

## Valentine's Gifts and Beyond!

Want to take your honey on a picnic? Buy him or her a Lock & Lock set, and fill it with luscious goodies for a romantic meal in the park. For example, HPL885S, with 24 pieces, contains a cloth bag, a large Handy container, and several smaller containers.



Handy Picnic Set (HPL885S)

Who ever said kitchenware isn't a romantic gift?! The possibilities extend far beyond Valentine's Day:

Lock & Lock gift sets make the perfect wedding or housewarming present. HPU807C, among others, is ideal. It contains 70 pieces, including two Handy containers and many other square, rectangular, and cylindrical ones. Who wouldn't be thrilled? A new college graduate would definitely find a set very helpful as he or she begins a new life. Do you know anyone who owns a small restaurant? Buy them a set! They'll be hooked, and very grateful to you. Do you know a carpenter or other

craftsperson? Even a mother whose child has many small toys would love the organizational wizardry of Lock & Lock. Besides, such a cool container may actually inspire a child to clean up his or her own toys; it's fun just snapping a Lock & Lock shut!



Wedding Set



Housewarming Party Set

## Customer Testimonials

### Lock & Lock Survival Kit:

"I'm an outdoor survival course instructor, and I have to carry a radio for contacting base in case of emergencies. I also must carry first-aid kits, a GPS navigation system, and other delicate gear. My job takes me through intense storms and whitewater rafting trips. I have tried several options, but Lock & Lock containers have proven to be ideal for protecting my stuff! I've started instructing my students to carry their essentials in Lock & Locks too. Thank you!"

-- Gary, Arizona



### What's in your Lock & Lock?

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## Patent: a Tool to Protect Our Future

As technology increases exponentially, businesses often make tremendous efforts to research and develop unique, innovative advances that will enhance their competitive position. If, however, a competitor acquires the business’s products, processes, or information, then these efforts are in vain, and their fruits will be lost. Patenting is one example of intellectual property protection used in today’s aggressive market.

Once approved, a patent is granted by a government to its territory. One might say that a patent is a “negative right,” as it excludes anyone other than the applicant from making, using, selling, or importing the invention or certain of its components as defined by the patent.

With a nonrenewable term of twenty years, an American utility patent is granted for inventions that are in some way useful. A utility patent may cover manufacturing processes and machinery as well as the actual items or compounds produced through manufacture. An American design patent has a term of fourteen years, and is based on novel ornamentation rather than utility.

When competition is limited, prices are controlled by businesses rather than by consumers. Hence, to protect consumers, the US Congress created guidelines that limit patents to inventions that have “utility, novelty, and non-obviousness.” Inventions

must be “new and useful.” If every element of an invention can be found in a previously-invented article, or described in a written publication, then it lacks novelty and can not be patented. The test for obviousness is whether an invention as a whole would have been obvious at the time the invention was made.

Lock & Lock has been awarded patents based on the manufacturing process and its unique locking system and design. Recently, products have been discovered, for sale in a major American discount store, which are in direct violation of Lock & Lock’s utility and design patents. We are pursuing legal action. Please study and know Lock & Lock’s patents and communicate with us any violations you find in your regional market.

Type	Patent No	Date of Patent
Utility	6,415,947 B1	Jul. 9, 2002
Utility	6,793,096 B1	Sep. 21, 2004
Design	D452,374 S	Dec. 25, 2001
Design	D479,673 S	Sep. 16, 2003
Design	D481,910 S	Nov. 11, 2003
Design	D483,622 S	Dec. 16, 2003
Design	D490,277 S	May 25, 2004
Design	D499,931 S	Dec. 21, 2004
Design	D500,227 S	Dec. 28, 2004

Examples of Lock & Lock’s US Patents

## Plastic Containers, Health, and Safety

Plastic food containers, especially well-made ones, play an essential role in promoting health among families throughout the world. The US Department of Agriculture estimates that approximately seven million Americans each year acquire some form of food poisoning. Plastic food containers keep food fresh longer, and reduce the risks of food-borne illnesses.

Lock & Lock uses Food and Drug Administration (FDA) approved materials. What does this approval entail? The FDA explains that, “new sub-

stances used to make plastics for food use are classified as ‘food contact substances.’ They must be found safe for their intended use before they can be marketed.” They assert that the substances in plastics *do* leach into food; however, “as part of the approval process, the FDA considers the amount of a substance expected to migrate into food and the toxicological concerns about the particular chemical.” It is important to use plastic products only for their intended purpose, and to always follow any instructions included with the product.

## A Breakdown of US Housewares Market

According to *Home World Business* journal's market research, "Housewares Census 2005," the top 100 American housewares retailers of 2003 sold US\$64.7B in housewares, a hearty 4.1% increase over 2002's top 100's \$62.2B. Sales of a variety of home-related good were included in the research, such as small home appliances, cookware, serving utensils, plastic storage containers, indoor grills, humidifiers, air cleaners, etc.

Topping the list of retailers are the nation's huge discounters. Wal-Mart is far and away the king, with 2003 housewares sales of \$15B, a growth of 5.7% from 2002. This is strong, considering that the majority of Wal-Mart's recent efforts have been specific to growing their grocery department. Costco is #2 with 2003 housewares sales of \$5.4B and 11.9% growth. Target falls in at #3, with \$5.0B and 12.3% growth. Sam's club takes #4: \$3.6B and 7.3% growth. K-Mart, the nation's fifth largest discount mega-chain, emerging from Chapter 11 bankruptcy proceedings fifteen months ago, took a big loss in housewares sales: 23.9%. 2003 housewares sales were \$2.9B.

