

Inventique®

The newsletter of Wessex Round Table of Inventors

January 2007

www.wrti.org.uk **THE INVENTORS WEBSITE** www.wrti.org.uk

Grass Snake takes off

WRTI MEMBER'S NEW COMPANY IS TRADING



GRASS SNAKE Limited, the start-up company spun out of a concept developed at the Wessex Round Table of Inventors (WRTI) by club member Frank Landamore, has commenced trading – and is already taking orders for its lead product, the Grass Snake Cable Grip, the new DIY and garden power accessory that helps users avoid severed cables, trips and falls.

The Grass Snake Cable Grip, which retails at £3.99 RRP, will be available at garden centres and equipment stores across the UK in time for the opening of the summer gardening season. The product can be purchased by online shoppers at www.thegardenersshop.co.uk and www.MustGet1.com.

For safety's sake, use a...

The Grass Snake Cable Grip, which won awards at both SHEA's Innovention Show and The British Invention Show last year, was also exhibited at the DIY & Gardens Show 2007 at Earls Court.

The device acts as a safe and simple hands-free cable tidy for use with electric lawn mowers, grass trimmers, hedge trimmers, lawn vacuums, chainsaws, power tools, and vacuum and industrial cleaners.

When clipped onto a machine's power cable and attached to users' trousers,

it tows the cable safely behind, keeping it away from cutting blades and entanglements and leaving both hands free to operate the equipment safely and conveniently. In addition, the device alerts users by tugging at their slacks if the electric cable snags on entanglements, and is designed for use even when wearing gloves.

It was developed with the aid of a DTI Smart Award, and has won two innovation awards.

"Trips and falls are the major cause of accidents around home and garden," Frank explained. "Grass Snake Cable Grips were developed to help reduce the average of 7,000 accidents which occur in Britain every year specifically involving electrical gardening equipment."

The Cable Grip is the first in a range of ten Grass Snake products aimed at the garden, domestic DIY and Health & Safety markets. The company has appointed distributors for Benelux and Germany, the UK and Ireland. ■

● www.grasssnake.co.uk



Next WRTI meeting WEDNESDAY 14 FEBRUARY

Club member Frank Landamore will describe his experiences in launching Grass Snake Limited. Plus guest speaker and Inventors' Clinic. Room HC 017, Herbert Collins Building, Southampton Solent University, at 6.30pm.

● Non-members welcome.
E-mail: secretary@wrti.co.uk
or Tel: 01420 562 378
Map: www.streetmap.co.uk (SO14 0RP)
www.wrti.org.uk/events

Wessex Round Table of Inventors meet at 6.30pm on the second Wednesday of each month at Southampton Solent University, East Park Terrace SO14 0RP

British Invention Show

MORE USEFUL PRODUCTS FROM SOME OF THE 145 EXHIBITORS AT BIS 2006...



● EGGXACTLY WATER-FREE EGG COOKER

THE EggXactly, invented by James Seddon, eliminates the frustrations of boiling eggs in water, which often lead to them being overcooked. The concept attracted investment from BBC2's Dragons' Den programme.

To EggXactly cook an egg, simply open the lid, place the egg inside, close the lid, dial-up the degree of hardness required and push the cap to start. Once the egg is cooked, a bezel on the lid glows green. It's quicker and safer than traditional methods (no boiling water), leaves no saucepan to clean and saves energy.

● www.eggxactly.co.uk

● EZIMATE LABOUR-SAVING DEVICE

The EziMate helps improve posture and avoid back strain by reducing the bending involved when working in the house or garden.

The device bolts onto the handle of brooms, spades, forks and rakes, enabling users to stand fully erect while working.

● www.ezimate.com



INVENTORATOR Evan Davis

A lot goes on in the City of London

Continued from last month

YOUNG ENTREPRENEURS find the money to get going from sources other than professional investors. They beg from friends and family; they spend their inheritance, (or their children's inheritance); they use their lavish divorce settlements; they re-mortgage the house; they subscribe to one of the three thousand government support schemes for small firms.

Or, they go on Dragons' Den.

Many of these alternative routes to securing start-up finance can raise their own challenges. Spending one's own capital is a big risk, because the first lesson of sound financial management is not to put all your eggs in one basket; and yet entrepreneurs routinely open themselves to financial ruin by putting all their eggs, and those of their family and friends, in one basket of their own making.

