

SUBMITTING IDEAS TO CARDINAL HEALTH

This document is a guide for persons who wish to submit ideas or suggestions to Cardinal Health 200, Inc, Supply Chain Services - Medical of Cardinal Health (“Cardinal Health”) for evaluation and consideration. This document explains Cardinal Health’s policy regarding submission of ideas or suggestions and outlines the conditions under which such submissions can be accepted.

Cardinal Health, America's largest provider of health-care products and cost-management services, is continuously evaluating ideas for new and improved products.

While Cardinal Health carries on extensive internal research and development, we recognize that good ideas can come from any source. Therefore, Cardinal Health always tries to give careful consideration to ideas or suggestions that are submitted by those who share Cardinal Health’s interest in developing and improving health-care products and services.

Cardinal Health is particularly interested in ideas that are or can be patented. Introducing a new product requires a significant investment of time and money, but carries no guarantee that the product will be profitable. Cardinal Health, like most companies, is more willing to invest in a new product if there is some assurance that we will have exclusive rights to sell the product for some time. A patented product provides that kind of protection. If a product is not patented, Cardinal Health’s competitors will be able to sell the same product for a greater profit because they did not have to invest the time and money to develop it.

Ideas concerning product names, advertising or slogans may be protected to some degree by copyright or as trademarks, but their value usually comes from marketing and promotion, and not from the idea itself. For that reason Cardinal Health is ordinarily unwilling to promise to pay for such suggestions.

Over the years Cardinal Health has learned that our evaluation of ideas can sometimes lead to misunderstandings. It often happens, for example, that we are already developing the same product that is being suggested. It also happens that the idea being submitted, even if useful, has little intrinsic value or is already in the public domain.

In order to avoid these kinds of misunderstandings, Cardinal Health has adopted the following rules concerning the evaluation of ideas developed outside the Company.

First, if you wish Cardinal Health to evaluate your idea, you must agree that it can be done on a nonconfidential basis. “Nonconfidential” means that Cardinal Health is not required to keep your idea a secret and that Cardinal Health is free to use your idea for any purpose.

You can protect your exclusive rights to the idea by filing a patent application, preferably before you submit your idea to Cardinal Health. If your idea is patented, neither Cardinal Health nor anyone else can use it without a license.

You are free to withhold from your disclosure to Cardinal Health any information that you consider to be confidential. Of course, the less you tell Cardinal Health about your idea, the harder it will be for us to judge its potential. The decision on how much to disclose is yours.

This rule allows Cardinal Health to use information we have developed independently, or that our competitors are also free to use. If we were unable to use this information, Cardinal Health could suffer a severe competitive disadvantage.

Secondly, Cardinal Health will not make any promise to compensate you if we use your idea in advance of our evaluation.

Of course, if your idea is patented, Cardinal Health cannot use it without a license. If you choose to allow Cardinal Health to use your patent, then a license would be given under mutually agreeable terms and conditions.

If your idea is not patented, Cardinal Health may still compensate you if we use the idea. However, in that case the compensation decision will be entirely up to Cardinal Health for the reasons explained below.

Thirdly, your idea is being submitted for evaluation only. Cardinal Health makes no promise that we will use your idea, and if we would like to have a license to use your patented idea, you don't have to grant a license to Cardinal Health unless you want to.

SUBMITTING PATENTABLE IDEAS

Ideas believed to be patentable may be submitted to Cardinal Health in any of three ways:

1. File an application for a patent, wait until the patent is granted, and then bring the patent to our attention.
2. File an application for a patent and then submit a copy of the application for Cardinal Health's consideration.
3. Prepare a detailed, written description and detailed sketches, if possible, of the idea or suggestion. Sign and date each page of the written description, including the sketches. At least one and preferably two persons capable of understanding your idea or suggestion should read, sign, and date each page of the written description, including the sketches. You can then submit your idea or suggestion to Cardinal Health in sufficient detail to enable Cardinal Health to understand your proposal. It is also helpful to describe the particular problem that your product solves and how it solves it. If there are other products like it, you should point out how your product is different.

If your idea or suggestion is patentable and has not been previously submitted to Cardinal Health by others or previously developed within Cardinal Health, and if Cardinal Health has a commercial interest in your idea, we will be happy to enter into negotiations with you for a patent licensing or purchasing agreement.

SUBMITTING UNPATENTABLE IDEAS

Occasionally, there is presented to Cardinal Health a useful idea or suggestion that is new but which for some reason lacks the requirements for patentability. Unpatentable ideas or suggestions may be offered to us by submitting a written description and detailed sketches, if possible, of the idea or suggestion.

