



UNIVERSITY OF
TORONTO

2007 / 2008
Annual Trademark
Licensing Report

University Affairs Board
Governing Council – University of Toronto

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2007 / 2008 Annual Trademark



UofT Jacket sold online by the UofT Bookstore

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.

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 eighth annual report on the operation of, and issues associated with, the University of Toronto trademark licensing program.

The report is presented in three parts:

- The first part is a summary of the administration and implementation of the Trademark Licensing Policy and Code of Conduct
- The second part is a report on a recent fact finding mission to south-east Asia where staff responsible for the administration of trademark licensing programs at five leading North American universities saw first-hand the effects that Codes of Conduct are having on the lives of workers who produce university apparel. The University of Toronto participated in this event with Duke University, Georgetown University, University of Iowa, and the University of Wisconsin –which was organized by the Worker's Rights Consortium.
- The third part expands on the issues identified in the fact finding report and discusses larger global issues which are relevant to universities and other organizations affiliated with international monitoring organizations.



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Administration

UofT Blanket purchased for promotional purposes

The administration that supports the Trademark Licensing Policy and the Code of Conduct has become an effectively managed system based on accountability and transparency. In its eighth year, little has changed in terms of administrative process. The chart below illustrates the processes, principles and deliverables associated with current administration.

Process	Principle	Deliverable
Potential licensees must apply for licensee status having read and acknowledged the Trademark Licensing Policy and the Code of Conduct.	Informed participation	Currently there are 37 retail licensees and 67 promotional licensees
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	Over 350 individual artwork approval forms have been received in 2007/ 2008
Upon delivery of the branded products the licensee submits sourcing information and factory disclosure data.	Factory disclosure to UofT	Factory disclosure reports have been received from over 90% of delivered product.
This information is publicly accessible on the university's trademark licensing website http://www.trademarks.utoronto.ca/products/retail_list.html	Public disclosure	This information is updated quarterly.
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 information is available on an ongoing basis through the website
The WRC and FLA monitor the factory conditions of select manufacturers based on complaints, allegations or international labour trends	Ongoing monitoring	Ongoing monitoring reports are located on both the WRC and FLA websites
The WRC and FLA provide regular feedback to North American Universities with respect to individual cases	Compliance reporting	Regular reports have now been scheduled by both the WRC and FLA

Fast Facts

- Retail licensees produce merchandise that is sold through the University of Toronto Bookstores, whereas promotional licensees produce products for non-retail activities.
- In 2007 approximately \$2.36 million dollars of retail products were sold by the Bookstore, generating licensing revenue of approximately \$108,000.



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**Fact Finding Mission
Thailand / Cambodia**



Workers at the PCCS Factory in Phnom Penh, Cambodia / UofT's Kyle Winters (second from left) meeting with PCCS Factory Management Team and Scott Nova, Executive Director of the Worker's Rights Consortium

In May 08 the University of Toronto participated in a fact finding mission organized by the Worker's Rights Consortium (WRC) to south-east Asia to better understand the working conditions of labourers who produce products that are ultimately sold by North American universities. Kyle Winters, Executive Director of Advancement Partnerships joined administrators and faculty from Georgetown University, Duke University, University of Iowa and University of Wisconsin for an intensive series of meetings with Industry Leaders, Non-Governmental Organizations, Labour Leaders, Human Rights Organizations and Factory Workers. These meetings took place in factories, in labour resource centres, in public markets and in the homes of workers. The purpose of the mission was to establish an understanding of the existing labour conditions as it pertains to university Codes of Conduct.

Site visits with management and confidential meetings with workers of the PCCS Garment Factory in Phnom Penh, Cambodia revealed a best in class factory which has implemented several changes since an investigation conducted by the WRC in 2003. The University of Toronto sells products produced at the PCCS Garment Factory under the Jansport Brand. While the conditions in the factory meet the current UofT Code of Conduct it is encouraging to note that local and international NGOs continue to lobby for additional improvements which will better the lives of factory workers.

