

## UNSOLICITED SUBMISSIONS LETTER

Applica Consumer Products, Inc. ("Applica") is interested in product and process ideas from all sources. These insure a steady flow of new and improved products to meet consumer needs. We believe Applica's success in generating useful ideas will greatly impact our future.

Applica depends primarily upon its employees and the consultants it hires to generate these ideas. Stimulation of these ideas come from Applica's own store of knowledge, the published literature, and the technology generally in use specifically in the small appliance industry and generally in use in commerce. In addition, Applica is interested in ideas that come from outside the company; for example, from suppliers, university scientists, small businessmen, and other persons who solicit Applica's interest. This interest in outside ideas, however, must involve firm procedures to protect both Applica and submitter of the idea.

Having an idea protected by a patent gives the patent owner certain legal rights. Your own lawyer can advise you about these rights. Ideas that are not patented or patentable can be used freely by everyone. This decreases their commercial value. For this reason, Applica views patent protection as important for our own inventions and ideas as well as for those you are offering to us. As a matter of policy, we normally receive unsolicited ideas from the general public only after the idea submitters have first taken steps to obtain patent protection for such ideas. We expect idea submitters to seek and rely **WHOLLY** upon their patent rights, as defined by the claims of an issued patent, just as Applica is required to do in order to protect its own rights.

There are complex legal issues associated with ideas and submissions, involving such matters as trade secret ownership and confidential relationships. Your own lawyer can explain these to you. Again, based upon Applica's policy, Applica has established firm guidelines that must be followed before unsolicited ideas can be considered. Applica does not receive unsolicited ideas under any circumstances or conditions, express or implied, that could create a confidential relationship or a contractual relationship between Applica and a submitter of the unsolicited idea prior to a determination as to whether Applica has any interest in the idea.

Your own lawyer may recommend, and we would prefer, that you obtain an issued patent before offering your idea to Applica. At the very least, we require that you take steps, preferably through a

qualified lawyer, to file an application for a patent. If you wish to disclose your idea after you have filed a patent application, you may contact us again. In any case, we can receive and review your idea only on the condition that you agree that Applica has no obligation to keep it secret, nor to refrain from using the idea, nor to pay anything to you while your idea is being evaluated, unless we have a prior written agreement to the contrary. After the idea has been evaluated, Applica has no obligation to keep secret any submitted information relating to the idea nor does Applica have any obligation to refrain from use or to pay for the use of any idea, not specifically defined and covered by the claims of an issued, in force patent, unless Applica should agree otherwise in writing. Again, the benefit to you of having a patent is that it gives you certain rights as defined by the patent's claims. **Applica strongly urges you to seek your own counsel and attempt to have your idea protected by a patent.**

If the above conditions are acceptable whereby you agree to rely for your protection **WHOLLY** on your patent rights as defined by the claims of an issued patent, you may submit a copy of your patent or patent application to Applica, together with a signed copy of this letter and any information you feel would help in evaluating your submission.

Because of the complications involved, we cannot return any material submitted to us nor can Applica provide you with any explanation for whatever decision it reaches. Each of these conditions applies to the original disclosure as well to anything you might later disclose, orally or in writing, unless Applica and you have reached a prior written agreement to do otherwise. If you have not heard from us within sixty (60) days of the submission of your materials, you can assume that Applica does not have any interest therein.

Applica does not receive suggestions of product names, advertising material, recipes, premiums, or contests nor does it receive suggestions for ideas, such as package art designs, that are subject to protection by either Design Patents or Copyrights. Such ideas are more appropriately obtained from our own employees and consultants such as advertising agencies.

Each unsolicited idea submitter warrants that the submitter is the owner of the idea being offered and that the submitter is legally free to make a disclosure and to convey patent rights to the idea being offered for disclosure.

APPLICA:

I understand your unsolicited idea policy statement set forth above and accept it without reservation. I am disclosing my idea on a **NON-CONFIDENTIAL BASIS** and agree that there is **NO CONFIDENTIAL RELATIONSHIP** whatever established in connection with my submission or your evaluation of the idea. My idea is patented or the subject of a pending patent application (patent number or pending application serial number). I will **RELY WHOLLY** on my patent rights as defined by the claims of an issued patent.

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Name

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Signature

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Address

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Daytime Telephone Number

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Date

Description of Attachment (Patent No. or Serial #)
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