

## Introduction

We understand that you have an idea you think may be of interest to Lavi Industries. We welcome the opportunity to consider your idea and thank you for getting in touch with Lavi Industries. This letter will guide you through the procedures for submitting your idea.

*Please read it carefully.*

## Lavi Industries Procedure for Considering Your Idea

To avoid conflicts of interest, Lavi Industries has found it necessary to adopt certain ground rules for considering ideas submitted to us by outside persons. These rules operate worldwide for Lavi Industries and cannot be modified or waived. We believe they represent a fair balance between your interests and rights, and those of Lavi Industries.

### SUBMISSION OF AN IDEA PROCEEDS THROUGH SEVERAL STAGES:

**Stage 1:** A preliminary stage in which we ask you to read this letter and realistically judge whether your idea could be of interest to Lavi Industries. This stage seeks to save you and Lavi Industries from expending time and effort if the prospect of our having an interest in your invention is remote.

**Stage 2:** Assuming that you believe the preliminary test of Stage 1 is satisfied, the procedure for Stage 2 depends on whether your idea is patented. This letter describes the simple idea submission process for patented ideas.

If your idea is unpatented (or if you have applied for a patent but it has not yet issued) we ask you to complete our **Non-Confidential Idea Submission Agreement Form**. You will use this form to describe your idea to us in general terms and to answer a number of questions relating to the possible market acceptance of the product described by your idea. This enables us to make a preliminary assessment as to whether:

- (a) There may be a conflict of interest between the subject matter of your idea and any Lavi Industries research; and
- (b) Your idea may be commercially attractive to Lavi Industries.

**Stage 3:** Evaluation of either your issued patent or your Non-Confidential Idea Submission Agreement, will take about two weeks. We will then send you a letter explaining the result of our assessment.

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## Stage 1:

### PRELIMINARY TEST

We ask that you use this stage as a preliminary test to assess whether your idea is likely to be one of interest to Lavi Industries.

Lavi Industries may be interested in considering your idea under if the end use of your idea falls within the following list of the markets:

- Architectural Products
- Public Guidance and Crowd Control
- Restaurant and Hotel Equipment
- Signage Equipment and Sign Displays
- Retail Store Fixtures
- Safety, Security, and Protection Equipment
- Airport and Terminal Equipment
- Software and hardware for people queuing and people counting.

Lavi Industries would normally **not be interested** in considering your idea under the following circumstances:

1. If the end use of your idea falls outside the list of the markets above.
2. If your idea is no more than a concept for a new product that you have not yet put into practice. You should not come to us before your creative efforts have culminated into a working device, product or process, as opposed to a mere idea for one of these.
3. If your idea relates to sales promotion, packaging, or marketing approaches.
4. If your idea is for possible uses for any of Lavi Industries existing products.
5. If your idea represents a product, process or working device that was already in existence when you thought of it. An idea is already “in existence” when, for example, it is:
  - shown or described in someone else’s patent, catalogue, magazine, or printed publication;
  - already known to the public or a trade, or;
  - already known to Lavi Industries

If your idea passes this preliminary test, Lavi Industries may be interested. Be aware that many outside ideas, though they may have considerable merit, do not fit with Lavi Industries overall goals.

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## Stage 2: Patented Ideas

Lavi Industries prefers to consider ideas or inventions that are covered by a patent or copyright. This gives us a better understanding of what your idea is and how you have defined it, and it also significantly increases the possibility that products embodying your idea will be protected against competition.

If you have an issued patent covering your invention, just send a copy to us. Lavi Industries will notify you in writing regarding our interest in your patented idea within about five weeks.

Note: If you have applied for a patent but it has not yet issued, you will need to follow the procedure for Unpatented Ideas below.

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## Stage 2: Unpatented Ideas

If you are considering presenting your idea to Lavi Industries but have not determined whether your idea is patentable, we strongly recommend that before you present your idea to us, you consult a patent attorney for professional advice. You may especially wish to consider discussing with your patent attorney the possibility of filing a provisional application, which may allow you to preserve possible patent rights at a minimal cost. You should understand however, that there are costs involved in obtaining such advice, as well as in preparing and filing any application, and that these costs are your sole responsibility.

