

[Translate Website](#) | [Traducir Sitio Web](#) [In The News](#) | [Press Release](#)[Connect With Us](#)[Search News Releases](#)

Press Release

October 15, 2010
For Immediate Release
Contact: (415) 703-5837

[Print Version](#) | [Attachments](#)

Con Man Arrested Who Stole Patents of Inventors He Promised to Help

SACRAMENTO - The California Attorney General's Office announced the arrest today of a con man who defrauded entrepreneurs by promising to help them secure patents on inventions ranging from sophisticated software to garden products but then stole their inventions and made thousands of dollars selling their patent rights.

"This thief of intellectual property pretended he was helping entrepreneurs obtain patent protection but instead sold their inventions and took all the profits," said Attorney General Edmund G. Brown Jr.

Today, Franklin Michael Beninsig, 53, who currently lives in Reno, was arrested and booked in Washoe County Jail. He faces four felony charges in Sacramento County, including theft and embezzlement. If convicted, he could receive five years in prison. Bail was set at \$50,000.

From 2004 to 2008, Beninsig represented himself as a patent law expert and investment consultant. At his Hot Pepper Ventures office on Investment Boulevard in El Dorado Hills, Beninsig wooed entrepreneurs by promising to help them file patent applications with the United States Patent and Trademark Office. He claimed he worked with ghost writers and patent lawyers in India who could draft patent applications quickly and inexpensively.

But when Beninsig filed patent applications for his clients' inventions, he listed himself as either the sole inventor or a joint inventor.

Bob Pingree, chief executive of Nexus Systems in Scottsdale, Arizona, paid Beninsig \$8,000 in 2004 to file a patent application for software that searches for online and broadcast media preferences. Beninsig listed himself on the application as the sole inventor.

When Pingree questioned him, Beninsig promised to remove his name, but instead he sold the patent rights for \$55,000 plus royalties.

Jerry Ponzio, president of Backyard Dream in Granite Bay, met Beninsig in 2008 at an investors' conference in Silicon Valley and later paid him nearly \$13,000 to find investors for his new product, a three dimensional galvanized wire panel for climbing plants. Beninsig found no investors, but he claimed Ponzio's patent applications were not written correctly and offered to fix them. Instead, he listed himself as a joint inventor, which Ponzio discovered when he checked the patent office's website.

The Attorney General Office's investigation began when it received a complaint from an entrepreneur who complained he gave \$30,000 to Beninsig to find investors for his product, a biodegradable mobile urinal, intended for truckers and other long-haul drivers, called The iPee. Beninsig wasn't charged in that case in part because he arranged some meetings with investors, which proved unsuccessful. But the entrepreneur tipped investigators to other disgruntled inventors with whom Beninsig was involved.

The Attorney General's office is prosecuting Beninsig's case. The complaint and arrest declaration are attached.

###

Subscriptions

[Subscribe to the News](#)

Related Attachments

Patent Arrest Declaration  [PDF 286 kb / 6 pg]
Patent Complaint  [PDF 142 kb / 3 pg]



1 EDMUND G. BROWN JR.
Attorney General of California
2 ROBERT MORGESTER
Deputy Attorney General
3 State Bar No. 142236
1300 I Street, Suite 125
4 P.O. Box 944255
Sacramento, CA 94244-2550
5 Telephone: (916) 445-9330
Fax: (916) 322-2368
6 E-mail: Robert.Morgester@doj.ca.gov
Attorneys for People of the State of California
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SACRAMENTO

10
11
12 **THE PEOPLE OF THE STATE OF**
13 **CALIFORNIA,**

Plaintiff,

Case No.

FELONY (COMPLAINT)

14
15 v.

16 **FRANKLIN MICHAEL BENINSIG,**

Defendant

17
18
19
20 The Attorney General of California, by and through the undersigned Deputy Attorney
21 General, on information and belief, complains and accuses defendant of having committed, in the
22 County of Sacramento, State of California, the crimes of:

23 **COUNT 1**

24 **(GRAND THEFT BY EMBEZZLEMENT)**

25 In and between February 1, 2004 and August 31, 2007, at and in the County of Sacramento,
26 in the State of California, Defendant FRANKLIN MICHAEL BENINSIG, did commit a felony
27 namely a violation of SECTION 503 OF THE PENAL CODE of the State of California, in that
28 while said Defendant was an agent, servant, and employee of Bob Pingree did unlawfully take

1 from said person money and personal property of a value exceeding \$400, to wit ownership of
2 patent application #11/079030.

