



# Trademark Licensing Code of Conduct

<b>Responsible Officer:</b>	SVP - External Relations
<b>Responsible Office:</b>	ER - External Relations
<b>Issuance Date:</b>	9/28/2018
<b>Effective Date:</b>	9/28/2018
<b>Last Review Date:</b>	3/17/2017
<b>Scope:</b>	This policy applies to all employees and students of the University and at all University locations, including the campuses, medical centers, the Office of the President, Lawrence Berkeley National Laboratory, and Agriculture and Natural Resources.

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## I. POLICY SUMMARY

It is the policy of the University of California (UC or University) that goods bearing the names of the University or its campuses, abbreviations of these names, logos, mascots, seals, or other trademarks owned by UC must be produced under fair, safe, and humane working conditions. Thus, all goods bearing UC Trademarks, regardless of end

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use – including retail and promotional items, gifts, uniforms, or other uses – must be produced or otherwise sourced only through companies authorized, by virtue of a licensing or other agreement, to place UC trademarks onto products (e.g., apparel, school supplies, toys, and promotional goods). It is the responsibility of all UC employees and students ordering goods bearing UC’s name, logos or other UC-owned trademarks (including names of University departments) to use only authorized Licensees that have expressly agreed to adhere to this policy. Licensees must agree to the standards set forth in this policy throughout their supply chain and must responsibly manage a transparent supply chain.

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## **II. DEFINITIONS**

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**Contractor** means each contractor, subcontractor, vendor, supplier, buying agent, manufacturer, or other entities engaged in the manufacturing or supply chain process, which ultimately results in a finished product on behalf of Licensee.

**Corrective Action Plan (CAP)** means a written plan provided to the University that details improvements to an organization's processes to remedy violations or alleged violations of the Code.

**Licensee** means all persons or entities who have entered into a written UC Licensing Agreement with the University (either directly or through a Licensing Agent) to manufacture products bearing UC’s Trademarks. Licensee is sometimes referred to as “Trademark Licensee.”

**Licensing Agent** means a company that has an agreement with a specific University entity to provide services to assist the University to oversee and manage its Trademark licensing program.

**Non-Governmental Organization (NGO)** means a not-for-profit functioning independently of government that the University, from time to time, engages to investigate allegations of worker abuse and recommend mitigating actions. These organizations may include, but are not limited to, the Fair Labor Association (FLA) and the Worker Rights Consortium (WRC).

**Remediation** means the act or process of remedying or correcting an act (i.e., violation).

**Supply Chain** includes every company that comes into contact with a particular product (e.g., all the companies manufacturing any components of the product, assembling it, delivering it, and selling it).

**Trademarks** identify and distinguish the goods and/or services of one organization from those of another. Trademarks can be words, symbols, designs, three-dimensional objects (as in packaging), colors, landmarks, sounds, or smells. UC Trademarks include the “University of California” name, campus and department names (including abbreviations of these names), logos, mascots, seals, iconic buildings, and other source-identifying indicia.

**UC Licensing Agreement** means an agreement between the University and another entity permitting that entity the right to use and/or manufacture products bearing UC's Trademarks.

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### III. POLICY TEXT

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The University expects its Trademark Licensees to conduct their business in a manner consistent with, and follow workplace standards that adhere to, this Code of Conduct (the Code). The Code is subject to amendment to reflect any subsequently developed standards either by the University or a national higher education organization whose code the University chooses to adopt.

This Code will apply to all UC Trademark Licensees and will be incorporated into each UC Licensing Agreement. As a condition of being permitted to produce and/or sell licensed products bearing UC Trademarks, all Licensees must comply with this Code and must ensure their Contractors comply with this Code. It is the responsibility of Licensees and their Contractors to ensure supply chain transparency and to trace their supply chain to its origin. Similarly, it is the responsibility of all UC employees and students ordering goods bearing the UC's name, logos or other UC Trademarks (including names of UC departments or other units) to use only authorized Trademark Licensees, all of whom must agree to adhere to the Code.

#### A. Standards

Licensees and their Contractors must operate workplaces that comply, at a minimum, with all applicable laws (including environmental laws) of the country in which products are manufactured **and** with the standards and requirements set forth in this Code. Where the applicable legal laws of the country of manufacture conflict or differ with the standards and other requirements in this Code, the higher standard prevails.

1. **Ethical Standards:** Licensees and their Contractors commit to conduct their business according to a set of ethical standards which include, but are not limited to, honesty, integrity, trustworthiness, and respect for the unique intrinsic value of each worker.
2. **Employment Standards:** The University will do business only with Licensees whose workers, and those of their Contractors, work voluntarily, are not at undue risk of physical harm, are compensated fairly, and are treated with dignity. The University expects its Licensees and their Contractors to adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations. In addition, the following are required:
  - a. **Wages and Benefits:** Licensees and their Contractors must provide wages and benefits that comply with all applicable laws and regulations and that match or exceed the local prevailing wages and benefits in the relevant country. In addition, such wages and benefits must constitute a "fair/living wage," which requires meeting the basic needs for the worker and two dependents to have