Even though your idea or suggestion may be new, its unpatentability will allow others to freely use or copy it without any obligation to you. Thus, if required to pay a royalty on such unpatentable ideas or suggestions, Cardinal Health would be at a competitive disadvantage. Consequently, unpatentable ideas or suggestions can be accepted and will be used by Cardinal Health only on the basis that the decision as to compensation, if any, shall be determined only by Cardinal Health. Alternatively, you can commercially develop a product in accordance with your ideas or suggestions which Cardinal Health may be willing to distribute.

GENERAL CONDITIONS

Cardinal Health will receive and consider ideas or suggestions submitted to it only with the understanding that the submission is voluntary, that the submission does not create or imply any confidential or contractual relation, that Cardinal Health is not obligated or prejudiced in any manner by reason of the submission, and that the submitter of such idea or suggestion relies solely on such rights as he/she has or may acquire under patent or copyright laws in the United States or any foreign country.

Neither Cardinal Health nor any of its officials, employees or agents can become a party to a confidential disclosure or consider an idea or suggestion on the condition that it shall be kept secret, as the idea or suggestion may have been known or available previously to Cardinal Health or to the general public, or it may be necessary to refer the idea or suggestion to several persons, both within and outside Cardinal Health, to determine its probable value.

It may happen that when an idea or suggestion is submitted, Cardinal Health has already adopted or has under consideration or is developing an idea or suggestion that anticipates, in whole or in part, the idea or suggestion submitted. Since Cardinal Health must remain free to utilize the results of its research and development and to utilize ideas or suggestions previously known or available to it or the general public, submitted ideas or suggestions of any such nature normally are rejected. Under such circumstances, Cardinal Health is under no obligation to disclose either the results of its research and development, or its interest in or appraisal of the subject matter submitted. Consequently, in rejecting a submitted idea or suggestion, Cardinal Health can be expected to do no more than state that it is not interested in the idea or suggestion as submitted. Such a statement is not to be construed as an admission that the submitter of the idea or suggestion has any property right in the subject matter submitted.

Cardinal Health will assume no obligation of any kind relative to a submitted idea or suggestion, either to the submitter or to any party having an interest in the submitted idea or suggestion, unless its obligation is incorporated in a written instrument duly executed by Cardinal Health.

SUBMISSION OF YOUR IDEA OR SUGGESTION

Sending a written description of your idea or suggestion by mail is the best way. While a prototype device may also be helpful in assisting Cardinal Health's evaluation of your submission, Cardinal Health cannot guarantee that it will return your prototypes and will not be held accountable if it fails to do so. Following receipt of the signed Agreement and your information, Cardinal Health will evaluate your submission and contact you regarding possible interest.

All correspondence concerning the submission of ideas should be addressed to:

**Cardinal Health
Supply Chain Services - Medical
Attention: New Product Inquiries
1450 Waukegan Road (MPBL-5)
McGaw Park, IL 60085**

Please read and sign the attached Agreement and return it to Cardinal Health with your submission as an indication of your approval of and adherence to Cardinal Health's conditions and policies. If more than one party is making the submission, each party should read and sign a separate copy of the Agreement with all copies returned to Cardinal Health with the submission as an indication of each party's approval of and adherence to Cardinal Health's conditions and policies. We recommend that you also keep a copy of both this document and your Agreement in your files.

NONCONFIDENTIAL DISCLOSURE AGREEMENT

(To be signed and submitted with a written description of your idea)

The following party (parties) _____

desire(s) to disclose certain information to Cardinal Health 200, Inc., Supply Chain Services - Medical of Cardinal Health ("Cardinal Health") relating to _____ ("the information").

The purpose of this disclosure is to enable Cardinal Health to evaluate the information to ascertain Cardinal Health's interest in this information.

Cardinal Health's policy regarding such disclosures as contained in the document that was originally attached to this Agreement has been read and understood by each of the above listed parties.

Particularly, it is understood that Cardinal Health will review and consider the information only under the following terms and conditions:

1. The above listed party (parties) is (are) the true owner(s) of the information submitted to Cardinal Health and no legal encumbrances prohibit disclosure of the information to Cardinal Health.
2. Disclosure of the information to Cardinal Health does not in any way establish any confidential relationship with Cardinal Health regarding the information.
3. Unless there is a further written agreement, which neither Cardinal Health nor the above listed party (parties) is obliged to enter into, all rights and remedies arising out of the disclosure of the information to Cardinal Health, or the use of the information by Cardinal Health, are limited to rights and remedies under United States or foreign patent or copyright laws.
4. This document is the entire and complete agreement with Cardinal Health regarding the information, and in order for any other obligations to arise from Cardinal Health, it will be necessary to enter into a subsequent written contract with Cardinal Health.

Agreed to by:
Cardinal Health 200, Inc.
Supply Chain Services – Medical of
Cardinal Health

Submitted by:

Signature

Signature

Name (printed)

Name (printed)

Title

Date

Date

City State ZIP

Country

Telephone No.