3 **COUNT 2**

4 **(GRAND THEFT BY EMBEZZLEMENT)**

5 For a further and separate cause of Complaint, being a different offense from but connected
6 in its commission with the charges set forth in Counts 1, complainant further complains and states
7 that in and between March 1, 2005 and May 31, 2007, at and in the County of Sacramento, in the
8 State of California, Defendant FRANKLIN MICHAEL BENINSIG, did commit a felony namely
9 a violation of SECTION 503 OF THE PENAL CODE of the State of California, in that while said
10 Defendant was an agent, servant, and employee of Dean Schiller, did unlawfully take from said
11 person money and personal property of a value exceeding \$400, to wit ownership of patent
12 application #20050199648.

13 **COUNT 3**

14 **(GRAND THEFT BY EMBEZZLEMENT)**

15 For a further and separate cause of Complaint, being a different offense from but connected
16 in its commission with the charges set forth in Counts 1 and 2, complainant further complains and
17 states that in and between March 1, 2008 and June 1, 2008, at and in the County of Sacramento,
18 in the State of California, Defendant FRANKLIN MICHAEL BENINSIG, did commit a felony
19 namely a violation of SECTION 503 OF THE PENAL CODE of the State of California, in that
20 while said Defendant was an agent, servant, and employee of Jerry Ponzo, did unlawfully take
21 from said person money and personal property of a value exceeding \$400, to wit ownership of
22 patent applications #61/130,737 and #61/130,738.

23 **COUNT 4**

24 **(OBTAINING MONEY, LABOR OR PROPERTY BY FALSE PRETENSE)**

25 For a further and separate cause of Complaint, being a different offense from but connected
26 in its commission with the charges set forth in Counts 1 through 3, complainant further complains
27 and states that on and between January 1, 2008 and December 31, 2008, Defendant FRANKLIN
28 MICHAEL BENINSIG did commit a felony namely a violation of SECTION 532(A) OF THE

1 PENAL CODE of the State of California, in that said Defendant did unlawfully, knowingly,
2 designedly and fraudulently get possession of money and property, and obtain labor and service
3 of another in violation of this section of a value exceeding \$400, to wit \$30,000 from Chris
4 Brogan / Media Addiction.

5 **TOLLING OF THE STATUTE OF LIMITATIONS**

6 It is further alleged that as to Count 1 and 2 that the statute of limitations has been extended
7 pursuant to Penal Code section 801.5 in that the above violations were not discovered until May
8 1, 2007, and that no victim of said violations, and no law enforcement agency chargeable with the
9 investigation and prosecution had actual or constructive knowledge of said violations prior to said
10 date. More specifically, as to Count 1, it was not until the January 7, 2008 notification from the
11 United States Patent Office that Bob Pingree discovered that FRANKLIN MICHAEL BENINSIG
12 listed himself as the sole owner of the patent. As to Count 2, it was not until May 2007 that Dean
13 Schiller discovered that FRANKLIN MICHAEL BENINSIG listed himself as the sole owner of
14 the patent.

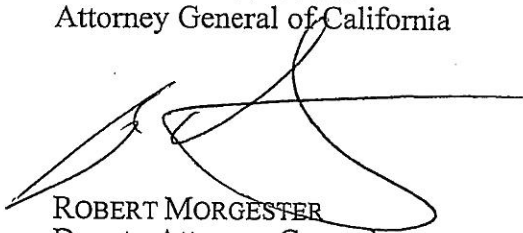
15 Pursuant to Penal Code section 1054.5(b), the People are hereby informally requesting that
16 defense counsel provide discovery to the people as required by Penal Code section 1054.3.

