

BOTTOMLINE



At Work For Our Members!



Another Licensing International Show will be upon us shortly – our chance to demonstrate to the global business world why licensing is a dynamic tool for driving sales of retail merchandise. It's also a time when I would like to reiterate how hard LIMA continues to work in order to provide our members with all the advantages possible.

Learning More: We are about to enter into a new phase of our educational program. Beginning this fall, we will start producing a monthly series of intermediate and advanced online licensing seminars on a variety of topics. By doing so, we are able to bring the education directly to our members' offices while reaching a greater geographical audience. Online seminars will also be significantly lower in cost than attending an in-person class.

LIMA is also committed to continuing with our Certificate of Licensing Studies (CLS) program. CLS remains the industry's only year-long educational program specifically designed to prepare those seeking a career in licensing and merchandising or to enhance the skills of those new to this fast-changing industry.

Going Global: Companies outside of the United States now account for over 40% of LIMA's membership. Accordingly, we plan to further expand our service offerings through our four international offices – London, Munich, Tokyo and Shanghai. In addition, we have recently agreed to a partnership on membership services and a new trade event in Brazil. More details will be announced shortly.

LIMA will also continue to provide information to our members who are exploring emerging markets such as India and Southeast Asia. Our main objective is to provide a global network of connected members to help facilitate the process of finding potential foreign partners and obtaining news on international markets.

Planning for the Future: Our Future LIMA Industry Profes-

BY CHARLES RIOTTO, PRESIDENT, LIMA

sionals (*flip*) program for newer faces in the licensing community has grown tremendously since this time last year. We had a successful launch of the West Coast division of *flip* in January, and have added Learning Lunches on both coasts to our roster of educational opportunities. Additional seminars and networking events are being planned throughout the year. *flip* also has some new undertakings in the works, including the construction of the *flip* website and what we hope to be a very proactive involvement in Children's Brain Tumor Foundation, our charity of choice.

Helping Others: All LIMA members should be extremely proud of the work of our Charity Committee. Three years ago, the committee set a goal of raising \$1,000,000 in five years for the Children's Brain Tumor Foundation. I am very happy to announce that we have far exceeded that goal in less than three years. My most sincere thanks to all of you who have found it in your heart to help these brave children and their families.

Caught in the Web: By now, I am sure you have seen and experienced our newly designed and enhanced website. You asked us for more industry news and our new site provides just that, along with the industry's most detailed upcoming calendar of events and an easy-to-use searchable database that helps you find properties, products

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Non-Disclosure Agreements

BY JAMES COPLIT, GRIMES & BATTERSBY

Confidential disclosure or non-disclosure agreements are used in situations where one party wishes to disclose confidential or proprietary information to another party without losing any rights to such information. The purpose of the agreement is to clearly state that any such disclosure is being made on a strictly confidential basis and to control how the receiving may use or communicate the information contained therein.

First and foremost, the non-disclosure agreement establishes the types of information to be covered by the agreement and the

sure agreements should provide in explicit detail what the recipient of such information can and cannot do with such information. For example, the recipient of such information is typically required to maintain such information in confidence during the term of the agreement, not use it for his own use or disclose it to others.

Confidential disclosure agreements can take many forms. For example, a "short form" version of the agreement may be little more than a letter agreement while a "long form" agreement is more often used for the mutual

“Confidential disclosure agreements are used in virtually all types of industries and for all types of information, ...”

conditions that are to be imposed upon the recipient of such information. The object of such an agreement is to contractually bind the recipient from using or disclosing such information (except in certain circumstances as outlined in the agreement).

Confidential disclosure agreements are used in virtually all types of industries and for all types of information, including technical information and know-how, inventions, customer and vendor information and other types of business information. It is not necessary that the information qualify as a trade secret. These agreements are often used in conjunction with intellectual property protection to preserve and protect intellectual property rights.

In drafting confidential disclosure agreements, care should be taken to identify and define the type of information that is to be covered by the agreement. Typically, it relates to written information of a particular defined nature bearing a confidential or proprietary legend. Similarly, the agreement will frequently contain provisions limiting what can constitute confidential information, i.e., information that was not known to the recipient at the time of disclosure or in the public domain. Most notably, confidential disclo-

exchange of confidential information. At the very minimum, these agreements should identify the parties being bound and define the confidential information, as well as what is not protected as confidential information. The agreement should establish the restrictions on the disclosure and use of the information by the recipient and third parties, as well as provide for a return of the information to the disclosing party.

At Work For Our Members!

Continued from cover

and potential partners anywhere in the world. Our study finds that an overwhelming majority of members use our website at least one to two times per week. Keep checking in the weeks and months ahead as even more features are added.

