



# **InventLock™ Protection Guide for Tech Startups**

Steve Sponseller

© 2023 Steven Sponseller

## Introduction

Technology startups invest significant time, money, and effort developing and launching new products. These products often contain valuable inventions that provide a competitive advantage and distinguish the company from others in the marketplace.

Unfortunately, tech startups may fail to protect their critical inventions, which can:

- reduce company valuation
- eliminate a competitive advantage
- create difficulty attracting investors
- prevent the company from stopping copycats
- cause problems attracting and retaining key team members

Over the past 25 years working as a patent attorney, I have developed the InventLock™ system. This is a 3-step system that:

- **identifies** all inventions created by your team
- **evaluates** and prioritizes those inventions
- **protects** the right inventions

When you implement this system, your company will create a strong and secure portfolio of patents that protects the company, provides a competitive advantage, increases company valuation, and positions it as an industry leader.

I developed the InventLock™ system based on working with hundreds of tech startups and over 1000 inventors. Many of these tech startups struggle to protect their critical inventions. An example is Acme Enterprises (name changed to protect the actual parties). Acme was a fast-growing tech startup in the data communication industry. It had developed new systems to communicate data to distributed locations in a highly efficient manner. Acme's systems were much faster than its competitors and it was taking market share from others in the industry.



But Acme was at risk of losing its competitive advantage because it had not adequately protected its inventions, such as the unique systems and algorithms that improved data communication efficiency. By failing to protect those inventions, any competitor could freely copy those unprotected inventions for use in their own products, thereby eliminating Acme's competitive advantage.

And that's exactly what happened.

You have my permission to share this document with others as long as there are no changes to the document. Please share it freely on your website, social media, or with anyone who owns, manages, or works for a tech company.

A competitor in the data communication industry, Leftfield Corporation, launched a competing product with systems similar to those invented by Acme. Since Acme had not taken steps to protect their inventions, they could not stop Leftfield's new product. Additionally, the 12-month patent filing deadline for Acme's key inventions had expired. So, Acme's competitive advantage was gone.

This was a wake-up call to Acme's management team. This major loss motivated them to get serious about building a portfolio of high-value patents, as discussed later in this document.

## Step 1 – Identify All Inventions

The first step in building a valuable portfolio of patents is to identify all of your organization's inventions. You can't take steps to protect your inventions if you don't identify them in the first place. This first step helps you build systems that create a steady flow of new inventions and make sure nothing slips through the cracks.

Many tech startups are founded on a core invention that significantly improves on existing products. It's easy for these companies to become one-hit-wonders if they don't continue innovating to improve or expand their initial invention. Too often, I've seen tech startups fail because they stop the innovation process that created the business success in the first place.

Improve your chances for success by encouraging innovative ideas and creating a steady flow of new inventions. You can do this by training your team members how to identify inventions. A key feature of the



**Steve Sponseller**

It hurts me every time I see a company lose an important invention. My mission is to help tech companies identify, secure, and capitalize on a portfolio of patents.

I hate telling clients they can't protect a critical invention because they missed an automatic 12-month patent filing deadline. It's frustrating because I know how important the invention is to the company and how the invention could have been protected if the client understood the patent filing deadlines earlier.

I've distilled my 25 years of experience working with hundreds of tech startups and over 1000 inventors into my InventLock™ system to teach technology companies how to identify, evaluate, and protect their most valuable inventions.

**To see if the InventLock™ system is right for your company, schedule your FREE InventLock™ Strategy Call at <https://stevesponseller.com/strategy>**

InventLock™ system provides techniques for identifying inventions created throughout your organization. These techniques include learning characteristics of valuable inventions, invention mining, invention contests, focused brainstorming sessions, and appreciating the value of incremental inventions.



How many inventions  
are already hidden in the minds  
of your team members?

It's also important to provide a simple system for your team members to submit their inventions. Company leaders are often surprised by the gold nuggets of innovation hidden within their team members. You need a system to discover these valuable innovations.

I've seen many complex systems that actually discourage the submission of inventions by team members because the system is too much of a burden. "I don't want to spend an hour or two submitting each invention" is a common complaint regarding some systems. The InventLock™ system teaches a process that allows team members to quickly submit new inventions and rewards those team members so you capture all inventions for evaluation.

In the Acme Enterprises example mentioned in the introduction above, the company implemented an invention disclosure program that encouraged and rewarded the submission of inventions by team members. This program educated team members about inventions so they identified more innovative ideas and appreciated the value of those ideas to the company. As a result, the Acme team now generates a regular flow of new inventions that provide valuable opportunities to expand the company's patent portfolio.

## Step 2 – Evaluate Your Inventions

If you want a strong portfolio of patents, it's important to properly evaluate and prioritize all of the inventions identified in Step 1. I've seen too many companies ignore this crucial step and end up spending time and money preparing patent applications for mediocre inventions. The strength and quality of your patent portfolio depends on a thorough evaluation.

