

Selling Public Domain Items On eBay.

Terry Gibbs

Interviews

James Jones

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Terry: Today, I'm here with James Jones of KickButtIdeas.com. You probably know James because of some of his eBay-oriented materials. I was talking with him last week about some public domain stuff.

What James does is go out and find public domain items, and then sells them on eBay. We're going to talk all about that today.

Are you there, James?

James: Yeah, I'm here, Terry. Thanks a lot.

Terry: Can you give the listeners a little more background about you?

James: Yeah, sure. I actually started selling information products on the internet around about '96. But I still had a job and I was working at a bank at that time. I didn't really get serious about it until 2002. I think January of 2002, that was one of my New Year's resolutions. I wanted to quit my job and work full-time from home.

So I started building my list, and I think that was the key. I was able to quit my corporate job in October of 2002, and I've worked full-time on the internet ever since.

Terry: That sounds pretty good. That's actually about the same timeline I was on, 2001, July.

James: I think we're about the same age, too, as a matter of fact.

Terry: 43 this year.

James: I'm 43.

Terry: So how did you get started on eBay?

James: Well, I started buying on eBay in '98, '99. I never really sold anything on it until 2003.

To tell you the truth, I just didn't see the benefit of me using eBay with my info product business, because I was doing really well from my website and my list and

affiliates promoting my products, and it just didn't dawn on me that eBay would be a way of doing that.

But I started selling stuff in 2003 mainly because my e-zine subscribers kept asking me how to make money by selling on eBay, and I didn't know. So I went out and started doing some of this stuff, so I could tell them about it.

The first thing I did was sold some stuff around the house, like everybody does, just to kind of learn the system. And then, I was looking around going, "What am I going to really sell here? I need to find some niche."

At that time, I was smoking cigars, and we had a lot of cigar stores around here where I could get these cigar boxes. So I started selling these old cigar boxes. Not old cigar boxes, but the ones they have after they sell the cigars. And that was my little niche.

Terry: So you sold cigar boxes, and those were for people who were making purses and artwork and stuff?

James: I didn't know that, at first. I just knew that people were buying cigar boxes. And then I realized that most of the people buying them, I thought they were collectors buying them. They were actually women buying them to make purses out of them.

That's when I started looking around about info products, because that's the niche I was in was info products. I said, "Is anybody selling information about how to make these cigar boxes?" And I saw a couple of women selling little PDF reports, and I ordered a couple. I ordered them. Actually, there were 3 or 4 of them out there, selling anywhere from \$5 to \$20, and they were trash. Just a couple of pages you get, not very appealing at all.

So I ended up coming out with a video series on how to make cigar box purses, and that was my first info product on eBay.

Terry: That's kind of cool.

James: It sold really well for a while. The niche has kind of dried up now, because it was sort of a fad item. It did really well for a couple of years.

Terry: The cigar store that I buy my cigarettes in, because they keep them in the humidor, the woman that managed it, she used to sit in there and make purses out of cigar boxes and then sell them. So it was like she made \$10 an hour for sitting in the cigar store selling cigars, and then she'd take boxes, which they have cartons of them that are free. If you're a customer, you can get the cigar boxes free from them. And she'd just pull cigar boxes out of there and paint on them and glue handles to them, and stuff like that.

James: Yeah. What's really funny is I never really learned how to make the purses. I hired my neighbor to do the videos for me, and she did all of the work.

I used to get the cigar boxes. Some of them, I could get for free. Some of the better ones, I'd have to pay a few bucks for, \$5 or whatever, and I could sell those for \$20, \$25.

The actual market then for cigar boxes was really good. There was one particular cigar box called a helix, and it was cardboard. It wasn't even wood. It had a wooden bottom, but the rest of it was cardboard. But it had beautiful colors on it, and they were really popular with the women making purses. I could get those for 50¢ each and sell them for \$18 or \$20.

Terry: That's outrageous. There was a guy, Karol Kadja, wrote an e-book years ago, I don't think it's available any more, all about how to buy stuff with coupons that you'd find online and then resell the stuff on eBay, so you'd actually be getting it for free with the coupons.

James: Yeah, I read his book. It was a good book.

Terry: And he also talked about dumpster diving. Like I get boxes out of a shopping center up the street from me. And last time I was up there getting boxes, I found like I don't know how many, maybe 400 record albums from the 60's and 70's in there. I grabbed them, because I couldn't just walk past. But they're just sitting in the storage shed. I don't know if they're worth any money. I doubt Ricky Nelson albums are worth anything.

James: They wouldn't be to me, anyway.

Terry: But that fits in with what we're going to talk about, which is getting items that are free. In this case, they are free, not like buying the cigar boxes, and then doing a little bit of work in order to sell them.

So you said that you first started selling cigar boxes, then you started selling reports on how to make a cigar box purse - actually, a video - so that's your next step

Let's talk a little bit about how you sold those videos. Did you put them in the categories where the cigar boxes were?

James: Yes. There's a specific category for tobacco collectibles. The important part, and really the important part about selling, first off, the cigar boxes, if you just put an auction with your title "cigar box," and describe the cigar box, you don't get a lot of bids on it. You don't get a lot of hits on the auction.

But if you put the word "purse" in the title, then you get a lot more hits, because that's what the women were looking for. They were looking for other people that were selling these purses, to get ideas about different designs and ways that they can make their purses. And then, they would see the nice cigar box out there and they'd buy it for their own use, to make the purse.

So actually, I was doing a lot of arbitrage at the time, because I found there were a lot of people listing these cigar boxes and they didn't know how to do it. They were just listing them as just plain cigar boxes. They didn't get the connection between making the cigar box into a purse.

So I could buy a cigar box for \$1 on eBay, or a couple of bucks, and then I could resell it as a cigar box to make a purse for \$15 or \$20.

Terry: So just adding "great for purse" to the headline.

James: At that time, I could go on eBay any day of the week, anytime, and find 3 or 4 cigar boxes to do an arbitrage with.

Terry: My sister does plates, mosaic, I think you call it, where you break plates and then you glue them back

together. And she goes on there and she specifically will not buy when the people say, "Great for mosaic." There's actually a word for what they're doing. They glue like the tiles to tables and things like that.

James: I've seen that before.

Terry: She won't buy those plates that are sold for that, because they go for too much.

James: Because they know. Those people know how to get the most money for them.

