

RULES OF CONDUCT OF THE LICENSING EXECUTIVES SOCIETY EFFECTIVE AS OF August 11, 2020

What Is the Purpose of the LES Rules of Conduct?

The Licensing Executives Society (U.S.A. and Canada), Inc. (“LES”) expects all LES Members to read, understand, and agree to abide by the following **Rules of Conduct** in order to preserve, maintain, and further enhance the high professional standing and position of trust that LES and LES Members enjoy in the community. The spirit of these Rules of Conduct is a guide for the conduct of LES Members to establish confidence of the public in the licensing profession.

Who Do the LES Rules of Conduct Govern?

The Rules of Conduct govern all Active Members, Student Members, Members Emeritus of LES, and Members of the LES Board of Directors (each, a “LES Member”, and collectively, “LES Members”) during the term of each such person’s membership.¹ In addition, the Rules of Conduct apply to all LES volunteers, including instructors and conference speakers and to LES support staff, during their engagement with LES. To the extent applicable, LES may in its discretion require its consultants, contractors, and advisors to adhere to these Rules of Conduct during their engagement with LES. To the extent practical and as permitted by other applicable rules of ethics and laws, LES Members, who own, control, or manage a business entity, should encourage such business entity to adopt principles of ethics governing its business conduct as consistent with these Rules of Conduct.

Are the LES Rules of Conduct the Only Ethical Rules I Need to Follow?

No. The duties and responsibilities imposed by these Rules of Conduct are in addition to all other rules of conduct or ethical rules that may apply to a LES Member including, for example, by virtue of that LES Member’s membership or status in other organizations, such as state bar associations, professional societies, and each LES Member’s workplace.

What are the LES Rules of Conduct?

(1) LES Members Must Respect the Confidences of Their Clients.

LES Members must respect and hold inviolate the confidences of their clients (which may include the LES Member’s employer). In the absence of client agreements to the contrary, termination or expiration of the client engagement will not terminate this obligation of confidentiality. The obligation of confidentiality will be relieved if there is express written permission of the client or if the information once held in confidence

¹ Note, these Rules of Conduct do not apply to members of the LES Standards Development Organization (the “LES SDO”) unless such persons are also LES Members. The LES SDO has discretion to develop and adopt its own policies.

becomes publicly available through no wrongful or unauthorized action or inaction of the LES Member, including via prior knowledge without an obligation of confidentiality or the independent development of such knowledge without reference to confidential information. In the event that an obligation of confidentiality to a first client prevents an LES Member from fully discharging that LES Member's duties to a second client, the LES Member must either (1) immediately seek the permission of the first client to take on the representation of the second client and to share the first client's confidential information with the second client or (2) immediately notify the subsequent client of the LES Member's inability to provide complete and competent representation and withdraw from representation of the second client. Nothing in these Rules of Conduct are intended to prevent disclosures of information required by law or regulation, the conduct of subscription service businesses that disclose terms of service to all clients, or to supersede routine practices of law firms and other professional service providers with respect to resolution of conflicts including waiver practices that otherwise comply with applicable ethical principles and rules for the practice of law and provision of other services.

(2) LES Members Must Avoid Conflicts of Interest and Abide by the LES Conflicts of Interest Policy.

It is improper to represent conflicting interests in a transaction, including, for example, representing both parties in the licensing or sale of intellectual property; provided however that the participants in a business transaction may agree to hire an expert to advise them on a neutral, disinterested basis regarding matters relevant to the proposed transaction, such as valuation. Prior to accepting an engagement with a client, LES Members must either disclose the existence of any interest that is adverse to that client to the extent consistent with any other obligations governing the Member's conflict in accordance with the LES Conflicts of Interest Policy, or decline the engagement. In addition, if an LES Member has an interest in the intellectual property or other subject matter of the proposed transaction, the LES Member must disclose that fact to all individuals and parties involved in any transaction associated with that intellectual property or subject matter, or recuse themselves from the engagement. LES Members must abide by the LES Conflicts of Interest Policy, a copy of which can be found posted on the LES website.

(3) LES Members Must Not Misrepresent Information.

LES Members must not misrepresent information to anyone, including their clients, their employers, or opposing parties. In addition, when participating in a transaction involving intellectual property, LES Members must fairly represent the nature, quality, and scope of the rights and/or materials being licensed or sold. Puffing and exaggeration have no place in a transaction involving intellectual property. To the knowledge of the Member, any representations as to performance, reliability, or value of intellectual property must be supported by facts, and any statement that is not supported by facts should be identified as an opinion. If appropriate in the context of the transaction, each LES Member should support reasonable and customary due-diligence procedures.

(4) LES Members Must Not Engage in Any Conduct that is False, Misleading, or Otherwise Harms the Reputation of LES or Any of its Members.

In personal conduct and in contacts with the public and clients, LES Members must not engage in any conduct that could harm the reputation of LES, and should endeavor to respect and uphold the reputation of other LES Members. LES Members must not use any business card, letterhead, directory listing, social media profile, advertising material, website, or any other form of communication, which is false, deceptive, misleading, or likely to create false or exaggerated expectations as to the skill, experience, or ability of such LES Member, or as to the results to be accomplished through the LES Member's services or facilities.

(5) LES Members Must Abide by All Applicable Laws and Regulations.

Each LES Member must comply with all federal, state, and local laws and regulations, and all rules of conduct imposed upon the LES Member by membership in other professional organizations, including those governing the conduct of persons engaged in licensing, processing of patent applications, promotion of patents and inventions, or transfer of technology. A final determination by a competent authority that a LES Member has violated any such law, regulation, or rule may be a basis for discipline or expulsion from LES.

Can I Use LES Membership Information?

You may use LES membership information only for your own personal or business purposes, except that LES Members may not use LES membership information to mass market or mass solicit business of other LES Members. LES membership and attendance lists are the sole property of LES and are entrusted to LES Members for their personal and business use only, subject to applicable privacy laws and regulations. Reproduction of such lists is not authorized, and their use for general mailings or similar purpose, including use as a general mailing list for invitation to functions not specifically authorized by LES or as a general mailing list for business solicitations, is prohibited and unethical.

How are the LES Rules of Conduct Enforced?

In the event that an LES Member notifies the LES Ethics Committee, a member of the LES Board, or the LES Counsel that a person governed by these Rules of Conduct may have violated these Rules of Conduct, LES will investigate the allegation, collect whatever evidence it deems necessary to resolve the allegation, and determine, in its sole discretion, whether these Rules of Conduct may have been violated. The LES Member accused of violating these Rules of Conduct will be afforded an opportunity to provide information to LES before consideration or imposition of a sanction. LES may stipulate that the accused LES member provide such information in written form only. All disclosures, proceedings, communications, and records relating to any potential

violation of these Rules of Conduct will be kept strictly confidential by any members of the LES Board of Directors, LES Staff, or LES Ethics Committee who have access to such information, except to the extent that other professional rules or laws require disclosures to other professional or law enforcement organizations. The maximum remedy that may be imposed by LES with respect to a violation of these Rules of Conduct for all Active Members, Student Members, Members Emeritus of LES, except those Members of the LES Board of Directors and any LES Members who are also LES support staff, consultants, contractors, and advisors, is termination of membership and/or revocation of some or all of the privileges associated with membership, as provided in the LES Bylaws.