



University of Toronto

OFFICE OF THE VICE-PRESIDENT AND CHIEF ADVANCEMENT OFFICER

TO: Members of the University Affairs Board

SPONSOR: Dr. Jon Dellandrea
CONTACT INFO: (Kyle Winters: 416-978-0151; kyle.winters@utoronto.ca)

DATE: May 15 for June 3, 2003

AGENDA ITEM: **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* (attached) charges the Board with receiving annual reports on the operation of and issues connected with the trademark-licensing program.

PREVIOUS ACTION TAKEN:

The second Annual Report on Trademark Licensing 2001-02, was received by the Board at its June 4, 2002 meeting which was followed by a visual presentation received by the Board at its September 24, 2002 meeting.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

No direct implications.

RECOMMENDATION:

For information.

2002/2003 Annual Trademark Licensing Report

presented to

The University Affairs Board of the Governing Council

by

Jon Dellandrea, Vice President and Chief Advancement Officer

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

It is the responsibility of the university to ensure that products, which bear its name or marks, 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 the Policy. This is the third annual report on the operation of and issues associated with the University of Toronto licensing program.

The report is presented in three parts.

- The first part is a summary of the administration of the program including steps taken to implement the Trademark Licensing Policy and Code of Conduct.
- The second part describes the communication undertaken within the university community, as well as external communication that support the development of the trademark program within the greater academic community.
- The third part addresses the larger global issues of ethical production of products and, in particular, the issues of verification methodologies, verification organizations and the living wage provision. In this section potential alliances which would advance our understanding of issues regarding the ethical production of products bearing the universities marks or name are also discussed.

Administration and Implementation of the Code of Conduct

In the first year after the establishment of the Policy on Trademark Licensing and the Code of Conduct the licensing program was transformed to a centralized service. With few exceptions, the majority of university suppliers are now operating within the parameters set out by the Code of Conduct. In this year significant improvements have been made by the Faculty of Physical Education and Health, and the Assistant Vice President Facilities and Services to identify which suppliers are producing branded uniforms. These suppliers are now being brought into the university licensing program, thus completing the integration toward a code compliant university.

By implementing the trademark program in stages, the university has been able to address the most contentious concerns in a timely and thorough manner.

The continuing challenge is to educate the university community of the need to use licensed suppliers, and to ensure that licensed suppliers are provided with streamlined processes which allow them to effectively service the university community. In doing so we create a service-based continuum that supports the objectives of the Code of Conduct.

Specific administrative steps that have been taken this year include:

- Refined working relationship with external lawyers managing trademark related issues, in order to improve functionalities of registration and enforcement
- Balanced objectives of “social accountability” with revenue generation by operating as a full cost recovery office
- Developed a web-site that shows the names, addresses, email and web-sites of all licensed suppliers (www.trademark.utoronto.ca)
- Developed a list of manufacturing locations of retail vendors
- Renewed 60+ suppliers (including all relevant contracts, insurance reports etc..)
- Maintained an electronic data history of all art-work approvals and accountability reports
- Monitored new payment structures with retail vendors and developed several new revenue streams (convocation photography, new Bookstore vendors etc..)
- Better defined relationship with UofT Bookstore resulting in more streamlined processes and collaborative ventures (175 anniversary products promoted in front window of 21King’s College and sold in the UofT Bookstore resulted in sold out anniversary t-shirts and pens)
- Collaborated with external lawyers on the development of a data catalogue to house all electronic marks
- Created a digital catalogue of all promotional products purchased for university wide promotion

Communication and Promotion of Program

To improve the familiarity with the licensing program a significant amount of on-campus communication and promotion has been undertaken. Communication has been consultative and informative whereas promotion has been both educational and progressive. Internal (within the University) steps taken this past year include:

- Ongoing meetings have been held with students groups
- Updates have been provided to Alumni Development Officers and Senior Development Officers at monthly meetings
- Monthly email has been sent to all divisions of the university to profile licensed vendors and special promotional opportunities

- Conducted several promotional product meetings (brought in vendor to facilitate group purchases of products – this results in significant savings and collaboration for constituent offices)
- Conducted second annual vendor fair, involved 30 vendors and attracted 300 university officials to meet officially licensed suppliers
- Regular meetings with the University of Toronto Bookstore on all issues pertaining to the retail licensing program

External (outside the University) steps taken this past year include:

- Bi-weekly meetings have been held with the Maquilla Solidarity Network (MSN) - Canada's leading authority on ethical labour practices
- Organized the first National Conference on the issue of Trademark Management, Brand Management, and Bookstore Management. "Brand Aid" was attended by 18 universities from coast to coast as well as the Canadian Intercollegiate Sport Federation. A simultaneous conference was coordinated with the Maquilla Solidarity Network and attracted over 50 participants. Keynote speakers came from Britain, Norway and the United States. One of the leading experts on the issue of social accountability (Dr. Dara O'Rourke of MIT) was the principal speaker of the event and was introduced by Dr. Len Brooks of the Rotman School of Management. The event created an opportunity for administrators and activists to work together on issues of common concern.
- Attended International Collegiate Licensing Association (ICLA) annual conference and proposed representation by Canadian universities as part of Board Structure. Canadian universities were invited to participate in the upcoming election and members have been encouraged to elect a diverse board of directors.
- Presented an update on UofT licensing initiatives, at the meeting of the Ontario Association of University and College Ancillary Directors
- Meetings with the UofT Director of Athletics to discuss involvement of Canadian Intercollegiate Sports (CIS) and potential Code of Conduct implications

