



## Division of University Advancement University of Toronto

2006/2007 Annual Trademark Licensing Report  
for University Affairs Board of the Governing Council

submitted by:  
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Each year many products are produced that bear the name or official marks of the University of Toronto, or its constituent parts. These products include: clothing sold at the University of Toronto Bookstore; promotional items ordered by campus student groups; recognition gifts; and sport team uniforms.

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 of 2000, and developing the Code of Conduct that supports this policy. This is the seventh annual report on the operation of, and issues associated with, the University of Toronto trademark licensing program.

The report is presented in two parts:

- The first part is a summary of the administration and implementation of the Trademark Licensing Policy and Code of Conduct
- The second part addresses the larger global issues of ethical production of products and, in particular the issues of verification methodologies and monitoring organizations.

### Administration

The administration that supports the Trademark Licensing Policy and the Code of Conduct has become an effectively managed system based on accountability and transparency.

- Potential licensees must apply for licensee status having read and acknowledged the Trademark Policy and the Code of Conduct. (**Informed participation**)
- Trademark licensees utilize online artwork approval forms in order to request permission to use specific trademarks. In doing so they also trigger the internal accountability process. (**Initiate product accountability**)
- Upon delivery of the branded products the licensee submits sourcing information and factory disclosure data. (**Factory disclosure to UofT**)

- This information is publicly accessible on the university's trademark licensing website  
[http://www.trademarks.utoronto.ca/products/retail\\_list.html](http://www.trademarks.utoronto.ca/products/retail_list.html) (**public disclosure**)
- A list of all retail apparel licensees is sent to both the Fair Labor Association and the Worker's Rights Consortium for inclusion on their websites (**collaboration with Monitoring Agencies**)
- The WRC and FLA monitor the factory conditions of select manufacturers based on complaints, allegations or international labour trends. (**monitoring**)
- The WRC and FLA provide regular feedback to North American Universities with respect to individual cases (**compliance reporting**)

There are currently 85 licensees of which 34 are retail and 51 are promotional. Retail licensees produce merchandise that is sold through the University of Toronto Bookstores, whereas promotional licensees produce products for non-retail activities. In 2006 approximately \$2.2 million dollars of retail products were sold by the Bookstore, generating licensing revenue of approximately \$108,000.

During 2006 / 2007 several meetings were held with the Faculty of Physical Education and Health in order to address the challenges of sourcing team uniforms from licensed suppliers. With the assistance of Dean Bruce Kidd, we have initiated the development of a one stop ordering and accountability system. This single step process should greatly improve the current ratio of licensed suppliers to non-licensed suppliers.

### **National and Global Concerns / Issues**

In 2004 the University of Toronto affiliated with both the Fair Labor Association and the Worker's Rights Consortium. Since then the University of Toronto has worked closely with both the FLA and WRC on an agreement to simultaneously collect factory disclosure information for both organizations and other Canadian universities that have developed Codes of Conduct. This initiative (the National Factory Disclosure Initiative) was put on hold temporarily in order to assess the impact of other proposals currently under review by the WRC, specifically the designated supplier program (DSP)

The Designated Supplier Program is a proposal brought forward by the WRC. Its goal is to increase the effectiveness and impact of corporate social responsibility (CSR) of North American Universities, their licensees and ultimately the factories which produce collegiate apparel. The goals of the program are laudable as is the work that has gone into the proposal to date.

Many universities across North America have been reviewing the proposal and at present no consensus has been achieved on the issues pertaining to this initiative. Several universities have expressed their support of the proposal and recommended participating in some sort of trial period, other schools have taken a wait and see approach, while some have stated outwardly that they are not interested.

The University of Toronto has reviewed the existing documentation and attended various meetings with respect to the DSP in order to better understand the proposal and its

implications. The University of Toronto has engaged the WRC, members of the DSP implementation committee and many licensees in dialogue about the viability of the DSP proposal. UofT has also engaged in significant consultation with sister institutions who have similarly complex licensing programs.

The findings suggest that the proposal is in its infancy in terms of development, and lacks the details necessary in order to be considered as a viable solution to the major monitoring challenges faced by the WRC. While much work has been done to date, there are fundamental issues which have been brought forward to the WRC but remain unaddressed. Without the answers to these fundamental questions it would be inappropriate for the University of Toronto to commit to participation or implementation.

In March 07 staff of the University of Toronto met with members of both the WRC and the FLA in Washington to re-initiate the deployment of the National Factory Disclosure Initiative. This initiative lead by the University of Toronto will collect factory disclosure information from licensed suppliers from numerous Canadian universities. Although the FLA and WRC have experienced significant disagreement over several issue-based situations they have none-the-less agreed to pursue this initiative collaboratively. Currently beta testing is underway to assess the effectiveness of the survey tool which will collect factory disclosure information from licensees of Canadian universities. This testing will take approximately two months and will be followed by a trial period of one year wherein universities will be able to fine tune the administration of this system. This Canadian initiative is being followed closely by several US universities facing similar challenges.

The University of Toronto continues to provide leadership to other Universities and Colleges throughout North America, and around the world on the issue of ethical production standards.

- In February Kyle Winters, Executive Director of University Advancement Partnerships presented workshops in both Hong Kong and London illustrating the business practices used to deploy the various revenue generating activities at UofT. An important component of these presentations was the ethical manufacturing practices which make up the backbone of our licensing program.
- The University of Toronto has been active at numerous meetings across the country and advised other universities and colleges on issues pertaining to ethical manufacturing
- In January 2007 Mr. Winters met with administrators from Oxford University to discuss retail merchandising and to explore potential for future collaboration.

The University of Toronto continues to strengthen its position in respect to labour practices pertaining to licensed products. The evolution of this important pursuit is progressing with the support of like-minded institutions and suppliers.

This report is respectfully submitted for your consideration.