

**523G.3 Definitions.**

As used in [this chapter](#), unless the context otherwise requires:

1. “*Business record*” means a record maintained by an invention developer relating to invention development services, including but not limited to contracts, files, accounts, books, papers, photographs, and audio or visual tapes.

2. “*Commissioner*” means the commissioner of insurance or a person designated by the commissioner to act on the commissioner’s behalf.

3. “*Contract*” means an agreement between an invention developer and a customer under which the invention developer promises to perform invention development services for the customer.

4. “*Customer*” means a person who is solicited by, inquires about, seeks the services of, or enters into a contract with an invention developer.

5. “*Deceptive practice*” means communicating a false or fraudulent statement, providing false pretense, making a false promise or misleading statement, misrepresenting a fact, omitting a material fact, or failing to make all disclosures required by [this chapter](#).

6. “*Fee*” means a payment made by a customer to an invention developer, including reimbursements for expenditures made or costs incurred by the invention developer. However, “*fee*” does not include a payment made from a portion of the income received by the customer which resulted from invention development services performed by the invention developer.

7. “*Invention*” means an original concept which may be rendered into an artistic, educational, or technological expression, including works, compositions, designs, machines, manufacturing or engineering techniques, analyses, or processes.

8. “*Invention developer*” means a person who performs invention development services in this state or offers, through any means of communication, to perform invention development services in this state. However, an invention developer does not include the following:

a. A person licensed by a state or the United States to render legal advice, if the person acts within the scope of the license. However, if the person is a corporation, all of its stockholders or members must be licensed. If the person is a partnership, all of its partners must be licensed.

b. A department or agency of a federal or state government.

c. A political subdivision.

d. A nonprofit organization registered pursuant to state law.

e. A charitable, scientific, educational, or religious organization registered pursuant to state law.

f. A person who does not charge a fee for invention development services.

g. A person who provides researching, marketing, surveying, or other kinds of consulting services to professional manufacturers, marketers, publishers, or others purchasing such services as an adjunct to their traditional commercial enterprises.

9. “*Invention development services*” or “*services*” means acts required, promised to be performed, or actually performed by an invention developer for a customer pursuant to a contract which involves facilitating the development, promotion, licensing, publishing, exhibiting, or marketing of an invention.

[92 Acts, ch 1114, §4](#)