Though not immediately apparent from the sales figures, specialty stores and multi-channel retailers are growing more significant in the housewares category. Bed Bath & Beyond, with \$2.5B in 2003 sales, #6 on the top 100, is the top specialty housewares retailer. Home Depot is the top home improvement retailer for housewares, with \$2B in

2003 sales (#8). Sears, with \$1.9B, is the top general merchandise chain for housewares (#9). Walgreen is the number one drug store for housewares, selling \$1.1B (#10). Kroger is the top supermarket, with \$936M (#13) in housewares sales. Traditional grocery stores have been adding a lot of non-food merchandise to their shelves. Kohl's is the number one department store, with \$928M (#14). The Sharper Image is the top non-home specialty retailer, with \$173M (#48). Lock & Lock's sweetheart, QVC, is the housewares leader for those retailers that do not operate a brick and mortar storefront. QVC's 2003 housewares sales reached \$562M (#23).

Specialty stores are developing innovative strategies for marketing housewares. Stores that don't focus specifically on home products carefully select products that will appeal to their core customers. Specialty stores dealing primarily in products for the home offer customers options that the discounters can't, or don't, such as convenience, excellent service, knowledgeable sales help, huge selection, and low prices for high-end merchandise.

While the discount mega-stores, except for K-Mart, are all enjoying steady growth, it's the specialty stores that are exploding. Amazon.com's housewares growth is a walloping 43.3%. Cooking.com also boomed with 36% in sales growth. Le Gourmet Chef jumped 35.2%. Bed Bath and Beyond gained more than \$400M in sales in one year (21.6%).

Rank	Company	Type	# of Stores	Total Sales	Housewares Sales	% of Housewares of Total Sales
1	Wal-Mart	Discounter	2,949	US \$174,220M	US \$15,000M	8.6%
2	Costco	Wholesaler	420	\$42,546M	\$5,425M	12.8%
3	Target	Discounter	1,225	\$41,346M	\$4,974M	12.0%
4	Sam's Club	Wholesaler	538	\$34,537M	\$3,628M	10.5%
5	Kmart	Discounter	1,515	\$23,400M	\$2,941M	12.6%
6	Bed Bath & Beyond	Specialty	581	\$4,478M	\$2,473M	55.2%
7	Williams Sonoma	Specialty	512	\$2,754M	\$2,149M	78.0%
8	Home Depot	Home Center	1,707	\$64,816M	\$2,001M	3.1%
9	Sears	General Merchandise	870	\$22,863M	\$1,931M	8.4%
10	Walgreen	Drug Store	4,227	\$32,005M	\$1,122M	3.5%

Top 10 US Housewares Retailers (researched by *Home World Business*)

## Proper Use & Care: The Key to a Long Life

Look at the bottom of your Lock & Lock. You'll see four diagrams reminding you that your product is the very best: you can keep food in it and then put it in the dishwasher, freezer, or microwave. While no container will keep perishable goods fresh forever, Lock & Lock is the best on the market! If you teach your customers these simple guidelines, they can enjoy their Lock & Lock containers for many years.

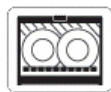
In the microwave, be sure to keep all four locks open. Otherwise, your container may deform, or worse, explode, due to steam build-up. You can reheat your food in a container, but don't cook in it. It's best to keep reheating time to approximately two minutes. Your Lock & Lock is stain-resistant, but not stain-proof; if you reheat foods high in tomato, sugar, or oil content, the product may stain. Fermented food may stain a container regardless of whether it is heated. Be careful to avoid steam burns when you open a Lock & Lock containing hot food. Finally, if you intend to store your food after heating it, let it cool before locking the container, so as to avoid inferior lockage created from steam pressure.

You can wash your Lock & Lock in the dishwasher,

but remember to place it on the top rack to avoid the possibility of deformation, as dishwashers' heating elements are on the bottom. If your dishwasher uses temperatures higher than 77°C, it is best to keep washing to a maximum of thirty minutes.

Of course you can store your containers in the refrigerator. You can even keep them in the freezer, at temperatures as low as -22°C. Upon removal, be careful not to drop your container as it may be slippery from external frost build-up and may crack. Never force a cold lid open! Wait until after it has sat at room temperature for a minute or two.

A few more miscellaneous tips: Never put gasoline, benzene-based compounds, or alcohol in your Lock & Lock container, as they may damage the container. If you put carbonated drinks or fermented foods in your container, be careful, as internal air may expand, causing poor lockage. Lastly, when you take the silicone ring out to clean it, as you should periodically, be careful not to stretch it out. If you follow these suggestions, your Lock & Lock containers will last longer than you!



Dishwasher Safe



Freezer Safe



Microwave Safe



Hygienic for Food Use

Starting now, *Lock & Lock Insider* will be a monthly publication, and will be distributed on the 15<sup>th</sup> of each month. If you have any questions or content suggestions for *Insider*, feel free to contact the editor at [news@highel.com](mailto:news@highel.com).



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