17 I declare upon information and belief and under penalty of perjury that the foregoing is true
18 and correct.

19 Executed at Sacramento County, California, the 29 day of September, 2010.

20 Respectfully Submitted,

21 EDMUND G. BROWN JR.
22 Attorney General of California

23 
24
25 ROBERT MORGESTER
26 Deputy Attorney General
27 Attorneys for People of the State of
28 California

SA2009313900

1 EDMUND G. BROWN JR.
Attorney General of California
2 ROBERT MORGESTER
Deputy Attorney General
3 State Bar No. 142236
1300 I Street, Suite 125
4 P.O. Box 944255
Sacramento, CA 94244-2550
5 Telephone: (916) 445-9330
Fax: (916) 322-2368
6 E-mail: Robert.Morgester@doj.ca.gov
Attorneys for People of the State of California
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SACRAMENTO

11 **THE PEOPLE OF THE STATE OF
12 CALIFORNIA ,**

13 Plaintiff,

14 v.

15 **FRANKLIN MICHAEL BENINSIG,**

16 Defendant.
17

Case No.

**DECLARATION IN SUPPORT OF
ISSUANCE OF ARREST WARRANT**

18
19
20 I, Debra Gard, declare:

21 I have been employed as a Special Agent with the California Department of Justice (DOJ)
22 since February of 2001. I am currently assigned to the DOJ Bureau of Investigation and
23 Intelligence (BII), Special Investigation Team (SIT), Sacramento Regional Office, Rancho
24 Cordova, CA. Prior to my current assignment, I worked for the Bureau of Medi-Cal Fraud and
25 Elder Abuse (BMFEA), Sacramento Regional Office, Sacramento, CA.

26 **SUMMARY**

27 From March 2004 through June 2008, Franklin M. Beninsig (Beninsig) applied for three
28 patents on behalf of clients and added himself as an inventor on the applications filed with the

1 United States Patent Office (USPTO), without the knowledge or consent of the client, and
2 contrary to the written contract. Beninsig, as the listed "inventor," also sold one of the three
3 patents for \$50,000 plus royalties, without the knowledge or consent of the client.

4 CHARGED VICTIMS

5 BOB PINGREE/CHRIS BROGAN/MEDIA ADDICTION

6 Bob Pingree (Pingree), CEO of Nexxus Systems, LLC of Scottsdale, AZ (formerly Digital
7 Concepts, Inc.), met Beninsig through Joseph Francine (Francine) in February 2004. Francine
8 introduced Beninsig to Pingree as an expert in patent law and development. Beninsig told Pingree
9 that he (Beninsig) could file the patents for Pingree through his company, Beninsig Consulting, LLC,
10 of Folsom, CA. Beninsig presented Pingree with a "Mutual Non-Disclosure Agreement (MNDA),"
11 which stated in part:

12 Section 3.7 "Rights to Improvements: If Receiving Party conceives of any invention
13 or improvement, . . . Receiving Party shall assign all rights, title and interest in that
14 invention to Disclosing Party."

15 Section 4. "Ownership of Confidential Information: The Confidential Information
16 and all confidential Materials provided by each of the parties shall remain the
17 exclusive property of Disclosing Party."

18 Section 9.7 "Nonassignability: Neither Party shall assign rights under this agreement
19 without prior written consent of the other party . . . "

20 Per the contract, Pingree is the Disclosing Party and Beninsig is the Receiving Party. Pingree signed
21 the MNDA on February 6, 2004, relying on the information contained therein as true and valid.

22 Beninsig charged Pingree \$5000.00 as his service fee to file the patent application. Pingree
23 conducted all of his business with Beninsig by phone, email or US mail. The U.S. mail address
24 Beninsig used was 13389 Folsom Boulevard #300, Folsom, CA 95630.

25 In March 2004, Beninsig filed provisional patent, #11/079030, with the USPTO, and sent
26 copies of the express mail and certified receipts to Pingree as proof. Beninsig was supposed to file
27 the full patent within 12 months of the provisional filing. Pingree received a copy of the filed
28 provisional patent from the USPTO (United States Patent Office), on which Beninsig listed himself as
a "co-inventor," in violation of the MNDA. Beninsig told Pingree that he (Beninsig) had to list

1 himself as a co-inventor in order to file the application. Beninsig promised to take his name off the
2 patent once the patent application was finalized. Pingree paid Beninsig an additional \$3,000.00 for
3 further patent work on February 18, 2005. Pingree had no further business contact with Beninsig after
4 February 2005.

