

FOR INFORMATION

PUBLIC

OPEN SESSION

TO: University Affairs Board

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DATE: May 25, 2022 for June 1, 2022

AGENDA ITEM: 8

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.

GOVERNANCE PATH:

1. University Affairs Board [for information] (June 1, 2022)

PREVIOUS ACTION TAKEN:

The Annual Report on Trademark Licensing 2020-21 was received by the Board at its May 25, 2021 meeting.

HIGHLIGHTS:

The Trademark Licensing Office spearheaded a collaboration with October's Very Own, a prominent Toronto merchandise brand. The collection was available North America-wide in-store and online, as well as through the U of T Bookstore. It was met with much fanfare and excitement by the U of T community. Other major activities this year included starting work on

Defy Gravity merchandise that will work to promote the new brand expression of the University over several years, creating and launching new merchandise for the Temerty Faculty of Medicine, new retail partnership with Shop Dressr, a revamped and reimagined Trademark Licensing website and many new merchandise collections featuring various departments and faculties.

Work on ethical procurement continues to be a top priority for Trademark Licensing. The original Bangladesh Accord expired in 2018 and there is now a successor agreement in place. This agreement came into effect in 2021 and there are plans to expand its jurisdiction to other cities. The University continues to support the work of the Accord and requires suppliers sourcing from Bangladesh to be signatories. Work with our licensees to ensure up-to-date manufacturing information continues, as well as working closely with the FLA and WRC to ensure compliance.

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION:

The documentation is presented for information.

DOCUMENTATION PROVIDED:

- Annual Report - Code of Conduct for Trademark Licensees 2021-22

Trademark Licensing

Annual Report 2021-22

June 1, 2022



UNIVERSITY OF
TORONTO

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1 What is Trademark Licensing?



What is Trademark Licensing?

Trademark licensing is the process by which a trademark owner allows a third party, the licensee, to use registered trademarks on merchandise under a license agreement. Each year, many products are manufactured that bear the University of Toronto name and official marks. These include items sold at the University of Toronto Bookstore, team uniforms and promotional items ordered internally by students, faculty and staff. In 2000, the University made a commitment to ensure that these products were produced in a manner consistent with its mission and values by passing the Trademark Licensing Policy and developing the Code of Conduct. TML is a self-funded unit within Ancillary Services that oversees the production of U of T branded merchandise and ensures its compliance to all University policies.

The University contracts with a third-party licensing agent, the Collegiate Licensing Company (CLC), to carry out the administrative work associated with licensing suppliers, including contracts and collecting manufacturing information. CLC also provides advice on best practices in the collegiate licensing industry.

Over the years, the work of the Trademark Licensing Office has established the University of Toronto as a leader in collegiate licensing in Canada. The office continually revisits all elements of the program to ensure it is meeting industry standards and establishing the University as a strong brand throughout the city and the world. The program's main goal is to ensure the University and its departments are engaging in ethical procurement of merchandise and that branded merchandise is accurately representative of the University's image. TML also enriches campus life and the student experience by fostering a sense of affinity and pride for U of T and the city. TML strives to support a merchandise program which is a symbol of the University's great and lasting impact on its community.

The daily work of the department includes:

- Ensuring that suppliers of University of Toronto merchandise are licensed and have signed and abide by 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
- Working to expand and enhance the selection of University of Toronto merchandise available for sale, both in our Bookstore and within off-campus retailers
- Promoting school spirit through branded merchandise available at special events
- Registering and maintaining official marks for the University and following up on improper use of the marks
- Maintaining good relationships with labour monitoring organizations, who evaluate workplace compliance with university codes of conduct
- Engaging with licensees when issues are identified

STRATEGIC GOALS

- 1 Increase desirability and visibility of UofT branded merchandise
- 2 Increase financial and human resources to better support the University community
- 3 Increase administrative efficiency to ensure consistent, convenient and valuable service to the campus



2 Bookstore Partnership

Bookstore Partnership

The University of Toronto Bookstore is a division of the University of Toronto Press (UTP). Founded in 1901, UTP is Canada's leading academic publisher and one of the largest university presses in North America. The Bookstore, originally named the Students' Book Department, was established by Miss McMicking, a staff member of the University library. Today, the Bookstore is the primary retailer for University of Toronto merchandise and serves tens of thousands of customers each year. The Canadian Booksellers Association has named them Campus Bookseller of the Year five times.

