



SECTION 10:

Intellectual Property & Data Protection

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A. SUMMARY

Carrier invests significant resources annually to develop new products and services, develop cutting edge technologies and manufacturing processes, develop and market its brands, and maintain competitively sensitive information and data in confidence. All of these critical assets include Carrier Intellectual Property which is entitled to a number of legal protections including Patents, Trade Secrets, Copyrights, Trademarks/Service Marks, and Proprietary Information, all of which Carrier invests in significantly to enhance competitiveness across its business portfolio. This Policy and referenced Procedures describe how Carrier protects its Intellectual Property and what is expected of its employees.

B. DEFINITIONS

All capitalized terms not defined in this policy are defined in [CPM 1: Governance and Definitions](#) including [Exhibit 1: Compliance Glossary](#)

Copyright means an exclusive legal right, given to an originator or an assignee to print, publish, perform, film, or record literary, artistic, or musical material, and to authorize others to do the same.

Domain Name means the address where Internet users can access a website.

Intellectual Property means creations of the mind, such as inventions, literary and artistic works, designs and symbols, names and images used in commerce, and product and services related data.

Intellectual Property Department means Carrier's VP, Chief IP Counsel and team, including attorneys, patent agents and paralegals.

Inventor means a Carrier employee who, when a patent application is filed, has contributed to at least one claim of the patent application.

Patent means a government authority or license conferring a right or title for a set period, especially the sole right to exclude others from making, using, or selling an Invention.

Patent Review Committee (PRC) means the committee(s) of lawyers, patent agents, engineers, fellows and business representatives that review submitted IDs for a determination of whether patent or trade secret protection should be sought.

Policy means this document and the applicable Procedures.

Procedures means the documents referred to in this Policy that describe in detail the processes and requirements associated with each Policy section.



Proprietary Information means information and data including financial, business, scientific, technical, economic and engineering information (e.g. formulae, patterns, compilations, programs, devices, methods, techniques, processes, drawings, Trade Secrets), manufacturing processes that are created, owned, controlled by or entrusted to Carrier, that are not generally known to competitors or others in the industry or the public, and that have independent commercial value or provide a competitive advantage to the Carrier.

Service Mark means a Trademark used to identify a service rather than a product.

Trademark means a symbol, word, or words legally registered or established by use as representing a company or product.

Trademark Usage Guidelines means guidelines issued by the marketing and legal department regarding how Carrier trademarks can be used.

Trade Name means official names under which companies do business, and they are used to identify companies, businesses, or partnerships, not goods or services

Trade Secret means information that can include a formula, pattern, compilation, program, device, method, technique or process, used in business that provides an opportunity for an economic advantage over competitors who do not know or use it.

C. POLICY

This Policy addresses all types of Carrier Intellectual Property and protections and references detailed Procedures, where applicable, describing the processes Carrier employees are required to follow. The Procedures, referenced at the end of this document, must be reviewed for comprehensive understanding of and full compliance with the Policy.

1. INTELLECTUAL PROPERTY

Inventions and Patents

Carrier employees are encouraged to submit invention disclosures (IDs), directed towards new products, product features, methods, services, technologies and ornamental product designs that could provide Carrier with a competitive advantage. All submitted inventions will be considered by the Patent Review Committee (PRC) based on their technical, business, and legal merit to determine whether or not it is appropriate to file a patent application to protect the invention.

All IDs shall be submitted via Carrier's electronic invention disclosure system. All submitted IDs shall be reviewed by the PRC, or representatives thereof, and a decision shall be made whether to protect the invention through patenting or maintaining the



invention as a Trade Secret. Final decisions on IDs shall be communicated to the Inventor(s). If approved for patenting, the inventor(s) shall work expeditiously with the patent draftsman to ensure timely filing of a patent application.

The PRC, or representatives thereof, also decides the importance of an ID and the Intellectual Property Department will accordingly decide on which countries patent protection will be sought, taking into consideration market coverage and cost of protection.

The Intellectual Property Department, in conjunction with relevant engineering representatives, shall prosecute patent applications diligently, responding in a timely fashion to all official actions or requests for response thereto.

The Intellectual Property Department, in conjunction with relevant engineering representatives, shall maintain patent ratings and other classifications to ensure proper management of the patent asset during its lifetime.

