

FOR INFORMATION

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TO: University Affairs Board

SPONSOR: Scott Mabury, Vice President, University Operations
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DATE: May 21, 2024 for May 29, 2024

AGENDA ITEM: 7

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] (May 29, 2024)

PREVIOUS ACTION TAKEN:

The Annual Report on Trademark Licensing 2022-23 was received by the Board at its May 31, 2023 meeting.

HIGHLIGHTS:

The Trademark Licensing Office spearheaded multiple collaborations this year including another collection with October's Very Own, Peace Collective and a new student collaboration with MOTUS. As in previous years, brand collaborations continue to do well, with community members engaging and getting excited about limited edition releases. Other major activities this year included a renovation of the apparels floor at

The Bookstore, development of event specific merchandise, the reissue of the Pride collection and promotion of the U of T Birthday activation across all three campuses. Next year, priorities will include strategic planning, development of pop-up merchandise shops, increasing partnership collaboration opportunities, and establishing a student entrepreneurship incubator program.

FINANCIAL IMPLICATIONS:

None

RECOMMENDATION:

The documentation is presented for information.

DOCUMENTATION PROVIDED:

- *2023-24 Annual Report on the Code of Conduct for Trademark Licensees*

Trademark Licensing

Annual Report 2023-24

May 21, 2024



UNIVERSITY OF
TORONTO

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1 | **Trademark Licensing Overview**



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 the Marketing & Communications team at Spaces & Experiences 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.

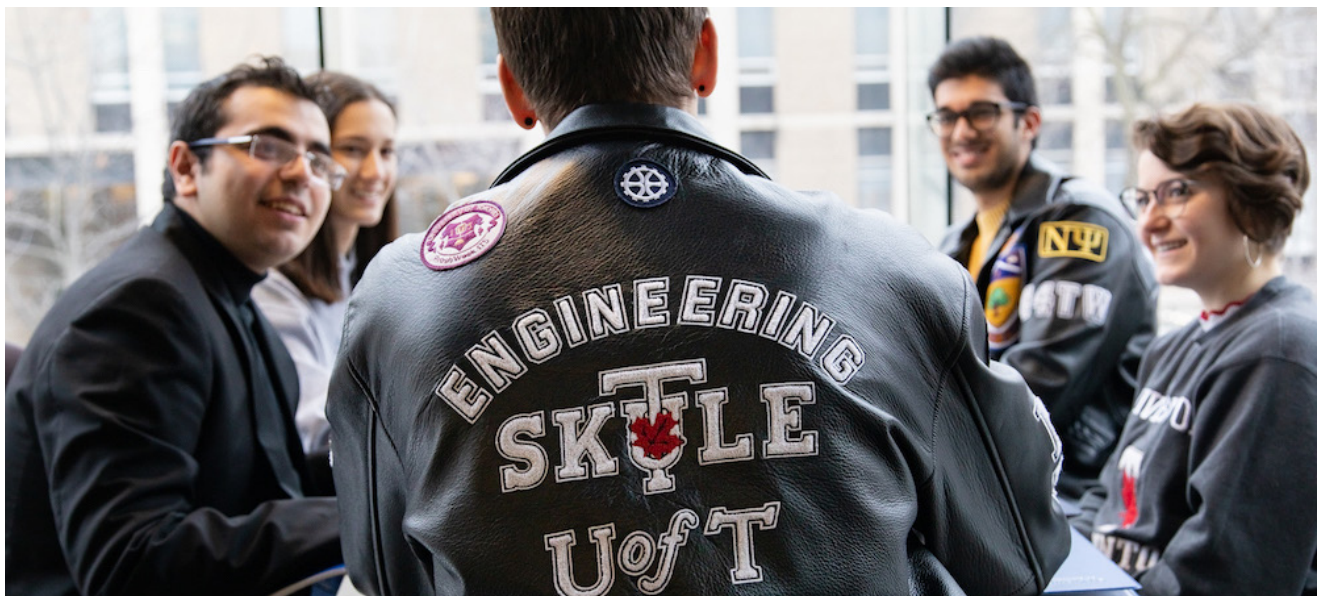
TML also enriches campus life and the student experience by fostering a sense of affinity and pride for U of T and the city. TML strives to support a merchandise program which is a symbol of the University's great and lasting impact on its community.

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 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.



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 with The Bookstore to ensure that a variety of merchandise is available which 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 and has cemented the U of T Bookstore as one of the main suppliers of U of T merchandise to the internal campus community.



