



Licensing Executives Society
(U.S.A. and Canada), Inc.

**LES STANDARDS DEVELOPMENT
ORGANIZATION
POLICY & PROCEDURES MANUAL
FOR THE DEVELOPMENT OF
AMERICAN NATIONAL STANDARDS
IN THE FIELD OF INTELLECTUAL PROPERTY MANAGEMENT**

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INTRODUCTION

The Licensing Executives Society USA and Canada (LES USA & Canada) is an independent, not-for-profit, professional organization that facilitates global intellectual property (IP) commerce through education, networking, standards development, and certification. It serves the broad spectrum of IP legal, technical, and business professionals in the field of IP management. Its meetings, education, and standards work address content relevant to all industries. In response to the needs of our membership, LES has formed a standards development organization (SDO) to address our members' needs for nationally and internationally accepted standards for IP management that meet the American National Standards Institute (ANSI) guidelines for standards development.

This document defines the operating procedures that LES Standards (the part of LES USA & Canada devoted to standards development) will use to comply with the essential requirements of the American National Standards Institute for ANSI standard developers.

Requirements for these procedures are defined in *ANSI Essential Requirements: Due process requirements for American National Standards, January 2016 Edition*, as amended from time to time (hereinafter, the *ANSI Essential Requirements*) (www.ansi.org/essentialrequirements). Where the LES Standards Procedures Manual is silent on an issue, the American National Standards Institute's Essential Requirements document referenced above shall serve as the precedent document. The *ANSI Essential Requirements* is therefore considered as a companion to this manual and as the principal reference document for these operating procedures.

Valid consensus standards must meet national and international guidelines for quality, openness, balance, and fairness. The procedures contained in this manual, together with the *ANSI Essential Requirements*, are intended to assure the national and international standards community that LES Standards embraces the ANSI/International Standards Organization guidelines for consensus standards development. Through due diligence in carrying out these procedures, LES Standards will produce American National Standards Institute approved standards worthy of the stakeholder community it serves.

SECTION	1.0	LES STANDARDS DEVELOPMENT PROCESS
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The LES Standards development process incorporates and defaults to key elements of the *ANSI Essential Requirements*, such as the following:

- Due process
- Openness
- Lack of dominance
- Balance
- Coordination and harmonization
- Notification of standards development
- Consideration of views and objections
- Consensus vote
- Appeals
- Written procedures
- Compliance with normative American National Standards policies and administrative procedures

In particular, noted separately below, are the ANSI definitions for due process and written procedures as found in their respective sections of the *ANSI Essential Requirements* document.

1.1 Due Process

ANSI Essential Requirements: “Due process means that any person (organization, company, government agency, individual, etc.) with a direct and material interest has a right to participate by: a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal. Due process allows for equity and fair play. The following constitute the minimum acceptable due process requirements for the development of consensus.”

1.2 Written Procedures

ANSI Essential Requirements: “Written procedures shall govern the methods used for standards development and shall be available to any interested person.”

SECTION	2.0	MEMBERSHIP
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The LES Consensus Standards Partnership (CSP) shall serve as the final consensus voting body for approval or disapproval of any LES standard. The LES CSP is conceived as the voluntary, self-nominating voting constituency for any particular LES standard and for all standards developed by the LES Standards Development Organization (SDO), in general. It is the

international community of parties interested in and possibly materially affected by the outcome of the standards proposed by the LES SDO. The LES SDO Board is selected by the LES (USA & Canada) Board Executive Committee from the CSP constituencies—the global IP management community—and consists of high-level stakeholders that are responsible for providing guidance on overall strategic direction.

Voting in the CSP is not conditional to and does not require an individual or enterprise membership in LES (USA & Canada) or its SDO or in any other specific organization, consistent with the *ANSI Essential Requirements: Due process requirements for American National Standards*. The role of the LES CSP is to provide the final vote on whether the LES SDO's proposed standards are approved or disapproved.

Participation in the LES CSP is open to any organization or individual in the IP management stakeholder community. Eligibility for voting on the LES SDO's standards is open to self-nomination of all global entities and individuals in the IP management community, whether corporation, LLC, government agency, university, professional association, research organization, a for-profit entity, a non-profit entity, a sole proprietor, individual, or other.

Participation in the LES CSP will require a nominal fee to cover the cost of supporting the open commenting and voting processes. If the entity or individual interested in participating in the commenting and final voting of the LES CSP perceives the nominal fee as a hardship, the LES SDO Board may be petitioned for a fee waiver or reduction.

The role of the LES SDO is to develop the standards upon which the LES CSP will provide the final vote. The LES SDO is made up of an LES SDO Board and its authorized standards committees, each with a specific authorized charter area.

Enterprise membership in the LES SDO is a requirement for participation on LES SDO standards committees. LES SDO annual enterprise memberships are open to corporations, LLCs, government agencies, universities, professional associations, research organizations (whether for-profit or not-for-profit), or sole proprietors.

Individuals who are not employees of a corporation, an LLC, a government agency, a university, a professional association, a research organization, or sole proprietorship may join the LES SDO as well, but they must not represent any other individual or enterprise in their voting and commenting on any LES SDO committee. If they do, they are not eligible for membership in the LES SDO. If such individuals are found to represent the interests of another individual or enterprise in their work in the LES SDO, their membership will be terminated.

Membership in the LES SDO through an LES Standards Enterprise Membership gives Enterprise Members the ability to participate in the LES SDO committees, which are responsible for developing the standards upon which the LES CSP provides the final commenting and voting.

If the entity or individual interested in participating in the LES SDO and its committee work perceives the LES Standards Enterprise Membership fee as a hardship, the LES SDO Board may be petitioned for a fee waiver or reduction.

All Enterprise Memberships in the LES SDO give the Enterprise Member the right to one vote on each LES SDO committee and the right for that enterprise representative to comment formally on drafts of each committee's draft standards, prior to the committee's submission of that draft standard to the approval process.

2.1 Voting & Commenting Representatives of Enterprise Members

Each Enterprise Member in the LES SDO shall designate one individual as its voting and formal commenting representative to each committee in which it has interest and one alternate, in case the voting representative cannot participate. In any case, each Enterprise Member shall never have more than one voting and formal commenting representative active in the work (voting and commenting) conducted by each committee.

2.2 Non-Voting Representatives of Enterprise Members

LES SDO Enterprise Members may have as many representatives as they like seated on each of the committees, provided each representative is a full-time employee of the Enterprise Member and provided that only one representative may provide formal comments or take part in votes of the committee.

2.3 Lack of Dominance

Unless the LES SDO Board is challenged by an LES SDO Enterprise Member or an LES CSP voter who is directly and materially affected and claims that a single interest category dominated the standards development process in any committee or in any final vote by the LES CSP, no test for dominance shall be required.

2.4 Balance

The LES SDO Board, its committees, and the final voting LES CSP shall serve as the representatives of the IP management stakeholder community. Therefore, the LES SDO Board, its committees, and the LES CSP shall be sufficiently diverse to ensure reasonable balance.

The LES SDO Board and its committees will do everything possible to prevent any individual interest category from exceeding more than a 50% portion of the membership of any LES SDO standards committee or of any LES CSP voting group. The LES SDO Board and its committees shall ensure that there is appropriate

outreach made to achieve balance, and that evidence of this outreach is retained and made available to ANSI as required.

2.5 Leaving Membership

Enterprises may vacate their LES SDO Enterprise Membership. An Enterprise that elects to vacate its LES SDO Membership may not participate on the LES SDO Board or its committees. However, if that enterprise or individual still wishes a role in the LES Standards process, it may direct its employee or employees to apply for voting privileges on the final vote for approval or disapproval for any standard it wishes, as a member of the LES CSP.