Global concerns and issues

The issues of code enforcement and verification systems are ongoing, complex and, at this point, in their infancy. Solutions to these issues are developing through the collaborative efforts of leading universities across North America as they work closely with international monitoring organizations, social change agencies, NGOs and grass roots student movements. Additionally, opportunities for education through dialogue with manufacturers are a critical part of the learning process.

In 2001/2002 the Association of Collegiate Licensing Administrators and the National Collegiate Licensing Association merged to form the International Collegiate Licensing Association (ICLA). This organization brings together trademark administrators from the majority of North American Universities. Through membership and active participation in the ICLA the University of Toronto

has committed itself to gaining the best possible understanding of trademark administration, code enforcement and verification systems in order to make well-informed decisions.

The university recognizes the importance of sharing information and resources with other Canadian institutions, and where possible creating alliances that advance the issues of code enforcement and verification. To this end the University of Toronto has created a working group with the University of Alberta, Queens' University and the University of Victoria to evaluate potential collaboration and benefits that could be offered to the larger Canadian university community through membership in the ICLA.. Additionally, the Canadian Council for the Advancement of Education has included a discussion period for this issue to be hosted by the University of Toronto at the annual CCAE conference in June 2003.

In order to access the most current information on global licensing issues and to develop the most appropriate implementation strategies, the university developed working collaborations with Rutgers University and Harvard University. Ms Mary Beth Schmutz, Director of Trademark Licensing for Rutgers University, and Mr. Kevin Scully, Director of Trademark Administration for Harvard act as advisors on issues pertaining to the day to day management and promotion of the Trademark Program. Ms. Schmutz was also a guest speaker at Brand Aid in October 2002.

In addition the following steps have been taken over the past year:

Fair Labour Association

- Met with Mr. Aurret van Heerden, the Director of Monitoring of the Fair Labour Association and discussed the unique nature of Canadian University Licensing programs (that they are not sport driven as in the US model)
- Mr. van Heerden recommitted the support of the FLA in discussing the needs of the University of Toronto and other Canadian schools, and to developing verification programs which would suit the Canadian university model
- Mr. van Heerden confirmed that at present the living wage verification process has not been developed fully and is not operational within the FLA.
- Mr. van Heerden committed to working with the WRC on any type of monitoring partnership that would be helpful to Canadian universities.
- Unfortunately, because of the international obligations of both the FLA and the WRC a partnership was not finalized in this past year

Workers Rights Consortium

- Continued dialogue with Mr. Scott Nova, executive director of WRC who has expressed enthusiasm about working with the University of Toronto and any potential alliances with other Canadian universities
- Mr. Nova recommitted the support of the WRC in discussing the needs of the University of Toronto and other Canadian schools, and to developing verification programs, which would suit the Canadian university model
- Mr. Nova expressed support for the other monitoring programs in existence (the FLA specifically) and encouraged open discussion and collaboration with the various leading verification organizations, he also cited situations where the WRC and FLA have worked closely together
- Mr. Nova reiterated that the WRC is committed to the living wage provision but has not been able to act on this aspect of their code. This is an area of future development for the WRC

As we move forward the University of Toronto will continue to capitalize on progressive alliances that better our understanding of labour issues worldwide. These alliances include our relationship with the International Collegiate Licensing Association, Maquilla Solidarity Network, the Clarkson Centre for Business Ethics, the United Students Against Sweatshops, the National Association of Collegiate Bookstores, and all monitoring organizations but specifically the Fair Labour Association and the Worker's Rights Consortium.

To this end the University of Toronto sought membership in the Worker's Rights Consortium and the Fair Labour Association in order to continue active dialogue with both organizations, and to assess the viability of both models from within. These relationships will be used to strengthen and inform our own policies and practices, particularly in assessing the viability and implementation of the living wage provision. This decision has been made with the input of other leading US universities, the Students Against Sweatshops and the Maquilla Solidarity Network. At this time a dual membership has not been concluded because of the international obligations of both the FLA and WRC. A meeting is scheduled for June 2003 to resolve this issue.

Summary

Since the adoption of the Trademark Licensing Policy and Code of Conduct in May 2000, the University has entered into a process that will result in a change in the way that we view the products that bear our name and marks. As detailed in this report, the University has made great strides toward this goal in the first thirty-six months, but acknowledges that there is much to be done in the years ahead. With strong support and involvement with expert colleagues, monitoring agencies, responsive licensees, and social justice agencies as well as the active participation of the university community, we look forward to building a robust trademark-licensing program known not only for its scale and quality but also for its accountability.