

market his idea. However, the inventor finds what appears to be the perfect solution to his problem or her problem in the advertising sections of popular magazines, as well as radio and television advertisements. The inventor here is subjected to appealing ads placed by these so-called invention developers, who promise services that will eventually lead to the commercial development of the product. I happened to check the advertising section of the August edition of American Hunter, where four invention marketing companies had placed ads. Our office contacted the Attorney General offices in some surrounding states, Minnesota, Kansas, Iowa, and discovered that in each of these four companies were or are under investigation for consumer fraud. The complaints range from failure of the company to perform the services promised to outright theft of the intellectual rights to the invention. I might mention that the schemes employed by these companies were the subject of several special focus sections of the Sower, our indepth magazine of the Daily Nebraskan. Schemes have also been reported by Venture magazine, and I believe have been featured on one or more television documentary programs. LB 96, then, is based on model legislation developed by a national organization of patent attorneys, known as the American Intellectual Properties Law Association. Since 1979, the organization has focused on enacting legislation in each of the states designed to protect inventors from fraudulent practices of these invention development services. To date, at least 14 other states have thus far adopted the AIPLA model law, eight in verbatim, and six with slight modifications. Basically, LB 96 addresses the problem in four different ways. First, the bill requires that every contract for invention development services shall be in writing and contain certain mandatory terms and disclosures. Each contract must show on a prominent cover page with a mandatory statement which notifies the inventor that, one, assigning partial interest in the invention to the developer may result in the inventor losing any commercial rights in the invention; two,...

SPEAKER BAACK: One minute.

SENATOR L. JOHNSON: ...the success rate of the company and the contract does not provide any patent or trademark protection. Secondly, it requires quarterly reporting to the customer detailing all services performed. Third, it provides simplified legal recourse to the inventors. The act makes it clear that any contract that does not comply with the act is voidable at