The LES SDO Board selections shall be for three years and shall be made by the LES (USA & Canada) Board. There shall be a total of no more than 15 members of the LES SDO Board. Balance as to industry segment and enterprise type should be an objective in the selection of the LES SDO Board.

LES SDO Board members are either reaffirmed or succeeded every 3 years. If an LES SDO Board member vacates her position prior to the 3 year appointment date, she surrenders her membership on the LES SDO Board but may retain her Enterprise Membership in the LES SDO and in the LES SDO CSP. Before assuming LES SDO Board and LES SDO Enterprise Membership roles and responsibilities, a candidate must first submit her credentials to the LES (USA & Canada) Board for review and approval.

2.6 Membership Rosters

The roster of the Enterprise Member representatives on the LES SDO Board, of the LES SDO Enterprise Member representatives on the standards committees, and of the individual members of the LES SDO CSP must be maintained by the LES (USA & Canada) Board. The roster, with the name, affiliation, contact information, role (whether LES SDO Board member, LES SDO Enterprise Member representative to one or more standards committees, or individual LES SDO CSP member), and specific standards committee participation (and whether voting or non-voting) of each LES SDO Enterprise Member representative must be available to interested parties upon request.

See the Glossary of Acronyms and Terms, Section 24.0, for the LES SDO working definitions.

2.7 Termination of Membership

The LES (USA & Canada) Board shall be authorized to terminate any LES SDO Board member at any time for cause. The LES SDO Board shall be authorized to terminate any LES SDO enterprise representative member (i.e. standards committee member) and any LES SDO CSP individual member at any time for cause.

Causes for termination include: (1) inactivity, (2) failure to pay appropriate fees as levied by the LES (USA & Canada) Board and the LES SDO Board, or representation of an individual or enterprise other than the disclosed individual or enterprise.

A standards committee member or CSP member shall be considered inactive and dropped from the roster for one of the following:

- Failure to return or to respond to three (3) consecutive ballots issued during a calendar year.
- Failure to attend or otherwise participate (or have an approved delegate attend or otherwise participate) in at least one committee meeting a calendar year.
- After 1 year of attempts to contact the member without a response.

The LES SDO Board shall be also authorized to terminate membership for the following:

- Request in writing from member to be voluntarily removed.

2.8 Notification of Termination of Membership

LES SDO Board members, enterprise representatives of the LES SDO members (i.e. standards committee members), and CSP individual members shall notify the LES SDO Board of any changes in employment affecting representation.

If a change in employment (affiliation) does occur for an LES SDO Board member, LES SDO enterprise member representative (i.e. a standards committee member), or for an individual member of the CSP, that person shall submit a new application for membership, if continued participation at the previous membership level is desired.

SECTION 3.0 CONSENSUS BODY AND SDO ORGANIZATION
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3.1 Consensus Body

The LES SDO CSP will serve as the "consensus body" for the purpose of documenting consensus on all American National Standards proposed by the LES SDO. (See Section 2.0 for the definition of the CSP.)

3.2 The LES SDO Board

The LES SDO Board is selected by the LES (USA & Canada) Board, and it oversees the work of the LES SDO and its standards committees and the commenting and voting of the CSP. The LES SDO Board will meet approximately monthly by telephone and at least once annually face-to-face.

3.3 Openness, Balance and Due Process

The LES SDO Board, the CSP, and its standards committees and committee structures must comply with the ANSI requirement for openness, balance, and due process. These requirements are detailed in the *ANSI Essential Requirements: Due process requirements for American National Standards* (www.ansi.org/essentialrequirements).

SECTION	4.0	RECORDS
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4.1 Definition

Records are documents that provide evidence that an activity has been accomplished or that an event has happened.

Records refer to all written, recorded, or electronic information that captures data.

4.2 Requirements

The LES (USA & Canada) Board, the LES SDO Board, the CSP, and the LES SDO standards committees shall be responsible for defining and keeping their own records with respect to LES Standards development and ratification.

4.3 Retention

4.3.1 Records retention requires, as a minimum, that records concerning new, revised, or reaffirmed American National Standards shall be retained for one complete development cycle or until the standard is revised.

4.3.2 Records concerning withdrawn standards shall be retained for at least five (5) years from date of withdrawal.

SECTION	5.0	OPERATING COSTS
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5.1 Fees

With appropriate notice and LES (USA & Canada) Board approval, appropriate and necessary fees for Enterprise Membership in the LES SDO (and participation on the LES SDO standards committees) and for the commenting and voting activities of the LES CSP will be levied by the LES SDO Board specifically to offset services provided by LES (USA & Canada) or outside service providers in support of the LES SDO Board, LES SDO standards committee activities, and CSP commenting and voting activities.

5.2 Assessments

The LES SDO shall request payment of reasonable meeting registration, telecommunication, web page maintenance, web-based collaboration tools, and other fees directly relating to the support provided and activities supporting a given standards committee. These fees may be assessed only with the approval of both the standards committee being supported and the LES SDO Board.

SECTION 6.0 INTEREST CATEGORIES

For purposes of assuring balanced community representation when developing American National Standards, LES SDO enterprise members and the LES CSP individual members shall be classified as belonging to one or more of the following categories: Patent Licensing Firms; Intellectual Property Brokers; Intellectual Property Consultancies/Agents; Intellectual Property Law Firms; Government/Regulatory; Academia; Operating Companies; Intellectual Property Management/Transaction Software, Software Services, and Information Services Firms; and General Interest.

6.1 Operating Companies

This category includes commercial entities that develop and sell intellectual property based products and services: whether hardware-based, software-based, or information-based; whether chemical-based or material-based; whether energy-based, communication-based, or transportation-based; whether utility-based or security-based; whether reseller-based or financially-based; whether food-based or beverage-based; whether travel-based or entertainment-based; or whether based on any other type of field or value proposition outside the categories of Patent Licensing Firms, Intellectual Property Brokers, Intellectual Property Consultancies/Agents, Intellectual Property Law Firms, and Intellectual Property Management/Transaction Software, Software Services, and Information Services Firms.

6.2 Government/Regulatory

This category includes offices, agencies, and instrumentalities of national, state, or local governments, and entities that exercise a regulatory role, such as the U.S. Securities and Exchange Commission (SEC), U.S. International Trade Commission (ITC), U.S. Federal Trade Commission (FTC), U.S. Department of Justice (DOJ), and the Financial Accounting Standards Board (FASB). This also includes similar agencies from other countries. And it also may include government R&D organizations.

6.3 Academia

This category includes entities that are or are a part of an educational and/or research institution.

6.4 Patent Licensing Entities

Patent Licensing Entities is a group of patent owners who license or otherwise generate revenues from the licensing of their patents, whether developed organically or purchased, and which do not qualify as an Operating Company, Government/Regulatory, or Academia (defined above).

6.5 Intellectual Property Brokers

Intellectual Property Brokers are entities or agencies whose principal purpose is serve as the intermediary between IP rights owners and purchasers and that facilitate the sale of these rights between these parties.

6.6 Intellectual Property Consultancies/Agents

Intellectual Property Consultancies/Agents are entities or agencies whose principal purpose is to advise others on IP protection, IP value, IP strategy, IP management operations, IP management best practices, and IP transactions (whether historical or forward-looking). Or such firms may provide information related specifically to intellectual property topics and questions. Or such firms may represent either IP owning firms or potential IP licensees in IP licensing transactions.

6.7 Intellectual Property Law Firms

Intellectual Property Law Firms are law firms that offer legal services in the field of intellectual property.