Itinerary of the Fact Finding Mission (provided by the WRC to participating universities)

Organization	Issues Associated with Organization
NGO visit: Friends of Women Foundation (FOW)	FOW is a large NGO working on issues of women's rights in Thailand. The organization has a Women Workers' Program that supports advocacy and training efforts for women workers, including workers in the garment industry. FOW's work on labor issues began in the late 1980s. In the early 1990s FOW was one of the driving forces pressing for laws to establish social security and universal maternity leave in Thailand. Over the last decade, FOW has worked to assist workers in establishing their own savings groups (i.e. credit organizations), and has assisted new worker advocacy efforts in Northern Thailand, an area where few labor rights organizations exist. A representative of FOW provided a general overview of the organization's work as well as key issues facing women workers in Thailand.
Factory visit: Thai Garment Export – Factory Tour and Management Meeting	<p>Thai Garment Export (TGE) is supplier of collegiate apparel that was the subject of a WRC investigation and remediation effort in 2006 and 2007. The factory is owned by a Hong Kong-based multinational garment conglomerate known as the TAL group. TGE employs roughly 3,000 workers. The factory is currently disclosed as a supplier of logo apparel by licensees Ashworth, Cutter & Buck, and Nike and has also been disclosed in the past by licensees Tommy Hilfiger Golf, Louisville Golf, and Dodger.</p> <p>The WRC initiated the assessment of TGE in response to complaints received from employees in 2006. The assessment identified serious violations in the areas of women's rights, including failure to provide safe accommodations for pregnant workers, and freedom of association. The factory agreed to implement the WRC's recommended remediation steps, resulting in significant improvements. In the area of freedom of association, the factory reinstated a group of workers unlawfully terminated for their efforts to form a trade union at the facility and ceased harassment and intimidation of union supporters. Factory management subsequently commenced good faith negotiations with worker representatives over a variety of workplace issues. In the area of women's rights, management has taken measures to ensure that pregnant workers are provided with proper accommodations to protect their health and safety. A full report on findings, recommendations, and the status of remediation can be found on the WRC's website at: http://www.workersrights.org/Freports/Thai_Garment_Export_Report_12-21-07.pdf</p>
Factory Tour and management Meeting: USG	Universal Sporting Goods is disclosed as a supplier of logo product by licensees Nike and K2 Licensed Products. The factory manufactures footballs, basketballs, and other sports equipment. Universal Sporting Goods is owned by a Taiwanese company that also operates a production facility in China. The WRC has not conducted an assessment of this factory.
Meeting with USG workers	Workers from Universal Sporting Goods spoke about conditions at their factory, including topics like overtime, maternity leave, quotas and ventilation concerns.
Dinner and meeting with former Lian Thai workers.	<p>Lian Thai was the subject of a WRC assessment in 2004. The factory produced collegiate products for Lee Sports and Champion. The factory was also a supplier of non-collegiate goods to Nike, Puma and Columbia Sportswear. Following the WRC's investigation, the factory made significant improvements, distinguishing itself as a leader in the Thai garment industry in terms of labor compliance. Most notably, factory management focused significant investment of time and resources toward improving health and safety in the workplace (including significant improvements in the area of ergonomics, something very unusual in the industry), establishing an inclusive and non-discriminatory workplace, and by ceasing anti-union actions and developing a positive relationship with the union representing employees. Lian Thai was among the five factories cited in the DSP as facilities that would be prioritized for inclusion in the program because they had been the site of significant improvements as a result of university code enforcement work.</p> <p>In April of 2007, Lian Thai closed due to lack of orders. The factory employed many workers in their 40s, who were too old to find new employment at other garment factories. One such worker, Ms. Prakorb, has since opened a small restaurant. University representatives met for dinner with Ms. Prakorb, who was the president of the union at Lian Thai, and several other former workers at a roadside eatery.</p> <p>The WRC's full report on the factory assessment can be found here: http://www.workersrights.org/freports/Lian_Thai_Report.pdf A briefer update, which discusses the difficulties encountered by Lian Thai after it invested in improved working conditions, can be found here: http://www.workersrights.org/freports/Update_Feb2006.asp#LianThai</p>
Meeting with Thai Garment Export Workers	Please see above for general background on this factory. Workers from Thai Garment Export spoke about conditions at their factory and their experiences during the WRC's investigation of their workplace.