The University of Toronto Bookstore continues to be the University's largest retail partner for branded merchandise. TML works closely to ensure a variety of merchandise is available that both upholds the University brand and meets student demand for merchandise that is on trend and reflects school pride. The Bookstore also operates an in-house garment printing and embroidery shop, which offers on-

demand custom merchandise that caters to frequent requests from a large number of staff, faculty and student groups. This has allowed TML to respond to the campus community's need for customized garments at lower prices and smaller minimum quantities. It has cemented the U of T Bookstore as one of the main suppliers of U of T merchandise to the internal campus community.

This past year, the Bookstore focused on recovering from pandemic related losses. While sales have not reached pre-pandemic levels, general merchandise sales are up 96% compared to the previous year. With two cohorts sharing their first semester of in-person learning, excitement for a return to campus was strong during Orientation 2021. They also hosted several special online merchandise events with faculties, including Social Work, Dentistry, KPE Alumni and UTSC Management as well as being the main production partner on projects like the Temerty Medicine and Defy Gravity catalogues.

2021 Updates

The Bookstore continues to engage with and promote branded merchandise in many ways. They partnered with Student Life and UTC on several contests/ giveaways, including: #UofTHoliday giveaway, #JoyAtUofT giveaway, #ExamReadyUofT giveaway, #HBDUofT giveaway, 3 x Insulin 100 giveaways, #UofTGrad21 giveaways, #UofTEntWeek giveaway (items were from custom U of T Startup collection, produced by the Bookstore). Convocation was held virtually once again, so the Bookstore and TML worked together to create a 'Convocation Box' featuring special items like a tote, mug and cap so that students could celebrate at home. Lastly, the Bookstore was able to participate in the OVO merchandise collaboration, offering a limited selection of items in store. Line-ups at the St. George campus store started well before opening, and the entire collection sold out within a matter of hours!



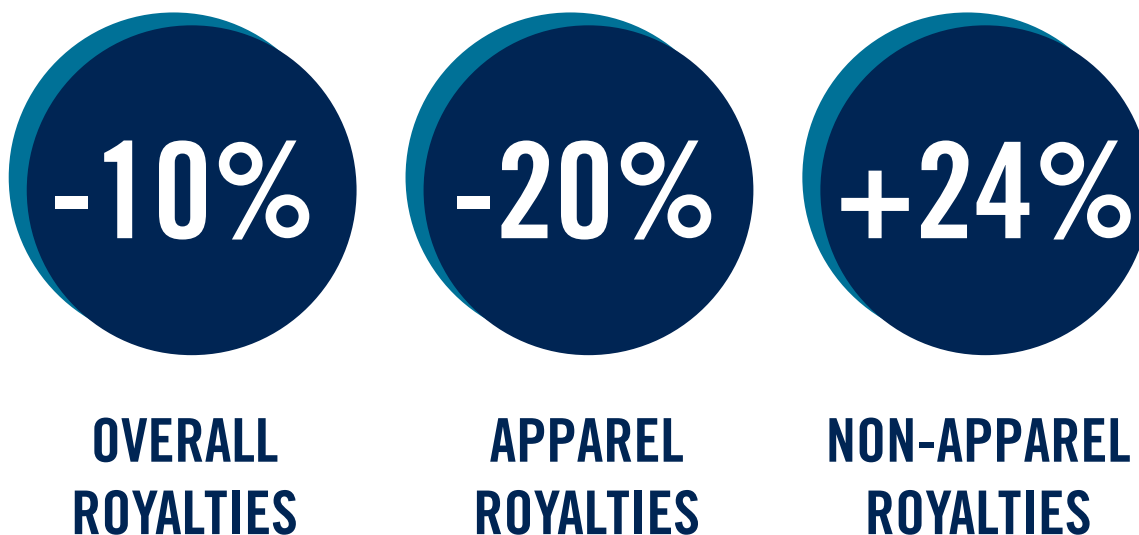
3 Industry Updates

Industry Landscape

Industry experts have noted that the collegiate licensing industry would continue to feel the impacts of the COVID-19 pandemic for at least a couple of years, and that is holding true. During the past year, continued mandated restrictions on in-person retail and events have continued to place pressure on sales of branded merchandise. However, in Fall 2021, with a return to in-person learning since March 2020, the U of T community seemed excited to be able to show their enthusiasm and pride through merchandise. While the industry has not seen a full return to pre-pandemic sales, it was a better year than originally forecast and a great opportunity to reengage with students.