If you wish to proceed with submission of an unpatented idea (or one for which a patent has been applied, but not yet issued), you must complete the Non-Confidential Idea Submission Agreement. The idea submission questionnaire provides Lavi Industries, on a non-confidential basis, enough general information about your idea. This will enable us to assess whether there may be a conflict of interest with any Lavi Industries research, and whether your idea is commercially attractive.

You must complete all fields of the **Non-Confidential Idea Submission Agreement**, as well as the **Non-Confidential Information Questionnaire** summarizing your idea and answering some basic questions regarding its commercial prospects, without revealing confidential information. For example, you could tell us the field of technology, and in general terms, what the end product or process from the idea is, as well as what it does (e.g., product properties), without telling us how it does it. Do not include any attachments such as photographs, drawings or the like, that you regard as confidential. However, please feel free to attach non-confidential information such as your sales brochure, if you are already selling a product embodying your idea as that will help us evaluate your idea. If you are in doubt about what you should tell us, please consult your patent attorney.

Please be aware that non-confidential disclosure of any inventive part of your idea to outsiders (such as Lavi Industries) prior to patent filing, is likely to limit your patent rights in most countries of the world.

Also please note that the Non-Confidential Idea Submission Agreement provides that Lavi Industries can retain whatever material you submit to us for assessment. Therefore, to be certain that your files and ours correspond, keep a duplicate copy of everything you send to Lavi Industries. If you have more than one idea, each one should be accompanied by a separate Non-Confidential Idea Submission Agreement and Questionnaire.

## Stage 3: Lavi Industries Internal Evaluation of Your Idea

Once you have sent us a copy of your patent or a signed copy of our Non-Confidential Idea Submission Agreement, we will then have your idea reviewed by those people in Lavi Industries who are best qualified to evaluate it.

Typically, researchers, marketing people, and one or more managers will assess your idea. We may also seek an opinion from our patent attorneys on the potential strength of your patent rights if we think there is a chance we may wish to license or purchase those rights from you.

We will not conduct any evaluations or negotiations before we receive your issued patent or the signed Non-Confidential Idea Submission Agreement.

We will try to advise you in writing within five weeks after the receipt of your patent or signed Non-Confidential Idea Submission Agreement as to whether we are interested in your idea. Please appreciate however, that some ideas take extra time to evaluate.

Meanwhile, you are free to submit your idea to other companies without informing us should you desire to do so. However, we request that you not disclose that Lavi Industries is presently considering your idea.

If, after our assessment, we remain interested in your idea, we may wish to enter into a formal written contract with you. This contract may, among other things, grant patent rights to Lavi Industries and provide compensation to you.

## Lavi Industries Requirements

In addition to the foregoing, there are some general points that we believe must be understood at the outset. These are:

1. Lavi Industries will not assume any obligation to act in a consulting capacity with regard to the patentability of your idea, the desirability of seeking a patent, the commercial possibilities of your idea, or your rights against others.
2. Lavi Industries can only consider an idea, if all those who have any rights to your idea submit the idea. In addition, you must tell us the name of each such person and the nature of his or her interest, and they must join in the submission by signing the Non-Confidential Idea Submission Agreement. If you are employed, and your employer has any rights to your idea, we will need a written release from your employer before proceeding further.
3. If you are not at least 18 years old, your parent or guardian must sign the Non-Confidential Idea Submission Agreement.
4. Mere disclosure of your idea to a Lavi Industries officer or employee, does not establish any obligation of confidence or other restriction on Lavi Industries. Please bear this in mind in your preliminary discussions with our employees. They are not authorized to accept information on a confidential or restricted basis. The only means your idea can be received and evaluated is described under the sections In Summary and Conclusion.