NGO visit: Thai Center for Labor Rights (TCLR)	The TCLR has two main areas of work: 1) lobbying for legal reforms to increase protections for worker rights, and 2) providing organizational support and advocacy assistance to Thai labor unions, including independent unions operating in the garment sector. The organization spoke about its work with local unions and efforts to improve government policies on labor rights.
NGO visit: The Council of Work- and Environment-Related Patients' Network of Thailand (WEPT)	<p>WEPT is an NGO addressing issues of occupational health and safety in Thai workplaces. The organization assists workers suffering from occupational illnesses in securing their legal rights, provides occupational health and safety training for workers, and is lobbying for the establishment of an independent occupational health and safety (OHS) institute in Thailand.</p> <p>WEPT was established in 1994 by former textile worker Sombun Srikhamdokkae, who suffers from an occupational disease known as byssiniosis. Sombun's work has been widely recognized for the important role it has played in bringing OHS concerns to the attention of the Thai public. In 2004, she was awarded the "Outstanding Worker of the Year" award by the Thai Ministry of Labor. She was also one of 1,000 women to be jointly nominated for the Nobel Peace Prize in 2005. Sombun has been a member of several WRC Assessment Teams.</p>
Visit to a workers' dormitory	Delegates were provided an opportunity to see the living environment of some Thai apparel workers.
Dinner and discussion with workers from the Double Star factory	<p>Double Star is a producer of towels and bed sheets and also performs embroidery and screen printing. Until mid-2005, the factory was disclosed as a producer of collegiate logo golf towels for the licensee Team Effort through a licensing arrangement with another company known as McArthur Sportswear.</p> <p>The WRC began an initial assessment of the Double Star factory in November of 2004, in response to a worker complaint. The assessment identified serious code of conduct violations in the areas of freedom of association, wages and hours of work, and occupational health and safety. Findings included anti-union discrimination and the denial of benefits to workers who chose to associate with a trade union; the payment of sub-minimum wages to workers contracted through an outside employment agency; regular forced overtime; and health and safety concerns including the use of industrial waste water in the factory's restroom facilities and an unusually high rate of workplace injuries.</p> <p>Remediation at Double Star has been difficult since the licensee's departure from the factory, but the WRC has remained in contact with Double Star workers and continues to consider ways that the factory can be pressed to respect worker rights. Double Star is an unfortunate example of the challenges that licensee sourcing practices can pose to code compliance efforts.</p> <p>For further information, please see the WRC's December 2006 update on Double Star, available here: http://www.workersrights.org/Freports/Update_Dec2006.asp#Doublestar</p>
Meeting with workers from New Wide Garment at a worker's home	<p>New Wide Garment was the subject of a WRC assessment in 2007 and 2008. Follow-up monitoring and remediation is ongoing at present. The factory is part of the Taiwan-based multinational textile and garment conglomerate New Wide Group. New Wide Garment began operations in Cambodia in July 2006 and employs between 1,100 and 1,400 workers. More than 90% of the workforce is female. The factory is disclosed as a supplier of Williamson-Dickie brand employee uniforms purchased by the City of Los Angeles (the WRC is working with the City on a pilot basis to assist in enforcing its Sweat-Free Procurement Ordinance). New Wide also produces for licensee Holloway Sportswear, and in the midst of the assessment in January 2008, Holloway began disclosing the factory as a supplier of collegiate logo product.</p> <p>The assessment identified a number of serious labor rights violations in the areas of freedom of association, women's rights, wages and benefits, and occupational health and safety. Significant progress has been achieved. In late February 2008, the factory agreed to reinstate a worker representative who had been terminated in retaliation for her efforts to organize a union and bring grievances to management. Other improvements include the correction of a pattern of pregnancy discrimination, which included providing compensation to worker who was terminated because she was pregnant, and the elimination of restrictions on worker access to toilets and the factory's health clinic. However, a number of violations remain outstanding, including the factory's inappropriate use of short-term contracts for all employees.</p> <p>Delegates met at the home of Ms. Nguon Pov, the worker representative who was illegally terminated and recently reinstated.</p> <p>For more information, the WRC's report on New Wide is available at http://www.workersrights.org/Freports/New_Wide_Garment_Report_3-6-08.pdf.</p>
Home meeting with workers from Top Clothes	Top Clothes is disclosed as a supplier of logo product by licensee Jones & Mitchell. The WRC has not conducted an assessment of this factory. The meeting took place at a dormitory where many Top Clothes workers live.
Factory visit: PCCS	PCCS Garment was the subject of a WRC assessment in 2006 and 2007. The factory made

