

# LES Standards Committee Charter Document

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## IP Protection in Supply Chain Standards Committee

Version 1.24

December 19 2017

### Scope

The IP Protection in Supply Chain Standards Committee is focused on creating competitive advantage through the defining of: (1) the performance standards and business processes that define the management systems required to protect all types of intellectual property (IP) in the global supply chain – both upstream with suppliers and downstream with distributors, partners, agents and customers – and, (2) a methodology for evaluating and verifying the adequacy and/or maturity level of a company's IP protection system.

The standard will focus on supplementing legal and contractual IP protection methods through business processes to enhance overall IP management and protection systems in the end-to-end supply chain. The Committee may decide to do this in phases with an initial focus on third-party suppliers. However, in developing the standard, the Committee will need to address the fact that in many cases one Multi-National Company (MNC) is in the supply chain of another MNC – in some cases as a supplier and as a customer.

Compliance to the standard will be determined through a progressive verification program that assesses the maturity level of the company's IP protection system. Independent third parties will conduct the verification audit.

### Work Products

The Committee envisions developing three primary components to implement the IP Protection in Supply Chain standards program:

1. Standard Document detailing the specific requirements a company will need to meet in order to be "certified" or to achieve certain IP Protection Management System maturity levels. It is envisioned that the standard will consist of:
  - A. Specific performance criteria to be met internally and by third parties;
  - B. Management system requirements for internal operations and for working with third parties, which can be broken down into components addressing some or all of the following:
    - i. General Requirements
      - a. Requirements for employees and third parties to comply with IP law, company IP policies, and IP related agreements, etc.
      - b. Procedures to support implementation of IP related policies
    - ii. Documentation Requirements

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- a. Requirements for documentation of the organization's IP Protection Management System
- b. Maintenance of adequate and accurate records to verify implementation
- iii. Management Commitment and Responsibilities
  - a. Assigned responsibilities
  - b. Authority for implementation
  - c. Messaging from management to employees and third parties
- iv. Identification, Classification and Marking of Intellectual Property
  - a. Requirement for an IP classification and marking system
- v. Facility, Visitor and Transportation Security
  - a. Effective security measures to safeguard IP
- vi. Information Security
  - a. Procedures for protection of IP
  - b. Levels of security for tangible, computerized, and physical information and assets
  - c. Procedures for controlled access to IP
- vii. Access Controls
  - a. Requirements for limiting access to IP on a need-to-know basis
- viii. Contractual Provisions
  - a. Adherence to legal requirements
  - b. Requirement for IP protection program
  - c. Protection against unauthorized use of IP
  - d. Compliance with anti-competitiveness laws
- ix. Incident Management and Response
  - a. Establishment of incident management and response plans
  - b. Reporting of incidents
- x. Monitoring
  - a. Processes to monitor and assess conformance to the organization's IP Protection Management System
  - b. Identification of non-conformances
- xi. Maturity Assessment
  - a. Assessment protocol aligned with this LES Standard
  - b. Reporting on maturity level assessment
- xii. Continual Improvement of the IP Protection Management System
  - a. Improvement plan for IP protection, management, and conformance
  - b. Identification and prioritization of deficiencies and/or non-conformances to the organization's IP Protection Management System
  - c. Evaluation, ranking and prioritization of improvement activities
  - d. Establishment of root cause corrective action system
  - e. Reporting and tracking of improvement activities

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- xiii. Personnel Related
    - a. Pre-employment screenings
    - b. Employment agreements
    - c. Disciplinary programs
    - d. Separation agreements
  - xiv. Training and Awareness
    - a. Employee awareness training
    - b. Specialty training for personnel responsible for implementation of IP protection programs
    - c. Targeted IP training for supply chain members
  - xv. Extension of IP Protection Management System to Supply Chain Members
    - a. Procedures for extension of IP Protection Management System to third party supply chain members
    - b. Due diligence process for IP protection, both during and after the supplier selection process
    - c. Communication of IP protection expectations to third parties
    - d. Monitoring for conformance
2. Certification Program detailing the protocol to be used for conducting the assessments and the criteria for determining the maturity level.
3. Guidance Document – this will be targeted to two audiences:
- A. Companies seeking certification – practical information on developing the systems needed to meet the standard, as well as background on the performance standards;
  - B. Auditors – guidance on how to assess to the IP Protection in Supply Chain Standard and verify the maturity level.

