



## **INVENTION/TECHNOLOGY EVALUATION RESULTS:**

With Focus On Assessing  
License Feasibility of the  
Product Submitted

EVALUATION PERFORMED BY:

LAMBERT & LAMBERT, INC  
7616 CURRELL BLVD, SUITE 200  
ST. PAUL, MN 55125 USA  
TEL: 651-552-0080  
FAX: 651-552-7678

[www.lambertinvent.com](http://www.lambertinvent.com)  
[info@lambertinvent.com](mailto:info@lambertinvent.com)



## **INVENTION/TECHNOLOGY EVALUATION RESULTS**

Gary Ball  
15 N. Longspur  
Penthouse  
The Woodlands, TX 77380  
[bag37@aol.com](mailto:bag37@aol.com)  
310-213-2143

Invention: HarmAlarm - US 7738008 - HarmAlarm.com  
Date of Evaluation: January 4 - 25, 2011

Vetted: January 26, 2011

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

**TOTAL SCORE OUT OF 107: 88**

### KEY TO L&L EVALUATION

- 0 - 50 L&L recommends that the invention be abandoned
- 51 - 75 L&L recommends cautious research and development if not abandonment
- 76 - 85 L&L recommends that issues be confronted before continuing R&D
- 86 - 95 L&L recommends continued research and development**
- 96+ L&L offers invention marketing & licensing services on performance basis

We believe that you have a very innovative invention; one that clearly and effectively provides a two camera infrared security and tracking system. Furthermore, we are impressed with the ingenuity of your design, most notably your inclusion of the processing the 2-dimensional information into a 3-dimensional information so that targets or intruders can be located, defined and tracked by actual size. However, as you can see, your invention did not quite pass the evaluation. Our concerns in a number of criteria are admittedly small, but they do represent our total risk – this is why we require a total of 96 or greater before continuing with a product on a contingency fee.



**CITED PATENTS:**

US 4563005: Apparatus for Evaluating Baseball Pitching Performance  
US 4737847: Abnormality Supervising System  
US 5001650: Method and Apparatus for Search and Tracking  
US 5164827: Surveillance System with Master Camera Control of Slave Cameras  
US 5365597: Method and Apparatus for Passive Autoranging using Relaxation  
US 5592151: Fire Monitoring System  
US 5844603: Image Data Processing Apparatus having Functions of Dividing the Image Data, and Method of Processing Image Data  
US 6028626: Abnormality Detection and Surveillance System  
US 6079862: Automatic Tracking Lighting Equipment Lighting Controller and Tracking Apparatus  
US 6330025: Digital Video Logging System  
US 6424370: Motion Based Event Detection System and Method  
US 6639596: Stereo Reconstruction from Multiperspective Panoramas  
US 6985172: Model-Based Incident Detection System with Motion Classification  
US 7398057: Security Messenger System

**RELEVANT PATENTS:**

US 6778085: Security System and Method with Realtime Imagery  
US 7310442: Scene Analysis Surveillance System  
US 7737846: Security System and Method for Protecting Merchandise  
US 7791477: Method and Apparatus for Analyzing Video Data of a Security System Based on Infrared Data  
US 7813525: Method and Apparatus for Detecting Suspicious Activities  
US 2003/0076230: Radio Frequency Personnel Alerting Security System and Method  
US 2007/0090969: Security System and Monitoring Method using Power Line Communication Technology  
US 2010/0077421: Security System and Method

\* Denotes patent cover is enclosed herein. Please go to the United State Patent Office web site: [www.uspto.gov/patft/index.html](http://www.uspto.gov/patft/index.html) or to <http://www.pat2pdf.org/> to view these patents in their entirety.

**SIMILAR/COMPETING PRODUCTS:**

Product: B&W Infrared 6mm Security Camera Surveillance Equipment

- <http://www.brickhousesecurity.com/100-extw670nhac6.html>
- Quote about Product: "Increase your home security or office security with this surveillance camera that boasts 30 LED infrared lights for up to 150 feet of office or home video surveillance. With a 6mm board lens and 420 lines of resolution, you can get the kind of high quality video surveillance camera you need for your home or office."

Product: CD-900-CDI 9-Camera Hi-Res Indoor Dome and Outdoor Budget Infrared Bullet H.264 Standalone DVR Package

- [http://ez-toyz.com/9Camera\\_Standalone\\_DVR\\_Mixed\\_Indoor\\_Outdoor.asp](http://ez-toyz.com/9Camera_Standalone_DVR_Mixed_Indoor_Outdoor.asp)
- Quote about Product: "The CD-900-CDI 9-Camera Hi-Res Indoor Dome and budget outdoor Infrared IR Night vision Security Camera system is ideal. This package is most popular with home and business owners looking to protect their home or business from theft and vandalism. The Internet Viewable 9-Channel H.264 Standalone DVR in this system will plug directly into your TV or LCD Monitor and allow you to view your live or pre-recorded footage right on your TV or monitor Plug in to your TV with an RCA or VGA video cable (not included). The DVR-2649S H.264 AVC codec Standalone DVR included in this system provides great high resolution video recording while conserving hard disk space using the new H.264 AVC video codec, and also provides excellent remote viewing capabilities. The remote viewing for this DVR also allows you

to connect remotely to your DVR to view live, playback pre-recorded and even backup video to your PC over the internet. The advanced remote viewing capabilities even allow you to view up to 4 different Standalone DVRs at once remotely. Record from up to 4 audio inputs at once, hear the audio remotely over your IE web browser and even use the 2-way audio to communicate with people at the location of your DVR. You can also view your cameras from virtually any iPhone, Android phone, Windows phone, Blackberry phone or any other PDA phone through a web browser, so you can always see what is happening while you are away. The included 4 x CD-1453 Hi-Res 480 TVL Indoor Color Dome Cameras and 5 x E-809 Outdoor Budget Style Infrared IR Cameras provide excellent quality color video. The Outdoor IR Cameras provide night vision viewing up to 15 feet away in no-light conditions. Package includes 9 x high quality coaxial CCTV Power/Video Cables (select length at top of page) that will carry the power to the location of the camera from the included power adapters, so that you only have to run a single cable out to each camera.”