6.8 Intellectual Property Management/Transaction Software, Software Services, and Information Services Firms

Intellectual Property Management/Transaction Software, Software Services, and Information Services Firms are entities or agencies whose principal purposes are to provide software and software services, software provided as services, and/or information provided as services that meet specific IP management, IP transaction, and/or IP analysis needs. This group includes online IP marketplaces.

SECTION	7.0	COMMERCIAL TERMS AND CONDITIONS/ BUSINESS CONDUCT AND ETHICS
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7.1 Business Terms and Conditions

LES (USA & Canada) agrees to comply with the *ANSI Essential Requirements*.

7.2 Business Conduct and Ethics

LES (USA & Canada) maintains a “Rules of Conduct” to guide its individual members and its enterprise member employees with respect to standards of conduct in their work in the field of IP management.

Please refer to the LES (USA & Canada) web site (<http://www.lesusacanada.org>) and search on “Rules of Conduct” to read the text of this guide.

7.3 Disclosure of Interest and Copyright Use

The LES SDO requires that all persons selected for membership on the LES SDO Board and for its standards committees, subcommittees, task forces, or working groups complete a disclosure of interests form and must agree with the intellectual property license terms integrated into the LES Standards Enterprise Membership on-line enrollment form. Decisions and contributions made on behalf of the LES SDO and works published by the organization must be developed promoting the opportunity for fair and open discussion by any interested parties. In addition, any contributions made to the LES SDO must not knowingly infringe on the copyright, trade mark, trade secret, patent or any other right of any third party.

8.1 Frequency

The LES SDO Board will meet face-to-face at least once per year and approximately once a month by telephone.

The LES SDO standards committees will meet at least once a year, face-to-face, in coordination with the LES (USA & Canada) Annual Meeting, such that they do not conflict with the Annual Meeting but that they occur in the same week and in the same city as the Annual Meeting.

8.2 Notification

Notification of the LES SDO Board meeting date and time shall be published to the members of the Board at least one month in advance. Notification for meetings of the LES SDO standards committees shall be published to the enterprise representatives to the committees at least one month in advance.

The LES SDO Board and its standards committees shall follow the *LES Board of Trustees Policy Manual*, the *LES Bylaws*, this *LES Standards Development Organization Policy and Procedures Manual*, and the *LES Volunteer Manual*, all of which are available on the LES (USA & Canada) website.

8.2.1 Face-to-face Meetings

These meetings shall be announced via email and the LES SDO website at least four (4) weeks prior to the meeting date.

8.2.2 All Other Meetings

All other meetings, including virtual meetings and conference calls, shall be announced via email at least four (4) weeks prior to the meeting date and may be posted to the LES SDO website as well.

8.2.3 Special Meetings Exceptions

Special exceptions for extraordinary circumstances may be made on an as-needed basis. When an exception for extraordinary circumstances is

necessary, the LES SDO Board leadership or standards committee leadership will announce the meeting as soon as practicable.

8.2.4 Agendas

8.2.4.1 Draft Agendas

LES SDO Board and standards committee draft agendas shall be prepared and distributed prior to the meetings.

8.2.4.2 LES SDO Board and Standards Committee Final Agendas

LES SDO Board and standards committee final agendas will be provided when meetings are called to order.

8.3 Open Meetings

All meetings of LES SDO standards committees shall be open to all LES Standards Enterprise Members, the specific representatives (whether voting or non-voting) having been nominated and approved for participation at least one week ahead of the meeting in question. LES Standards Enterprise Membership is open to all enterprises and individuals having a material interest in the subject matter of the IP management standards being developed by LES.

8.3.1 Voting

8.3.1.1 Designated Voting Member Representatives

All LES SDO Enterprise Members shall have the right to one vote on each LES SDO standards committee. Either the voting representative or her alternate must be present at each LES SDO standards committee meeting at which a vote will be taken, in order for the Enterprise Member to be able to exercise its right to vote.

8.3.1.2 Non-committee Members

Non-voting representatives of LES SDO Enterprise Members shall not have the right to vote or to provide formal comments with respect to any committee action but may otherwise participate fully in any standards committee to which that representative has been nominated and seated by the LES SDO Board.

8.4 Quorum

A majority of the voting representatives to a standards committee (or that voting representative's alternate) shall constitute a quorum for conducting official business at a meeting.

Except as set forth in Section 9.3.4, matters shall be deemed approved by the affirmative vote of a majority of the voting representatives present. If a quorum is not present, actions on agenda items may be taken but shall be subject to ratification by a letter or email ballot of the committee.

8.5 Parliamentary Procedures

For any procedural issues not covered under these procedures, *Robert's Rules of Order Newly Revised* shall apply on questions of parliamentary procedure.

SECTION 9.0 NOTIFICATION OF STANDARDS DEVELOPMENT
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9.1 How Notification Shall Be Announced

Notification of standards activity shall be announced in suitable media as appropriate to demonstrate opportunity for participation by all directly and materially affected persons.

Efforts will be made to consult any relevant international or regional guides that may impact the proposed standard and alert the relevant ANSI-Accredited U.S. TAG(s) if the standard is intended to be submitted for consideration as an ISO, IEC or ISO/IEC JTC-1 standard.

9.2 When Notification Shall Be Given

Notification shall be given to ANSI at the initiation of an LES SDO standards committee project to develop or revise an American National Standard.

9.3 How Notification Shall Be Transmitted

Notification of standards activity shall be transmitted to ANSI by a Designated Representative of LES, on behalf of each of the committees and the LES SDO Board, using the Project Initiation Notification System (PINS) form for listing in the ANSI Standards Action.

A statement shall be submitted and published as part of the PINS announcement that shall include:

- a. An explanation of the need for the project, including, if it is the case, a statement of intent to submit the standard for consideration as an ISO, IEC or ISO/IEC JTC-1 standard; and
- b. Identification of the stakeholder groups (e.g., Patent Licensing Firms; Intellectual Property Brokerage Firms; Intellectual Property Consultancies/Agents; Intellectual Property Law Firms; Government/Regulatory; Academia; Operating Companies (e.g. semiconductor, software, transportation, chemicals, energy, etc.); Intellectual Property Management/Transaction Software, Software Services, and Information Services Firms; and General Interest etc.) likely to be directly impacted by the standard.

If the response to sub-section (b) changes substantively as the standard is developed, a revised PINS shall be submitted and published.

9.3.1 PINS Exceptions

In accordance with the current version of the *ANSI Essential Requirements*, PINS is not required for revisions of an American National Standard (ANS) that is maintained under continuous maintenance and (1) is registered as such on the ANSI website, (2) has a notice in the standard that the standard is always open for comment and that describes how to submit comments, and (3) has information on the developer's website indicating that the standard is under continuous maintenance and how to submit comments. A PINS is also not required in connection with the decision to maintain an ANS under the stabilized maintenance option. A PINS form may be submitted, but is not required, at the initiation of a project to reaffirm or withdraw an American National Standard.

9.3.2 Assertions of conflict or duplication

If the LES SDO standards committee proposing work on a standard receives written comments within 30 days from the publication date of a PINS announcement in *Standards Action*, and said comments assert that a proposed standard duplicates or conflicts with an existing American National Standard (ANS) or a candidate ANS that has been announced previously (or concurrently) in *Standards Action*, a mandatory deliberation of representatives from the relevant stakeholder groups shall be held within 90 days from the comment deadline. Such a deliberation shall be

organized by the leadership of the proposing LES SDO standards committee, and the deliberation shall be concluded before the LES SDO standards committee may submit a proposed standard for public review. If the deliberation does not take place within the 90-day period and the LES SDO standards committee can demonstrate that it has made a good faith effort to schedule and otherwise organize it, then it will be excused from compliance with this requirement. The purpose of the deliberation is to provide the relevant stakeholders with an opportunity to discuss whether there is a compelling need for the proposed standards project.