5 On January 7, 2008, Pingree received notice from the USPTO stating his patent had been
6 abandoned. Pingree contacted the USPTO and requested a withdrawal of the abandonment decision.
7 Pingree received documents from the USPTO, including a "Request for Withdrawal as Attorney or
8 Agent and Change of Correspondence Address dated 3/14/2005," showing that Leland Jordan
9 (Jordan), a patent attorney retained by Beninsig, withdrew as attorney of record, and had all
10 subsequent correspondence with the USPTO sent to Beninsig. The USPTO told Pingree that Beninsig
11 filed numerous claims on the patent. Beninsig listed himself as the sole inventor in August 2007, and
12 sold the intellectual property rights of the patent to Media Addiction. Pingree never authorized
13 Beninsig's modifications to the patent nor the sale of the patent (patent application #11/079030).

14 Chris Brogan, owner of Media Addiction, stated Beninsig and Francine offered to sell
15 Pingree's software to Brogan in January 2008. Beninsig told Brogan that he (Beninsig) modified
16 Pingree's software, making him (Beninsig) a co-inventor. Beninsig told Brogan that he (Beninsig)
17 owned the patent outright because Pingree abandoned it. Brogan relied on Beninsig's fraudulent
18 statement of ownership, and on January 18, 2008, initially paid Beninsig \$30,000.00 for the patent
19 rights, with a promise of an additional \$25,000.00 when the deal was complete. Brogan contacted
20 Pingree to confirm Beninsig's claims, and learned Beninsig had "stolen" Pingree's patent. In
21 November 2008, Brogan forced Beninsig to release ownership of the patent to Pingree.¹ To date,
22 Beninsig has not repaid the initial payment of \$30,000.00.

23 **DEAN SCHILLER**

24 Dean Schiller (Schiller) of Danville, CA, met Beninsig in March 2005 through patent attorney
25 Stephen Kuhn (Kuhn). Kuhn had been working with Schiller to get a patent for Schiller's fluid

26 _____
27 ¹ Pingree subsequently entered into a contract with Brogan for the rights to his patent.
28 Media Addiction paid Pingree a one-time fee of \$544,977.78, plus monthly maintenance fees,
upgrades and royalties.

1 dispensing system, patent application #20050199648. Kuhn fell ill, and referred Schiller to Beninsig
2 (Kuhn knew Beninsig from prior patent work). On March 10, 2005, Beninsig filed patent application
3 #20050199648, on behalf of Schiller. Without Schiller's knowledge or authorization, Beninsig added
4 his (Beninsig's) name as a co-inventor on the application.² On September 29, 2005, Schiller paid
5 Beninsig \$4500.00 for filing the patent. Schiller conducted all of his business with Beninsig and
6 Beninsig Consulting, LLC, through US Mail, email or telephone since Beninsig's business was
7 located at 13389 Folsom Boulevard, #300, Folsom, CA 95630.

8 In May 2007, while trying to license and sell the patent, Schiller discovered Beninsig's name
9 as an inventor on patent application #20050199648. Schiller contacted the USPTO, and learned
10 Leland Jordan filed a change of address form in May 2007, removing himself as attorney of record,
11 and forwarding all correspondence for Schiller's patent to Beninsig at 13389 Folsom Boulevard, Suite
12 300, Folsom, CA. In June 2007, after Schiller made repeated attempts to contact Jordan and
13 Beninsig, Schiller received an email from Beninsig. Beninsig claimed he (Beninsig) released
14 ownership of Schiller's patent, however, the USPTO did not have any record of Beninsig's release.
15 Schiller was unable to get Beninsig removed from his patent, causing Schiller lost licensing and
16 revenue³.