<p>Garment</p>	<p>substantial improvements and has since established itself as a standout among Cambodian garment factories in terms of labor rights compliance. <u>It is a factory producing products which are sold by the University of Toronto under the Jansport brand.</u></p> <p>The factory produces apparel for adidas, Gap, and Puma among others. It has been disclosed as a supplier of collegiate logo product by VF, although it has actually never produced for VF. With roughly 6,000 employees, PCCS is one of the largest employers in Cambodia. The factory is part of a Malaysian garment manufacturing conglomerate known as PCCS Group Berhad.</p> <p>The WRC initiated the assessment of PCCS Garment in response to worker complaints alleging violations in the area of occupational health and safety, as well as the excessive use of short-term labor contracts. On this latter issue, the WRC investigation found that PCCS Garment had begun in 2003 to hire all new production employees on temporary contracts of two or three months' duration. Upon expiration of the contracts, workers were instructed to take leave from the factory for several days, and upon their return, were issued new short-term contracts along with new employee identification numbers. This practice, which amounts to the misclassification of large numbers of permanent production employees as short-term contract laborers, has the effect of denying these workers many of the rights and benefits to which they are entitled under Cambodian law and university codes of conduct. Such misuse of contract labor arrangements is becoming increasingly common in many apparel-exporting countries and is of particular concern to labor rights monitors. The assessment also identified violations in the areas of health and safety, harassment and abuse, and legally-mandated benefits.</p> <p>PCCS Garment has made substantial progress in each of these areas. Most notably, on the issue of short-term contracts, the factory agreed to cease the practice of using these temporary contracts for permanent production workers. The factory has since converted the majority of short-term contracts to regular employment contracts, which has resulted in meaningful improvements in wages, benefits, and employment security for the roughly 1,000 workers who had been misclassified as contract laborers. PCCS Garment is one of the only factories in Cambodia that has made such a commitment to curb the misuse of short-term contracts. The factory has also made significant improvements on the issues of health and safety identified by the assessment and has taken steps to curb verbal abuse by supervisors.</p> <p>For more information, the WRC's report on PCCS Garment is available here: http://www.workersrights.org/Freports/PCCS_Garment_Report_1-15-08.pdf</p>
<p>Meeting with ILO's Better Factories Cambodia</p>	<p>Better Factories Cambodia is the name of the International Labor Organization (ILO) program of garment factory monitoring in Cambodia. Better Factories is the only program of its kind run by the ILO. The program was established in 2001 to monitor factory conditions and work to improve labor standards in association with a trade agreement between Cambodia and the United States which gave Cambodia increased access to the U.S. market in exchange for improved labor conditions in the garment sector. (www.betterfactories.org)</p>
<p>Visit to a local market frequented by workers</p>	<p>Delegates visited a market that caters almost exclusively to garment workers. A former worker served as tour guide and spoke about the food items typically purchased by workers, as well as the challenges associated with the rising cost of food.</p>
<p>Meeting with workers from PCCS Garment</p>	<p>The meeting took place at a drop-in assistance center for garment workers, which is run by the local labor rights NGO Women's Agenda for Change (WAC). Workers discussed the difficulties of factory work, but agreed that PCCS provided the best environment in Phnom Penh.</p>
<p>NGO visit: Women's Agenda for Change (WAC)</p>	<p>WAC is an NGO that provides leadership training to women workers in Cambodia in an effort to address the gender imbalance in union leadership in the country. WAC also runs several drop-in centers where women workers can meet and participate in various activities. WAC representatives discussed the services they provide to workers at local factories and their efforts to empower female workers. (www.womynsagenda.org)</p>
<p>NGO visit: Cambodian League for the Promotion and Defense of Human Rights (LICADHO)</p>	<p>LICADHO is a human rights organization that has played a leading role in pressing for justice and accountability in cases involving violence against workers and trade unionists in Cambodia. Representatives of the organization discussed their efforts around the murder of Hy Vuthy, a worker and president of a union at the Suntex factory, a collegiate apparel supplier. LICADHO also provided delegates with a general overview of the human rights situation in Cambodia. (www.licadho.org)</p>