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- access to resources, including food, safe drinking water, clothing, shelter, energy, transportation, education, sanitation facilities and access to health care services.
- b. Working & Overtime Hours/Compensation:** Licensees and their Contractors must not require their employees to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week must not exceed 48 hours. Employers must allow workers at least 24 consecutive hours of rest in every 7-day period. All overtime work must be consensual and not coerced. Employers must not request overtime on a regular basis and must compensate all overtime work at least at the premium rate legally required in that country. Other than in exceptional circumstances, the sum of regular and overtime work hours in a week must not exceed 60 hours.
  - c. Child Labor:** No person will be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. No person under the age of 18 will undertake hazardous work – e.g., work which, by its nature or the circumstances in which it is carried out, is likely to cause harm to the health or safety of such person. Licensees and their Contractors must work with governmental organizations, human rights, and NGOs, as determined by the University and Licensees, to minimize the negative impact on any child released from employment as a result of the enforcement of this Code.
  - d. Forced Labor:** No use of forced labor is permitted, whether in the form of prison labor, indentured labor, or otherwise. Licensees and their Contractors will comply with international standards and all applicable local and national laws, regulations, standards, and procedures concerning the prohibition of forced labor and human trafficking, such as the California Transparency in Supply Chains Act and related sections of the Dodd-Frank Act (including Section 1502, which addresses products containing “conflict minerals”).
  - e. Health and Safety:** Licensees and their Contractors must provide workers a safe and healthy work environment that complies with or exceeds local and national health and safety laws. Licensees and their Contractors will provide appropriate protection for workers exposed to hazards, including glues and solvents, that may endanger their safety. If residential facilities are provided to workers, they must be safe and healthy.
  - f. Nondiscrimination:** Licensees and their Contractors agree to employ individuals solely on the basis of their ability to perform the job and will not subject any person to discrimination in employment – including matters pertaining to hiring, salary, benefits, advancement, training, discipline, termination or forced retirement – on the basis of race, color, national origin, religion, sex, gender, gender expression, gender identity, pregnancy, physical or mental disability, medical condition (cancer-related or genetic characteristics), genetic information (including family medical history), ancestry, marital status, age, sexual orientation, citizenship, or service in the uniformed services.

- g. Women’s Rights:** Regarding women’s rights, Licensees and their Contractors must adhere to the following items:

  - i. Women workers will receive: equal remuneration, including benefits; equal treatment; equal evaluation of the quality of their work; and equal opportunity to fill all positions open to male workers.
  - ii. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
  - iii. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits after the maternity leave has ended.
  - iv. Workers will not be forced or pressured to use contraception.
  - v. Workers, especially pregnant women, will not be exposed to hazards, including glues and solvents, that may endanger their safety (including their reproductive health), unless thorough protections are in place.
  - vi. Licensees will provide appropriate services and accommodation to women workers in connection with pregnancy.
- h. Harassment or Abuse:** Every worker must be treated with dignity and respect. No worker will be subject to any physical, sexual, psychological or verbal harassment or abuse. Licensees and their Contractors will not use or tolerate any form of corporal punishment.
- i. Freedom of Association:** Licensees and their Contractors will recognize and respect the right of workers to freedom of association and collective bargaining with bargaining representatives of their own choice in accordance with International Labour Organisation Convention 87, which protects freedom of association and the right to organize. No workers will be subject to harassment, intimidation or retaliation as a result of their efforts to freely associate or bargain collectively. Licensees and their Contractors must allow union organizers reasonable access to workers and must recognize the union of the workers’ choice.
- 3. Disclosure:** Licensees must provide the following information to the University or its designated Licensing Agent(s) and to update such information immediately when any change occurs:

  - a. The company names, owners and/or officers of Licensees and their Contractors; addresses, phone numbers, email addresses of Licensees and their Contractors; and the nature of the business associations and their roles in the manufacturing process;
  - b. The manufacturing plants of Licensees and their Contractors involved in all levels of the manufacturing process of items (including raw materials, blank goods, and decorations) that bear, or will bear, the name, Trademarks and/or images of the University;

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- c. A written description of sourcing practices;
- d. A written description of systems and procedures used by Licensees and their Contractors to ensure ongoing compliance with this Code and to correct any instances of non-compliance with this Code; and
- e. Upon request, internal and external monitoring reports regarding Licensees' and their Contractors' compliance with this Code.

Licensees are required to report immediately to the University any material changes in the foregoing disclosures, including the addition or deletion of manufacturing plants. All disclosures provided in connection with a UC Licensing Agreement may be made publicly available without confidentiality restrictions.