Here's wishing all of you a highly successful Licensing International 2007 and many more great licensing deals in the future!

Post-Termination License Rights

BY KAREN H. BROMBERG AND BERTRAND MADSEN, COHEN & GRESSER LLP



Just like a pre-nuptial agreement which provides for conditions that apply after the parties' relationship ceases, every license agreement should clearly delineate the terms of

the parties' rights and obligations after the agreement's termination. Termination provisions in a license agreement can be very important, and the same degree of care and planning that goes into drafting the parties' prospective business relationship should be given to clarifying the parties' post-license relationship. Below is a sampling of a few post-termination provisions that require careful consideration.

ROYALTY PAYMENTS. A licensor, or an agent sharing in a licensee's profits, should ensure that the license agreement contains clear, unambiguous language detailing their rights to continue receiving royalty payments from the licensee after the termination of the parties' relationship. This can be accomplished by including a provision stating prominently that the licensee's obligation to make royalty payments with respect to the licensed products shall continue to remain in full force and effect after the termination of the agreement.

SELL-OFF RIGHTS. Most license agreements permit a licensee to sell the licensed products that remain in inventory (or that were already processed, or ordered but not yet received, at the time of the agreement's termination) for a specific period of time after termination of the agreement (sometimes called the "post termination period"), provided that the licensee complies with all the other terms of the license agreement and continues to pay royalties to the licensor. Such rights, referred to as "sell-off rights," are often given to a licensee by a licensor through the following language: "Within X days of the termination of this Agreement, the licensee may continue to sell the Licensed Products which were in inventory, in process, or for which written orders

have been received from customers as of the date of termination of this Agreement."

From a licensor's perspective, an important question to consider is whether to grant such sell-off rights to a licensee and, if so, how long these rights should last. If a licensor anticipates that other licensing opportunities are likely to exist for the products in question upon the agreement's termination, granting the licensee the right to sell the products for a time period exceeding the agreement's duration may hinder the licensor's efforts to generate new interest in the licensed products and to engage new licensees. In such an instance, it would be in the licensor's best interest to exclude any sell-off rights from the agreement or to give the licensee a short time-frame beyond the expiration of the agreement within which to sell the remaining products. On the other hand, if the licensor is not likely to be able to generate any new interest in the licensed

products at the end of the agreement, the licensor may wish to grant sell-off rights to the licensee, for an extended period of time, provided that the licensee continues to pay royalties. This dilemma, which stems from the difficulty of predicting a licensor's success in generating new interest in the products at the end of the license agreement, can be resolved by providing that any sell-off rights shall be granted by the licensor at her own discretion and express consent.

REPORTING OBLIGATIONS AND AUDITING RIGHTS. If a license agreement provides for a sell-off period, or if an agent



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Upcoming Events

- June 1-3** Book Expo America, Javits Convention Center, New York, NY
- June 18** LIMA Members-Only Reception, The Sheraton Hotel & Towers, New York, NY
- June 20** The 2007 LIMA Gala & Awards Show, The New York Marriott Marquis Hotel, Times Square
- June 28** Tokyo Toy Show, Tokyo Big Sight International Convention Center
- July** *flip* Learning Lunch, AVEvenue, New York
- July 3** Hong Kong Licensing Show, Hong Kong Convention & Exhibition Center
- July 11-13** E3 Expo, Santa Monica, CA
- July 26-29** Comic-Con International, San Diego Convention Center
- August** *flip* Learning Breakfast, Los Angeles
- August 27-30** MAGIC, Las Vegas Convention Center
- October** *flip* networking events, New York, Los Angeles
- October 2** Brand Licensing Europe, The Grand Hall, Olympia, London, England
- October 6-7** MIPCOM Junior, Palais Des Festivals, Cannes, France
- October 8-12** MIPCOM, Palais Des Festivals, Cannes, France
- October 9-12** American International Fall Toy Show, Dallas Market Center
- October 17** LIMA Licensing Pavilion at Shanghai Toy Expo, Shanghai International Expo Center
- October 31** Licensing Asia 2007, Tokyo Big Sight International Convention Center

Post-Termination License Rights *Continued from page 3*

continues to enjoy rights in a licensed property, a licensor should ensure that provisions regarding reporting obligations and auditing rights are expressly included in the license agreement. Because the parties' business contacts with each other are likely to diminish or terminate after the expiration of the agreement, such reporting and auditing rights should be more frequent and onerous post-termination than they were pre-termination. A licensor should consider including a penalty provision for a licensee's violation of her reporting obligations by, for example, under-reporting income. The agreement should expressly state that these reporting obligations expressly survive the termination of the license agreement.

