



## Intellectual Property Management

Patents, Trademarks, Trade secrets, and  
Copyrights Policies

CONFIDENTIAL

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**Owner: Intellectual Property Task Force**

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# 1 Overview

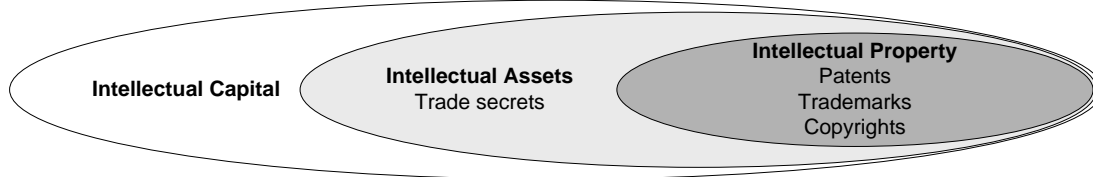
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## 1.1 INTRODUCTION

“Intellectual property” or “IP” for purposes of the policy refers to the legal protection of intangible rights in creative works and brands, copyright, trademark, trade secret, and patents.

## 1.2 VALUE

Intellectual capital consists of intellectual assets and intellectual property. Like tangible property, intellectual property can be bought, sold, rented, or leveraged in negotiation.



By distilling intellectual assets from intellectual capital and intellectual property from intellectual assets we will strengthen our ability to attract investors, command a fair valuation upon merger or sale, establish market advantage or generate new revenue by licensing assets.

## 1.3 PURPOSE

The objective of the policy is to ensure we identify, capture, and document Kount’s intellectual capital. The policy communicates management’s intent, objectives, and requirements.

## 1.4 SCOPE

This policy applies to Kount, its subsidiaries, and all its employees. It also extends to all business partners, customers, contractors, vendors, or outside entities with which Kount shares confidential information. The policy provides instruction for the management of the following types of intellectual property:

- Trademarks
- Patents
- Copyrights
- Trades Secrets

This policy does not contain “how-to” information, except that which is required to explain the scope of the policy. Actual “how-to” instructions appear in guidelines or other training material per intellectual property type.

# 2 Ownership

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## 2.1 INTERNAL

All intellectual capital that is developed using equipment, supplies, facilities, or trade secrets of Kount, results from work performed by employees of Kount, related to the Kount business or demonstrably anticipated research and development, will be the sole and exclusive property of Kount.

Additionally, any creative or copyrightable works prepared by an employee done within the scope of employment at Kount are "works made for hire" under the Copyright Act, and Kount will be considered the author and owner of such copyrightable works.

Lastly, employees will agree to transfer and assign to Kount all worldwide patents, patent applications, copyrights, mask works, trade secrets, and other intellectual property rights and all moral rights possessed in or with respect to any invention or works made for hire even after termination of work.

## **2.2 EXTERNAL**

All business partners, contractors, clients (vendors and affiliates), or outside entities with which Kount shares confidential information will not make any unlicensed or unauthorized use of or otherwise infringe or misappropriate any materials protected by any patent, copyright, trademark, trade secret, right of privacy, right of publicity or other intellectual capital, or proprietary right.

The use of Kount or its subsidiary's name, trademarks, service marks or any other intellectual capital in any manner whatsoever to suggest association or affiliation with or endorsement by Kount without the express prior written consent of Kount is prohibited.

Written consent can be granted, among other types of documentation, with a Trademark Licensing Agreement.

Potential infringement violations are reviewed internally to identify the need for pursuit on a case-by-case basis before engaging the services of legal counsel. If pursuit is recommended, we will consult with legal counsel before acting.

Pursuit strategy can involve any off the following actions:

- Send a demand letter from:
  - Kount
  - Legal counsel
- Domain name dispute to registrar
- Pursue legal action based on the advice of counsel including suing for cyberpiracy

Kount shall be and will remain the sole owner of all right, title and interest in and to Kount intellectual capital, materials or other properties owned, licensed, or controlled by Kount.

# **3 Agreements & Contracts**

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## **3.1 INTERNAL**

Human Resources will administer and enforce the following internal agreements:

- Employee Confidentiality Agreement
  - Employee Invention Assignment
    - Disclosure of inventions
    - Assignment of inventions
  - Confidentiality & Nondisclosure
  - Indemnification
  - Works Made for Hire

At the time of hire, Human Resources will require employees to review and sign the aforementioned agreements. Then, Human Resources will get the signed agreement fully executed and maintain a copy.

Upon termination of employment, Human Resources will remind the departing employee of their responsibility about the aforementioned agreements and Kount's intellectual property assets. Lastly, Human Resources will identify if they possess any intellectual property assets and ask that they be returned.