Terry: Right. Whereas the other plates, which are just somebody selling old dishes, she goes through.

Now, granted, she has to spend more time because she's looking for the different colors and stuff in order to do it, but it's cheaper. And that's something that's so important when selling on eBay, is knowing what the market is and knowing where they're at, which is what you just said: 1) They're in the tobacco collectibles area or category and, 2) they're looking to make purses. So you're standing right out.

James: When you go into a niche like that, you start seeing little things like that. But I never would have known about the purses, unless I had gotten into the cigar box category. I never would have known to do the arbitrage, until I started studying the stuff.

Terry: So you created, then, the videos, and you were selling them. And then, if I'm right, you went out and started selling other information products?

James: I'd always been selling information products on different things. But what I found was one day I was browsing through eBay and I noticed a seller that had this little booklet about millinery. I honestly didn't even know what millinery was. I had to look it up.

Terry: What is that?

James: It's hat-making. It's an old term for hat-making. It's sort of a lost art type thing, where there aren't really any books being published now about it.

So I started looking at his completed auctions and I found that they had all kinds of stuff. They had like how to make belts and how to make purses. These weren't cigar box purses, they were just how to make purses, period. Dress-making, frock-making, wrap-making, stuff like that.

So I ordered one of these things. I ordered the one on making hats for \$25. I got it in the mail and it actually was nothing but a little booklet, about 16 or 20 pages. It wasn't even 8½ by 11. It was like a half of an 8½ by 11 folded over. It probably cost about 50¢ to have it produced. They did use the nice matt paper, but other than that it was less than \$1 to produce it.

But the information in it was really good, because it was information that if someone was interested in doing that, there was no place else they could get that information.

My antennae started going up when I saw that. I've been following this guy's auctions for the last couple of years, and he's still out there selling this stuff.

Terry: When I first started looking into this public domain stuff, I was going through magazines. And my first real inkling of I could do this was I collect trains. My dad and I were arguing about who made this display that my dad had found. I said, "No, it's not from the 30's, it's from the 50's. Somewhere in the back of my mind, I remembered seeing a note somewhere that said that this was reviewed in the *Popular Mechanics* book.

So I went online and, for about a month, I just kept looking at those *Popular Mechanics*. And then finally, I bought a stack of them and got the ad that I wanted. Actually, it was a review, so I could win this argument with my dad. You know how important that can be.

Then I had all of these magazines sitting there, that I didn't want. And they're all filled with articles about how to do things. And I was thinking, "There's a goldmine here of information that, if I just repackaged this information, people would buy it."

James: You're exactly right. There is a demand for how to do stuff. There are a lot of hobbies that used to be real

popular, that are seeing a resurgence now. And there's not a lot of information out there about them.

Terry: Actually, I've been trying to buy these on eBay, and now, when this interview goes out, I'm not going to be able to afford them, but there was a magazine published in the late 40's, early 50's, called *Profitable Hobbies*. And all it is, is articles, 4-, 5-, 6-page long articles on how to make money with your hobby.

James: I'd like to get a hold of that.

Terry: I'd go on eBay and try to buy them, and I'd get outbid on them because I'm trying to be cheap.

They're not easy to find. I know that there's an article in one of them about how to make money with your toy train hobby, and that's actually how I got into that was trying to get that article, figuring I could resell it to people who wanted to start their own repair business.

So that was resources, any kind of that old stuff.

So let's start talking a little bit more about the public domain items specifically. What is a public domain?

James: A public domain item is a published work, and that means a book, magazine, recording, something that's been published. And when I say published, what I mean is it's been sold. So it's a published book, recording, magazine that are no longer protected by copyright and, therefore, anyone has the right to reproduce and sell them or to give them away, or do whatever you want to with them.

Terry: Now, how do you tell if an item is in the public domain?

James: There's a couple of different ways. First off, you've got to make sure that it was published in the United States. And that's going to say on it, in the copyright copy information, when it was published, by the publishing company, whatever it is, in whatever city.

The problem is if you start trying to look at stuff from the UK or even Canada or places like that, they have different rules for copyrights. For example, in the UK,

your heirs inherit your copyrights. So essentially, a copyright never expires.

So you want to make sure that it's in the United States, first.

Secondly, anything before 1923, published in the United States, is in the public domain, no question about it. That's a hard and fast rule. Just make sure it was published before 1923. And it will say, on the copyright, "Published 1923," or "Copyright 1923" or "1921," or whatever.

Now, anything published from 1923 to 1963 may be in the public domain, if the copyright was not specifically renewed 27 years after the initial publication.

Now, about 90% of all works published from 1923 to 1963 were not renewed. So most of that stuff is in the public domain. You just have to do some research to find out if it is or not.

Terry: And that would be contacting like the Library of Congress or something?

James: No, you don't even have to do that. You can do it all online. Now, you can contact the copyright office, and they'll do the search for you and tell you, legally, if the copyright has expired or if it's in the public domain.

You can do it yourself. When you're starting off doing it, I suggest that you stick with stuff published before 1923, until you get to the point where you can do the research.

But there is research you can do on the internet, and I'm trying to find the website address right now. I'll get back to that. I have it here somewhere, I just don't have it handy.

Terry: So once you find an item and you make sure that it's in the public domain, then the question is packaging it so that it's appealing to the market?

James: That's right. And what you want to do, I just went out and bought a cheap scanner. I've got an HP. I don't even remember the model number. It was a \$75 scanner. What you want to do is you want to scan it in as a

document, put it into Word format, and then you're going to have to go through and correct any mistakes from the scanning, because scanning isn't perfect.

Then, you want to go back in and any photographs, you want to scan those as images. If you try to scan the photographs into the document, a lot of times it will break the photograph up and will look terrible.

Terry: So this is an easy process to do yourself?

James: It's a time-consuming process, but it's easy. We're going to get into one of the products that I'm selling now, it's a book on how to make dolls, and it took me about 8 hours to do that. It's about a 25-page book. It took me a day to do it.

Terry: Years ago, before I knew anything about computers, one of my friends works for the University of Phoenix and he runs their computer department, their databases. And I was talking to him and I said, "I have these Lionel service manuals, it's the stuff they gave to service stations that show exploded diagrams of the trains, all of the part numbers, how to fix them, all of this. And it's actually an 8-inch stack of material, because they put out revisions. And every single item that they made is listed in those books."

