



ANTITRUST COMPLIANCE POLICY

Introduction

As an international trade association, Intellectual Property Owners Association (IPO) takes seriously its obligations to comply with the full range of antitrust and competition laws that apply to its conduct. Although no guide can describe in detail the antitrust and competition law-related rules that might apply to every situation, the antitrust laws generally focus on similar conduct when it comes to trade association behavior. We have prepared this IPO Antitrust Compliance Policy (the “Antitrust Compliance Policy” or “Policy”) to help employees, members, and patrons understand antitrust and competition law issues and identify issues that may raise concern.

As an association that brings together intellectual property owners, this Antitrust Compliance Policy places considerable responsibility for complying with antitrust and competition law on its members and patrons.

To be clear, by participating in any IPO activity, you agree, on behalf of yourself and your associated entity, to comply with this Antitrust Compliance Policy and applicable antitrust and competition laws.

The consequences of an antitrust violation can be serious, not only for IPO, but for its members, patrons, and even the individuals whose conduct forms the basis of any violation. Any violation of this Policy or the antitrust and competition laws may be grounds for termination and may result in additional legal action. For example, in some countries, violations of antitrust laws are crimes. Prosecutors may seek substantial fines from companies and may ask tribunals to jail violating individuals. Apart from the negative publicity that often accompanies antitrust violations, in the U.S., these fines can be severe, including twice the ill-gotten gain or twice the loss to victims. Successful private litigants may recover treble damages and attorneys’ fees.

Please read this Policy carefully and conduct yourself accordingly. If you have any questions or concerns about an existing situation or possible future activity, you must contact IPO’s legal department immediately for further guidance and instruction.

Antitrust Policy

It is IPO’s policy that the organization, its members, and its patrons comply with the antitrust and competition laws of the United States and with any other applicable antitrust and competition laws. No participant in any IPO activities should assume that IPO’s interest ever requires otherwise.

We appreciate that situations may arise where there may be reasonable questions about the interpretation of antitrust laws. If a situation like this comes up, every IPO employee and any

participant in IPO activities must immediately report the situation to the IPO legal department for advice and instruction before proceeding further.

Applicable Laws

Although IPO is based in the U.S., we recognize that our members have operations around the world. Over 100 countries have adopted antitrust or competition laws, many of which have been modeled after the laws in the United States or the European Union. As a patron, you must not only comply with U.S. antitrust laws but also any applicable antitrust and competition laws in which you or your respective entity does business. But even if you or your entity does business in a jurisdiction without its own competition laws, your activities may nevertheless be subject to antitrust scrutiny. We encourage you to consult with your respective legal department if you have any questions about whether your firm's conduct complies with the antitrust and competition laws in which your firm does business.

As a general matter, U.S. antitrust laws can proscribe conduct that occurs entirely outside the U.S. if the activity has a direct, substantial, and reasonably foreseeable effect on U.S. commerce. The competition laws of the European Union and many other jurisdictions often have similar extraterritorial application. Consequently, in some cases, any potentially competitively sensitive activity may be regulated by not only the U.S. but also other countries that may feel the effects of the conduct. Always consult with IPO's legal department if you are unsure about whether IPO-related activity complies with applicable antitrust laws.

This Policy outlines prohibited conduct ("Prohibited Conduct") and conduct that may touch sensitive areas ("Sensitive Conduct"). No IPO participant may engage in Prohibited Conduct in connection with IPO without express pre-approval from IPO's legal department. Activity included among Sensitive Conduct, however, may restrict trade in some respects but are not typically presumed to harm competition. Consequently, IPO participants should discuss all Sensitive Conduct with IPO's legal department for guidance about how to eliminate or significantly reduce any potential antitrust risks before engaging in the proposed activity.

Prohibited Conduct

Perhaps the most fundamental principle of competition law is that each firm in the marketplace act independently and in its own self-interest. This principle must guide all participants in every IPO-related activity. Everyone must remain alert to the subject matter being discussed and the information being shared. Specifically, no participant may use any IPO activity, whether directly or indirectly, to agree or reach an understanding with any of its competitors about any of the following:

- Price-fixing. Fix the prices, including minimum or maximum prices, discounts/rebates, costs, or other terms of sale (e.g., credit)
- Bid rigging. Any current or prospective customer or vendor bids, responses to RFPs, quotes, or other proposed sales or marketing activity
- Fixing output. Restrict capacity or output

- Fixing terms of labor. Agree on hiring (or firing) practices, fixing/limiting wages, and discussing the prospective employment of specific employees or candidates
- Group boycott. Agreeing not to supply a product or service or excluding a competitor from the market
- Market allocation. Divide markets or customers

To be clear, engaging in any of the aforementioned activities is prohibited unless expressly pre-approved by IPO's legal department. This prohibition exists for good reason. The mere existence of any such agreement is illegal even if the firms involved did not act upon them or even if they believe the action enhanced competition rather than harmed it. Nor is an actual written agreement required for an antitrust violation. Handshakes, winks, and nods may form the basis for an agreement. And courts may infer an agreement from conduct and other circumstances.