Decisions to maintain Patents shall be made on a regular basis by the Intellectual Property Department so that Carrier's Patent portfolio remains aligned with its current and future products and businesses and does not waste Carrier resources.

See **Inventions and Patents Procedure CPSW-10A** for further detail on how Inventions and Patents are handled within Carrier and expectations of its employees.

Inventor Compensation

Innovation is a key driver for sales and margin growth. Employee Inventors are significant contributors to Carrier's Intellectual Property portfolio, which helps protect that innovation. In recognition of these contributions, employee Inventors are eligible for several types of monetary awards depending on the protection approved by the PRC for the invention as follows:

- (i) Each employee Inventor of an invention that is approved to be filed as a patent application shall receive an award;
- (ii) Each employee Inventor of a patent application that issues as a patent, and that is implemented in a Carrier product, shall receive an additional award; and
- (iii) Each employee Inventor named on an invention or technology that is approved as a Trade Secret shall receive an award.

See **Inventor Compensation Procedure CPSW-10B** for further detail on how Inventor Compensation is managed and how employees qualify for it.



Trademarks, Service Marks, Trade Names and Domain Names Procedure

The Trademarks, Service Marks, Trade Names, and Domain Names of Carrier are valuable intangible business assets that identify and distinguish our products and services in the market from others and symbolize the reputation of Carrier. All Trademarks, Service Marks, Trade Names, and Domain Names of Carrier shall be approved, cleared and filed for registration, if applicable, before the Trademark, Service Mark, or Trade Name is used on goods, in advertising or in any other printed or electronic form. In addition, any use of Carrier's Trademarks by any party other than the owner of the Trademark, and use by Carrier of 3rd party Trademarks, shall be governed by this Policy.

All names and logos proposed to be used as Trademarks, Service Marks, and Domain Names must be approved by Carrier Marketing and the Intellectual Property Department.

Use of Carrier's Trademarks, Service Marks and Domain Names shall comply with Carrier's Trademark Usage Guidelines.

Trademarks and Service Marks shall have their status properly identified through the appropriate use of ®, ™, or SM designation, as applicable.

Use of 3rd party Trademarks in, for example, literature, websites, and presentations must be approved by Carrier's Marketing Department.

See **Trademarks Procedure CPSW-10C** for further detail on the Trademark submission process and on the proper use of Carrier and 3rd party Trademarks, Service Marks, Trade Names and Domain Names and the expectations of its employees regarding use.

Copyrights

Carrier Employees worldwide must comply with the laws that regulate the copying, distribution and use of Copyrighted Material. Carrier requires its employees and contractors throughout the world to fully comply with U.S. and foreign copyright laws. Those laws limit copying, distribution and use of Copyrighted Material. Unauthorized copying, distribution or use of such material is, therefore, prohibited.

Carrier employees and representatives should place a proper Copyright Notice on written or recorded materials created by or for Carrier, for which the exclusive right of sale or distribution is likely to provide a competitive advantage to Carrier.

Carrier employees shall obtain approval for use of 3rd party materials that are subject to Copyright protection including, but not limited to, documents, books and excerpts, brochures, photographs, websites, software and musical compositions, regardless of availability in the public domain, including on the internet.



See **Copyrights Procedure CPSW-10D** for further detail on how Carrier handles Copyrights and the expectations of its employees.

Software: Commercial and Open Source

The use of third-party software written by outside parties allows product development teams for Carrier's digital products and internal software applications to focus on those areas core to Carrier's businesses. However, there are risks associated with third-party software use. Improper use of third-party software, including commercial and Open Source Software (OSS), can present security risks, loss of rights to Carrier intellectual Property and also liability if licenses are not properly followed.

Each employee has the responsibility to ensure Carrier meets its obligations when integrating OSS and other third-party software with proprietary source code in Carrier products and internal software applications.

All software that includes OSS shall be scanned with an approved software tool, or other approved process, able to identify the OSS being used, including its level of licensing permissiveness, dependencies and required attributions.

3rd party software must not be used without prior legal approval.

The release of OSS developed or modified by Carrier presents the risk of unprotected exposure of Carrier Intellectual Property and breach of product integrity. All external releases of Carrier OSS (i.e. software developed or modified by Carrier and released as source code) must be approved by the VP, Chief IP Counsel or delegate thereof.