Collegiate Licensing Company (CLC)

For more than ten years, the Trademark Licensing Office has contracted with a licensing agency to handle part of the administrative function of running the program. This includes licensing companies and collecting manufacturing information and royalty reports as well as providing advice on social responsibility issues and trademark licensing best practices. Collegiate Licensing Company (CLC) was successful in their bid and will continue to work with the University in this capacity through 2025. With this renewal comes positive changes to the administration of the program, namely the ability for licensees to report and pay royalties in Canadian dollars.

Previously, the CLC system would only accept reports and payments in USD, which resulted in licensees needing to use exchange rates to calculate USD equivalents for their reports. In January 2023, a new system, Direct Licensing

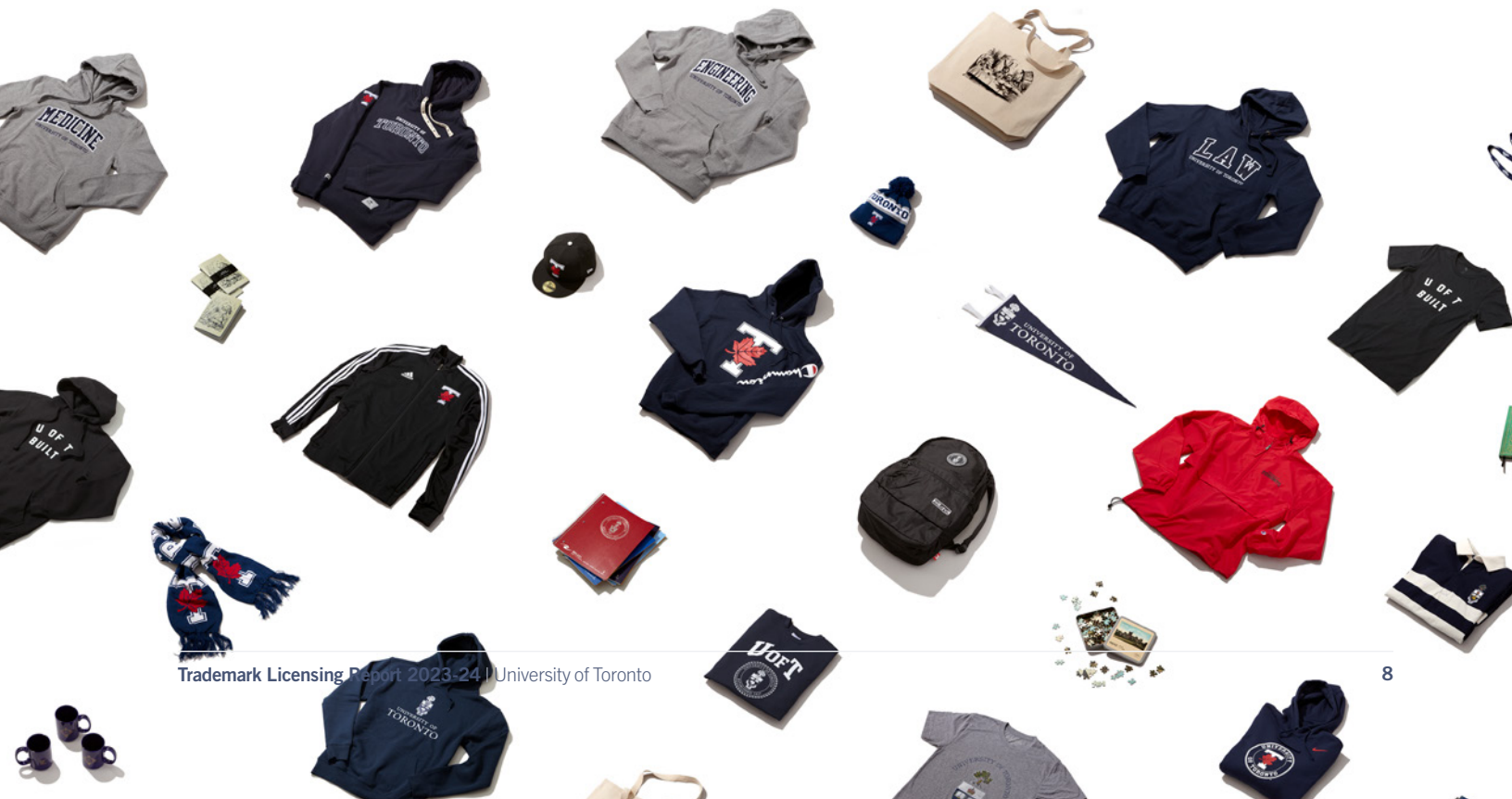
Hub (DLH), was launched to ensure all monetary transactions can be reported and paid in Canadian dollars. Over the past year, CLC has been working to transfer all licenses and information and train licensees on the new system. This will provide more streamlined financial reporting of branded merchandise sales and royalties. This system, now having been implemented for over a year, has proven to be very successful in helping to streamline the approvals processes and the integration of new licenses with increased efficiency.



