



FOR INFORMATION

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TO: Members of the University Affairs Board

SPONSOR: Scott Mabury, Vice President, University Operations

PRESENTER: Anne Macdonald

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DATE: May 12, 2015 for May 26, 2015

AGENDA ITEM: 4

ITEM IDENTIFICATION:

Annual Report on the *Code of Conduct for Trademark Licensees*

JURISDICTIONAL INFORMATION:

The University Affairs Board's areas of responsibility include use of the University of Toronto name. The Board is responsible for policy of a non-academic nature for matters within its areas of responsibility. The *University of Toronto Trademark Licensing Policy* charges the Board with receiving annual reports on the operation of and issues connected with the trademark licensing program.

PREVIOUS ACTION TAKEN:

The Annual Report on Trademark Licensing 2013 -14 was received by the Board at its May 27, 2014 meeting.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

No direct implications.

RECOMMENDATION:

For information.



Annual Trademark Licensing Report



UNIVERSITY OF
TORONTO

University Affairs Board
Governing Council - University of Toronto
Tuesday, May 26, 2015

Submitted by:
Scott Mabury,
Vice President, University Operations

Anne Macdonald,
Director, Ancillary Services



Introduction

Each year many products are produced that bear the name or official marks of the University of Toronto, or its divisions. These products include clothing sold at the University of Toronto Bookstore, promotional items ordered by campus student groups, recognition gifts and sport team uniforms as well as a small amount of merchandise sold at off campus retailers.

It is the responsibility of the University to ensure that these products are produced in conditions consistent with the University's mission and values. The University of Toronto has committed to this by passing the Trademark Licensing policy in May 2000, and by developing the Code of Conduct that supports this policy. This annual report reviews the operation of and issues associated with the University of Toronto's Trademark Licensing Program, which is administered within the guidelines of the Code of Conduct.

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The work of the office includes:

- *Ensuring that suppliers of University of Toronto merchandise are licensed and have signed the University's Code of Conduct*
- *Reviewing and approving artwork for merchandise*
- *Working with University departments and student groups to fulfill special requests for merchandise for events or programs*
- *Working to expand and enhance the selection of University of Toronto merchandise available for sale, both in our Bookstore and in off campus retailers*
- *Promoting school spirit through special events*
- *Following up on improper use of the University's marks*
- *Maintaining good relationships with labour monitoring organizations, who evaluate workplace compliance with University codes of conduct*
- *Engaging with licensees when workplace issues are identified*

The Trademark Licensing Office

The Trademark Licensing Office is a self-funded unit within the department of Ancillary Services, reporting to the Director of Ancillary Services. Day-to-day management of the program is through the department's Trademark Licensing Coordinator, with administrative support provided by an external licensing agent, Learfield Licensing Partners.

Over the years, the work of the Trademark Licensing office has established the University of Toronto as a leader in collegiate licensing in Canada, and this influence has helped other Canadian schools create and refine programs of their own. Our influence (along with that of other North American schools) and work with recognised labour rights NGOs has also helped encourage positive changes to workplaces in developing countries. Given that collegiate licensing production is responsible for a miniscule fraction of the production in the apparel industry as a whole, this is clearly impact that goes far beyond buying power.

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Licensing Agent

The University contracts with a third party licensing agent to undertake all of the administrative work associated with all of our licensees, including contracting, verifying insurance requirements, and collecting manufacturing information and royalty payments.

Our licensing agent also assists the Trademark Licensing office by recommending new licensees or retail opportunities (both on and off campus), providing advice on best practices in collegiate licensing and in monitoring the performance of individual licensees.

In the fall of 2014, the University's licensing agent, Strategic Marketing Affiliates (SMA) was purchased by a larger firm, Learfield Communications, Inc. and our contract with SMA thus transferred to a newly created entity called Learfield Licensing Partners. The transition to the new firm was seamless. One of the benefits of dealing with a slightly larger firm is the depth of experience that the company has in navigating the complex issues related to collegiate codes of conduct and their application in the global supply chain.

