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TO: University Affairs Board
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Item Identification:

Annual Trademark Licensing Report, 2001-02

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.

Highlights:

The *University of Toronto Trademark Licensing Policy* includes provision for a code of conduct for licensees and mechanisms to monitor its implementation and complaint resolution. The attached annual Trademark Licensing Report (2001-02) provides information on the administration and implementation of the Code of Conduct, the communication and promotion of the licensing program and global concerns and issues.

Recommendation:

For information only.



Jon S. Dellandrea



(20315)

**Division of University Advancement
University of Toronto**

2001/2002 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 second 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

After the establishment of the Policy on Trademark Licensing and the Code of Conduct the licensing program was transformed to a centralized service. The majority of university suppliers are now operating within the parameters set out by the Code of Conduct. The objective in the upcoming year is to bring both athletic team uniforms and staff uniforms into the program. By implementing the trademark program in stages, the university has been able to address the most contentious concerns in both 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 intent of the Code of Conduct.

Specific administrative steps that have been taken this year include:

- Assumed responsibility for all administrative trademark management and liaison with contracted trademark lawyers (formerly managed by the Vice President of Administration)
- Hired a Licensing and Product Brand Manager
- Developed a web-site that shows the names, addresses, email and web-sites of all licensed suppliers (www.trademark.utoronto.ca)
- Licensed 60+ suppliers (including all relevant contracts, insurance reports etc..)
- Created electronic forms for all processes
- Created list serves for retail suppliers (those who sell to the Bookstore) and non-retail suppliers (those who sell directly to the divisions)
- Conducted an orientation session for both retail and non-retail suppliers
- Triggered new payment procedures resulting in direct payment from retail licensees
- 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)
- Initiated the development of a data catalogue to house all electronic marks

Communication and Promotion of Program

To effectively implement 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 against sweatshops (SAS)
- Updates have been provided to Alumni Development Officers and Senior Development Officers at monthly meetings
- Created a mailing list of all divisional contacts to provide timely information on the trademark program as it develops
- Sent a letter to all divisions informing them of services available
- 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 Canada's first 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 a meeting of Ontario universities to discuss trademark issues. SAS participated in this meeting and actively engaged other university administrators who are struggling to understand the social accountability issues from the perspective of the student activist.
- Attended Association of Collegiate Licensing Administrators (ACLA) annual conference and presented two reports to North American attendees, the first was a joint report on Canadian university licensing programs (in conjunction with Queen's University and the University of Alberta), the second was a panel presentation on branding initiatives (in conjunction with UCLA, Berkeley and Harvard University)
- While at the ACLA conference, lobbied for Canadian membership fees at par, Canadian representation on the board of International Collegiate Licensing Association (ICLA) (ACLA formally merged with NCLA following the May meeting to form the ICLA), marketing initiatives to promote Canadian participation within the ICLA and the opportunity for a Canadian university to host an ICLA conference
- Presented an update on UofT licensing initiatives, at the meeting of the National Association of College Stores (all Canadian University Bookstores)
- Meetings with the UofT Director of Athletics to discuss involvement of Canadian Intercollegiate Sports (CIS) and potential Code of Conduct implications
- Meetings with Nike - International Maria Eitel (Vice President, Corporate Responsibility) and Veda Manager (Director, Global Issues Management), and Nike - Canada (Michele Noble, Director of Public Affairs) to discuss monitoring and labour practices. Examining opportunities to visit NIKE factory locations in Mexico and or Asia as part of ongoing educational development. Potential educational visits would be conducted with the partnership of the Maquilla Solidarity Network. Additionally both the Fair Labour Association and the Worker's Rights Consortium have volunteered to assist in developing a visit methodology and potential questions. No other North American university has been extended this invitation.
- Developed a publication for all Canadian universities to discuss licensing, trademark and brand management issues.

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.

Despite not having a monitoring program in place in 2001/2002 the University of Toronto was able to provide key leadership on a national level in regard to Gilden Active-wear a supplier of University of Toronto products. Following a CBC documentary about the working conditions of Gilden Active-wear employees in their Honduras factory, the University of Toronto took decisive steps to effect change. With support and input of both the Students Against Sweatshops and the Maquilla Solidarity Network the University drafted a letter to the management of Gilden asking for accountability of their labour practices. As a result of this letter and the lobbying efforts of other social change agencies Gilden has adopted a new monitoring program and has committed to producing a publicly accessible report on its practices. The outcome of this situation is a result of the collaborative efforts of students, activists and the university, and is an example of non-traditional monitoring efforts.

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. Additional support has been expressed from Wilfrid Laurier University, University of Western Ontario, York University and Trent University. Collaborative efforts will be discussed at an upcoming licensing retreat in October of 2002.

In order to access the most current information on global licensing issues and to develop the most appropriate implementation strategies, the university developed a working collaboration with Rutgers University. Ms Mary Beth Schmutz, Director of Trademark Licensing for Rutgers University, a board member and former education chair of the ACLA, is widely considered one of the leading experts on the issue of code implementation and verification processes. Ms. Schmutz has worked closely with the University of Toronto and will be assisting in coordinating a Canadian retreat to discuss joint efforts in trademark administration.

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

Fair Labour Association

- Met with Mr. Aurret van Heerden, the newly appointed 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 indicated interest in attending the upcoming licensing retreat in Toronto to be scheduled in October 2002
- Mr. van Heerden confirmed that at present the living wage verification process has not been developed fully and is not operational within the FLA.

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
- Mr. Nova indicated interest in attending an upcoming licensing retreat in Toronto to be scheduled in October 2002

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 will seek membership in both 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.

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 twenty-four 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.