17 JERRY PONZO

18 In March 2008, Jerry Ponzo (Ponzo) of Colfax, CA, met Beninsig at an investor's conference
19 in the Bay area. Ponzo had a patent application pending (61/130,738), and was seeking investors for
20 his product, Ivy Screens. Beninsig told Ponzo that he (Beninsig) represented Hot Pepper Ventures
21 (HPV), a venture capital investment group, and would need to review Ponzo's patent before investing
22 in Ponzo's company. On March 26, 2008, Beninsig and Ponzo met at Beninsig's office, 1107
23 Investment Boulevard, #180, El Dorado Hills, CA, where Beninsig presented Ponzo with a "Mutual
24 Non-Disclosure Agreement (MNDA)," which stated in part:

25 Section 3.7 "Rights to Improvements: If Receiving Party conceives of any invention
26 or improvement, . . . Receiving Party shall assign all rights, title and interest in that

27 ² Schiller did not retain a copy of the contract and no contract has been found.

28 ³ Schiller had an estimated licensing and revenue loss in excess of \$5 million.

1 invention to Disclosing Party.”

2 Section 4. “Ownership of Confidential Information: The Confidential Information
3 and all confidential Materials provided by each of the parties shall remain the
4 exclusive property of Disclosing Party.”

5 Section 9.7 “Nonassignability: Neither Party shall assign rights under this agreement
6 without prior written consent of the other party . . . “

7 Per the contract, Ponzo is the Disclosing Party and Beninsig is the Receiving party. Ponzo signed the
8 MNDA on March 26, 2008, relying on the information contained therein as true and valid. Ponzo
9 paid Beninsig \$7860.00 for the patent filings.

10 On June 3, 2008, Ponzo received documents from the United States Patent Office (USPTO),
11 listing “Frank Beninsig of Folsom, CA,” as an inventor on Ponzo’s patent, application #61/130,737.⁴
12 Beninsig’s mailing address was listed as 2795 E. Bidwell Street, Suite 100, Folsom, CA 95630.
13 Beninsig told Ponzo that he (Beninsig) had to list himself as a co-inventor in order to file the
14 application. Beninsig promised to take his name off the patent once the patent application was
15 finalized. Ponzo paid Beninsig an additional \$4000.00 for further patent work and "investor"
16 meetings, but Ponzo never met any alleged "investors." Beninsig never removed his name from
17 Ponzo’s patent, and Ponzo demanded a refund of the money he paid Beninsig. Ponzo terminated his
18 agreement with Beninsig in June 2008⁵.

19 CONCLUSION


20 Your affiant is also aware that a period of time has elapsed during the onset of investigation
21 and this application for an arrest warrant. The fraudulent activities relating to the filing of the
22 patents as outlined were discovered by the victims no earlier than May 2007. (See Pen. Code, §
23 801.5 [prosecution shall be commenced within four years after the discovery of the offense].)
24 Pingree, following the January 7, 2008 notification from USPTO, discovered that Beninsig listed
25 himself as the sole owner of the patent. Schiller, while trying to license and sell the patent,
26 discovered Beninsig’s name as an inventor on the patent in May 2007.

27 ⁴ Patent #61/130.737 appears to be the same as #61/130.738.

28 ⁵ Ponzo’s final loss to Beninsig was \$12,884.00.

1 Based on the foregoing, I believe that from March 2004 through June 2008, Franklin M.
2 Beninsig (Beninsig) applied for three patents on behalf of clients and added himself as an
3 inventor on the applications filed with the United States Patent Office (USPTO), without the
4 knowledge or consent of the client, and contrary to the written contract. Beninsig, as the listed
5 "inventor," also sold one of the three patents for \$55,000 plus royalties, without the knowledge or
6 consent of the client. For those acts, I believe Beninsig is guilty of violations of Penal Code
7 sections 487, theft by false pretenses, and 503, embezzlement by agent.

8 I declare under penalty of perjury under the laws of the State of California the foregoing is
9 true and correct. Executed on September 30, 2010, at Sacramento, California.

10
11 
12 SPECIAL AGENT DEBRA GARD
13 California Department of Justice
14 Bureau of Investigation and Intelligence
15 Sacramento Regional Office

16
17
18
19
20
21
22
23
24
25
26
27
28
SA2009313900