9.3.3 PINS Deliberation Report

The outcome of a PINS deliberation shall be conveyed in writing (the “Deliberation Report”) within 30 days after the conclusion of the deliberation by the developer to the commenter and to ANSI. Upon submission of the Deliberation Report, the LES SDO standards committee may continue with the development of the standard and ultimately with submission of the proposed standard for public review. If additional deliberations take place, they should not delay the submission of the proposed standard for public review, and an updated Deliberation Report shall be conveyed within 30 days after each deliberation. Any actions agreed upon from the deliberations shall be carried out in a reasonably timely manner, but normally should not exceed 90 days following the deliberation.

Subsequently, the proposing LES SDO standards committee shall include all of the Deliberation Report(s) with the BSR-9 submittal to the ANSI Board of Standards Review (BSR) for consideration, should the standards committee ultimately submit the subject standard to the LES SDO Board and, finally, ANSI for approval. Stakeholders who were involved in the PINS deliberation process may also file separate Deliberation Report(s) with ANSI and the LES SDO within 30 days after conclusion of any deliberation for consideration by the BSR, if the standard is submitted to ANSI for approval.

9.3.4 Standards Development Within the LES SDO

Prior to initiation of the development of a new standard by an LES SDO standards committee, and prior to submission of a PINS to ANSI, the committee leadership shall submit a description of the standard intended for development to the LES SDO Board. This description shall contain at a minimum the information required by ANSI in the PINS form. The LES SDO Board shall have 60 days to review the proposal. If approved, the standards committee will be notified, and the standards committee will be authorized to submit the PINS form to ANSI.

As the LES SDO standards committee develops its proposed standard (whether proposed as new, reaffirmed, revised, or withdrawn), prior to taking the next step in the ANSI process and prior to public review, the following steps shall be followed:

- a. The proposed standard shall be drafted by the committee, subcommittee, task force, or work group.
- b. The full committee shall be asked to formally comment on the draft, and the comments from the voting representatives (or their alternates) shall be written by the commenter, submitted to the committee leadership for review, and recorded and tracked by the committee leadership.
- c. All committee comments shall be published to the committee.
- d. The committee leadership shall ensure that each comment is responded to in writing and that appropriate changes are made to the draft standard to accommodate relevant comments.
- e. All committee responses to the committee commenters and the subsequently modified draft shall be published to the committee.
- f. The committee leadership shall conduct a formal vote on the modified draft, once the leadership is satisfied that the modified draft adequately addresses all relevant comments.
- g. If the result of the vote is that two thirds of the committee's voting representatives have voted to approve the modified draft standard, the draft standard shall be provided to the LES SDO Board for review and approval, along with the content of the BRS-8 form (or its equivalent) that the committee intends to submit to ANSI. If the LES SDO standards committee intends to submit the proposed standard to ANSI as an ISO, IES, or ISO/IEC JTC-1 standard, then a statement of intent to do so shall be included as part of the description of the scope summary.
- h. The LES SDO Board shall have 60 days to review the draft standard. If it is approved, it will be approved by a simple majority vote.
- i. Once the draft standard has been approved by the LES SDO Board, the committee shall be authorized to take the next step in the ANSI process.

Next, the standards committee shall submit the draft standard, using the BRS-8 form, to ANSI for publication in *Standards Action*, and in parallel shall submit the draft standard for public comment to the LES SDO CSP. The standards committee shall receive and respond to all public comments on the draft standard, shall resolve differences, and shall notify objectors whose objections have not been resolved of their right to appeal. Subsequently, the standards committee will submit the final version of the standard to the LES SDO CSP for balloting.

9.3.5 Public Review

Proposals for new American National Standards and proposals to revise, reaffirm, or withdraw approval of existing American National Standards shall be transmitted to ANSI using the BSR-8 form, or its equivalent, for listing in *Standards Action* in order to provide an opportunity for public comment. If the LES SDO standards committee intends to submit the proposed standard as an ISO, IES, or ISO/IEC JTC-1 standard, then a statement of intent to do so shall be included as part of the description of the

scope summary that is published in *Standards Action*. The comment period shall be one of the following:

- A minimum of thirty days if the full text of the new standard or revision can be published in *Standards Action*;
- A minimum of forty-five days if the document is available in an electronic format, deliverable within one day of a request, and the source (e.g., URL or an E-mail address) from which it can be obtained by the public is provided to ANSI for announcement in *Standards Action*; or
- A minimum of sixty days, if neither of the aforementioned options is applicable.

Such listing may be requested at any stage in the development of the proposal, at the option of the LES SDO Board, and may be concurrent with final balloting. However, any substantive change subsequently made in a proposed American National Standard requires listing of the change in *Standards Action*.

9.4 Comments on PINS Announcement(s)

Comments on a PINS announcement shall be resolved by the procedure given in the most current version of the *ANSI Essential Requirements*.

SECTION 10.0 SUBSTANTIVE CHANGES

A substantive change in a standard is a change that directly and materially affects the use of the standard, and such a change therefore requires additional public review. Examples of substantive changes:

- Changing “shall” to “should” or “should” to “shall.”
- The addition, deletion or revision of requirements, regardless of the number of changes.
- The addition of mandatory compliance with referenced standards.

SECTION 11.0 VOTING PROCEDURES

11.1 Letter Ballots

The letter ballot process will be used for documentation of balloting associated with the development of American National Standards. This includes balloting at all levels

of the organization, including balloting by the LES SDO standards committees, the CSP, and individual standards development subcommittees, task forces, and workgroups within any LES SDO standards committee.

Letter ballots include:

- Ballots sent through the public mail system
- Ballots sent by special delivery and/or private courier services
- Ballots sent electronically, such as by email or via a secure website

11.2 New Proposed American National Standards

All new proposed American National Standards shall be approved by letter ballot of the relevant LES SDO standards committee and the CSP.

11.3 Substantive Changes to and Reaffirmation of Existing American National Standards

Substantive changes to and reaffirmation of all standards shall be approved by letter ballot of the committee, and such substantive changes and reaffirmations of all standards shall be approved by the CSP and the LES SDO Board.

11.4 Voting

Letter ballots shall provide the opportunity for each voting member of each LES SDO standards committee, subcommittee, task force, or workgroup and each member of the LES SDO CSP to vote in accordance with one of the following positions that shall be on every letter ballot:

- Affirmative
- Abstain
- Affirmative with comment
- Negative with reasons

The ballot shall include, where possible, instruction that a negative ballot shall include, in writing, specific actions that will resolve the negative.

11.5 Voting Rights

Every standards committee vote shall be cast by a member of an LES SDO standards committee's enterprise member's voting representative or that voting representative's alternate. No other committee participants may vote. An individual may have an enterprise membership in the LES SDO, and when this is the case, the individual may only be represented by himself or herself.

Every LES SDO CSP vote shall be cast by a member of the Partnership or that member's alternate.

11.6 The Enterprise Member's Voting Representative's Alternate and the CSP Member's Alternate

The LES SDO's enterprise member's voting representative's alternate may vote for the enterprise member's voting representative. Such votes are not considered as proxy votes. The alternate representative shall cast the voting representative's vote only if the voting representative is unable to vote. Notification by the LES SDO's enterprise member's voting representative shall be made in writing before the alternate's vote is added to the final tally.

The LES SDO CSP member's alternate may vote for the member. Such votes are not considered as proxy votes. The alternate shall cast the member's vote only if the member is unable to vote. Notification by the CSP member shall be made in writing before the alternate's vote is added to the final tally.