TML + Spaces & Experiences

In 2020, Ancillary Services amalgamated with Real Estate Partnerships and Campus Events to create a new portfolio with an expanded mandate filled with exciting possibilities in support of students, faculty, staff and the St. George campus. As the depth, breadth and impact of the portfolio grew, a new name to more accurately reflect this was necessary. Now called Spaces & Experiences, this group still comprises the same creative problem solvers, but can tackle the University's priorities in a more holistic manner, engaging multiple units and professionals across the portfolio to offer innovative and functional solutions to the campus.

The Trademark Licensing program, now a part of the broader Spaces & Experiences Marketing and Communications team creates the opportunity for increased resources, access to additional marketing and design supports, as well as a stronger connection with the University of Toronto as a whole to ensure that branded merchandise opportunities are integrated into new projects in a strategic manner while remaining a meaningful piece of the University experience.



2 | **Year at a Glance**



2023-24 Program Updates

While campus activity returned to a near normal level, Bookstore sales continued to lag behind pre-pandemic levels. Increased cost of goods, inflation and reduced consumer spending created continued challenges for sales of merchandise. The TML program and the Bookstore are working to streamline offerings, bring in new products and brands, refresh branding to ensure their future success and increase U of T merchandise sales. This year, the TML Program also funded a renovation + refresh project for The Bookstore's main floor (which houses the majority of U of T branded apparel options) to help improve the customer experience to continue to improve the sales of U of T branded merchandise.

The TML program endeavored to expand merchandise offerings to provide custom lines of merchandise that speak to specific groups of students. This included the launch of new event focused merchandise for the Mac N' Cheese smackdown and the development of an S&E pop-up shop for various special collection

merchandise. In addition, TML piloted the first collaboration with a student owned brand, connecting the BIPOC entrepreneurs with other U of T divisions like the University of Toronto Entrepreneurship group and the Black Founder's Network. Due to the success of this program, a more formalized student apparel entrepreneurship incubator program is being explored.

The TML program continues to promote branded merchandise in many ways, partnering with Food Services Retail and Residential dining, The Bookstore, Student Life and UTC on several contests/giveaways. In addition, the TML program continues to work to procure priority partnership opportunities by featuring University collaborations like OVO, Peace Collective and MOTUS. TML will continue to work closely with the Bookstore and other university partners to ensure the success and growth of branded merchandise by taking advantage of new trends, graphics and on campus marketing opportunities.



Industry Updates + Challenges

There was a renewed sense of optimism heading into fall 2023, with increasing in-store foot traffic, campuses fully reopening, and returning crowds at events, the demand for collegiate product grew.

While the industry showed positive signs of recovery, a full rebound of the collegiate licensed product market was not fully realized due to continued economic hardships, wars, significant inflation, increased interest rates and persistent strains on the supply chain. Additionally, retailers reported that they saw the impact of rising inflation as consumers shifted their purchases to more essential items, demand for college product waned and students were shown to be more conservative in their spending.

Despite returning demand for collegiate product, licensees have dealt with numerous challenges both during the pandemic and throughout the recovery. Supply chain issues became a major topic in the industry at the end of last fiscal year and continued to increase strain on licensees' operations, particularly throughout the critical fall and back-to-school sales periods.

Licensees identified the top four supply chain-related issues as shipping challenges at ports, international shipping issues, labor shortages, and limits on factory production.

As a result of these issues, late deliveries of collegiate licensed product caused numerous challenges and order cancellations throughout the year. Retailers also reported that supply chain issues caused limitations in chasing product or replenishment, which inhibited sales opportunities during periods of high demand. Additionally, licensees reported that rising gas and inflation prices, labour shortages and supply chain constraints have resulted in many licensees raising wholesale prices anywhere from 5-25%.