Total overall royalties across all CLC partner institutions were down -10.15% compared to the previous fiscal year. Apparel royalties experienced a loss of -19.74% primarily due to the lack of consumer demand for apparel products during stay-at home mandates, work-from-anywhere options, and canceled or restricted events. Non-apparel royalties, on the other hand, finished the fiscal year up +24.48% as consumers sought out products that made their time at home more enjoyable.

With consumers settling into a new normal and the world moving to an endemic response to COVID-19, it is expected that sales will continue to increase and normalize. However, it should be noted that the pandemic has brought with it shifts in consumer habits that will likely be a mainstay that have to be taken into consideration going forward. Most notable of these shifts is an expectation of a seamless and convenient e-commerce shopping experience. All brands and retailers must take into consideration that most sales are now coming through online platforms and ensure a stellar user experience. Also, many consumers have adopted a 'less is more' attitude concerning apparel, preferring to purchase fewer, but better made items. This might also be affected by increased awareness of the workplace inequities in the apparel industry and the ongoing Uyghur forced labour crisis. This means working with better suppliers and continuing to ensure accurate supply chain information and sourcing transparency.



International ACCORD



for Health and Safety in the Textile and Garment Industry

Bangladesh Accord Renewal

The Bangladesh Accord was a trailblazing agreement created in the immediate aftermath of the Rana Plaza building collapse that led to the death of more than 1100 people. It was a five-year, legally binding agreement between global brands, retailers and trade unions designed to build a safe and healthy Bangladeshi Ready Made Garment Industry.

Since 2013, there have been a significant number of accomplishments including large scale hazard identification and remediation of these safety issues. Engineers inspected more than 2000 factories where they identified more than 150,000 safety hazards. For many of these factories, it was the first-time licensed professionals had inspected the factories. As of September 2019, there has been a 90% initial remediation progress rate at Accord-covered factories. Overall, the Accord has worked exceptionally well at uncovering health and safety issues, and binding brands to ensuring their remediation within the factories. While the Accord expired in 2018, a transition Accord was created and signed until a more permanent solution could be found.

In August 2021, universities were notified that language had been finalized on a binding successor pact that will maintain fire and building safety efforts in Bangladesh and begin the process of expanding the life-saving Accord model to other countries where garment workers' lives are at risk. The successor agreement is known as the International Accord for

Health and Safety in the Textile and Garment Industry (the "International Accord"). The International Accord maintains the essential components of the Accord model. Signatory brands are obligated to keep all their supplier factories open to independent inspection; pay prices to suppliers sufficient to enable them to afford necessary renovations and maintain safe operations; and cease doing business with any factory that fails to comply with safety standards. These and all other brand commitments are legally enforceable.

Under the successor agreement, the Accord model will be expanded to other countries, most likely Pakistan first. When a safety program has been designed for Pakistan, all brands sourcing from that country, including university licensees, will have the opportunity to participate. It is expected to be at least a year before such a program is ready to be rolled out.

The University of Toronto continues to support the important work of the International Accord and requires all licensees sourcing apparel from Bangladesh to be a signatory. As with every labour rights initiative, continued success depends on education and compliance. All suppliers and buyers of merchandise must understand the impact they have on the lives of workers and make responsible purchasing decisions. Trademark Licensing continues to educate departments and student groups on the importance of mindful sourcing and working with licensed vendors.

4 Year at a Glance



Year at a Glance

TML seeks to connect students, staff and faculty with the University brand and foster pride and a sense of community on campus. Collegiate merchandise is an important aspect of the campus experience, one that becomes a mainstay throughout students' time on campus and beyond. It helps foster a sense of belonging which lasts long after they leave school and is even shared amongst generations.