I thought, I'm going to get these on CD and I got together with a girl he introduced me to, and she was like, "Oh yeah, we scan in each one of these pages and we'd have to do the text and all that." And she wanted to charge me \$5,000 to do that, which was more than I was willing to spend. But back then, in '98, it probably would have been smart because right now there's all kinds of people selling different things made from that.

There's actually a guy right now that's selling 4 or 5 pages about a specific item. So like how to fix this engine. And he's got 5 pages he Xeroxed right out of one of these manuals, and he's selling it for \$5.

Whereas to me, back then, I didn't have the skills and I had this idea of I'm going to do the whole thing, so it's a complete work. The grand idea, which got in the way.

I've found, since then, that I'm better off doing smaller projects.

James: Right. I've had the same problem with the grand idea. The grand scheme that you keep trying to work on and you never can get it perfect.

Terry: So, if I would have gone in there then and just done a section on how to fix, for example, milk cans, which Lionel made millions of these things and put together how to make milk cans and then went and put some parts that people would need, I could have done a little report, \$10, you get the 4 pages and you get some milk cans and you get the other little parts that they're probably going to need. There's actually people doing that today, too.

That was something that my big eyes got the better of me and I didn't do anything in that regard.

James: I found the links that you can search for the copyright records. Remember, if it was published before 1923, you don't have to do any research in the United States. It's definitely in the public domain.

Between 1923 and 1949, you can find the renewal records using a file from Project Gutenberg. Someone has transcribed all of the copyright information and put it on a website at www.Gutenberg.net. You can find a link to that in there.

What you can do is just open that file up, and this is a huge file. It seems it's like 20 MB. And when you open it up, it's going to take a while to open. And it's just a text file, so you've got to go through and do "File," "Edit" and "Search," and search for the title of the publication. And then also search for the author. You want to search for the author's last name first, and then first name.

Terry: So you can do this with books, you can do it with pretty much anything, right?

James: Right. This Project Gutenberg file doesn't have recordings. It has books and magazines. If the book is in the file, that means it is not in the public domain. That means it has been renewed.

If it's not in that file, then it has not been renewed and it is in public domain.

Now, if the publication was first published between 1950 and 1963, then you need to search the copyright renewal records at www.copyright.gov/records. And they've got a really good user-friendly search engine in there. It only goes back to 1950, so you've got to use the Project Gutenberg before that.

What I do is when I get a book, just to be on the safe side, I search both places, just to make sure it wasn't renewed 29 years after instead of 27 years.

Terry: And then once you get something that's in the public domain, you reconfigure it, write a sales letter, and sell it. And this is a great example. Last week, I was on eBay and I found this book about store window displays from about 1935, art deco store window displays. I was looking at it because I find that kind of stuff fascinating, and she's selling the book for \$10.

I'm looking at it, and as I read in there farther, I found she wasn't selling the book. What she was selling was a photocopy of the book. I had to get down in to see that she was actually selling photocopies, which I don't want. When I'm buying old books like that, I like to have the original, so I'd have to go to like Abe Books or Alibris and find a copy of that old book.

Although if I wanted to do something in the public domain, I could buy the book from her and then reconfigure it to whatever my use was going to be.

James: You've got to be careful about that, though. I like to work from the original. The problem is she could have made some changes to that and copyrighted those changes. And then if you copy that, you're in violation of her copyright.

Terry: Yeah, that makes sense.

James: I like to get directly to the source of the book. And that's another thing you've got to be careful for. Some of these books that were published, like the Roth memory course, that came out like early 1900's, so it's in

the public domain. But around 1968 or so, another company took that course and they republished it under their own copyright and their name.

I'm not sure if they added any material to it or made any changes, but just because they've got a different design on the book and maybe a different font, you can even copyright that. If you're going to reproduce that Roth memory course, you don't want to use the one from 1968. You want to go back to the original.

Terry: So you want to avoid derivative works and use the originals.

James: Exactly. Exactly. You want to create derivative works, but you don't want to copy them.

Terry: Yeah. One of the things that I'm working on, this is actually kind of cool, I bought - and this is going back a year and a half ago now - 3 cardboard mountains. What these are is in 1922, 1923, Lionel sold train layouts to stores, so they have display layouts. The backdrop was 3 cardboard mountains that were die cut, so they're in the shape of the mountain. Actually, the water color was the original.

These things, for originals, they sell for \$2,500 and up for the 3 pieces of cardboard. So I bought 3 of these that were real poor copies, that a guy at a billboard shop had made. Then I have a friend that does scanners for blueprint companies and stuff, and I bought him a couple of drinks one night and he scanned these in. And I got a graphics guy to go through and clean them all up and fix them up.

Now, I can't sell them the way they were originally made because it says, "Lionel Electric Trains" on a billboard in the foreground of each mountain, and Lionel protects their trademark. But I can take the Lionel name off and print it without the Lionel name, print it with some other advertisement on a billboard, and then sell it that way.

I looked at that and I got the graphics guy working on it and then I started looking for printers. These things are 24 to 26 inches tall and 42 to 48 inches long. I can't find anybody to print them.

Now, I just found a new guy that has a banner printer. It prints off of a roll. And we're going to do the 3 mountains on thick paper that's vintage, almost cream-colored, so they'll look old.

James: That's a good idea.

Terry: There will be the 3 mountains, and I'm going to sell them in a roll. I can get the 3 mountains in like a tooth-shaped design, one is pointing downward and 2 are pointing upward on the roll, and print the whole thing. He'll do it for \$1.50 a foot. It's 8 feet long, so that's \$12, I think. Then I can sell these for \$100.

James: That's a great idea. Sometimes, you have to get a little creative like that.

Terry: Actually, I got discouraged when I couldn't find anybody that could print the things on cardboard, and just gave up on it. And one of my friends bought 2 of the original mountains, and he didn't have the third. He knew that I had these scans, so he's literally paying for my production costs in order to finalize the artwork, because he wants that third one to make his set complete. So I kind of lucked out in there.

To me, I don't know if I'm going to end up doing it, I think I'm going to set it up so that I sell the mountain and I collect payment, and just shoot an email over to the guy with the printer and he prints one, sticks it in a cardboard tube and mails it. And then every month, I give him money to cover the number that he shipped.

James: You're setting up a print-on-demand situation.