**B. Internal Monitoring, Training, Independent External Monitoring and Verification**

1. It is the responsibility and obligation of each Licensee to:
  - a. take continuous steps to ensure its compliance with this Code, and to verify that its Contractors are in compliance with this Code;
  - b. document the nature and extent of all activities it undertakes to ensure its compliance with this Code;
  - c. resolve to the University's satisfaction any incidence of non-compliance with this Code in a prompt and effective manner;
  - d. actively seek knowledge, training, and implementation of best practices regarding international labor standards and ethical supply chain management, including consultation with governmental, human rights, labor, and credible third party monitoring organizations;
  - e. develop an internal monitoring program adequate to ensure compliance with this Code;
  - f. refrain from any actions that would diminish the protections of these labor standards and compliance with this Code; and
  - g. join and maintain membership in good standing with any external organization that the University designates as a means to assist the University in assuring compliance with this Code.
2. The University has the right to investigate, either by itself or through its Licensing Agent(s) and/or NGOs, allegations or evidence of violations of this Code by Licensees or their Contractors as well as Licensees' or their Contractors' actions to correct such violation(s). It is the responsibility and obligation of Licensees and their Contractors to cooperate fully with such investigations, and to give the University or its Licensing Agent(s) and/or NGOs free and full access to all facilities, materials, and records that may be relevant to such investigation and to further provide access to all employees who may be affected by or have knowledge of the alleged or actual violation. Such investigation by the University or its Licensing Agent(s) and/or NGOs may occur with or without notice, and as many times as deemed necessary by the University or said Licensing Agents and/or NGOs, in their discretion.

### **C. Non-Compliance and Remediation/Corrective Action Plan**

When non-compliance with this policy becomes known by a University employee, such non-compliance should be reported to the relevant delegated authority at the University. Licensees will promptly notify the University of any and all incidents, including claims by others, that constitute or may constitute Licensees' or their Contractors' non-compliance with the Code. Licensees have an obligation to maintain their own records of all complaints of violations, and will notify the University that a complaint has been filed. This record will include all details of such findings or allegations, including, but not limited to, copies of any reports, complaints, or other documentation concerning an actual or alleged violation of the Code. Upon request, Licensees will provide promptly to the University a copy of any written response Licensees have made to such allegation and provide a report describing all actions Licensees have taken, if any, to remedy the alleged violations of the Code, including Corrective Action Plans (CAP).

If, upon investigation, the University determines that any Licensee or Contractor has failed to remedy a violation of this Code, the University will consult with Licensee to examine the issues and determine the appropriate measures to be taken. The remedy will, at a minimum, include requiring Licensee to take all steps necessary to correct such violations including, without limitation, paying all applicable wages and/or benefits due to workers under law or contract, and reinstating any worker whose employment has been terminated in violation of this Code. If consultation and agreed upon measures fail to adequately resolve the violations within a specified time period, Licensee will implement a CAP on terms acceptable to the University. The University reserves the right to terminate its relationship with any Licensee who continues to conduct its business in violation of the CAP.

Licensees and their Contractors must guarantee wages, salaries, benefits and severance to their workers. In the event of non-compliance by its Contractor, Licensee must assume responsibility for payment of wages, salaries, benefits and severance to Contractor's workers in proportion to the percentage of work done by Contractor's workers on behalf of that Licensee.

If a natural disaster or other crisis causes a significant disruption of production, Licensees and their Contractors will use reasonable efforts to restore production at the affected worksite(s) to prior levels as soon as feasible while ensuring workers' safety.

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## **IV. COMPLIANCE/RESPONSIBILITIES**

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UC's Senior Vice President of External Relations is the authority responsible for implementing, enforcing, and providing interpretations/clarification of this policy, and will consult with the Office of General Counsel as appropriate. The University's Chancellors, Laboratory Directors, and Vice President of Agriculture and Natural Resources are authorized to permit – or may delegate the authority to permit – the use of their campus names, mascots, logos and other campus trademarks in connection with UC Licensing Agreements within their respective jurisdictions.

## V. PROCEDURES

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All UC Licensing Agreements must incorporate this Code of Conduct policy as a requirement to such agreements. All products bearing UC Trademarks regardless of end use (including retail and promotional items, gifts, uniforms, or other uses) must be produced or otherwise sourced from a UC Trademark Licensee.

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## VI. RELATED INFORMATION

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- UC Policy to Permit Use of the University’s Name - [DA0864](#)
  - UC Policy to Permit Use of the University’s Unofficial Seal Policy - [DA0865](#)
  - UC Policy on Materiel Management - [BFB-BUS-43](#)
  - UC Brand Guidelines - <http://brand.universityofcalifornia.edu/>
  - UC Policy on Sustainability, Section III.G (“Environmentally Preferable Purchasing”) - <http://policy.ucop.edu/doc/3100155/SustainablePractices>
  - California Transparency in Supply Chains Act - <https://oag.ca.gov/SB657>
  - Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 (related to conflict minerals) - <https://www.gpo.gov/fdsys/pkg/PLAW-111publ203/html/PLAW-111publ203.htm>
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## VII. FREQUENTLY ASKED QUESTIONS

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Please see: <http://ucop.edu/sustainability/programs-initiatives/social-sustainability/frequently-asked-questions.html>

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## VIII. REVISION HISTORY

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**September 28, 2018:** Responsible Officer and Office moved from the EVP - Chief Operating Officer to the SVP - External Relations.

This Policy was also remediated to meet Web Content Accessibility Guidelines (WCAG) 2.0.

**January 5, 2000:** Revisions of the 1998 policy included a living wage provision.

**August 1998:** This policy was originally issued.