This fall saw a return to in-person learning for the first time in two years, which created great buzz and excitement amongst community members. This

translated into an increased demand for branded merchandise. TML worked with student groups to hold in-person sales once again, and also with departments looking to hold events and engage with students.

Over the course of the last two years, collegiate merchandise served as a source of connection when the community couldn't be together on campus. It was heartening to see excitement for merchandise remained intact with a return to campus. TML has worked on many projects this year to advance the University brand and desire for merchandise.



OVO x U of T

As part of a strategic goal to expand the availability of University of Toronto merchandise and increase the visibility of the U of T brand, Trademark Licensing partnered with October's Very Own (OVO) to launch a unique capsule collection that celebrates and spreads school spirit.

A global merchandise brand started by Toronto rapper Drake, it is well known throughout the world for its high-profile collaborations and sellout collections. This was their first collaboration with a post-secondary institution. The capsule collection included apparel such as hoodies, tees and fleece pants as well as accessories like totes and sport caps, all of which were designed and manufactured in Canada. It was available for purchase online and in stores in Canada and US, as well as at the U of T Bookstore.

The campaign video features four-time Olympic medalist and U of T alumna Kylie Masse and was filmed on campus, showcasing iconic locations on the St. George campus and cementing the University as a prominent Toronto brand.

The collection launched to huge fanfare including hour long lineups at all retail stores, including the U of T Bookstore. The entire line was sold out North America-wide in a matter of days. After almost two years of remote learning, this collaboration went a long way to create buzz and excitement amid the return to campus and greatly boosted the desirability for the University brand.

Collaborations with brands like OVO allow the University brand to be shared with an even wider audience.

Read more about this collaboration: <https://www.utoronto.ca/news/u-t-teams-ovo-launch-new-collection>

Examples of Merchandise



Temerty Medicine Merchandise



With a ground-breaking donation from James and Louise Temerty and the Temerty Foundation in 2020, the Faculty of Medicine was renamed the Temerty Faculty of Medicine. To help support the roll-out of this new name

and brand, TML collaborated closely with the Faculty and the Brand Hub to develop merchandise that will help build affinity for the new brand in the U of T community. The trend for merchandise over the last few years has seen an exponential increase in highly specific, faculty/departmental merchandise. Students, staff and faculty want to represent the University, but also their specific relationship with it. It was exciting to bring this to life.

A new method of developing and designing merchandise was piloted with the Insulin 100 campaign – the creation of a catalogue with pre-approved designs and order information to enable staff to make quick swag buying decisions. Given the success of that, it was decided to use the same format for the Temerty Medicine merchandise. There are over 30 items in the catalogue ranging from stationery and apparel to plush and dog accessories. This was posted to the Brand Portal and communicated internally within the Faculty.

In addition, a small collection was curated for sale in the Bookstore. This launched to coincide with Medicine Orientation week in August 2021. Hoodies, t-shirts, sweatpants and other accessories continue to be available for purchase through the Bookstore.

Shop Dressr

As part of the goal to expand develop new collaborations and off campus merchandise, TML has partnered with Shop Dressr, a Canadian collegiate supplier that sells mainly online and through social media. U of T is one of many Canadian schools' merchandise offered through this retailer. Their merchandise has been popular as it takes advantage of current fashion trends and colours. Their print on demand business model means they can change designs and styles often to keep their collections fresh.

Shop Dressr is different than our other suppliers as they employ a more grassroots approach to their marketing, often working directly with students for photoshoots or as influencers to promote the merchandise. It is refreshing to see a local Canadian supplier focus on the collegiate market, as most of the companies who do this are based in America. TML is excited to work with more local vendors like Shop Dressr.



Defy Gravity Merchandise

Defy Gravity is the new brand platform for the University of Toronto. It is used to bring U of T's vision, mission, value proposition, and character to life. It is a brand story, used to express this creative essence, supporting the values and aspirations of the university's broad and diverse audiences. This new creative expression launched in December 2021. To support this new brand, TML has once again collaborated with the Brand Hub and the Bookstore to create merchandise for the University community. This will allow for a seamless extension of the University's brand and help to build awareness around the institution as one of the world's greatest catalysts of human potential, ingenuity, inclusivity, and positive change. The roll out of merchandise and supporting documents will go a long way to cement the Defy Gravity brand within our community.