INJUNCTIVE RELIEF. When a licensee violates the agreement's post-termination provisions by, for example, continuing to sell the licensed products beyond the post-termination period, the licensor may choose to seek injunctive relief. However, as often happens, the requirement of the posting of

a bond (to secure any costs or damages that the licensee may suffer if the injunction is later found to be improperly granted) may create an obstacle for the licensor, dissuading her from seeking relief. It is therefore advisable for a licensor to include a provision in the license agreement providing that the licensee will waive any bond posting requirement.

CONFIDENTIALITY AND OTHER PROVISIONS. License agreements often contain provisions which, on their face, appear to be applicable only during the course of the parties' relationship, even though such provisions should survive the agreement's termination. These provisions' survival beyond the terms of the agreement should be made explicit. For example, a license agreement for computer software may provide that the source code of the software constitutes a valuable trade secret and proprietary confidential information of the licensor, and, therefore, the licensee agrees not to provide or disclose such code to

any third party. In such a case, the licensor would be well advised to include a clause explicitly providing that this confidentiality provision will remain in effect even after the agreement terminates. Similarly, explicit language may also be used, *inter alia*, to clarify the ownership of intellectual property rights in the licensed products post-termination. For example, the agreement may provide that the licensee's only right to use the licensed products was by virtue of the agreement and that all intellectual property rights in or relating to the licensed products remain the exclusive property of the licensor after the termination of the agreement. The provisions chosen by the parties to survive the parties' license relationship can be easily drafted and grouped in a separate paragraph providing: "Upon the termination of this Agreement, the provisions relating to confidentiality (clause X) and ownership of intellectual property (clause Y) will remain in full force and effect."

A Step Forward In Fighting Counterfeiting On the Internet

BY CHRISTIAN FORTMANN, SONNENBERG FORTMANN



What has been an ongoing thorn in the flesh of all brand names around the world is the offering of counterfeit products on Internet auction platforms. Interesting and welcome as they

are when it comes to selling your mother's gigantic 80s-style candle holder stuffing up your cellar, the auction platforms offer distributors of counterfeit products a reach far beyond the dubious back yard shops or street corner sales of former days.

Trademark owners all around the world have been fighting this problem in various countries for years, trying to establish a responsibility of the various auction platform providers – so far, to no avail.

Until now, the auctioneers have refused to take any responsibility for offerings of counterfeited products on their platforms. However, with its decision of April 19, 2007, the trademark Senate of the German Federal Supreme Court has put the burden of responsibility for counterfeit products and trademark infringements onto the shoulders of the auction platform providers.

In a recent case, the Federal Supreme Court reiterated its line of argument from earlier decisions regarding the liability of Internet auction houses for trademark infringements. The Court ruled that the Host-Provider privilege that can be found in the German Tele Media Law (Telemediengesetz) only applies to criminal responsibility and liability for damages. This privilege, however, does not apply to injunctive relief (cease and desist), according to the BGH. The provider is therefore liable as a "dis-

quieter" as the Internet platform developed by the provider enables the offering of fake products, even though the provider is neither the manufacturer nor the distributor of the counterfeit products. According to the Supreme Court, there is no general "exemption of liability" for host providers.

The Court further ruled that liability of the platform provider requires that the sellers of the fake products act as professional dealers (i.e. are not private individuals selling only a handful of items). Only then can a trademark infringement be assumed. If it is notified of a clearly visible trademark infringement, the platform provider must not only block the offering in question but is generally obliged to take all possible measures in order to avoid any future infringements of that kind.

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Q & A: Andy Todd, President of Steve & Barry's



Steve & Barry's enjoys a unique situation as both a licensee and a retailer. Their success model has been in their ability to provide premium apparel at low prices. The

retailer began in 1985 selling collegiate apparel and, as the company grew, it began its expansion into lifestyle apparel in 2000. Andy Todd, President of Steve & Barry's, was one of the key people involved in this expansion, as well as the widely acclaimed 2006 launch of the Starbury Collection, developed in tandem with NBA superstar Stephon Marbury.

Andy took time out of his schedule to provide LIMA's Christina Attardo with some insight into where Steve & Barry's finds itself now, and where the company is looking to go:

CA: How do you offer such a broad range of non-regional collegiate apparel?

AT: Steve & Barry's has been developing relationships with colleges and universities for over 20 years. To-date, we carry apparel bearing the names and logos of over 300 schools. We find that alumni, family, and friends of a school that may not live in the vicinity really enjoy having a place to go buy gear from their favorite school.

