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BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 8. SPECIAL BUSINESS REGULATIONS [18400 - 22949.92.2] (*Division 8 added by Stats. 1941, Ch. 44.*)

CHAPTER 17. Invention Development Services Contracts [22370 - 22395] (*Chapter 17 added by Stats. 1975, Ch. 967.*)

ARTICLE 4. Disclosures Made Prior to Contract [22380 - 22381] (*Article 4 added by Stats. 1975, Ch. 967.*)

22380. Every invention developer who charges a fee or requires any consideration for his invention development services must clearly and conspicuously disclose such fact in every advertisement of such services.

(*Added by Stats. 1975, Ch. 967.*)

22381. In the first oral communication with a customer or in the first written response to an inquiry by a customer other than an oral communication or written response, the primary purpose of which is to arrange an appointment with the invention developer for presentation of his or her invention development services, the invention developer shall cause the following written disclosures to be made and given to each customer at the time of the disclosure:

(a) A statement of the fee charged, if known, or a statement of the approximate range of fees charged; a statement that a portion of the fee charged will be paid as a commission or other similar payment, if in fact it is intended to be so paid, to a person inducing, directly or indirectly, a customer to contract for the services of the invention developer; and a statement of the approximate portion of the fee charged, if any, that will be expended for services relating to patent matters.

(b) A statement that the invention developer does not intend to expend more for the invention development services than the fee charged the customer, if, in fact, it does not, and if it does, a statement of the estimated expenditures of the invention developer in excess of the fee received from the customer.

(c) A single statement setting forth both (1) the total number of customers who have contracted with the invention developer; however, the number need not reflect those customers who have contracted within the last 30 days; and (2) the number of customers that have received by virtue of the invention developer's performance of invention development services an amount of money in excess of the amount of money paid by those customers to the invention developer.

(d) A statement as follows:

"Your potential patent rights may be adversely affected by any attempt to commercialize your idea or invention before a patent application covering it is filed. Nonconfidential disclosures of your idea or invention may also trigger certain statutory deadlines for filing a patent application in the United States and would prevent you from obtaining valid patent rights in countries whose law provides that patent applications must be filed before there is a public disclosure. Any contract for invention development services between you and our firm will be regulated by law. Our firm is not qualified or permitted to advise you whether protection of your idea or invention is available under the patent, copyright or trademark laws of the United States or any other law. The contract does not provide any patent, copyright or trademark protection for your idea or invention. If your idea or invention is patentable, copyrightable or subject to trademark protection, or infringes an existing valid patent, copyright or trademark or a patent, copyright or trademark for which application has been made, your failure to inquire into these matters may affect your rights to your idea or invention."

(*Amended by Stats. 1983, Ch. 332, Sec. 3.*)