While supply chain challenges and inflation are expected to continue, many licensees have adapted their business practices to try and circumvent these issues, including enhancing domestic production capabilities, increasing inventory levels to account for delays, and planning production and order deadlines further in advance.

3 | **Collaborations + Special Collections**

OVO Collection

The first two OVO x U of T collaborations were met with great enthusiasm and positive brand perception for the University. Students, staff, and faculty along with community networks across North America showed up to represent their school. Leaning on the success of the previous collections, a third was launched in August 2023. This collection was expanded, offering a more athletic focused offering, with sweatshirts, coaching jackets, t-shirts hoodies and a refresh of the canvas tote bag design.

Brand collaborations continue to engage the community in a meaningful way and showcase U of T as an iconic Toronto and Canadian brand. Branded merchandise is an important extension of the U of T brand and is vital to its presence and success on the world stage. The U of T community is proud to wear a piece of the University wherever it goes. The TML program is currently working on a fourth streamlined capsule collection with OVO slated for release in September 2024.



Peace Collective (P/C) Collection

Peace Collective is a Toronto-based brand with a passion for giving back and quality merchandise. A popular brand amongst the target student demographic, Peace Collective has created multiple collections with the University. This is a natural pairing for two Toronto based brands. This year, the collection consisted of traditionally collegiate items like sweatpants and sweatshirts and featured graphics that paid homage to vintage looks. This collection was available through Peace Collective's website as well as through the U of T Bookstore on all three campuses.

Partnering with brands allows flexibility to create something fresh and new for the community. Established brands like Peace Collective allow the University to leverage existing brand and marketing channels to reach a wider audience and elevate the U of T brand in the eyes of consumers. These collaborations always take the University brand to a new place in the retail market and provide relevance by utilizing current market trends.



Motus x U of T Collection

As a pilot initiative, the Trademark Licensing Program at S&E collaborated with clothing start-up co-founders and siblings Sydnie and Malik Pottinger to create a capsule collection with their clothing brand MOTUS and made history as the first student collaboration capsule collection for the University. Sydnie, a third-year student at St. Michael's College, and Malik, a fifth-year student in the Faculty of Kinesiology & Physical Education (KPE), saw their MOTUS line of fashion wear, complete with the university's iconic T-and-leaf logo, go on sale online in March and at the U of T Bookstore's St. George campus location in April.

MOTUS was supported by Spaces & Experiences, which invested in initial inventory and connected the siblings with resources such as the Black Founders Network and the University of Toronto Entrepreneurship Program. The collaboration was also [featured by U of T News](#) and MOTUS was highlighted during the in person showcase for the University's Entrepreneurship Week. The TML program hopes to expand this initiative into an incubator program for young entrepreneurs with clothing or accessories lines in the future.



Pride Merchandise

Trademark Licensing was excited to work again with the Faculty of Kinesiology and Physical Education to create a special line of merchandise celebrating Pride month. An expanded line of merchandise was created and launched at the Flag Raising event on June 1, 2023. Being able to use the University brand to highlight the University's priority of equity and inclusivity goes a long way to build pride in the institution. A further expanded line of Pride merchandise is being discussed for next year.

Trademark Licensing was happy to support the Equity Ideas Fund once again with \$2,500 to be used for equity-driven student initiatives.



4 | **Special Projects + Activations**

U of T Birthday Celebration (#HBDUofT)

Once again, the U of T Birthday Celebration was held in person, on campus. As per tradition, free cookies were handed out at various locations across the campus to students, staff, and faculty. A new element this year was the distribution of merchandise focused items such as the giveaway of a birthday button and laptop sticker to increase the focus on showing pride through merchandise on campus and an informational landing page was hosted on the S&E website for the activation to increase promotion.

The central social channels hosted a contest in collaboration with Spaces & Experiences to encourage students to wear their favourite U of T gear and post a selfie to win a collection of prizes from various TML capsule collections. Overall, this small event always goes a long way to boost morale on campus.

A new addition this year was formalizing student engagement through U of T branded merchandise. The TML Program worked with the U of T Bookstore to establish a [HBD U of T promotion](#) where students would receive 20% OFF regular priced U of T adult clothing and gifts using code: HBDOFT197 online or at any U of T Bookstore location (UTM, UTSC and St. George).

The celebration was again held on all three campuses. UTM and UTSC also participated by handing out cookies at various locations. TML was pleased to have this celebration as a tri-campus initiative, solidifying the U of T brand as one across the GTA.



