



Division of University Advancement University of Toronto

2005/2006 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 sixth 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 (**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**)

National and Global Concerns / Issues

In 2004 the University of Toronto affiliated with both the Fair Labor Association and the Worker's Rights Consortium. During 2004 the University of Toronto 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 process would save thousands of hours of duplicated work and provide a system of accountability for those universities that may not have the resources to track factory disclosure information. As reported last year this idea has been presented to many Canadian universities and the feedback has been overwhelmingly positive.

In 2005 staff of the University of Toronto met with members of both the WRC and the FLA in Washington for a two day retreat to confirm the functionality and content of the National Factory Disclosure site. The National Factory Disclosure site was completed shortly thereafter.

At approximately the same time as the National Factory Disclosure Site was being completed the United Students Against Sweatshops (USAS) presented the WRC with a proposal for the creation of a Designated Supplier Program (DSP). The designated supplier program would greatly reduce the number of licensees available to affiliated universities as only those factories willing to fully comply with all conditions within the WRC Code of Conduct, and those factories which obtain a benchmark production quota would be considered for inclusion. The impact of this initiative is not entirely clear but initial estimates suggest that the total number of factories available to university licensees might be reduced by 75%. The WRC has formally "recognized" this proposal and has committed to seeking feedback from those universities currently affiliated the WRC.

This initiative has similar qualities to the National Factory Disclosure Site in that it looks to suppliers to provide detailed disclosure information annually. It was felt that the the National Factory Disclosure Site may be creating a factory disclosure model that would compete with the WRC / USAS model. As such the Director of Marketing Programs attended a special WRC meeting in Washington where the DSP was discussed in detail with approximately 55 North American Universities. What emerged from this meeting (and subsequently from the ICLA mid winter meeting) was that the WRC model is largely

conceptual, and is contingent on a critical mass that has yet to be defined. The timeline of five years was suggested before this model could be operational. As such we will be proceeding with the launch of the National Factory Disclosure Site in the fall of 2006, while continuing to monitor the progress of the WRC DSP.

Over the next few months those Canadian Universities that have codes of conduct will be invited to participate in the National Factory Disclosure Site project. All licensees for these universities will be contacted through a mass email and directed to report their factory disclosure information by using an online survey. This information will generate an accountability report for both the FLA and the WRC and will meet the requirements of all those Canadian universities that have developed codes.

The University of Toronto continues to provide leadership to other Universities and Colleges throughout North America on the issue of ethical production standards. In 2005 / 2006:

- The University of Toronto continued to serve as the only Canadian university on the Board of Directors of the International Collegiate Licensing Association (ICLA) - an organization that brings together trademark administrators from North American Universities
- The University of Toronto served as chair of the ICLA professional development review committee, in assessing various certification methodologies for consideration by the Board of Directors.
- 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
- The University of Toronto has collaborated with school boards and businesses pursuing similar ethical manufacturing policies (Toronto Catholic School Board, Mountain Equipment Co-op)

As an illustration of the effect the University of Toronto is having on the global workforce, a recent report released by the WRC identifies the various steps that have been taken by Gildan Activewear in response to official complaints (through the FLA and the WRC) against their company. While the report is not a glowing endorsement of the labour practices at Gildan it does illustrate the steps taken by the company to respond to the remediation that has been orchestrated by the WRC.

The University of Toronto has been a key player in this issue as one of the first universities to complain directly to Gildan as well as bringing this to the attention of both the WRC and the FLA. In this respect the University of Toronto has served as an agent of change, and has contributed to a movement that supports the rights of workers who produce products which bear our crest. The system, has a long way to go before it is seamless – but vast improvements have been made over the past six years and we are seeing real results from our efforts.

This report is respectfully submitted for your consideration.