A first step in evaluating your team's inventions is creating an invention evaluation committee that includes people who perform distinct roles in the company. People with different roles will have unique perspectives regarding the potential value of an invention, the cost to develop and produce the invention, and whether the invention is consistent with the company's goals.

When I help companies create an invention evaluation committee, we include people from the following groups: executive, engineering/technical, sales/marketing, and customer service.

After creating the invention evaluation committee, the companies define invention evaluation criteria that is consistent with the company's goals, growth plans, and other factors. Example invention evaluation criteria may include:

- feasibility of the invention
- must-have feature
- company goals (long-term and short-term)
- company's exit strategy
- potential patentability problems
- lifetime value of invention to company
- defensive value

The invention evaluation criteria are not weighted equally. For example, the feasibility of an invention may carry a high weight such that an invention that is not feasible is rejected regardless of whether other criteria is satisfied.

In the Acme Enterprises case study discussed above, the company created an invention evaluation

committee and designed a custom evaluation checklist based on business criteria that's focused on Acme's goals. This evaluation checklist ensures that Acme is prioritizing its inventions in a manner that's valuable to the company.

The Acme invention evaluation committee reviews each invention and prioritizes it based on the evaluation of the various criteria on the checklist. This prioritization allows the company to pursue patent protection for the most valuable inventions that will strengthen the company's patent portfolio, which provides a competitive advantage and increases company valuation.

### **Step 3 – Protect the Right Inventions**

To truly protect your company, you must build a patent portfolio containing your most valuable inventions. Protecting the wrong inventions is a waste of time and money. Patents covering the wrong inventions are dangerous because they give a false sense of security. For example, a patent portfolio with a large number of patents may seem valuable, but if those patents have minimal value, they are not likely to provide the protection and value you anticipate.



As you can see, the last step in the InventLock™ system is protecting the right inventions with a patent application. If you don't complete the first two steps (identifying and evaluating inventions), you're probably missing your most valuable inventions and, therefore, your most valuable patents.

The evaluation process discussed above helps you identify high-value inventions and weed out the weaker inventions, such as the ones that are easy to design around or have a short lifetime. The evaluation criteria are designed to identify inventions that support broad patent protection.

As you build your patent portfolio, it's important to include inventions that cover four key categories:

- core technology
- critical must-have product features
- future inventions
- defensive inventions

Patents covering these four categories will collectively provide a barrier to entry for competitors and position your company as an innovator in its industry.



These four categories are important because protecting core technology and must-have product features provide a competitive advantage by preventing others from using those inventions in competing products. You can significantly increase the value of your patent portfolio by protecting future inventions, such as inventions that will be essential in the future. Your team can develop these future inventions by looking at current industry trends and creating solutions to problems that will likely result from those trends. And, defensive inventions can be valuable by protecting against aggressive competitors. Patents covering defensive inventions reduce the likelihood of litigation and provide a cross-licensing opportunity if litigation occurs.

You have worked hard to assemble a team of talented people who create innovative products and give your company an advantage in the marketplace. Protect that investment in your team by protecting your core technology, critical must-have features, future inventions, and defensive inventions.

In the Acme Enterprises example discussed above, the company took steps to identify inventions in all four categories discussed above. Using the InventLock™ system, Acme also took steps to proactively create future inventions based on their product plans and current trends in their industry. The company proactively developed several defensive inventions that will protect it against aggressive competitors in their industry. The patents covering these defensive inventions may prevent future litigation or, if litigation occurs, they will be in a stronger position to defend the company.

## Conclusion

Using the InventLock™ system described in this white paper, your tech startup can begin creating a valuable portfolio of patents. Remember, a patent portfolio begins with the first patent!

Strong patent portfolios create strong and profitable tech companies.

I encourage you to start applying the three steps discussed above to be sure you are identifying all your inventions, evaluating and prioritizing those inventions, and protecting your most valuable inventions to:

- create a competitive advantage
- increase company valuation
- attract investors
- prevent competitors from copying your unique inventions

Acme Enterprises followed this 3-step system to build a strong patent portfolio that continues to grow and increase in value. The entire Acme team got involved in the invention process, which has produced many disruptive inventions.

These inventions allow Acme to provide high-demand product features that competitors can't offer due to Acme's patents. This provides a competitive edge and increases the company's valuation. The company's patent portfolio is attractive to potential investors and the innovation culture that Acme has created is attractive to current and potential team members.

You can do the same thing as Acme and build a strong patent portfolio that becomes a critical asset. Carefully selecting high-value inventions for your portfolio improves your company valuation and positions your business as an industry leader.

Follow the steps described in this white paper to enjoy the same benefits experienced by hundreds of other tech companies that follow the same system. Don't waste more time and money on mediocre patents. Your patent portfolio deserves the best inventions your team has created.

**If you have any questions or want to see if the InventLock™ system is right for your company, schedule your FREE InventLock™ Strategy call at <https://stevesponseller.com/strategy>**



You have my permission to share this document with others as long as there are no changes to the document. Please share it freely on your website, social media, or with anyone who owns, manages, or works for a tech company.