U of T Bookstore Renovation + Refresh

This year, the TML program invested heavily in a “renovation refresh” project for the Bookstore’s main retail space to help modernize and update the customer experience. The TML program reinvested royalty revenues back into the student retail experience by re-painting the main level, installing all new flooring in the 7,500 sq ft space and purchasing new fixtures and displays for capsule partnership collections. TML also included in the scope of work, labour costs to move existing infrastructure to facilitate the overstock and inventory storage issues that the Bookstore was struggling with, as well as the removal of old fixtures, installation of new lighting and re-wrapping/modernizing old fixtures for reuse. The end result is a lighter, brighter and simplified space which will help to elevate the merchandise.

It is the hope of the TML program that with the completion of this refresh, that U of T merchandise in The Bookstore will exist in a space that is more easily navigated by the student customer. Clothing offerings can then be streamlined to increase visibility and thereby sales, while still celebrating the University brand in a modern and updated way. The project is set to be completed by September 2024.



Event Focused Limited Edition Merchandise + S&E Pop Up Shops

One of the best loved S&E campus events of all time, returned in person in 2024. The famous Mac N Cheese Smackdown took place this year at Hart House, a venue that provided more space for participants, an excellent opportunity to collaborate with Hart House chefs and staff and a central indoor space on campus with seating and more room for merchandise sales and student engagement activations. For the second year, the event was completely cashless, and tickets were sold through the U of T Food Services app for \$8. This fee entitled participants to four portions of carefully crafted Mac 'n' Cheese, made by participating campus chefs from Chestnut and New College dining halls, Hart House and University College. This year's event featured an exclusive pop-up shop with limited edition S&E Mac N Cheese Smackdown merchandise. The event specific merchandise was new for the spring 2024 iteration of this event, and was received well, selling almost \$2000 worth

of merchandise to students, staff and faculty, increasing the effects of this engagement with the campus population.

Food Services, the S&E Marketing + Communications team and the TML program continued to amplify the popularity of the Mac N Cheese dishes, integrating a merchandise pop up into the very successful Foodie Finds pop-up concept selling an additional 20 units of merchandise in just a few days through the Robarts retail location. Plans are underway to increase and develop pop-up merchandise locations and opportunities with the TML program at additional Food Services locations in the fall as well as expand specialty merchandise offerings specific to Spaces & Experiences businesses and outreach events in the coming years.



5 | **Forward Thinking**

Student Apparel Incubator Program

As mentioned earlier in this report, the Trademark Licensing program took part in a new initiative to work with a student run and owned apparel brand to create a collaborative line of merchandise with the University of Toronto which was met with great enthusiasm and success.

To build on this, conversations for the creation of a formalized program around supporting student brands have started. With an open call for student run apparel and accessories companies, one would be selected per year to benefit from the knowledge gained by working with the TML program. The students would learn how to work with buyers, designing within partnership brand guidelines, licensing, and royalty agreements, as well as brand development, advertising and social media engagement and planning. The TML program would also act as a conduit for the brand's exposure to other entrepreneurial outlets, such as UTE and other networks that may prove helpful to the student run business. Parameters around the call out and funds invested in the program will be formalized as the year progresses.



Strategic Planning

Over the last 5 years, the world landscape has shifted dramatically and with it brought new issues and changes in consumer habits that have only been accelerated and reinforced by the pandemic and ongoing changes in world economics. Much of the world is seeing continued labour and supply shortages, inflation and economic uncertainty has caused demand to stagnate, and many consumers are looking to consume less in general or buy second-hand when possible.

Trademark Licensing itself has grown and changed over the last decade, carving an important spot for branded merchandise amongst the University community as well as helping to further brand recognition across North America. However, many of the internal processes and policies have remained unchanged since its inception in 2000. This creates a preferred environment to develop

a new strategic plan for the program that reflects the current values of the University and its brand, while also considering financial sustainability through future modelling based on consumer and industry trends.

With so many exciting projects on the horizon, it's important to set a strong strategic foundation to ensure the program is adding value to the University brand. Some areas for discussion will include ensuring strong brand alignment on merchandise, creating new graphics or lines of merchandise to increase demand for branded merchandise, the strength of supply chain transparency and responding to areas of concern, strengthening licensee relationships, expanding into event focused merchandise, developing out a pop-up shop concept, exploring the alumni customer base and royalty rates.

Annual Report 2023-24

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