11.7 Voting Period

11.7.1 Closure Date

The closure date for letter ballots shall be at least thirty (30) days from the date of the issuance of the ballots for all ballots of the LES SDO standards committees and the LES SDO CSP.

Closure dates for letter ballots issued on behalf of LES SDO standards development subcommittees, task forces, and workgroups shall be at least ten (10) days from the date of the issuance of the ballots.

11.7.2 Extensions

The LES SDO Board shall be authorized to grant an extension of the voting period if deemed necessary by the LES SDO Board, in its sole discretion.

11.8 Approved Actions

11.8.1 Approvable Actions

- Approvals of standards
- Approvals of substantive changes to standards
- Approvals of reaffirmations of standards
- Approvals of interpretations of standards

- Approvals of actions taken by standards development committees
- Approvals of withdrawals of standards

11.8.2 Conditions of Approval

Actions shall be considered approved by the LES SDO Consensus Standards Partnership when all of the following conditions have been met:

- At least fifty percent (50%) of the voting members have returned their letter ballot.
- At least seventy-five percent (75%) of the votes cast, excluding abstentions and negatives without reasons, are affirmative.
- All negative votes with reasons have been addressed in accordance with Section 11.10 below.

11.9 Reporting Votes

The results of each vote on all LES standards shall be reported as follows, by interest category, for both the LES SDO standards committees and the LES SDO Consensus Standards Partnership:

- Number of members
- Number of members voting affirmatively
- Number of members voting negatively with reasons
- Number of members voting negatively without reasons
- Number of members abstaining
- Number of members not returning ballots

11.10 Negative Votes

Negative ballots shall be accompanied by a reason and should include specific wording or actions that would resolve the objection.

Negative ballots not supported by a reason are not required to be re-circulated. They shall be recorded as a negative without reason.

For the purpose of establishing a quorum, the negative ballot, either with or without reason, shall be counted as returned.

11.11 Consideration of Views and Objections

LES SDO Board and the LES SDO standards committees shall use the following procedures to attempt to resolve negative with reason votes:

- a. All negative with reason ballots and comments shall be forwarded to the standards committee that drafted the proposed standard for response and resolution.
- b. LES SDO committee leadership (with other committee members as necessary) will draft the response on behalf of the committee.
- c. Negative with reason ballots shall be judged as valid, invalid, or not germane. All comments shall be given a comprehensive response in writing.
- d. Unresolved objections along with attempts at resolution (at the standards committee level and at the CSP level) shall be provided to the appropriate standards committee or to the LES SDO CSP, as the case may be, in order to afford all members the opportunity to respond, reaffirm, or change their vote. When this alternative is offered to the CSP, the CSP members will have 15 days to respond.
- e. In the case of public review comments, which are not votes, these comments with the accompanying responses shall be circulated with each ballot to the CSP. The CSP will have 15 days to respond to the ballot.
- f. Unresolved public review objections, along with attempts at resolution, shall be re-circulated to the LES SDO CSP to give all members an opportunity to respond, reaffirm, or change their votes, as required by the *ANSI Essential Requirements*. The CSP will be given 15 days to respond.
- g. In cases where negative reasons remain unresolved or substantial revisions are made to the standards, in an attempt to resolve remaining negatives, all members of the LES SDO CSP, and the standards committees, when appropriate, will be given the opportunity to respond, reaffirm, or recast their votes based upon the resulting revised version or based upon the need to support another member's unresolved negative vote. Each unresolved objection and attempt at resolution, and any substantive change made in a proposed American National Standard shall be reported to the CSP in order to afford all members of the CSP an opportunity to respond, reaffirm, or change their vote.
- h. All substantive changes shall be submitted to ANSI via the BSR-8 document for further public review.
- i. LES SDO enterprise voting representatives and voting members of the CSP or public review participants who have unresolved negative votes (or reasons) shall be notified of their right to appeal and of the appeals process in writing.

SECTION 12.0 INTERPRETATIONS

12.1 Processing Interpretations

12.1.1 Requests for Interpretations

LES does not offer interpretations of its standards and will inform those requesting interpretations that it is LES's policy not to do so.

SECTION 13.0 METRIC POLICY

The LES SDO shall comply with the Metric Policy of the current version of the *ANSI Essential Requirements*.

SECTION 14.0 PUBLIC REVIEW AND COMMENT

Proposals for new standards or reaffirmation, revision, or withdrawal of existing standards shall be transmitted to ANSI for listing in the *ANSI Standards Action* for comment.

The LES SDO Board shall determine whether listing of proposed LES standards actions in ANSI's *Standards Action* shall be concurrent with the ballot to the LES SDO CSP, and whether announcement in other suitable media is appropriate.

All comments that are received shall be considered by the LES SDO, and the commenter shall be notified, in writing, of the LES SDO standards committee's decision/response in accordance with the *ANSI Essential Requirements*.

SECTION 15.0 PATENT POLICY

The LES SDO has adopted the ANSI Patent Policy, as outlined in the current version of the *ANSI Essential Requirements*.

SECTION 16.0 CORRESPONDENCE

Guidance on LES SDO Board and standards committee correspondence from existing LES (USA & Canada) corporate policy is contained in the following documents found on the LES (USA & Canada) web site:

- LES Rules of Conduct for Members
- LES Bylaws
- LES SDO Policy & Procedure Manual
- LES Board of Trustees Policy Manual
- LES Volunteer Manual

16.1 Committee Correspondence

Official correspondence from an LES SDO standards committee member to the entire membership of the committee (other than formal comments solicited in the formal commenting period or in the formal voting period of the committee's deliberations) shall be forwarded to the LES SDO Board for screening and distribution.

All official LES SDO standards committee correspondence, including meeting notices, agendas, the results of the formal commenting period, reports, and letter ballots, shall be distributed by the LES SDO Board or its designated representative.

Copies of all other correspondence between committee members, relating to LES SDO standards activities, shall be forwarded to the LES SDO Board or its designated representative.

16.2 External Correspondence

All official committee correspondence to external parties must be approved by the standards committee or its delegated representative and distributed by the LES SDO Board or its designated representative.

Inquiries relating to any LES SDO standards committee and LES standards work shall be directed to the LES SDO Board or its designated representative.

LES SDO standards committee members should advise individuals who contact them that responses to all inquiries are handled by the LES SDO Board or its designated representative.

SECTION 17.0 APPEALS

17.1 Complaints

Persons who have been or may be affected by any LES SDO CSP action or inaction shall have the right to appeal such action or inaction.

The appellant shall file a written complaint with the LES SDO Board within thirty (30) days after the date of notification of any action, or at any time with respect to inaction. The complaint shall state:

- The nature of the objection
- The procedures or the sections of the standards that are at issue
- The action or inaction at issue
- The specific remedial action(s) that would satisfy the appellant's concerns

Previous efforts to resolve the objections and the outcome of each shall be noted.

17.2 Response

Within thirty (30) days after the receipt of the complaint, the LES SDO Board or its designated representative shall respond in writing, to include electronic mail, to the appellant, specifically addressing each allegation in the complaint to the extent possible. The LES SDO Board or its designated representative shall attempt to informally resolve the complaint of the appellant.

17.3 Appeals Panel and Hearing

If the LES SDO Board or its designated representative is unable to informally resolve the complaint, it shall appoint an appeals panel to hold a hearing on a date agreeable to all participants, with at least fifteen (15) working days' notice.

The appeals panel shall consist of three (3) individuals who have not been directly involved in the dispute and who will not be materially affected by any decision made in the dispute.

At least two (2) members of the panel shall be acceptable to the appellant and at least two (2) shall be acceptable to the LES SDO Board.

If the appellant and the LES SDO Board cannot agree on the composition of the appeals panel within 15 days, the Executive Committee of the LES Board of Directors shall appoint the panelists.