Terry: Yeah. That way, I don't have to do anything, other than collect the difference between say I give him \$20 to make it, stick it in a cardboard tube and ship it, and I sell it for \$100, so I collect \$100 and throw him \$20 every time I get a sale. I don't have to do any work on that.

James: This is kind of getting off-subject a little bit, but I call those types of deals closed-source deals. You've taken a lot of time and effort to figure this whole thing out. And if someone wanted to come up behind you and try and compete with you, he'd have to start from the

beginning, from scratch, and figure out how you're doing that. It would be much harder for them to compete.

Terry: Right. The second thing on that, because that's one of the deals that always runs in the back of my head when I'm doing something, is what's to keep somebody else from jumping in here and competing with me. And with a market like with the mountains, maybe there's 30,000 train collectors in the country, and of those 30,000 total, maybe there's 4,000 people that would want one. If I jump onto the scene and start selling them before anyone else can catch up or even start working on it, I'll have captured a big chunk of that market.

James: That's right.

Terry: I've seen that over and over again, with my O-gauge source guide, which was the first book that I ever wrote. I wrote that, and within 6 months 2 other people were trying to sell them. They didn't do it as well, because my book was \$30, which gave me a lot of markup between the \$2 cost to print the thing and \$30 I sold it for, to do advertising and marketing. Whereas they were selling smaller books that had to have cost them a similar amount to print, for \$8 and \$10.

James: That's a good point, too. When you're the first out there in the market, when you're the only game in town, you can really dictate what your price is, what your terms are.

You know that cigar box video I was telling you about, the first time I saw it after the girl that I had doing it finished working on it, I was a little bit ashamed of it because, quite frankly, it wasn't that high-quality.

Now, the information on it was really good, if you wanted to make a cigar box. What we had to do was we had to take still pictures of the process. And what she'd do, she'd drill a hole and take a picture and show the hole. We had like hundreds and hundreds of pictures, and we put those pictures into a PowerPoint presentation. And then she did a voiceover on the instructions.

So it was a very, very low-budget production, you could say. But you know, that is one of my lowest refund

products out there. It has a lower refund rate than any other product I've ever sold. It's because I'm the only game in town.

Terry: That's interesting. And you are giving them the information.

James: Yeah, the information is good. And another thing I found, I was talking to Dave about this, and he said that people buy information products like that on eBay, especially videos and audios. They don't want the slick Hollywood production-type stuff. They want something that grandma created in her sewing room, to show you what she's doing, because it sounds more honest.

Terry: Dan Kennedy told me, years ago, that if you sell a book, people have a perceived value of what a book costs. And if you sell it in some other way, and his example was he had an audio tape that was an hour long, that he sold for \$200. Whereas if he had sold that as a book, it would sell for \$15.

But, because it was an audiotape, there was no way for people to compare it. The only thing that they could think about was the information. If I remember right, that was a guy that specialized in doing scams for stores, like ripping off and getting them to give too much change, and shoplifting and all of that. Did an hour-long session on all of the little scams that he had done to store owners, and then they sold it to store owners in order to teach store owners how to avoid getting ripped off.

James: That's a great little product.

Terry: Yeah, and it's great stuff. That was \$200 for a cassette tape that cost him 90¢ to make. And that goes back to when you're selling information, you're not selling it by the pound or by the page, you're selling it by the results.

So like with your how to make purses out of cigar boxes, you're selling them an advanced learning curve. They could spend months figuring out how to do the stuff on their own or, for \$20, they can watch your video for an hour and be months ahead.

James: Yeah, that's exactly right.

Terry: So tell some of the other stuff that you've sold that's public domain.

James: Doll-making. I had a little public domain book called *How To Write And Sell Country Music*, that was originally written by Hank Williams.

I've got a real nice art print of mushrooms, and there's a good story behind that. I bought the original from a guy off of eBay, and I thought it was an actual original. It turned out it was a photocopy of the original, and it was not a very good photocopy as far as the mushrooms themselves, the colors were brilliant and looked beautiful. But when he copied it, it copied the yellowed paper, because it was such an old document. It was from then 1800's. And it's a scientific photo of different types of mushrooms, like a plate out of a book.

So I didn't think I could use it. First of all, I took it to Alpha Graphics and asked them if they could clean up the yellowing, and they said it would cost hundreds and hundreds of dollars to do that, because it was very time-consuming.

I happened to be in Kinko's and I just mentioned to the manager there, "I've got this and I'm wondering what you guys can do." They cleaned it up. It took a half an hour, and they charged me, I think, \$10 or \$15. So it's a little hint, if you're doing anything like that, it seems like Kinko's has got better technology than some of these other print shops. And it looks beautiful.

I had them print it out on large paper. It's not poster paper, but it's like bigger than 11 by 17. I'm not sure what size it is, but it looks absolutely beautiful. And I sell that on eBay.

Old architectural books.

Another thing that sells well is how-to-draws; how to draw cartoons, how to draw animals. There's quite a few of those in the public domain, that you can republish.

Terry: So really, there's just a wealth of different things that you could do. We talked about the hobbies and

things like that, which would be the doll-making and how-to-draw books, how to write and sell country music. And then there's entertainment stuff, which would be your art prints.

I don't know what somebody would use an architectural book for.

James: Well, architects, evidently, like to get these so they can study the designs from the 1800's, stuff like that. It's amazing what people will buy.

Terry: This was in November of 2005, I was sitting in front of the computer gossiping with one of my friends and searching in little out-of-the-way categories, and I found a 1955 Lionel calendar. I've never seen one of these before. It was like \$10 was what the woman had for an opening price, or \$9.99. I'm looking at this thing and I tell my friend the auction number, and he's looking at it. And I'm like, "I'm going to buy this. I think I could resell this for \$500 or \$600. I'm going to bid \$400 for it." My friend is like, "Oh, you could probably get \$800 for it, because there's such a demand for the peripherals and ephemera that would have been used and not survived. And this was a calendar where you rip off the page for each month, and all of the pages were there.

So he's like, "Oh no, you might get \$1,200 for it."

I don't remember what I bid on it. \$400 or \$500 was the bid, and I bought this thing for \$325. It came in and I'm looking at it, and the dirt was printed on it.

James: You're kidding!

Terry: No. The dirt was printed on it. And I start looking at it and I'm like, "There's something wrong with this." It's like the little staple that's at the top is rusted, that you hang it with is rusted, but the staples that hold the pad for the month are bright and shiny."