So it's back to the basic point that money is the most binding constraint on the ambitions of an entrepreneur.

Basic instinct

Now, there are two responses to this unfortunate fact of life. One is to feel sorry for entrepreneurs and to argue they need more help. But the other is to remember that part of the skill of being an entrepreneur is to overcome and manage the financial constraint. It is part of the test that sorts the likely winners from the rest.

And there are three obvious things that the likely winners inevitably do, to manage capital.

First, they sequence their early activities to ensure they economise on capital. Which means, spending small amounts of money early, to gain information as to whether its worth spending large amounts later. They don't order 100,000 widgets when for a much smaller sum, they

can order 100 and get some useful information as to whether the next 99,900 will sell.

Second, they put their own money into the business. Not because it's sensible, but because only by doing that can they persuade other people they believe in their business. It's a down-payment on their commitment.

And third, they raise some money externally when they need it, preferably from an investor who can add a bit of value to the business. (Investors may grab a third of the company, but that will not matter much if they're going to help make it several times more profitable.)

Many entrepreneurs fail on one point or another. They think they need more money than they do, so they don't economise on capital (unless they can't get any). Or, they ask for other people's money without committing enough of their own. Or, they fail to accept external finance, in the expectation they can run the business alone, without having to share it.

All classic entrepreneurial mistakes testify to the fact that it should never be made too easy to finance a business. If money is the problem, the answer is not for the world to lower the bar for entrepreneurs; it is for entrepreneurs to jump higher. ■

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● Evan Davis is the BBC's Economics Editor presenter of BBC TWO's Dragons' Den and the

If you are an entrepreneur with a fantastic business idea, the Dragons' Den team would like to hear from you. For an application form:

Tel: 09011 110 825 (calls cost 25p)

dragonsden@bbc.co.uk

www.bbc.co.uk/dragonsden

LICENSING YOUR PRODUCT-4

SHOULD INVENTORS USE A COMMERCIAL AGENT, OR A DISTRIBUTOR?

IN THE AUGUST, September and October issues of *Inventique*, you may recall that I touched upon the impact of the Commercial Agents Regulations on the relationship between agents and principals (the Regulations do not apply to a distributorship arrangement), writes *Dr Rosanna Cooper*.

Now I wish to provide an overview on the legal issues surrounding the termination of an agency agreement.

Termination of an agency agreement

In any commercial arrangement, parties regularly terminate agreements. However, in agency arrangements the agent would be entitled to 'compensation' or an 'indemnity' (except in certain circumstances), when a principal terminates the agreement.

Termination of an agency arrangement is a complex area and principals must ensure that they get it right. It is important to know under what circumstances 'compensation' or an 'indemnity' would be payable to an agent.

Compensation

An agent is entitled to compensation "for the damages s/he suffers as a result of termination of relations with the principal." This entitlement arises in circumstances where the agent has not been paid commission or has been unable to recover

ROSANNA COOPER CLARIFIES THE LEGAL POSITION FOR INVENTORS AND ENTREPRENEURS

reasonable costs and expenses incurred in the performance of the agency agreement. There is no maximum amount of compensation payable to an agent.

The benchmark for the level of 'compensation' that can be awarded is the equivalent of the last two years' total gross earnings. This can amount to thousands of pounds payable to an agent if the principal has not got it right and may put a principal in financial difficulties. Unlike employment cases, the agent is not required to mitigate his losses.

However, the courts have been moving away from awarding agents such high levels of 'compensation'. In some recent cases the courts have held that awarding two years' gross commission would result in an injustice to a principal and an excessive windfall to the agent (in some cases way above the value of the agency).

Assessing compensation levels

The courts now take into account the following list of factors (among

others) in assessing the level of 'compensation' payable to an agent:

- **The period of the agency** as provided for in the contract.
- **The actual duration** of the agency up to termination.
- **The terms and conditions** of the agency agreement.
- **The nature and history** of the agency and the market in question.
- **The nature of the client base** and the kind of contracts ('one-off' or repeat business, for example).
- **Whether the appointment** by the principal was exclusive or non-exclusive.
- **Whether the agent** had agreed not to handle competing products or not to act for other principals.
- **Whether or not** there was a post-termination restriction on the agent.
- **The reasons** for the termination.
- **The financial contributions** of the agent and principal to the goodwill of the agency during its life.
- **The extent** of any losses caused by breach of contract or breach of duty.