17.4 Conduct of the Hearing

The appellant has the responsibility of demonstrating improper action or inaction, the adverse effects that may derive, and the efficacy of the requested remedial action.

The LES SDO Board or its designated representative has the responsibility to demonstrate that the committee took all actions in question in compliance with these procedures.

17.5 Decision

The appeals panel shall render its decision in writing within thirty (30) days of the hearing, based upon a preponderance of the evidence. The panel shall state its findings of fact and conclusions, with an explanation of its reasons and of the evidence.

The LES SDO Board or its designated representative shall notify the appellant and the committee of the decision of the appeals panel.

SECTION 18.0 REVISIONS TO PROCEDURES

These operating procedures (in this manual) are maintained by the LES SDO Board or its designated representative. Proposed revisions to these operating procedures may be submitted in writing by any LES SDO enterprise member, or that member's voting representative, to one of the LES SDO standards committees, or in writing by any LES SDO CSP member to the LES SDO Board along with a supporting rationale for the proposed change.

The LES SDO Board will review the proposed revisions to the *LES Standards Development Organization Policy & Procedures Manual for the Development of American National Standards* and will make any revisions it believes will improve the LES SDO standards development processes, which are still consistent with the *ANSI Essential Guidelines*.

The revised *LES Standards Development Organization Policy & Procedure Manual* shall then be submitted to ANSI for review and approval.

Any approved revisions to these operating procedures shall be effective upon publication on the LES SDO website.

The LES SDO Board shall be solely responsible for the interpretation of these operating principles and procedures.

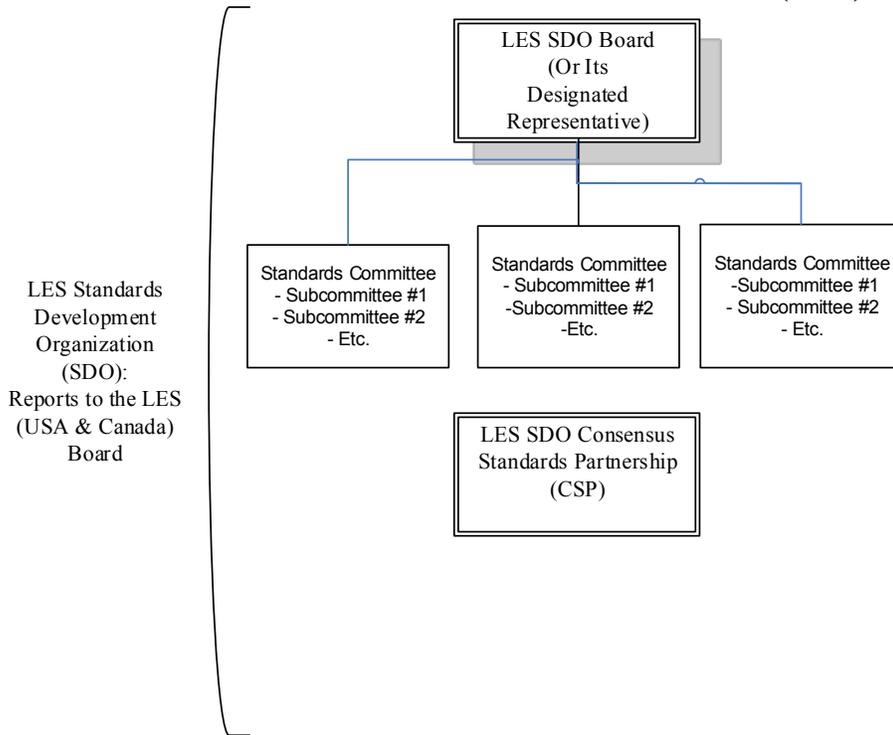
SECTION 19.0 CRITERIA FOR APPROVAL OF AN AMERICAN NATIONAL STANDARD
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The LES SDO CSP must determine that:

- The standard was developed in accordance with the procedures upon which the LES SDO was granted accreditation by ANSI.
- The type of action requested is clear, e.g., approval of a new American National Standard or reaffirmation, revision, or withdrawal of an existing American National Standard.
- The proposed standard is within the scope of the LES SDO.
- The standard was developed according to the LES SDO policies and procedures of this manual.
- Due process was followed, consensus was achieved, and an effort was made to resolve any objections to the standard.
- Any appeal to the LES SDO with respect to the standard was completed.
- Notice of the development process for the standard was provided to ANSI in accordance with PINS.
- Any identified conflict with another American National Standard was addressed in accordance with the procedures outlined in the *ANSI Essential Requirements*.
- Other known national standards were examined with regard to harmonization and duplication of content and if duplication exists, there is a compelling need for the standard.
- A clear title and designation of the proposed American National Standard was provided.
- ANSI's patent policy is met, if applicable.
- ANSI's policy on commercial terms and conditions is met, if applicable.
- The LES SDO provided the following or evidence of:
 - i. Title and designation of the proposed American National Standard;
 - ii. Indication of the type of action requested (that is, approval of a new American National Standard, or reaffirmation, revision, or withdrawal of an existing American National Standard);
 - iii. A declaration that applicable procedures were followed;

- iv. A declaration that the proposed standard is within the scope of the previously registered standards activity;
- v. A declaration that conflicts with another American National Standard have been addressed in accordance with the procedures in the *ANSI Essential Requirements*;
- vi. A roster of the consensus body that indicates the vote of each member including abstentions and unreturned ballots, if applicable; the interest category of each member; and a summary thereof;
- vii. A declaration that all appeal actions related to the approval of the proposed standard have been completed;
- viii. A declaration that the criteria contained in the ANSI patent policy have been met, if applicable; and
- ix. Identification of all unresolved negative views and objections, with names of the objector(s), and a report of attempts toward resolution.

20.1 LES STANDARDS DEVELOPMENT ORGANIZATION (SDO)



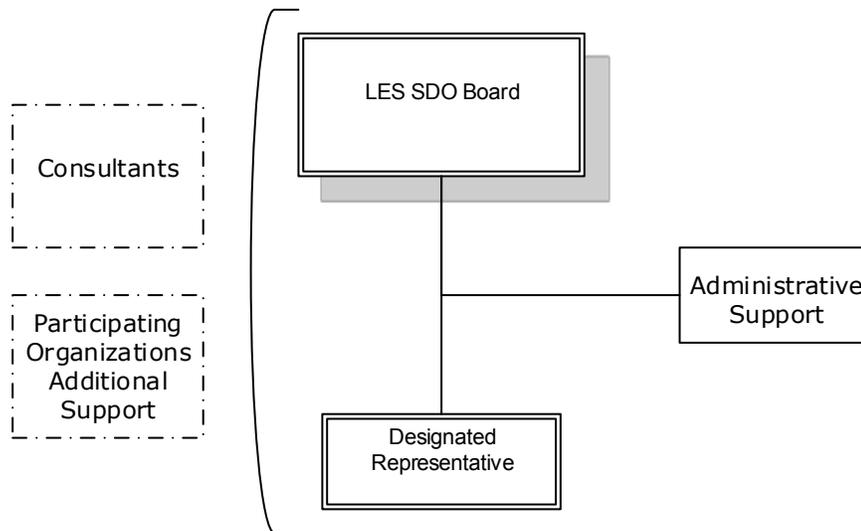
20.2 LES SDO Board

The LES SDO Board is appointed by the LES (USA & Canada) Board, and the selected members will be drawn from a broad spectrum of stakeholders in the IP management disciplines and the IP management community. The following kinds of entities form the universe from which the LES SDO Board will be selected:

- Operating Company Representative(s)
- Academic Representative(s)
- Government/Regulatory Representative(s)
- Patent Licensing Firm Representative(s)
- IP Broker Representative(s)

- IP Consultant Representative(s)
- IP Law Firm Representative(s)
- IP Management Software/Software-As-A-Service Firm Representative(s)

Likewise, the LES SDO Standards Committees and the LES SDO CSP (the ultimate voting members for ratifying LES standards) will be selected from this broad universe, with the objective of balance across this universe.