Product: Infrared Security Camera System with Nightvision Security Cameras for Home or Office

- <http://www.espysecurity.com/infraredsystem-pg.htm>
- Quote about Product: “Our Infrared security system comes with high quality and known for their night vision, infrared are one of our best sellers!! Excellent view in pitch darkness as well as daytime. Mostly use for businesses or as home security camera. The infrared night vision camera is compact, durable, anti-corrosion, and are use for indoor or outdoor. Its weatherproof with bonus shield and mounting brackets. This night vision camera have amazing 35IR Leds and distance up to 100feet. Our Infrared camera security system comes with high resolution monitor, hi-quality real time quad or choice of multiplexer with zoom, freeze function and more...We now made more convenience for our customer by adding a selection of cable choices, professional type BNC or plug and play type RCA, select from 4, 6, 8, 10, 12, 14, or 16 infrared surveillance system. The infrared camera system comes in black/white or color cameras and include all necessary accessories. What type of cameras are these? These are our "Infrared Cameras", styles varies. They are best seen at for home surveillance and major retail/hotels/offices type businesses surveillance. These night vision security cameras can varies, all are indoor/outdoor usage. But always remember, all outdoor camera, must be well maintenance throughout its time, for best results. These infrared cameras can come in average sizes from 3x4 and up. What type of lens can it takes? Most of our infrared cameras comes in with fixed lens ranging from 3.6mm or 4mm lens built inside already giving an output of 65-75 degree angle view. Also available in varifocal auto iris. What type of power source does it takes? Most of these dome security cameras are 12v DC 600MA minimum power source w/ BNC Video Connection 2ft video/power cable attached to dome camera. You can also use conventional VCR or TV by purchasing a BNC/RCA Connectors to use RCA Connection as well. Basically these are Plug-N-Play items.”

**Note of clarification on prior art search results:** The research results for “Relevant Patents” and “Similar/Competing Products” listed above may include products or patents that are not identical to the inventor’s invention that has been submitted. However, Lambert & Lambert searches products that also compete in the same market segment or seek to offer a solution to the problem being solved by the inventor’s invention. Although different, these solutions also present competition for market share and should be considered prior to commercialization efforts or licensing representation.

**DISCLAIMER:** It is important to note that we are not patent attorneys and thus are not seeking to give a legal opinion of patentability. For such analysis we would like to refer you to Patent Search International out of Washington, D.C. You can find them on the web at [www.patentsearchinternational.com](http://www.patentsearchinternational.com). It may be advantageous if you tell the President, Ron Brown, that we referred you.

Although we have not accepted your invention on a contingency now, inventions submitted to Lambert & Lambert that score between 86 and 95 (which is less than 30%) are researched further to see if we missed any opportunities. During this time we suggest that you look into other avenues of licensing your invention, such as another licensing agency, yet we do not want to cut our ties completely. Since we are not sure that we can be successful with your invention, we do not want to waste your time by signing an exclusive license representation agreement. But during the next three months we will network with potential licensees with your invention in mind (yet we will NOT disclose your invention and will honor the contract that we both signed), and if we find an opportunity or the market presents a positive sign, we

will contact you. In addition, we have added a section on our website that is targeting manufacturers looking for new products ([www.lambertinvent.com/manufacturers.php](http://www.lambertinvent.com/manufacturers.php)). This website is designed to bring in new potential licensees while the inventions are stored in our secure off-line database. We have added your invention to our secure off-line database and will contact you if we find an interested licensee. Please note that no one outside of Lambert & Lambert has access to this database. Please also note that if you locate a potential licensee that we are available to help you with the licensing agreement.

I would like to encourage you to continue inventing, and would like to offer you a 20 % discount on future submissions to Lambert & Lambert for any further inventions that you may have. To receive the discount please use online code "ADDEVAL2" or simply use the submission forms and pay 20% less than the existing published rate.

Also, enclosed is additional resources to help you with the ongoing development on any of your inventions as well as our "Service Feedback Form" since we would like to hear from you on how helpful the evaluation was for you and what you plan on doing next. Thanks again, and we hope to hear from you in the near future.

Best regards,



Terry Lambert  
Partner  
Lambert & Lambert, Inc.



Tim Sherman  
Director  
Lambert & Lambert, Inc.

**FINAL NOTICE:** The enclosed evaluation seeks to provide an unbiased opinion on the licensing feasibility of your invention. Whereas Lambert & Lambert, Inc. has sought to develop a scientific approach in the analysis of your invention and provide you with accurate available information, some of the criteria are necessarily subjective and the results may vary from person to person. It is the hope of Lambert & Lambert, Inc. that the enclosed evaluation will be a tool as the inventor considers whether or not to pursue licensing or otherwise commercializing his or her invention. However, the final decision on moving forward with the invention is the inventor's, and Lambert & Lambert, Inc. is not liable for any financial losses resulting from future unsuccessful efforts or apparent losses if the inventor chooses not to move forward and later finds the product on the market. Finally, Lambert & Lambert, Inc. will honor the Nondisclosure Agreement signed at the beginning of the evaluation process and thus will not disclose any information that has been provided by the inventor that is not found in the public domain.