

1-3 Mark Juárez³

What to Make of a New Product

In March 1991 Mark Juárez, an American, was living in Berlin, Germany, where he worked under contract as a masseur. He had invented a product that he found helpful in his work and was considering what to do with it. The product consisted of five wooden balls, four small ones approximately one inch in diameter that were connect to a larger one, about two inches in diameter, with wooden dowels that angled out about one inch each from the bottom of the large ball, as can be seen in the sketch of Exhibit 1.

In use, the product was gripped by a masseur as an aid in transmitting pressure to the client, reducing the strain on the masseur's hand while applying the pressure more firmly at the same time. It had been well-received by a few of Mark's colleagues, to whom he had given copies, and by their customers.

How, he wondered, should he apply his time and very limited personal financial resources. Should he pursue licensing, manufacturing, patenting or investigating whether there were already other such products on the market, and if so with what sequence of specific actions? Or should he simply stick to his massage work and let his simple product find its own way into whatever market might or might not exist? What would be involved in creating a company to produce and sell it, and how might such things best be done, if that were the chosen path?

Background

Mark had held a number of different jobs prior to his present occupation. In the mid-1970s he studied marketing at Chabot Community College in California while working nine months for a wine company followed by seven months with ARA Services, a national company providing laundry services for institutions and restaurants.

In early 1977 he began working in sales for a company that marketed energy efficient air conditioning systems for the home. Although successful, Mark felt by 1978 that his life was unrewarding and his lifestyle was incompatible with his ideas. He took an unexpected leave for two weeks and just drove up and down the West Coast. He then decided to quit his job and flew to Europe to travel and explore. Ten of the next 15 years, he spent in Europe working odd jobs in his travels. Whenever he ran out of money, he would go back to America and work to save enough to go back to Europe. During these return visits to the United States, he started a landscaping company, sold for a company that made "environmentally correct" living/work spaces, and participated in other small ventures.

In Berlin during 1987 Mark became interested in massage. At first, he thought it would be difficult to learn locally, since he did not speak German and did not have much money to pay for massage classes. But a massage teacher who encouraged him to learn

³ Developed by Karl H. Vesper 1998 based upon a case written by Susan Devan and Michael Pisenti under the supervision of Dr. William B. Gartner at San Francisco State University College of Business, with the support of the Corporate Design Foundation as a basis for class discussion rather than to illustrate either effective or ineffective handling of a business situation.

more about massage explained that massage could be learned regardless the language barrier, because massage was about touch and the body, both universal subjects. To further encourage Mark, the massage teacher offered him a job at the massage school. By year end Mark was a certified massage therapist. Eventually, he too became a massage teacher. He also learned that traditional techniques of massage were very tiring to the hands. Many massage therapists developed carpal tunnel syndrome, a painful illness of the hands and forearms.

One February morning in 1991, through a vision in a dream, Mark conceived of a device that might help with his work. He envisaged a wooden ball with four wooden legs and little wooden balls on the ends of each leg. He also envisioned having a smiley face on the big wooden ball. He told a friend of his idea and she encouraged him to go to a "wood dollar," a person who carves wood on a lathe, who could make the pieces for his design.

With the help of a wood dollar, some prototypes were completed, and Mark tried them on his students. The students said they loved the device and the following week requested more copies of it for their friends. Mark built more, and enthusiasm and demand for the new massage tool increased.

Because of this student interest Mark began to think about protecting his design idea by seeking a patent. He visited an American patent attorney in Berlin. The patent attorney quoted a cost of \$4000 for "researching" the patent. This task was not to be confused with actually filing to receive a patent on the new device. It would simply look through the records of prior American patents to ascertain whether the same product features had been patented in the U.S. before. If it had not, then Mark could try to obtain a patent, which would cost considerably more. Should he, as a result, be granted a patent, he would then have the right to sue anyone who imitated the product in the country where the patent was issued and claim that they were violating his patent. If the patent court then agreed, he could prevent further such imitation. Those who obtained U.S. patents found that the process typically took about two years.

Either way, there was an open question about whether to try putting the new product on the market, and if so, how. Mark was not wealthy.

Discussion Questions

1. To what extent could it be said that Mark's invention is evidence of business opportunity and how would you characterize the nature of that opportunity?
2. Was the opportunity there before Mark conceived his invention, and was that opportunity either changed or superseded by his idea?
3. What will Mark require in order to exploit his idea, if it is exploitable?
4. By what specific steps can he determine whether it is worth pursuing?
5. If it is worth pursuing, what would be the steps Mark should follow to do so?
6. What else would you want to ask Mark if you were there in March 1991 in order to be more sure of your answers to the above?

* 100 K
at Halden
submission
midterm

1) looking
for orig.
idea from
what you
made in class
- connection

2) intro - what's it about (be mark) talk in 3rd person
3) background - how'd you think of it? after sitting in my office...
4) include 3 things on front page
- overall 3

5) ending

if you want
resolution
go ahead

2 pg. single
space

DUE:
last
class