SECTION 21.0 LES SDO WITHDRAWAL PROCEDURES

21.1 Criteria for Withdrawal

In addition to the administrative withdrawal requirements articulated in the *ANSI Essential Requirements*, the following additional criteria are adopted.

21.1.1 Withdrawal by the LES SDO

The LES SDO Board may withdraw a standard following a written recommendation from the LES SDO Board’s designated representative and at least a two-thirds vote by the LES SDO Board. The LES SDO Board or its designated representative shall notify ANSI immediately and the standard shall be withdrawn as an ANS and announced in *Standards Action*.

21.1.2 Discontinuance of a Standards Project

The LES SDO Board and its relevant standards committee may decide to abandon the processing of a proposed new or revised American National Standard or portion thereof at its own discretion and without a vote of the consensus body. The LES SDO Board or its designated representative shall notify ANSI with 30 days of such actions, which will be announced in the *Standards Action*.

21.1.3 Withdrawal for Cause

Requests for withdrawal of an ANS for cause shall be approved by the ANSI Board of Standards Review (BSR) only upon a sufficient showing that one or more of the following conditions applies:

- ANSI's patent policy was violated
- ANSI's requirements for designation, publication, and maintenance were violated
- An American National Standard is contrary to the public interest
- An American National Standard contains unfair provisions
- An American National Standard is unsuitable for national use
- The LES SDO has failed to make a good faith effort to resolve conflicts

Except in the case of an ANSI Audited Designator, an application for withdrawal of an LES SDO American National Standard may be submitted to the BSR by any materially interested party or the ANSI Executive Standards Council. The application shall be accompanied by a filing fee. This fee may be waived or reduced upon sufficient evidence of hardship. In cases of an application for withdrawal:

- The secretary of the BSR shall refer the request for withdrawal to the LES SDO Board for it to review and respond to within 30 calendar days to the requester and the secretary of the BSR.
- If the LES SDO concurs with the proposed withdrawal, public notice shall be given and the standard shall be withdrawn in accordance with the LES SDO's procedures in this manual.
- If the LES SDO does not concur with the proposed withdrawal, the LES SDO shall inform the requester and the secretary of the BSR of its disagreement and shall include reasons.
- The requester shall advise the secretary of the BSR, and the LES SDO Board or its designated representative, within 30 calendar days of its receipt of the LES SDO's response, either that the requestor wishes the withdrawal process to continue or not.

- If the requester requests continuance of the withdrawal process, the matter shall be referred to the BSR via letter ballot for decision on subsequent action.

Extensions of time to submit documentation related to a withdrawal for cause shall be granted at the discretion of the chairperson of the BSR, or if the chairperson is unavailable, by the secretary of the BSR.

Extensions shall be requested prior to the deadline date and shall include a justification therefore. If the BSR determines, based on the weight of the evidence presented, that one or more of the above-stated criteria have been satisfied, approval of the standard as an American National Standard shall be withdrawn. If the BSR determines, based on the weight of the evidence presented, that none of the above-stated criteria have been met, then approval of the standard as an American National Standard shall be maintained. The decision of the BSR in this regard shall not be appealed to the BSR, but may be appealed to the ANSI Appeals Board pursuant to the Appeals Process of the *ANSI Appeals Board Operating Procedures*.

SECTION

22.0 POSITION REGARDING ANSI ESSENTIAL REQUIREMENTS
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The *ANSI Essential Requirements* is considered as a companion to and part and parcel of this manual.

The material contained in the current version of the *ANSI Essential Requirements* and its recommendations shall provide guidance whenever such guidance is required and when necessary or appropriate and shall supersede all other policies and procedures stated in other sections of this manual.

Decisions of policy and procedure based on policies and/or procedures not yet developed by the LES SDO organization but necessary to support LES SDO business will be guided by the *ANSI Essential Requirements: Due process requirements for American National Standards* until such time that the LES SDO shall develop its own replacement policy or procedure consistent with and approved by ANSI.

SECTION 23.0 ANTITRUST POLICY

LES standards will be developed in accordance with applicable antitrust and competition laws, and meetings amongst competitors to develop LES standards will be conducted in accordance with these laws.

SECTION 24.0 GLOSSARY OF ACRONYMS AND TERMS

ACRONYM/TERM

DEFINITION

Academia

This category includes entities that are or are a part of an educational institution.

ANSI-Accredited Standards Developer (ASD)

In order to maintain ANSI accreditation, standards development organizations are required to consistently adhere to a set of requirements or procedures known as the “ ANSI Essential Requirements: Due Process Requirements for American National Standards,” that govern the consensus development process.

ANSI Board of Standards Review (BSR)

The ANSI Board of Standards Review is responsible for the approval and withdrawal of American National Standards and for other responsibilities that may be delegated to it by the Board of Directors.

ANSI Executive Standards Council (ExSC)

The ANSI Executive Standards Council (ExSC) is responsible for coordination of the overall national and international standards activities of the American National Standards Institute as well as the accreditation of U.S. TAGs to ISO.

ANSI Standards Action

As stated on the American National Standards Institute's (ANSI) website, “*Standards Action* is the Institute’s key public review vehicle. Published weekly, it provides members and the

public with timely, accurate information and enables effective participation in the standards development process—both in this country and internationally.”

Consensus

Consensus means substantial agreement has been reached by directly and materially affected interests. This signifies the concurrence of more than a simple majority, but not necessarily unanimity. Consensus requires that all views and objections be considered, and that an effort be made toward their resolution.

Consensus Body

The group that approves the content of a standard and whose vote demonstrates evidence of consensus.

CSP

The LES Consensus Standards Partnership, which functions as the approval body for LES Standards.

General Interest Entities

General Interest members include those not classified as: operating companies; government/regulatory; academia; patent licensing entities; intellectual property brokerage firms; intellectual property consultancies/agents; intellectual property law firms; intellectual property management/transaction software, software services, and information services firms.

Examples include, but are not limited to, journals and other publications or any individual or organization that is affected by or interested in the need for and application of IP management standards but not listed in the definition of Intellectual Property Management Community.

Government/Regulatory

This category includes entities of national, state or local governments, and entities that exercise a regulatory role, such as the U.S. Securities and Exchange Commission (SEC), the U.S. International Trade Commission (ITC), U.S. Federal Trade Commission (FTC), and the Financial Accounting Standards Board (FASB). This category also includes similar agencies from other countries. And it also may include government R&D organizations.

Intellectual Property Brokerage Firms

These are entities or agencies whose principal purpose is to serve as the intermediary between IP rights owners and purchasers of IP ownership rights and that facilitate the sale of these rights between these parties.

Intellectual Property Consultancies/Agents

These are entities or agencies whose principal purpose is to advise others on matters of IP protection, IP Value, IP strategy, IP management operations, IP management best practices, and IP transactions (whether historical or forward-looking). Or such firms may provide information related specifically to intellectual property topics and questions. Or such firms may represent IP owning firms or potential IP licensees in IP licensing transactions.

Intellectual Property Law Firms

These are firms that offer legal services in the field of intellectual property.

Intellectual Property Management Community

The intellectual property management community is a diverse group of entities, disciplines, and individuals that are focused on IP management issues. At a minimum, the following types of entities participate in this community: operating companies;

government/regulatory; academia; patent licensing firms; intellectual property brokerage firms; intellectual property consultancies/agents; intellectual property law firms; intellectual property management/transaction software, software services, and information services firms.