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## In Summary, Here is What Our Ground Rules Mean:

Although Lavi Industries does not solicit outside ideas, we will be pleased to consider your idea provided it is submitted in accordance with the procedures described in this letter.

- You must assure us that to the best of your knowledge you are the one who originated the idea, and that you have the legal right to negotiate with Lavi Industries concerning it.
- By submitting your idea to Lavi Industries, you are not giving us any right under a patent you now have or may obtain in the future.
- By considering your idea, we do not acknowledge that it is new.
- The general description of your idea in the Non-Confidential Idea Submission Agreement should not include anything you deem proprietary or confidential. Lavi Industries has no confidential relationship with you when sign and send in that Agreement, and has not agreed to maintain the idea in confidence.
- We strongly urge you to consult your attorney before submitting any information concerning your idea to Lavi Industries.
- After we have studied your idea in detail, we will tell you in writing whether we are interested in further discussions. We assume no obligation to inform you of anything we previously knew or have discovered since you submitted your idea.

## Conclusion:

If the rules for submitting your idea sound strict, it's only because we're trying not to mislead you and because we want to protect our interests and yours. We congratulate you for your creativity and thank you again for associating Lavi Industries with new ideas.

Now, with these conditions in mind, if you would like to have Lavi Industries consider your idea and you believe that your idea passes the preliminary Stage 1 test listed in this letter, please send us a copy of your issued patent, or for unpatented ideas, please complete the enclosed Non-Confidential Idea Submission Agreement and Non-Confidential Information Questionnaire. Retain copies of all submitted materials for your records.

Mail the issued patent or original Non-Confidential Idea Submission Agreement and Information Questionnaire to:

**Lavi Industries**

Attention: External Ideas Submission  
27810 Ave. Hopkins  
Valencia CA 91355  
USA

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Full Name:

Address:

City, State:

Zip:

Work Phone #:

Home Phone #:

Best Daytime Contact Phone #:

*I am less than 18 years old.*

*I am at least 18 years old.*

Title or Name of Idea:

**Describe Your Idea** - Provide enough information to enable Lavi Industries to assess whether your idea is commercially attractive, but do not include any confidential or proprietary information.

**Please check all appropriate boxes and fill in all pertinent blanks**

I have sent to you non-confidential information on this idea.

I am enclosing non-confidential information on this idea.

I am sending under separate cover non-confidential information on this idea.



Please check all appropriate boxes and fill in all pertinent blanks

Patent application (includes serial number and filing date).

Written Description

Photographs, drawings or sketches

Other (Specify)

Please indicate the number of pages of any of the above materials you send us on this line:

If your idea involves literary material, please fill in the following:

- |    |   |     |    |
|----|---|-----|----|
| 1. | Have your literary materials ever been published?<br>Publication:   | Yes | No |
| 2. | Was a copyright notice included in the publication?   | Yes | No |
| 3. | Did you secure a copyright registration certificate?<br>If your answer is yes, please send a copy of the certificate. | Yes | No |

Name and Address of Employer when you first conceived the idea.

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Does the above employer have any rights to the idea?

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List the names, addresses and interests of others having any rights to this idea and have them sign this Agreement. ( If none, write "None".)

If this idea is submitted by an agent of the submitter, the agent should sign and submit written proof of his/her authority. If the submitter is under the age of eighteen years old, the signature of their parent or guardian is required.

I have read the Idea Submission Letter and agree to all the conditions set forth. I understand that the above description of my product and the answers to the accompanying questions are furnished on a Non-Confidential and Unrestricted basis. Lavi may retain the information submitted herewith.

I am keeping a copy of this Agreement and all other information sent to you.

_____ Name:	_____ Signature:	_____ Date:
_____ Address:		
_____ City, State	_____ Zip	

_____ Name:	_____ Signature:	_____ Date:
_____ Address:		
_____ City, State	_____ Zip	

_____ Name:	_____ Signature:	_____ Date:
_____ Address:		
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Mail the issued patent or original Non-Confidential Idea Submission Agreement and Information Questionnaire to:

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