### **3.2 EXTERNAL**

It is the responsibility of the Kount representative establishing the relationship to enforce these standards.

Upon termination of the relationship, the Kount representative will remind the departing partner of their responsibility about the aforementioned agreements and Kount's intellectual property assets. Additionally, the Kount representative will identify if they possess any intellectual property assets and ask that they be returned.

#### **3.2.1 CLIENTS**

At the time with which an account is established with Kount or one of its subsidiaries, each client (vendors and affiliates) is required to read and agree to the following:

- Client contract or other appropriate services agreements

#### **3.2.2 BUSINESS PARTNERS**

All business partners, contractors or outside entities with which Kount shares confidential information are required to agree to terms and conditions encompassing the following:

- Confidentiality & Nondisclosure
- Invention Assignment
  - Disclosure of inventions
  - Assignment of inventions
- Indemnification
- Works Made for Hire

This is accomplished by ensuring existing proprietary business agreements contain such wording or by utilizing the following Kount's agreements:

- Partner Confidentiality Agreement
- Professional Service Agreement

This is required to ensure work product clearly resided with the company.

## **4 Policies**

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The following policies outline the highest-level instructions provided by management for handling intellectual capital and property.

## 4.1 TRADEMARKS

A trademark is a word, name, symbol or device which is used in trade to indicate the source of the goods or service and distinguish them from others.

### REQUIREMENTS

- Trade names and trademarks will be used properly. Proper use is required to maintain the mark's legal viability; therefore, preserving our legal right to ownership.
- The procedure for collecting, cataloging, and using trademarks will be documented
- Pertinent staff will be instructed annually on the procedures
- Only significant and innovative features will be marked
- We will protect our marks through proper use:
  - Choose distinctive or arbitrary marks
  - Marks should be written in all CAPS
  - Mark all trademarks with appropriate symbol "®" or "™"
  - Use a mark as an adjective
- All newly published materials will be reviewed for the proper use of trademark terms
- Taglines do not require registration because of their ever changing nature
- Foreign registration is determined on a case-by-case basis after an initial knockout search is complete.
- We will register all marks in North America
- Mark misuse by external parties is prohibited

## 4.2 COPYRIGHTS

A copyright is a form of protection provided to the author of an "original work" of authorship, such as code, websites, computer software, and or marketing materials, for an extended time period.

### REQUIREMENTS

- Kount will register all works of authorship
- Registration will occur with the online US Copyright Office
  - <http://www.copyright.gov/>
- Register able works include
  - Print or hard copy works
  - Electronic, including code, website, training materials, etc.
  - Video
- All materials or works must be marked in the following way:
  - Format
    - [Symbol] [Year] [Name] [Phrase]
  - Examples
    - ©2017 Kount Inc. All Rights Reserved.
    - ©2017 Kount Inc. All Rights Reserved.

## 4.3 PATENTS

A patent is the grant of a property right to the inventor excluding others from making, using, offering for sale, selling or "importing" the invention into the United States.

## REQUIREMENTS

- Clearly define Kount ownership position with innovations generated by employees
- Kount will review, understand, inventory and maintain patents
- Create an Opportunity Discovery Matrix describing potential patent use in future business endeavors
- Investigate potential infringement including detailed investigation of public ally accessible implementations
- Appropriately record and disclose potentially patentable ideas and concepts
- Consider the following for the future:
  - Implement processes and procedures that enhance our business advantage via innovation
    - Revenue sharing (employee compensation)
    - Management obligation (capture, record, and register)
  - Implement a valuation identification strategy
  - Identify opportunities for commercialization

## 4.4 TRADE SECRETS

A trade secret is information, including a formula, pattern, compilation, program device, method, technique, or process that derives economic value from not being generally known.

### REQUIREMENTS

- Trade secrets will contain information, typically of a technical and/or business nature
- They must derive economic value (actual or potential) as a result of being secret
- It cannot be generally known, either by the public or others in the industry
- Treat them as secrets and maintain their secrecy
- Trade secrets must be protected with the following for any employee or contractor:
  - Contracts containing confidentiality provisions
    - Non-disclosure agreement NDA
    - New hire
    - Exit interview
  - Procedures and Physical Measures
    - Storage
    - Video Surveillance
    - Limited Access
    - etc.
  - Notices and Training

# 5 Compliance

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## 5.1 FAILURE TO COMPLY

Kount expects that all those identified in the scope of the policy will always comply with this Intellectual Property Management Policy. Failure to adhere to or comply with this policy is grounds for discipline, up to and including termination, as well as potential civil and criminal liability.