Even when the laws of a particular jurisdiction do not specifically condemn any of the activities described here, you must not engage in any of them unless you have obtained prior approval from IPO's legal department.

If you witness any such conduct in connection with IPO activity, please speak up immediately, insist that the discussion stop, and promptly inform IPO's legal department via legal@ipo.org or using the form at <https://ipo.org/index.php/whistleblower/>. Please also notify IPO's legal department if you suspect that any such activity may have occurred or is occurring during IPO events or activities, even if you did not witness it directly.

If you are concerned about being identified, or wish to report an issue anonymously, please use the form at <https://ipo.org/index.php/whistleblower/> (which allows you to make your report anonymously), rather than reporting the activity by email. Please note that a truly anonymous tip can make it more challenging for IPO to investigate the allegation, as it cannot contact you and, therefore, please ensure that the tip provide all relevant details about the activity. IPO has a zero-tolerance policy towards retaliation of any kind against whistleblowers who raise or report concerns.

Sensitive Conduct

The antitrust and competition laws do not proscribe all activities that restrain trade. Some activities are not presumptively harmful to competition and are instead judged in light of their surrounding circumstances. Activities like those listed here, or Sensitive Conduct, should be discussed with IPO counsel so that IPO counsel can suggest measures to eliminate or reduce any potential antitrust risks.

Information exchanges, benchmarking, and statistical reporting

Unlike the competitively sensitive information described above, it may be appropriate to discuss other information in certain circumstances. Benchmarking and statistical reporting, for example,

are commonly conducted by trade organizations and third party-reporting firms. But these activities are not free from antitrust risk.

Before engaging in any such information exchange, including benchmarking and statistical reporting, please consult IPO's law department so that it can determine whether participants should adopt additional safeguards to eliminate or reduce any antitrust risk. Measures that IPO's legal department may suggest include, but are not limited to:

- Confirming that the proposed exchange serves a legitimate purpose
- Determining that the scope of the proposed exchange is sufficiently tailored to accomplish this purpose
- Determining whether an independent third party should collect and disseminate relevant information rather than permitting the exchange to occur between IPO participants directly
- Proscribing the level of detail of information to be exchanged, including whether to aggregate or mask information
- Determining the temporal scope of information to be distributed, including preventing current or forward-looking information to be exchanged

Lobbying

Many forms of joint activity directed at governmental bodies, including administrative agencies, courts, and legislators, are permissible under the antitrust and competition laws. Before engaging with other companies in any such joint activity, please consult with IPO's legal department for guidance. To facilitate timely advice, please be prepared to describe the purpose of the proposed lobbying, the scope of information to be shared, and the intended audience. To be clear, this provision's applicability is limited to lobbying activities done under the umbrella of IPO or in connection with IPO activities.

Intellectual property rights

As an owner of intellectual property, you likely know that patents confer the right to exclude others from using the innovation claimed in the patent. This power to exclude amounts to a statutory monopoly that is limited to the scope of the patent and the life of the patent. Similarly, the owner of trademarks and trade secrets has, respectively, the exclusive right to using the mark to identify goods and services, and the right to prevent others from misappropriating information that is secret. Importantly, the power to exclude inherent in intellectual property rights does not automatically raise antitrust concerns and an owner of intellectual property rights may enforce them in a manner that does not create antitrust risk. But abuse of intellectual property rights, including certain related enforcement practices, may form the basis of an antitrust violation.

International jurisdictions differ in the scope of protection of intellectual property, including how they treat acquisitions, development, enforcement, and disposition of intellectual property rights. The abuse of intellectual property rights, however, including attempts to enforce an invalid

patent, can raise antitrust concerns. Please contact IPO's legal department for further guidance before discussing whether and how to enforce intellectual property rights during IPO-sponsored events or activities.

Communications with IPO and IPO Participants

IPO requires that each of its employees and IPO members and participants take great care in communicating—whether by e-mail, text, letter, presentation, or orally—in all activity involving IPO. Everyone has a responsibility to choose their words carefully, especially in any communication with other IPO participants. Avoid ambiguous or misleading language that could be misconstrued for anticompetitive activity.

Before sending any communication to IPO members that contains confidential, proprietary, or sensitive information, please send it first to IPO's legal department to make sure it is appropriate to be exchanged.

If you receive any inquiry from any governmental body or private party concerning IPO activities, please do not respond directly. Instead, please inform IPO's legal department immediately. IPO's legal department will manage all related and subsequent communications with any such governmental bodies or private parties.

Conclusion

IPO takes its obligations under the antitrust and competition laws seriously, and demands that all of its patrons do, too. Everyone has an obligation to avoid even the appearance of impropriety. After all, what we do today may be evaluated years from now when memories become fuzzier.

No policy can identify every circumstance that may raise antitrust risk (and this policy does not attempt to do so). The purpose of this Antitrust Compliance Policy is to alert you to activity in connection with IPO activities that may raise antitrust issues. Antitrust compliance is the responsibility of every IPO employee and every IPO member and patron.

Work with IPO's legal department so that they can help you steer clear of antitrust problems in connection with IPO activity. Together, we can ensure that IPO continues to be an association of upstanding intellectual property owners where legitimate business activities can flourish within the limits of the law.