See **Software: Commercial and Open Source Procedure CPSW-10E** for further detail on how Carrier handles 3rd party software usage and expectations of its employees.

Transactions

Many agreements Carrier enters into include provisions that impact Carrier's Intellectual Property rights and liabilities, including, but not limited to indemnification, warranty, intellectual property ownership, licensing, proprietary information, and limitation of liability. Examples agreements include supply agreements, service agreements, and software licenses in addition to the more obvious IP licensing or sale agreements. To ensure there is no unintentional adverse impact on Carrier, the Carrier Intellectual Property Department should approve all agreements that affect Intellectual Property rights. Accordingly, if an agreement includes language addressing Intellectual Property, such as in the types of provisions listed above, that is not pre-approved by the Intellectual Property Department, the Carrier employee handling that agreement must submit the agreement to the Intellectual Property Department for review.



Product Development

Carrier uses the robust Passport process for gated product development. The Intellectual Property Department has a go/no-go approval vote for all programs in Passport. During product development and in accordance with the Passport process, the Intellectual Property Department shall be consulted with by the program manager to ensure that the program proceeds in a manner where all Carrier Intellectual Property is appropriately protected and all 3rd party intellectual property is appropriately reviewed to ensure Carrier's freedom to practice.

2. DATA PROTECTION

Proprietary Information

Carrier Proprietary Information are valuable assets that must be protected against improper use and unauthorized disclosure. Proprietary Information includes various classifications of data, i.e. Public, Internal, Confidential and Restricted, each of which are subject to different handling in accordance with this Policy. Similarly, 3rd party Proprietary Information that Carrier has access to must also be protected against inappropriate use and disclosure. Carrier's Code of Ethics requires that its employees protect both Carrier and 3rd party Proprietary Information. Each employee of Carrier has a duty to protect these assets, both tangible and intangible, against theft or loss resulting from unauthorized or inadvertent disclosure, including at a minimum, ensuring that:

- (i) Proprietary Information is appropriately marked;
- (ii) Proprietary Information is shared only on a need to know basis;
- (iii) Access to sensitive Carrier facilities by third parties is allowed only through an approved and monitored process;
- (iv) Carrier assets used by exiting employees are secured and such exiting employees are made aware of their continuing obligations to Carrier;
- (v) Appropriate steps are taken to protect Trade Secrets;
- (vi) Appropriate steps are taken to protect requested and unsolicited 3rd party Proprietary Information;
- (vii) Inadvertent disclosure of Proprietary Information is appropriately and, upon discovery, immediately reported; and
- (viii) The appropriate response to an inadvertent disclosure or breach of Proprietary Information or data is effectively and rapidly taken to mitigate risk and damage



See Proprietary Information Procedure CPSW-10F for further detail on how Proprietary Information is handled within Carrier including the different data classifications (see Exhibit A to CPSW-10F) and how those classifications drive that handling, and the expectations of Carrier employees.

Data Breach Incident Response Plan

This Data Breach Incident Response Plan (“DBIRP”) is established in compliance with this Policy, CPM 10 § (B) Data Protection and CPM 24 Personal Information, which require Carrier to maintain a response plan and procedure for data breaches. This DBIRP provides guidance on how to prepare for, respond to, and remediate a data breach Incident. CPM 10 and 24 require that all employees report Incidents and that Carrier and its business units be prepared to deploy “Incident Response Teams” having such skills and authority as are appropriate in light of the scope, severity and nature of the Incident.

See DBIRP Procedure CPSW-10G for specifics of the response plan and the associated employee responsibility.

D. OWNERSHIP & APPROVAL

Carrier’s VP, Chief IP Counsel is the owner of this Policy. All interpretations and changes to this Policy require prior approval of the owner. Contact the Intellectual Property Department for all questions regarding this Policy.

E. REFERENCES

All referenced CPM and CPSW can be retrieved from [ePolicy](#)

CPSW-10A: Inventions and Patents

CPSW-10B: Inventor Compensation

CPSW-10C: Trademarks, Service Marks, Trade Names and Domain Names

CPSW-10D: Copyrights

CPSW-10E: Software: Commercial and Open

CPSW-10F: Proprietary Information

CPSW-10G: DBIRP