal to no one.

CONCLUSION

34. The world will not beat a path to the inventor’s door. The inventor must beat a path to the world’s door.

[End of document]