**LES International Inc.**

**Rules of Conduct**

In order to promote and establish the professional standing of individual members of the Licensing Executives Society International Inc. ("LES International") and of its Member Societies (such individual members herein called "members"), and in order to enhance the trust of the public in members, the following Rules of Conduct are adopted. The spirit of these rules should be a proper guide for the conduct of all members to establish confidence of the public in the profession of licensing.

**1. Compliance with Laws and Regulations**

It is the duty of each member to comply with all applicable national, international and local laws and regulations and all rules of conduct imposed by membership in the Member Society and in other professional organizations governing the conduct of persons engaged in the licensing or other transfer of technology or intellectual property rights (herein called "licensing").

**2. Obligation under other Rules of Ethics**

The duties imposed by these Rules of Conduct shall be in addition to the rules of conduct imposed by membership or status in other professions or professional organizations.

**3. Misrepresentation**

It is the duty of every member to make a fair representation as to the nature, quality, and extent of the subject matter being negotiated for licensing. Representation as to performance, reliability, or value should be supported by fact and any statement which is not supported by fact should be identified as opinion.

**4. Conflicts of Interest**

It is unprofessional to represent both parties involved in the subject matter being negotiated for licensing or to represent conflicting interests in the same transaction without the knowledge and express consent of both parties involved. Prior to accepting employment with a client, it is the duty of a member to disclose any interests which might be adverse to a client.

**5. Interest in the Subject Matter Being Negotiated**

If the member has an ownership interest in the subject matter being negotiated for licensing, it is his duty to disclose this fact.

**6. Confidence**

It is the duty of a member to respect and hold inviolate the confidences of a client. In the absence of other agreement with the client, termination of the employment with the client will not terminate this obligation, but the duty is relieved by the fact that the information given in confidence is generally known. In the event that confidences of a previous client prevent him from fully discharging his duties to the subsequent client, the member shall immediately notify the subsequent client of his disability.

**7. Advertising and Solicitation**

A member in his contacts with the public and his clients should not behave in a manner which brings discredit on the Member Society or himself. In particular, a member should not use any business card, letterhead, directory listing, advertising material or any other form of communication which is undignified or which is false, deceptive or misleading or likely to create false or exaggerated expectations as to the skill, experience or ability of such member or the value or cost of the services or facilities offered or as to the results to be accomplished through such services or facilities.

**8. Membership Lists**

The international membership and attendance lists are the property of LES International and the membership and attendance lists of each Member Society are the property of the Member Society. The lists are entrusted to members for their personal use only. Unauthorized use of the lists by member for general mailings or similar purposes is unethical.

**9. Enforcement**

LES International has promulgated these Rules to indicate to Member Societies and members the standards of conduct expected from members. Each Member Society must use its best endeavors to ensure the maintenance of high levels of professional conduct among its members by:

(a) appointing an Ethics Committee to which any complaint may be referred for investigation report and recommendations for action,

(b) using whatever informal means seem appropriate to persuade an offending member to improve his professional conduct and practice, or in serious cases to resign from the Member Society, and

(c) in the event informal methods fail, establishing a formal procedure for expelling or otherwise disciplining the offending Member, which formal procedure shall include the step of notifying the offending member in writing of the nature of the charges and the step of permitting the offending member to submit a written answer to the charges.

In addition to the foregoing Rules of Conduct, a Member Society at its option may adopt the following Section 10.

**10. Supplemental Enforcement**

A final determination by a competent authority that a member has violated any law, regulation or rule as set forth in Section I of these Rules of Conduct may be a basis for discipline or expulsion form the Member Society by the governing body without compliance with the enforcement procedures set forth in Section 9 of these Rules.

**6/1/2000**