So I'm looking at it and I'm like, "It's got to be old." So I threw it on eBay and put it in there, the featured plus in the train category, where everybody's going to see it. Put it on there. Within 15 hours of me listing it, it was up to \$700. So I'm doing good.

And then I got an email from a friend of mine in North Carolina who said, "Hey, you need to look at this calendar. They're fake. Here's how you can tell." And he explained this to me, and he had one. So I'm looking at it and I said, "Damn!" I cancelled the auction, because I can't sell something that's fake as an original. I sent the woman an email and she refunded my money immediately.

Now, what she's done is somewhere, she's figured out how to make a calendar that looks old, and she's got some kind of a printing press. The guy in North Carolina called it a retrograde, or something like that, that prints these calendars. And she's taking clipart and making calendars with trademarks on them, using clipart.

And that was one of the things that had me thinking this is weird, because the pictures of the trains were not Lionel trains, they were just pictures of generic trains. And if Lionel had actually made this calendar in 1955, they would have used catalog cuts or some of their artwork from their files. They wouldn't have used those.

But this woman has literally hundreds of calendars in all kinds of names, like Hires Root Beer and Coca-Cola, things that people collect. Every one of the calendars that she sells is set up so that Monday, the first of January, is a Sunday. So she does 55, I think 1936 was another one of the years, 1938, and different years. And she's out there selling these as vintage calendars, as if it's a one-of-a-kind survivor to people. Sometimes they sell for \$15, and sometimes they sell for hundreds.

James: It's good that you bring that up, because that gives me an opportunity to say that any of the stuff that you sell, public domain stuff that you copy and resell, you need to let them know that it's a reproduction. And you do that right in your auction.

One of my auctions that closed just the other day, you can actually look this one up, the number is 5660782350. You can see how I've listed that. And that's a listing for my doll-making book.

I'm telling them it is a reproduction. It says, "Taken from a 1920-something book on crafts," or something like that.

Terry: Yeah. And the whole thing with the calendars, that's another example of making products and selling them. She's running into trademark violation.

James: Yes, she is.

Terry: Although, she's flying under the radar because the person who works for Lionel is some MBA that graduated from college and then went to work for Lionel. He has no idea what they did back in the 50's. So he can't just look at something and say if it is fake or not. And because she's selling a calendar and then 6 to 8 weeks later she'll list another one, and there's a whole group of different user names, all of them out of South Carolina, but there's a whole group of them, so it's not like she's selling the calendar over and over again or it would be more difficult to find that out.

I found that out just because I was watching what's going on. But that is a marketplace, if you can tap into that, especially if you can get something where there aren't trademark issues.

You find something that was a popular name and has a collector impact, which is what she's doing with the Coca-Cola and the Nehi and the Lionel Trains and the American Flyer trains and all of that. All of her calendars are selected to fit in with heavy collector demand.

James: That just brings to mind something else I found. I don't have a link to this, but you can probably find it just by searching Google. But I found a website that has what they call "retired mascots." These are old advertising mascots that used to run in print ads, but they're no longer being run.

There were a couple of them that were little cartoon characters that advertised a certain brand of salt, for example. There was one that advertised a brand of coffee. It wasn't Mr. Coffee, it was something else. The product is no longer even sold anymore. The trademarks on the cartoon characters have expired. And that would be a good thing to take and maybe make t-shirts out of, and try to sell them.

Stuff like that kind of taps into the nostalgia that people have. I think something like that might go well.

Terry: One of my friends, he sells inserts. Back in the 50's, a company in Pennsylvania made plastic buildings, and then there would be, like for store windows, a cardboard insert that would go in there.

And he took those inserts and went to the copy shop, took clean inserts, and laid them all out on the copier. And he makes really nice color copies of those and sells them for \$4 a sheet. It costs him \$1 a sheet to print them. He does that.

That's, again, another one of those deals where he's in that gray area, but he's only selling 4 or 5 a month and he's not liable to get onto the radar of the company.

I know there are people selling those same things on eBay. In fact, I've thought about taking all of the buildings that I have and throwing them all on a scanner and selling a PDF with all of them, so people could print their own. I don't think it's worth doing because the competition is already there and I don't want to play around with selling something for a couple of dollars, when somebody else is.

But there's all kinds of avenues in order to make your own products using old things.

James: I just found that website. The URL's really long. So if you just go to Google and type in "orphanage of retired mascots," it will come up. And he's got tons of them in here. They've got one that's a happy egg, that was the mascot for a grocery store called Food Mart. It's kind of cute. And it's something that would probably sell, if you created a t-shirt or whatever out of it.

Terry: There's also a lot of people in the toy train niche, that take old ads and make them into billboards and signs and decals, and things like that, and then sell them to the people that are building train layouts and want to use them on their train layout. There's a lot of that stuff. That's another example of how to use advertising materials that are in there.

One of the things that I want to stress, and we'll talk about this now and we talked a little bit about it before, is the low investment on time when you're doing something, especially if you're dealing with trademarks.

I did the screensavers, years ago, and what I did was I sat down and shot pictures of my trains, and then compiled them with a program that I bought for \$20 into screensavers, had disks made at the duplicator, and then I sold these disks.

And when I originally did that, I was going to do the covers of the Lionel catalogs. I talked with some people at Lionel. They said they wanted \$10,000 for a license, and they wanted 10% of my gross sales. And I'm looking at them and I'm like, "If I sell 1,000 of these at \$10 apiece, that's \$10,000 and I break even on the license, plus I've got to give them \$1 for every one I sell. It's not worth doing."

One of my friends said, "Don't do it. Just do pictures of your own, because that's a way to get around it because they can't tell you that you can't take a picture of your own train and sell it."

I never did the catalog covers. Well, there was another guy that decided he was going to do that, and he spent 4 years scanning these catalog covers in, cleaning them all up, in order to make this perfect thing. There's no way he's going to recoup his time.

Actually, once he released that, I went back in because he actually copied everything that I had done and took my sales letter and everything else, so he could sell his catalog screensavers. So I said, "Well, I know what to do, I'm giving mine away free." I've already got the money out of them, and they don't sell very well anymore.

But that's an important point is not to get into these 4-year projects, but rather to do something that you can bang it out real quickly and then change it or modify it later. Or, even in the case of me with the screensavers, after I've got a bunch of money out of it and they're not selling anymore, just abandon it.