## **Type of Standard**

The Committee has determined that a progressive maturity assessment model best serves the purpose of this standard. Under this model, the assessor will determine the maturity level of the applicant's IP protection management system (example: scale of 1 – 5, or other range as established by the Committee) as verified through interviews, document review and observations that support the maturity level against criteria established by the standard. The assessor will also provide recommended actions for improving IP protection maturity. This type of assessment model promotes transparency and encourages improvement by applicants by clearly defining a path for improvement.

The initial set of work products will provide guidelines for performance criteria and management systems and descriptions of tiered maturity levels. The certification program is currently envisioned to serve as a framework for evaluating existing maturity levels and developing a roadmap for obtaining, as desired, higher maturity levels through enhancement of an organization's IP protection program.

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The certification program will follow the ANSI guidelines for creating independent accreditation and certification bodies. It is envisioned that the independent third party assessors will be certified via completion of a prescribed course of study offered through LES or a third party appointed and qualified by LES or qualified through an accreditation institute and having demonstrated experience in assessing the effectiveness of management system-based standards.

## Guidance

The maturity assessment model will serve as guidance for organizations to develop an IP protection program that identifies risk factors that could lead to loss of their own or others' IP and for establishing defined criteria for varying levels of internal controls. A maturity rating scale will be utilized and guidelines for rating criteria will be included. The structured model will aid an organization in improving processes and addressing customer requirements for IP protection.

Companies interested in certification can be provided with a self-assessment to establish the current maturity of their IP protection program. Guidelines and other resources will be provided to assist the companies in establishing, implementing and maturing their IP protection management system.

## Timeline

This section will be updated periodically.

Steps	Date
Charter draft completed	Updated: August 28 2017 (for LES Annual Meeting) Updated: July 15 2016 (for Submittal to ANSI as part of LES Accreditation Application) Initial: February 20 2015
Committee recruitment	Initiated October 2015, on-going
Publication of PINS in ANSI Standards Action	Published December 15 2017
First draft of the standard published to the committee for review and comment (definitions, standard document and maturity assessment tool)	Target: February 28, 2018
Initial comments from the committee submitted for disposition by committee leadership	Target: March 16 2018
Second draft of the standard published to the committee for review	Target: March 30, 2018
Final comments from the committee	Target: April 13, 2018

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submitted for disposition by committee leadership	
Finalize draft standard document for committee vote to submit to LES USA & Canada board for review	Target: April 27, 2018
Committee vote and submission of draft standard to the LES USA & Canada board for review and vote	Target: May 11, 2018
Comments from LES USA & Canada board submitted for disposition by committee leadership	Target: May 31, 2018
Update of draft standard document for committee vote to submit to LES USA & Canada board for review	Target: June 15, 2018
Committee vote and submission of updated draft standard to the LES USA & Canada board for review and vote	Target: June 29, 2018
Approval by vote of the LES USA & Canada Standards Development Organization Board to submit the draft standard to ANSI for public review	Target: July 2018
Publication of draft document announced in ANSI Standards Action for public review	Target: July 2018
Publication of resolution of and response to public review comments completed by the committee	Target: September 2018
Submission of final draft standard to the LES USA & Canada board for review prior to recirculation for consensus body member vote	Target: September 2018
Recirculation to consensus body members to respond, reaffirm, or change their vote	Target: October 2018
Appeals process concluded	Target: December 2018
Submission of the final draft standard and associated documentation to ANSI for approval as an ANS	Target: January 2019
Publication as a new ANSI Standard	Target: February 2019

## Structure of the Committee

The committees will have a chair, vice-chair, and secretary, which will be voted on and approved by the larger committee.

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## Committee Recruitment

The committee believes that it will be critical to have a diverse group of participants including strong representation from emerging market companies. Their input will be critical to developing a standard that is considered beneficial and pragmatic, thus leading to wider adoption.

## Committee Leadership

Jeff Whittle, LES Board, Committee Sponsor, [jeffrey.whittle@hoganlovells.com](mailto:jeffrey.whittle@hoganlovells.com)

Craig Moss, COO, CREATE, Committee Chair, [cmoss@create.org](mailto:cmoss@create.org)

Robin Corwin, IP Manager, Rockwell Collins, Committee Vice-Chair/Secretary, [robin.corwin@rockwellcollins.com](mailto:robin.corwin@rockwellcollins.com)

## Committee Members

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