Intellectual Property Management/
Transaction Software, Software Services,
And Information Services Firms

These are entities or agencies whose principal purposes are to provide software and software services, software provided as services, and/or information provided as services that meet specific IP management, IP transaction, and/or IP analysis needs. This group includes on-line IP marketplaces.

Licensing Executives Society (LES)
(USA & Canada)

The Licensing Executives Society (LES USA & Canada) is the global leader in the business applications of intellectual property (IP) rights and their management, and it is devoted to standards development, education, and certification. It is an independent, non-profit, professional society that promotes best practices in IP transactions, IP protection, and IP strategy. LES counts among its members, lawyers as well as experts in the IP strategy, business management, accounting, business development, supplier management, program management, sales, marketing, and IP valuation fields. Among these are representatives of innovation oriented companies from all business sectors, government agencies, and university labs. LES (USA & Canada) is a community of approximately 3000-4000 IP management professionals, and it is part of a world-wide

network (LES International) of more than 9,000 IP management practitioners in 32 sister societies.

LES Standards Development Organization (SDO)

The purposes of the LES Standards Development Organization and its standards development work are to:

- Raise the standards of business conduct in IP-oriented transactions
- Improve the practice of IP management
- Reduce the cost and time required to do IP-oriented transactions and IP management
- Protect and preserve the value of IP for innovative individuals and enterprises
 - Thereby encouraging investment in innovation and enhancing the economic well-being of society

LES Standards Enterprise Membership

This is a membership in the LES SDO, distinct from an individual membership in LES.

LES SDO Board

This is a body appointed by the LES (USA & Canada) Board, containing no more than 15 members, and held responsible for operation of the LES SDO. Through its designated representative, through its standards committees, and through its CSP, it is responsible for developing consensus-based, ANSI-certified standards. It is responsible for setting up the LES SDO standards committees, for this *Policy & Procedures Manual*, and for

ensuring that the standards committees and the CSP follow the requirements of this manual and of the *ANSI Essential Requirements*.

LES SDO Standards Committee

Interdisciplinary collaboration of IP management professionals working together toward a common goal. These activities would be difficult to develop under traditional funding mechanisms (e.g. federal agencies). The lifespan of an LES SDO standards committee is anywhere between a few months and several years. Standards committee goals to be achieved may include creation of informational documents and/or creation of a family of consensus standards.

Membership Roster

List of primary and alternate CSP individual members and the LES SDO enterprise members, along with the LES SDO enterprise member voting, alternate, and non-voting representatives to each of the LES SDO's individual standards committees, formally maintained by the LES SDO and available as public information. The membership roster will be maintained electronically.

American National Standards

Standards developed by an accredited ANSI SDO consistent with the *ANSI Essential Requirements*.

Operating Companies

This category includes commercial entities that innovate for the purpose of developing differentiated products and services to serve customers outside of the IP management community.

Patent Licensing Firms

Refers to companies that generate revenues from licensing and whose principal purpose is the licensing of patents, whether they are self-generated or purchased, and do not qualify as an Operating Company, Government/Regulatory, or Academia.

PINS

ANSI Project Initiation Notification System.

Record

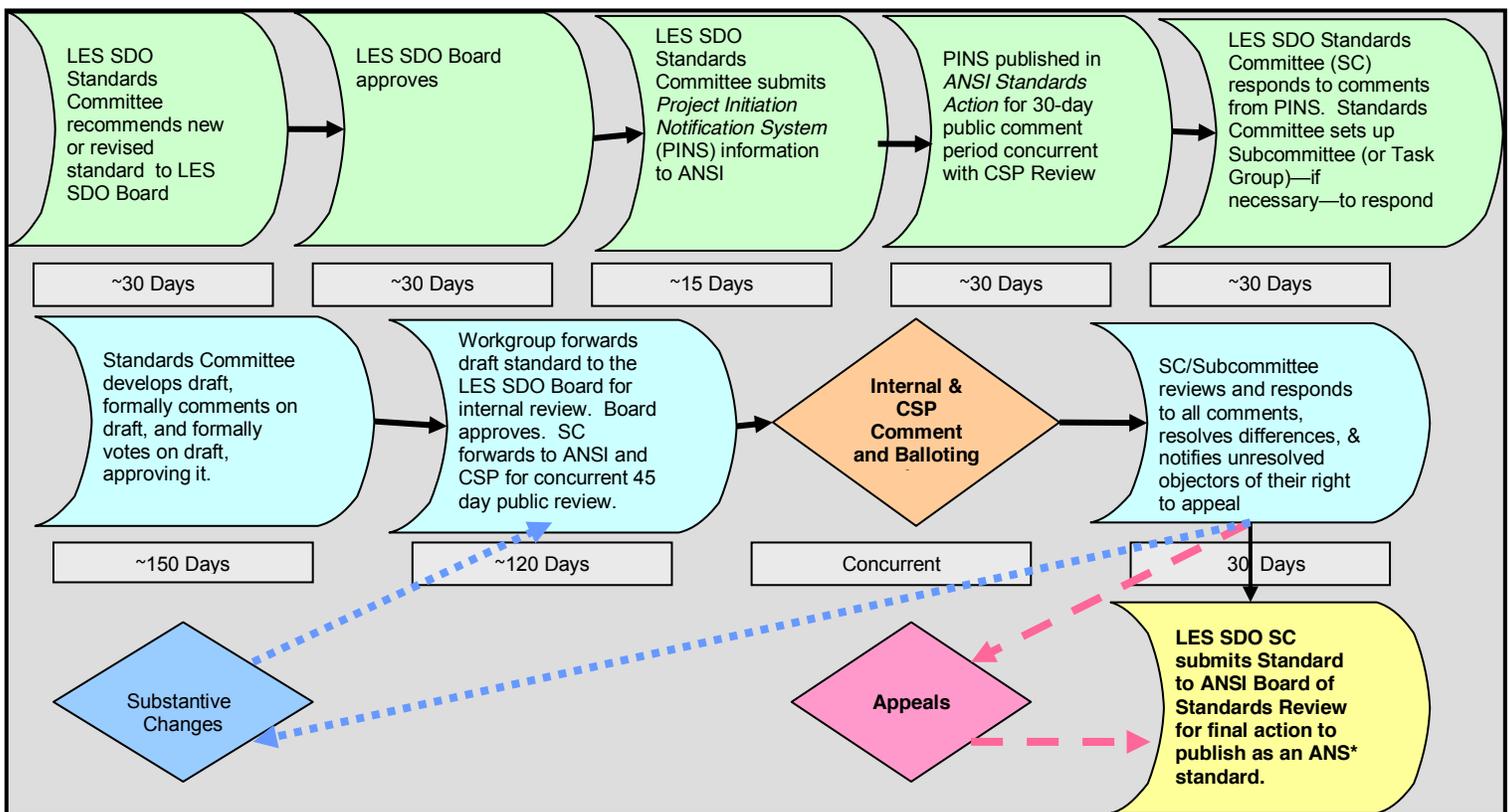
Written, recorded, or electronic information that captures data and may include a signature and date of an individual. Records are documents that provide evidence that an activity has been accomplished or that an event has happened. Records are used to provide information on the condition (such as conformity or nonconformity) of a product. Each LES SDO standards committee, the LES SDO Board, and the LES SDO's Board are responsible for defining and keeping the LES SDO records.

Records Control

The LES SDO will maintain records control through use of online and back-office software, using standard processes of control.

Appendix 25.1

LES SDO Standards Development Process Flowchart



NOTE: Numbered days under each activity is tentative and is intended only as a guide.