Despite the fact that the level of compensation payable to an agent may be reduced when the above factors are considered, principals must still adopt risk management measures such as putting in place well drafted agreements when appointing agents. ■

Continued next month

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● *Dr Rosanna Cooper is a partner at RT Coopers, a commercial law firm focusing on inventors and business start-ups.*

FREE INVENTORS' ROADSHOW ROLLS INTO SOUTHAMPTON

THE UK'S longest-established support company for inventors, Inventorlink, has chosen Southampton as the venue for its first Inventors Roadshow. The event will take place between 10am - 4pm in the Lymington Room, Ibis Hotel, West Quay Road on Saturday 24 February under strict conditions of non-disclosure.

Anyone with a product idea, irrespective of its state of development, will meet experts in the fields of inventor support and patenting, and receive a free consultation on the possibility of the invention having commercial potential.

Inventorlink has been established for over 20 years. Recently-licensed successes include an innovative model railway set, a low-cost solar still for the developing world, a mobile phone security device and a revolutionary egg boiler.

● Tel: 020 7582 2333 for a firm appointment, or turn up on the day for coffee and a confidential chat. ● www.inventorlink.co.uk

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CENTRE OF EXCELLENCE GEIF, TVIN and SWAIN

Investment triune

NETWORKS CREATE MUTUALLY BENEFICIAL DEALS

THE GREAT EASTERN Investment Forum (GEIF) in Cambridge, the Thames Valley Investment Network (TVIN) in Crowthorne and the South West Angel and Investor Network (SWAIN) in Bristol share a loose partnership and a similar outlook: connecting small- to medium-size UK companies seeking investment with private investors, or 'Business Angels', searching for investment opportunities in businesses with high growth potential.

Typical deal sizes range from £25,000 to £750,000 – too small to be considered by the majority of venture capital institutions.

For companies, the centres can help bring them up to a high standard of presentation before providing access to active investors who can add value to a business.

For investors, they offer access to a wide range of opportunities in early-stage ventures. Investors can

also be introduced to like-minded investors wishing to create informal syndicate groups geared towards specific types of companies.

In addition, companies that secure an investment commitment may also be eligible for investment consideration by IQ Capital, the £25m Enterprise Capital Fund announced in the 2006 Budget.

The centres' track records demonstrate success. During the last two years, for instance, the management of TVIN has raised over £9m for more than thirty innovative new ventures.

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WEBSITE OF THE MONTH

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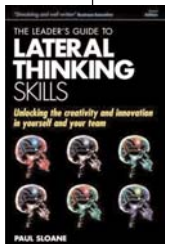
Angel News is the commercial news service for all companies that have been funded by business angels or venture capitalists. By signing up, they are able to read stories on hundreds of companies, receive the free monthly AngelNewsletterOnline, monitor their portfolio (*and* their fantasy portfolio), use the free email alerts service to receive on-the-spot news, and research the archives.

BOOK OF THE MONTH

The Leader's Guide to Lateral Thinking Skills: Unlocking the Creativity & Innovation in You and Your Team

by Paul Sloane.

Kogan Page 192 pages
ISBN 0749447974 £9.99



In a second edition published in September, this book describes how the lateral leader develops the vision, culture and processes that transform a regular business into an innovation hothouse.

It is packed with real-life examples, practical methods and lateral thinking exercises that can be put to work today, and introduces the concept of the 'lateral leader'.

BUSINESS LINK WESSEX INNOVATION CLINICS

Are you thinking about developing a new product or process? Have you invented something and don't know what to do next? Through its series of free Innovation Clinics, Business Link Wessex provides confidential and impartial guidance on such subjects as investigating an innovative idea, developing a new product or process, working with universities, exploiting inventions and intellectual property rights. Innovation clinics are held in the Bournemouth, Portsmouth and Southampton regions.

● **Advice Hotline: 08454 58 85 58** innovation@businesslinkwessex.co.uk www.businesslinkwessex.co.uk/events

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