

6. Steven J. Trzaska was the head of L'Oreal USA's regional patent team, managing the procedure by which the company patented products. As an attorney barred in Pennsylvania, Trzaska had to adhere to professional rules of conduct established by the Supreme Court of Pennsylvania in addition to rules promulgated by the US Patent and Trademark Office (USPTO). In 2014, L'Oreal S.A, the French parent of company of L'Oreal USA, enacted a global quota of patent applications each regional office had to file each year. Employees were informed that failure to meet the quota would negatively impact their careers and even their continued employment at L'Oreal. Meanwhile, L'Oreal USA simultaneously enacted a rule to increase the quality of patent applications filed with the USPTO. The second rule led to a decrease in number of patents that could be filed with the USPTO, Trzaska's team would not be able to fulfill the patent quota.

Faced with the problem, Trzaska informed management that his team would not file patents that they did not believe in good faith were patentable. Several weeks after Trzaska's meeting with the management, he was offered two severance packages that he did not accept. Finally, Trzaska was let go.

Page 33

Trzaska subsequently sued L'Oreal, alleging that he was fired for his refusal to violate ethical rules that regulate the legal profession. Which stakeholders did Trzaska and the management of L'Oreal cater to? Referring back to Exhibit 2-5, what values did L'Oreal's management choose when they made the decision to fire Trzaska?

[Trzaska v. L'OREAL USA, INC., 865 F. 3d 155 (2017)]

7. In 2015, the public discovered Volkswagen using a defeat device to cheat emissions tests for nearly 600,000 diesel-injected vehicles. Without the defeat device, Volkswagen's relevant diesel engine vehicles would not have earned EPA Certificates of Conformity. Implicated in the scandal was Bosch, a parts supplier that allegedly developed and manufactured the defeat devices used to illegally pass the emissions test. Bosch also hid knowledge of the defeat device.

This Only an Example of WH Framework

EXAMPLE: WH FRAMEWORK

STEP ONE - BUILD THE FAMEWORK CHART

| WHO - (STAKEHOLDERS): | EXAMPLE |
|-----------------------|---|
| CONSUMERS | RETAIL CONSUMERS, BEAUTY SUPPLY COMPANIES |
| OWNERS OR INVESTORS | STOCKHOLDERS: INDIVIDUAL & INSTITUTIONAL INVESTORS |
| MANAGEMENT | L'OREAL USA |
| EMPLOYEES | TRASKA, HIS TEAM, MANAGEMENT |
| COMMUNITY | THE GENERAL COMMUNITY WERE L'OREAL OPERATES, COUNTRIES, STATES , CITIES |
| FUTURE GENERATIONS | CONSUMERS, SALON OWNER, RETAILER'S CHILDREN AND FAMILIES |

| HOW (GUIDELINES) | |
|-------------------|--|
| PUBLIC DISCLOSURE | DID L'OREAL'S MANAGEMENT USE PUBLIC DISCLOSURE IN THEIR DECISION MAKING PROCES, DID TRZASKA? IF SO HOW AND WHY WAS THIS GUIDLINE UTILIZED? |
| UNIVERSALIZATION | DID TRZAYSKA CONSIDER UNIVERALIZATION WHEN INITIATING THE LAWSUIT AGAINST L'OREAL? IF SO, HOW AND WHY DID THIS MATTER IN REGARD TO THE CASE? |
| GOLDEN RULE | WAS THE GOLDEN RULE ADDRESSED AT ALL BY ANYONE IN THIS CASE? |

STEP TWO - INCORPORATE VALUES INTO YOUR ASSIGNMENT

| VALUES | |
|------------|---|
| FREEDOM | DID L' OREAL'S MANAGEMENT CONSIDER FREEDOM WHEN FIRING TRASKA? |
| SECURITY | HOW DID THE VALUE OF SECURITY RELATE TO THE DECISIONS MADE BY L'OREAL'S MANAGEMENT AND OR TRZAYSKA? |
| JUSTICE | WAS THE VALUE OF JUSTICE CONSIDERED BY TRZASKA? WAS THIS VALUE CONSIDERED BY L'OREAL'S MANAGEMENT |
| EFFECIENCY | DID MANAGEMENT CONSIDER EFFECIENCY WHEN FIRING TRZAYSKA OR, DID TRZAYAKA USE THIS VALUE IN HIS LAWSUIT? |

Value

Alternative Meanings

Freedom

1. To act without restriction from rules imposed by others
2. To possess the capacity or resources to act as one wishes
3. To escape the cares and demands of this world entirely

Security

1. To possess a large-enough supply of goods and services to meet basic needs
2. To be safe from those wishing to interfere with your property rights
3. To achieve the psychological condition of self-confidence to such an extent that risks are welcome

Justice

1. To receive the products of your labor
2. To treat all humans identically, regardless of race, class, gender, age, and sexual preference
3. To provide resources in proportion to need
4. To possess anything that someone else is willing to grant you

Efficiency

1. To maximize the amount of wealth in society
2. To get the most from a particular output
3. To minimize costs

For instance, a manager might be deciding whether to fire an employee whose performance is less than impressive. In making this decision, the manager explores alternative visions of key values such as justice and efficiency and then makes choices about which action to take. Values and their alternative meanings are often

must meet the following primary criteria:

- The decisions affect particular groups of stakeholders in the firm. The pertinent question is thus, *Whom* would this decision affect?
- The decisions must meet the standards of action-oriented business behavior. Managers need a doable set of guidelines for *How* to make ethical decisions.

The remainder of this chapter explains and illustrates this framework. See


 [Exhibit 2-2](#) for a summary of the key WH elements.

Exhibit 2-2 The WH Process of Ethical Decision Making

1. W—WHO (Stakeholders):

Consumers

Owners or investors

Management

Employees

Community

Future generations

2. H—HOW (Guidelines):

Public disclosure

Universalization

Golden Rule