James: Yep, that's right. That gets into something else, too, about how much time do you spend working on something like this.

What I suggest you do, and this is what I do, I take a small excerpt out of a public domain book. Like, for instance, this doll-making book was actually a larger work. It was a book of about probably 250 that was about making crafts. One of the other chapters was on making lampshades. And I'm going to take that one also, and start selling it, because I see a lot of old stuff out there about making lampshades.

But I took the 25-page excerpt of just the dolls. And, like I said, it took me about a day to do it.

To find these things on eBay, what you would do is you search for keywords such as "learn," "how to," "do it yourself," and those will bring up books and reports and manuals and stuff that other people are selling, that were published before 1964. And that's what you want to look at.

But you want to make sure, when you're looking at it, you want to look at stuff that has a lot of hits, a lot of bids, and has a nice, large final value or final bid price.

But you want to try to determine if the item was purchased because it was a collectible item or because the buyer just wanted the information. You can kind of get a hint of that just by reading the way the person words the auction and which category they place it in.

If it's a collectible book, if they're buying it just because it's collectible, then you can't reproduce it. You can, but you're not going to be able to sell it. People are looking for that exact original, not a reproduction. That's a very important distinction that you need to be aware of.

I've never done this before, but I imagine you could email the buyer of the product and just ask him. Say, "Hey, is this something that you bought because you're a collector or are you just looking for the information?"

Terry: Yeah. I think there is going to be a market, but it's not going to be that big.

James: Right.

Terry: For example, with the trains, I collect the catalogs and stuff too. Although, now a lot of the catalogs that I don't have, the ones before like 1920, I'm not willing to pay \$1,000 for a 15-page catalog that's going to go in a file drawer.

With something like that, if you saw one of those online and it sold for \$1,000, you're not going to be able to make a photocopy of it and then sell it for \$1,000. You're looking at selling something, most of those that I see sell for \$5 to \$10.

James: Yep.

Terry: Actually, one of my friends did that. He bought the first Lionel catalog, which is 1900. It doesn't even have trains in it. He bought it and then sold reproductions. Actually, he made copies of it and his son, who is 12 or 13, sells the reproductions. And it's a way he's teaching his son how to do a little marketing and entrepreneurialship. But he sells the reproductions for like \$6, and it costs him \$1 to make them. So he's not making a lot of money on them.

For me, if I'm going to do these things, I would rather do a PDF or a shipped item. I really like to send people things in the mail, because I think it lowers the returns and it raises the usability. It makes them think that it's better than it is.

James: I agree with you. I think that people who buy on eBay, for the most part, they're expecting to get something in the mail.

Terry: So to do a 30-page report is going to cost you whatever to print it.

James: This doll book cost me about \$1 to reproduce. And then, I put a little binder. You get these little binders at the office supply store. They're cheap. You get like 10 of them for \$4. That would be what, 40¢ each? So then, my product cost is \$1.50. And then I've got about another

\$1.50 in mailing costs, and I charge \$3 for shipping. So I just recouped my investment.

Terry: One of the things, when you do this, if you can do printed stuff, remember that the printers print in units of 4. So, one sheet has 4 pages on it. So you want to look for that.

And then I learned this when I did my first book, which my first book was I think 108 pages total, including the covers. The printer only had 20 slots to put the paper in when he did the collation. So he'd do the collation for 20 of these sheets, each had 4 pages on it, and then he'd do a collation for what was left.

When I went back through and changed the book from 108 pages with the wide margins and the bigger fonts down to a 76-page book with smaller margins and smaller fonts, I dropped my cost significantly. Because instead of it being done by hand, where he'd take the 2 stacks, put them together and then bind them, they just ran it through the machine and it was all done automatically.

That was something I still have a resentment about that toward the printer, because I think that he should have explained that to me. But I didn't understand to ask that question, and I ended up spending an extra \$1.08 in handling charges, plus the cost of the paper, because my book was just outside the range of his machinery.

So that's something that you want to take into account when you get into printing these things, especially when you go into volume.

James: And if you're talking about volume, that's a good consideration. I don't sell enough of these, like of each individual one, to worry about that. I just print them off on demand, on my own printer, slap them into a binder and send them off.

When you're doing bulk, that could a good consideration.

Terry: Yeah. That's one of the things I tend to get caught up with. How am I going to do it and what's it going to look like, and I need to remember that all of that isn't important unless I'm saving money.

James: Right.

Terry: So we talked a little bit more about finding out if there's a market. When I do the mountains, which that guy should have all of these done and I should have the first one in the next month or so, what I'm going to do is I'm going to put them on eBay before I even make them. I'll have one printed out, because that way I'll know that the art is all done and everything's ready to go, the file. And then, I'll put them on eBay. And if I get sales, I'll continue to do it. If I don't, I'll yank that auction and walk away. And that's called dry testing.

Is that something that you've done?

James: Oh yeah, absolutely. Absolutely. That goes back to what I was saying about only publish a small portion of the work and try to sell that small portion. And then, if it goes well, then go back.

Another thing is when you're selling this stuff, you've got to remember that if you're the only one out there selling it, I see a lot of people making the mistake of putting like 5 listings for the same product.

When these people are searching and they see that come up, that takes away from the scarcity of the item.

What I suggest you do is just have one auction out there. Personally, I like to run 3-day auctions. I think it gives you a good gauge of the market. Don't do a buy-it-now. Start it off at \$3.99 or \$5.99 or \$9.99, and just let them start bidding. See what the market tells you it's worth.

And then, after the auction closes, if you go to the one I gave you earlier, and I don't have that number again - oh, it's 5660782350 - if you do some searching around, you'll see that that auction actually generated 4 sales. I sold the original, and the original on that one sold for like \$20-some.

I had 5 other bidders, so I had a total of 6 bidders. So one person won it. I sent 3 more second-chance offers, and those people bid, the lowest one was \$15. And I had 2 more that bid \$20-something. So I actually sold 4 copies of that, for a total of \$80-some in that one auction.

Terry: For the listeners, because that auction might be gone by the time the CD shows up in their mailbox and they listen to it, what's the title that you use, so that they can search for it by that?