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Factory Monitoring



While the University collects information pertaining to factory locations and code compliance, it utilizes internationally recognised external monitoring organizations to conduct or direct factory inspections which evaluate workplace compliance with University codes of conduct. The University of Toronto is affiliated with both the Worker Rights Consortium (WRC) and the Fair Labor Association (FLA); organizations which conduct numerous factory assessments around the world on behalf of North American universities and colleges. These organizations are also engaged in work to encourage systemic change in the global supply chain.

Specific information about the WRC and FLA, as well as individual assessments and reports, can be found on their respective websites:

www.workersrights.org

www.fairlabor.org

The University regularly attends meetings of these organizations, and engages with them to seek advice when issues arise.

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Issues and regions of concern for 2014-15

Wage rates in Bangladesh have made it an extremely attractive destination for global apparel sourcing. Unfortunately, building and fire codes in the country are poorly enforced and many factories operate under dangerous and potentially life-threatening conditions.

Bangladesh was the site of several horrific apparel factory tragedies in 2012 and 2013, including the Rana Plaza building collapse, in which over 1,100 people died. It is considered the deadliest garment-factory accident in history, as well as the deadliest accidental structural failure in modern human history.

These disasters spurred various initiatives to improve working conditions in the country, created and supported by different stakeholders. The Bangladesh Accord has emerged as a particularly meaningful and rigorous initiative which has involved local and international apparel sector unions, NGOs, and international companies with manufacturing operations in the country.

The University of Toronto has made the decision to support the work of the Accord by requiring its licensees who source, purchase or manufacture apparel in Bangladesh to become signatories of the Accord. The date of implementation will be July 1, 2015, when most of our licensees renew their license agreements. Notice has already been sent to licensees of this new requirement.

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Retail Activities

In 2014-15 approximately \$3.7 million of retail product was sold by the U of T Bookstore, generating licensing revenue of approximately \$160,000. Retail licensees produce merchandise that is sold to the U of T Bookstores (licensing fees applicable) whereas promotional licensees produce products for non-retail activities which are sold to divisions of the University (licensing fees not applicable).

The Bookstore added a new 'shop-in-shop' model with two of its largest brands: Roots and Adidas. They both have dedicated space in the store that is fully branded and offers a unique shopping experience. Also, a Signature Collection was added to highlight the official University and Athletic brands and colours. Only merchandise with official marks, in the official school colours will be showcased in this section. There is also signage which explains our crest's history and meaning.

We have continued our pursuit of off campus retail opportunities to further the visibility of the University brand. Our products will continue to be sold at Bed Bath and Beyond and Pearson International Airport. A new addition this year is a collaboration with PINK! by Victoria's Secret. Their American retail stores offer a small line of collegiate clothing and they have developed a line to showcase the University and Athletic brands/ name. A small assortment of products was tested in Eaton Centre last fall and a larger, more comprehensive mix will be offered in the Eaton Centre and Yorkdale locations in Fall 2015.

Off campus merchandise sales generated licensing revenue of approximately \$2300 in 2014-15. Off campus merchandise is procured through University licensees and is therefore subject to the University's Trademark Licensing policy and code of conduct.



Highlights of 2014-2015

- Developed guidelines for University student groups with respect to their use of official University marks. All groups that oversee a body of students (ex. Student Law Association) will be able to use their respective departmental mark as long as they use a licensed supplier and receive approval from the department. As a result, we have seen an increase number of student groups going through the correct channels to procure their merchandise.
- Development of co-branded merchandise with PINK! by Victoria's Secret to be sold in Fall 2015
- Provided a contribution of \$20,000 to the Student Initiative Fund and will participate in the committee that distributes the funds
- Bangladesh Accord decision and announcement

Goals for 2015-2016

- Implementation of Bangladesh Accord requirement with licensees
- Campus Education initiative: helping departments and student groups understand the Trademark Licensing Program, its goals, and the way in which collegiate involvement in fair labour advocacy can impact factory working conditions
- Finalise multi-year strategic plan

New 'shop-in-shop' and Signature Collection at U of T Bookstore

