

"The Inventors and Innovation Pimps"

by Robert G. Lougher (United Inventors' Association of USA)

Lecture given at the IFIA Conference
"The Condition of the Inventors"
Budapest, Hungary, September 11, 2006

"Invention Pimps" was a phrase I had heard years ago and, at that time, I felt that it more than appropriately described a fraudulent invention promotion company. It promotes an image of a low-life, bottom feeding, self-serving predator. An image that they have well earned by their actions.

Since that time, I have discovered that they are much more dangerous than bottom feeders.

For the most part, a Nation's economy is based on the influx of new products and technology created by the innovative minds of inventors. New products and technology create new businesses and new jobs. This is a must for robust economies.

For the past few decades the tentacles of our once bottom feeding "Invention Pimps" have grown at an alarming rate. What was once a peculiar problem for the United States has now blossomed into an international crisis faced by Nations around the world.

They are no longer petty criminals preying on a few thousand hapless victims. They have graduated to first class felons that effect the lives of millions worldwide.

The independent inventor is no longer the sole victim of these predators. This fraud is now depriving national economies of new businesses and new jobs. This is an international problem that terrorists and organized crime may well pick up on in the very near future, if they have not done so already.

It is a well known fact that the majority of the victims have new product concepts that are neither patentable or marketable. In these cases, you have individual victims that annually number in the tens of thousands internationally.

It is the victims with patentable and marketable new products that everyone should be concerned about. These inventors have been deprived of their financial resources and doomed to failure. These are the new products that may have one day saved lives, created new industries, been the next Microsoft or created thousands of new jobs.

Despite this horrific problem, most governments and law enforcement agencies have turned a blind eye. It is the exception, that fraudulent invention promoters have received prison terms. To my knowledge, this has only happened twice.

In the United States, the government agency that monitors this industry is the US Patent & Trademark Office. This is an agency with no prosecutorial powers.

The criminals know this and are running rampant.

In 1997 an invention promoter was indicted by the Federal Trade Commission for fraud. In 2006, 9 years later, they were fined \$26 million. This judgement is now under appeal and the promoter has never stopped work. This company was found guilty of defrauding tens of thousands of inventors out of untold millions of dollars

and they are still in business. Their .001% success rate may be high for their industry and their fine may merely constitute the price of doing business, if they ever pay it. This company could very well be responsible for keeping hundreds or even thousands of new products out of the marketplace. Multiply this by the number of promoters that operate internationally and you have a very serious problem.

This problem is so widespread and lucrative, it has to be approached on an international level. Countries have to start enforcing their laws against fraud. World leaders have to make it a criminal offence, with jail time, because it ultimately effects countries security and wellbeing.

We can no longer allow these criminals to move from one country to another or change their name and it is business as usual. Most of you attending this conference, are well aware that the Nigerian Mafia has already discovered that defrauding inventors can be very lucrative.

It is only a matter of time before other, more sophisticated elements, join in on this devastating fraud. I encourage everyone here today to contact their government officials and encourage them to work together with other countries and cure this blight which, if nothing is done soon, will grow at an alarming rate.

Independent Inventors are a Nation's Greatest Natural Resource.

Your number one fan,

Robert G. Lougher
Retired