The first piece is the creation and roll out of the internal order catalogue. Much like with the Insulin 100 campaign catalogue, pre-approved designs and mock-ups were created for many different items. These items are ones typically ordered by departments for use as gifts or as swag giveaways at events. The catalogue was completed and launched at the end of March 2022. It is already hugely popular, with many departments ordering merchandise. Plans for additional merchandise and seasonal items are already being discussed and sourced.

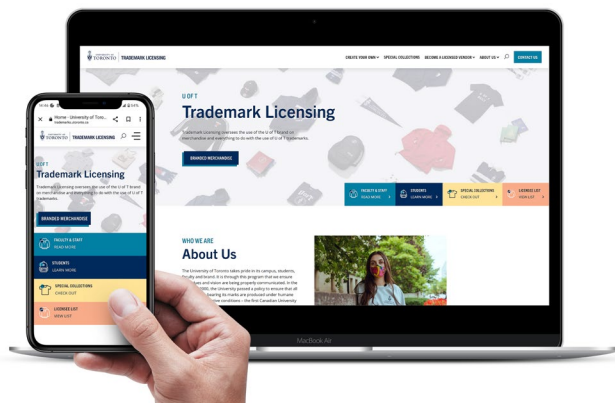
In addition, discussions and preliminary planning for a retail presence in the Bookstore has begun. As an extension of the main brand of the University, it is important that merchandise bearing the new marks lives alongside other branded merchandise to tell a cohesive story. Planning is underway for a launch in store to coincide with Fall Orientation 2022.



Updated Website

As part of a redevelopment of all websites under the Ancillary Services portfolio, the TML website has been redesigned for the first time in 8 years! A modern, fully mobile responsive design will allow for a better user experience and easier navigation. The information has been adjusted and reformatted based on user feedback. It is now much easier for specific groups to find information related to their specific needs, and hopefully make the process of creating branded merchandise simpler and quicker.

TML is excited to be able to more broadly use the website as a tool to educate the campus on policies and procedures and to promote the importance of university branded merchandise.



Pride Merchandise

TML has partnered with the Faculty of Kinesiology and Physical Health for many years on creating merchandise to celebrate Pride month. With the return of in-person events on campus, the Pride Flag Raising event is scheduled for June 1. This event is an unofficial kick-off to the University's Pride events for the month, and it's exciting to once again be able to hold it at Varsity Field. This year will feature an expanded merchandise collection available for sale at the event, as well as in store and online. The collection consists of a tote bag, mug, water bottle, keychain, stickers, sweater, and multiple t-shirt designs. The Bookstore is also looking to make Pride merchandise available in store year round. This collection helps support the Equity Ideas Fund, and this year we were able to donate \$2,500 to be used for equity-driven student initiatives.

5 Forward Thinking

Exploring Brand Collaborations + Off Campus Merchandise

With multiple brand collaborations successfully launched, it is clear that with the right partner, U of T merchandise is highly sought after. It provides the University with greater brand visibility and also creates a strong link between our community members. It also ties us in as a crucial element in our city, partnering with local brands and showcasing Toronto as a world-class locale. It cements U of T as a leader in Canadian collegiate merchandising, hopefully creating new opportunities for the licensing market in Canada.

Over the next year, Trademark Licensing will be pursuing additional opportunities to partner with local brands and retailers. There are already a few exciting collaborations for 2022-23 in the pipeline.



Robarts 50th Anniversary

Robarts Library, Canada's largest library, was opened in 1973 and contains more than 4.5 million bookform items and is the largest individual library in the University. It is one of the most significant examples of brutalist architecture in North America and its imposing appearance has earned it the nickname 'Fort Book'.

Robarts Library remains an iconic but somewhat polarizing building on campus. However one feels, it can be agreed that it's an architectural landmark on campus and in the city. 2023 will mark the 50th anniversary of the opening of the building, and TML is excited to collaborate with library administration on creating merchandise to celebrate this momentous anniversary. This will build on the past success of library merchandise and celebrate bookworms throughout the city.

Trademark Licensing Annual Report 2021-22

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