James: Hang on just a second, I'll tell you. It is "20 flapper doll-making instructions, pattern, art deco." Kind of a weird little title, but I'm putting some extra keywords in there, at the end. People search for those things. People will search for doll-making patterns, they'll search for doll art, and they'll search for art deco dolls. I get a lot of hits from that.

Terry: It's actually a good example of a good title. Now, you said a 3-day auction is a great way to find a market. I always recommend that people do 5- or 7-day auctions. But I think I understand why you're saying 3-day. By doing a 3-day, you're finding out immediately if there's a large number of people searching for those items on a daily basis. Is that what's going on?

James: That's right. I want to find out as quickly as I possibly can.

Terry: Okay.

James: I just generally like 3-day auctions, that's all. You get your money faster, it helps preserve your scarcity, your auction scarcity, which I think is a huge thing.

Terry: And with the second-chance offer, that's like killer.

James: It is. I love second-chance offers. When you send a second-chance offer to somebody, they already told you that they want to buy the item. They've already told you what they want to pay for the item. And then you come back and say, "Okay, I'll give it to you for that price."

On this particular one, I sent 3 second-chance offers, and all 3 of them took me up on it. That's a little unusual. Usually, I get about a 50% sell-through rate with second-chance. But that's still really good. You can't get a 50% response from anything.

Terry: And then are you shoving these into padded mailers or putting them in the priority mail envelopes?

James: I just stick them into just a first-class envelope, a manila envelope, and put first-class mail on it. It's \$1.50.

I don't use the media mail, because I've just found that sometimes that gets delayed.

Terry: And you want the people to get it when they're still remembering.

James: And the difference between media mail and regular mail for this item is just a few cents, anyway.

Another thing I do is I self-insure stuff like this. They want to pay me \$1.30 for insurance, I'm not going to turn around and give that money to the post office. I just keep it. And then if something were to happen, I just send them another copy of it. I will do that anyway. If they were to email me, even if they didn't get insurance, and they said, "Hey, it never arrived," I'd just send them another one. I don't care. It costs me \$3.

Terry: Yeah, that's what I do with this interview series, too. It's not worth tracking them or doing anything. It's just easier to give anybody that complains a replacement. And, it makes the people happier.

James: And it's easy to mail. You don't have to go to the post office. They all weigh the same thing. They're all going to go anywhere in the United States or Puerto Rico for the same postage. So you know exactly what the postage is, you buy your stamps in advance.

Terry: With all of this stuff, the idea is, one, you find a market where people are spending money. Then, you find a book or something that's in the public domain, and you do the research to make sure it's in the public domain. So, that would be your third step. And then the fourth step is that you do a basic compilation and a simple sales letter, or a basic compilation. The fifth step is to write an auction and get it out there and start selling it.

James: I don't really do a sales letter. Not really. If you go to my auction, you'll see that that's not really a very good sales letter.

What I do do is put a lot of pictures in the auction.

Terry: And you take pictures out of the book itself?

James: Yeah. I scan the pictures in. I take the pictures. In this doll-making book, I've got probably 12 pictures in this thing. That's what really helps to sell it. That and your title. If you've got a good title that people are searching on, they'll click on it.

This auction here, I got 156 hits on it.

Terry: So that makes this easier for the listener, who isn't really sure of his ability to write a good sales letter. You don't need a good sales letter, if you've got a good product.

James: This one, I've got just a little introduction here. I say, "This is a reproduction taken from a 1929 book containing arts and crafts. I don't tell them the name of the book, exactly, because I don't want people going and finding that book and doing what I'm doing. Let them do their own research.

And then, I just have an index. An index comes right out of the book. It's very simple.

Now, the other thing, I think we missed a step here, is how do you actually find these books to resell? A lot of people who are selling stuff on eBay, they're doing what I'm doing and they're not mentioning the title of the original book.

So you've got to go out and do some research to find these books.

Terry: And how do you do that?

James: Well, like for these doll-making books, I just went out to www.Abe.com, and also Alibris. And I just use the advanced search. And in advanced search, you can specify date range. So I'll put a beginning date of 1800 and an ending date of 1963, because 1963 is the last date of public domain works. Anything published after 1963, you can't republish it under any circumstances. Just remember that.

Anyway, I'll put those dates in and I'll just search for keyword "doll-making," or whatever the work is I'm looking for. And that will bring up all of the books.

And then from there, I can get the title of the book, the publisher, the author. And using that information, I can use the resources I told you about before, to find out if it is in the public domain. And if it is, I'll buy it.

Or, here's a little tip for you. If you don't want to actually buy the book, go to your local library and ask them to find that book for you, through their inter-library loan program. Most libraries are hooked up to the inter-library loan system. And if any of their member libraries have that book, there's a good chance that they will loan it to you. You can at least use that to get the book, to see if it's something that you want to reproduce.

Now, you've got to be careful if you put a book like that from the library on the scanner. Just don't damage the book.

A lot of times, what I'll do is I'll get the book from the library just to see if it has good enough information that I want to reproduce. And if it does, I'll go out and buy the book from Abe Books or Alibris.

Terry: I've got a book here that I actually bought this in order to do what we're talking about, although not on eBay. This book's called Talks By The Old Storekeeper, which it was published in 1906.

What it is, is a guy who owned a store, giving talks to another guy who owned a store. He talks all about how to avoid theft, how to run your employees, how to hire people, all of that.

I was working on a project, and what I did was I bought this book because I figured for the \$2 it cost to buy the book, and I bought it on Abe Books, that I could use this as my lead generator.

And I had talked to my transcriber, and she said that if I sent her the book, she'd type the whole thing in for \$28 an hour. And this book is 141 pages long. It would take 3 hours or 4 hours to just type it all in.

And then I also talked to my friend with the scanner, and he said, "I can do it even better. We'll just cut the binding off of it, load it in a hopper, and scan the whole thing in.

James: That's a good point. You can do that if you own the book. Cut the binding off, and there you go.

Terry: That's cool. That's what I would do is cut the binding off of it and load it into the hopper, scan everything in, because I could do that for the price of a couple of drinks in a bar. And then, run it through the OCR and send it. I have an assistant, a virtual assistant that does my transcription and a lot of my typing and editing, send it to her and have her fix it all up.

I wouldn't have any investment into it, other than the \$2 for the book, a couple of drinks I'd spend for the guy who owns all of the scanning machinery, and whatever it costs to have the woman fix it all up.