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Annual Trademark Licensing Report National & Global Issues

Over the past several years the annual trademark licensing report has identified effective international monitoring and verification practices as the most challenging issue facing universities which have adopted Codes of Conduct. Simply put, with several hundred universities currently maintaining Codes of Conduct, and thousands of licensees distributing products the number of factories producing apparel and other licensed products far surpasses the capabilities of the two monitoring organizations which currently oversee enforcement and verification (the Worker's Rights Consortium and the Fair Labor Association). Both organizations continue to explore possible means of increasing the number of factories monitored, through either efforts to consolidate manufacturing of licensed products to a limited number of factories, or efforts to improve administrative efficiencies.

A little over two years ago the WRC introduced a Designated Suppliers Program (DSP) which proposes wage and workplace benchmarks for a limited number of designated factories which would be under contract to produce university apparel. While the DSP is commendable for its intent, to date no comprehensive valuation in terms of costs or benefits has been conducted, leaving many WRC affiliated institutions unable to properly evaluate the benefit of this initiative. Further challenging the situation was the decision by the US Department of Justice not to provide a favorable Business Review Letter (anti-trust clearance) for the Designated Suppliers Program (more information can be found at http://www.workersrights.org/dsp/012208_DSP_update.html). In reality the DSP will not come into existence any sooner than 2009. While more than 43 universities have provided provisional letters of support for the DSP, the University of Toronto has reserved judgement on the issue pending a comprehensive feasibility study. Specifically, questions of contract oversight and contractual obligations have not been addressed, both of which have significant cost implications. The University of Toronto continues to monitor the evolution of this discussion and continues to contribute to the dialogue in a collegial and constructive manner.

The Fair Labor Association has done much work over the past year to improve the administration associated with collecting factory disclosure information from participating universities. A new information disclosure prototype was presented in 2007 and is currently being evaluated by North American universities affiliated with the FLA. The University of Toronto is actively engaged with the FLA and attended both public forums and private meetings with the FLA leadership over the past year.

The University of Toronto continues to provide leadership with respect to labour practices associated with licensed products. The university recognizes that beyond the implementation of the Code of Conduct, the verification of factory conditions and the compliance measures necessary to improve workplace conditions far exceed the resources of the existing monitoring organizations. The University of Toronto will continue to work closely with other North American universities, NGOs, academics and like minded institutions in pursuit of viable verification systems to improve the lives of workers while ensuring accountability for universities and other licensors.

This report is respectfully submitted for your information.