

## Licensing invention

### The benefits of licensing inventions

Licensing inventions is one of the best ways to make serious money from your inventions. The benefits of licensing inventions over a once-off sale of the intellectual property rights of your invention are enormous. By licensing your invention or innovation, you still own its intellectual property rights and are, in effect, "hiring out" the rights of the invention to a user. Invention licensing will generate you a healthy income in which the initial effort of creating, patenting, designing, prototyping, etc of your invention pays off for the rest of your life. Licensing invention royalties

If you're a first time inventor, don't expect to get a royalty of more than 3% for a licensed invention each time a consumer buys your manufactured invention. This may sound like quite a little but it actually works out to a fortune over time if your innovation is successful. It would work out to far less if you completely sold the rights to your invention idea. Over time, you may be able to re-negotiate licensing invention royalties, depending on the flexibility of the company doing the licensing. Negotiating a fair licensing agreement

If a manufacturer becomes interested in your product, you will need to negotiate a fair licensing deal. This requires a lot of legalities and therefore it is advisable that you seek professional assistance. A company (or attorney) might try to cheat or exploit you if you seem clueless about the invention licensing contract involved. This is why I suggest that before you do anything, you should get to know a little about the ins and outs of the licensing process. I have found the most useful book on the subject to be License Your Invention by Richard Stim, simply because it explains the legalities of invention licensing in an easy-to-understand way. It helps you grasp the licensing process, determine your intellectual property rights (ownership rights), negotiate a fair licensing deal and even draft your own licensing agreement. The reason that I like it is because it teaches you quite a lot about the legal process involved, so that you become pretty clued-up when the time comes to make a deal.

If you need a more motivating book about the entire ideas to licensing invention process, I recommend How to License Your Million Dollar Idea: Everything You Need To Know To Turn a Simple Idea into a Million Dollar Payday. This book teaches you to get others to invest in your ideas, while you get most of the profit. There are many more ideas than products available, simply because people do not have the right know-how to get their idea licensed and produced. I found this book to be easy to understand and very readable. Protecting your intellectual property rights

Protecting your invention when showing it to companies is crucial. Always sign a non-disclosure agreement before telling anyone about your invention. Are you ready to license your invention?

The book I recommended above, License Your Invention by Richard Stim, should help you find this out. Three important questions that you should ask yourself for licensing inventions first, however, are:

1. Have you refined your idea or invention to the point that you can answer pretty detailed questions on it?
2. Have you made acceptable drawings/sketches of your invention?
3. Have you patented it? You're ready?

You now need to get hold of manufacturing and marketing companies. Check out the selling your invention section of this site for help with this.

More licensing invention resources:

Licensing your invention articles...high quality articles on licensing inventions by experts in the field