But for most people, and this is a strong recommendation, don't go out and spend a lot of money setting these up.

James: Not at all.

Terry: You go out and you do things that are simple. Maybe get some of those magazines that are old or get some old books.

Another thing, and I see people doing this on eBay, is people take magazines, and there's a guy right now, he's running a scam, but if you did it ethically it would be very easy to do what he's doing in an unethical manner. What he's got is he found an article from 1943, in a magazine, about Lionel goes to war. It talks about the compasses and the other things that Lionel was making for the war effort, because in 1942 the government shut down all non-essential production and all of the factories were converted to war.

So what this guy did was found that old magazine article, and I don't know what magazine it was out of, and he took photocopies of it. And it's like an 8-page photocopy. And he's selling those photocopies on eBay, with a picture of

one of the compasses and other things. And he's misleading people into believing that they're buying the compass.

So they're paying \$150, \$180, which is the value of the old compass, for these 8 sheets of paper.

For the listener, you can see one of those auctions by going to my blog on IWantCollectibles. If you go into the left navigation, it says, "Auctions you should see." And those are all auctions that I've found on eBay where people are either doing things wrong, which is most of them, or doing it right. And I have links into the eBay auctions, kind of as a tutorial, so people can see what they're doing.

But in that case, if that guy took that and took those pages, he could still sell them because it's important historical information. So if he said, "These are information compiled, and you're not buying a compass, you're just buying all of this valuable information, so you can see what Lionel made during the war," people would still buy them and they would probably pay \$10, \$12, \$15 for those same 8 sheets of paper.

Instead, he's going for fast dollars and destroying his reputation.

James: Oh yeah, absolutely. What would be smart to do, and I should be doing this with the doll niche that I've found, I've only got one public domain product in that niche. What I should do, if I had the time, is go out and find 20, 30 more products like this and sell them all for \$10 each, \$20 each. Then, you're starting to talk about some real money.

Terry: Right. And you're at the point where you sell somebody one of them, and then you can upsell them into the other ones.

James: Right. I would actually register a separate eBay name for that, account name. I would have a store set up, I would have an About Me page that had information about that and e-zines, an entire business. It's a great little niche.

Terry: I'm sure there are people that are doing it. So we kind of went over the steps on doing this. One point that I want to stress is that you're better off selling to markets where there are collectors or people that are hobbyists.

So, for example, I talked about this book about running a store. That probably wouldn't sell well on eBay because there's not a category that I could go into, as far as I know, that talks about a store and how to run your business. There's not going to be people searching for that kind of information. Or, if there are, there's not going to be a lot of them. It's going to be hard to reach that market.

Whereas with the trains, and I keep talking about these because I'm enmeshed in the market, there is a huge number of categories, a huge number of buyers that are in there, over and over, buying stuff.

So that's an important niche. And the same thing we talked about, like I was going to buy that art deco book on store displays, that was a public domain thing that the woman was selling, that's a market. I'm curious.

James: Definitely. People are actively searching on these things. That's what you look for.

Terry: For the listener, I recommend that you start in some kind of collectibles or market where there is that established presence, rather than trying to create your own market.

Even a great way to do it would be to go out and find ones where people are already selling that kind of stuff.

James: There are plenty of examples of that on eBay. Just search for those keywords I gave you: learn, how-to, do-it-yourself.

Terry: And then, go out and find the materials and do it, and get started. Don't spend a lot of time on it, just get it done. And that's one of the biggest hurdles that we have as entrepreneurs is that we get so caught up in what we're going to do and how wonderful it's going to be, and we have these big, grand plans, that we forget that the

goal is to make money. We can make money with these items just by doing it quickly.

James: Yes. I agree, totally.

Terry: I can give a great example of that. When I was selling my O-gauge source book, which eBay won't let me sell that anymore because it's a catalog of how to buy things from other people, when I was selling that book, I sold that book as "If you're not happy with this book, tear the cover off and send me just the cover back, and I'll refund all of your money," including the 35¢ I think the stamp cost then, "including the cost of the postage to send the cover back." That killed my return rates, just telling them that. It increased my sales, because it was telling the people that this book is so good, that you're going to like it.

James: That's a great way of doing that.

Terry: From my point of view, those extra sales that I got more than made up for the few books that came back, or the few covers that came back.

And the reason I bring this up is I want the listeners to think in terms of satisfying the buyer so much, that you could say, "Hey, if you're not happy, tear the cover off and send it back to me," or, "If you're not happy, just send me an email and I'll refund your money, and you can keep the book."

That kind of stuff can be scary. But if you're willing to do that, if you feel so confident in what you've created that you can do that, you'll really have a good product.

If you have a product that's mediocre, and you do that, I think you're going to be surprised at how easy it is to meet the people's expectations.

Alright, I think we've covered some fantastic information here, and we're quickly running out of time. How can people get some more information about this kind of stuff?

James: I've got a little free video that people can watch, that shows me looking on eBay for these niche markets and actually shows me finding one of these books. They can go

to www.KickButtIdeas.com/finding-niche-markets. I'm sorry for the long URL, but that's just what it's on.

So it's www.KickButtIdeas.com/finding-niche-markets.

Terry: Okay.

James: That's where the video is. And if you don't mind, I'd also like to mention my new site. It's www.WhatReallySells.com. That's where I've got an e-zine there that covers what types of items really sell on eBay, and one of those items is public domain products.

Terry: Okay. So the listeners can go to either of those. You also have this package, PublicDomainTreasureChest.com?

James: Right. If you watch the video, it will link you to the main website, which is www.PublicDomainTreasureChest.com. And that includes about an hour's worth of videos and it shows you, in very explicit detail, how to go out and find these items.

Terry: So anybody could watch that video and then, if they decide this is something they're interested in pursuing, check out the public domain treasure chest and do that, which would give them some more information.

James: The free video is about 8 minutes long. So yeah, you can look at it and see if it's something you'd like to do.

Terry: Alright. I'm going to end this now, and I hope that all of the listeners have got some ideas about things they can do. If you're already selling and specializing in a niche, especially a collectible and antiques/collectible niche, I'm sure you can find some kind of public domain items that would meet your existing customers' needs and add these in to what you sell.

This is a very simple and easy way to start selling information products, which is so profitable. So I want to thank James for being on the call with me today, and we'll let you go with that.

James: Okay, Terry, thanks a lot for having me. This has been great.