CA: Are there plans to expand into any other areas of entertainment or sports?

AT: Steve & Barry's portfolio is expanding to encompass all classic American brands, whether they are collegiate, consumer, entertainment, etc. We are definitely open to exploring all possibilities. Among our current licenses are WWE, Hershey's, Chevrolet, Hasbro, Marvel, and many others.

CA: Any plans to continue working with celebrities/athletes?

AT: Yes, we have already expanded the Starbury Collection we launched with New York Knicks point guard Stephon Marbury. In addition to high performance basketball sneakers, the line now has hundreds of items, including sneakers specifically designed for skateboarders and women. We also recently announced that Ben Wallace of the Chicago Bulls will wear his own signature Starbury sneaker, called the Big Ben, starting next season. Our true entry into the women's market will be with Bitten, a 500 piece collection we've created with Sarah Jessica Parker that hits our shelves in June. We will continue to look for celebrity and athlete partnerships that make sense for Steve & Barry's and our shoppers.

CA: Can you offer any interesting insight into the world of licensing from your experience in the industry?

AT: The licensing world is ever-changing with the growth of new brands and the expansion of existing brands as retro becomes increasingly hip and popular. It can be easy to become distracted with the sheer volume of variety available. As a retailer, it is important to focus your efforts to build strong relationships and know your customer. Here at Steve & Barry's, we have a committed group of merchandisers who research current trends and what consumers want.

CA: What are some of the innovations of your licensing program?

AT: Steve & Barry's has a lot of control when it comes to pricing, quality, timing, and consistency. Because we control the shelf-space, we have a lot of freedom when it comes to being creative with promotion in our licensing program. For example, we can use the 42-inch flat-screen plasma TVs in our store to let people know that there are new WWE shirts coming out or air trailers to promote a local appearance or TV show. We can also arrange front tables according to the season or specific promotions – the possibilities are endless when it comes to what we can do with the in-store presentation.

CA: What can we expect from Steve & Barry's in the future?

AT: You can expect a lot of growth, both in footprint and in the variety of merchandise that we carry. Already this spring, we have not only expanded the Starbury line, but also added a new athlete and extended our apparel lines to include infants. Within the stores themselves, customers can look forward to a shop-within-a-shop concept. Already, we have our first shop-within-a-shop with the Starbury section. This layout makes our stores easier to navigate and creates an organized environment for the clothing we carry.

CA: What are some of the trends going around the industry?

AT: We're seeing properties that are much savvier and creative in developing programs with us. It's not just about a logo for a shirt anymore. Now there's much more discussion about how to leverage the relationship beyond the apparel, which is fantastic.

CA: What has been the "secret" of Steve & Barry's success?

AT: The secret to Steve & Barry's success lies in our ability to deliver only quality products at astonishing low prices people can't believe, and present the merchandise in upscale, fun, and friendly stores.

CA: Tell me about your transition from collegiate into lifestyle.

AT: As Steve & Barry's transitioned from being a college campus store to an anchor and junior anchor store, we realized that everybody loves a good deal. Starting in 2000, we branched out into lifestyle apparel and have been growing our apparel line ever since. Collegiate apparel is still about 20% of our business; it is just that we have added more options to accommodate everybody's sense of style. Now families can come to Steve & Barry's for everything from gym and lounge wear to denim and business casual.

Come Home to India

BY LARRY LIEBERMAN, CHIEF MARKETING OFFICER, VIRGIN COMICS & VIRGIN ANIMATION

Have you ever been really happy at work? I mean, really, really happy? Giddy happy?

Well that was what it was like to be part of LIMA's Executive Delegation to India. From start to finish the entire trip was as comfortable as a tropical cruise, as outrageous as a high school field trip and more educational than a semester of Graduate School.

Can you imagine several licensing professionals from the US, UK and Australia invading Mumbai? You'd think that Mumbai (formerly Bombay), a metropolis often ranked as the world's largest city, wouldn't even notice a van full of licensing people? Guess again. We're all friends here. We know licensing people. And face it; there's nothing subtle or quiet about any of us.

Fred Gaffney showed up ready to proselytize the masses. With doll in hand – not just any doll mind you, but the coveted, talking and fully poseable *FRED* doll. I suppose his motto is “don't leave home without me.” And I'm not sure if it's called multi-tasking or research, but Deborah Joester, President of The Joester Loria Group, managed to buy every bangle bracelet south of New Delhi while at the same time counting the threads in the sheets and converting the Rupee price tags into dollars. Darran Garnham of 4Kids used his time wisely, hustling the local kids for petty cash at the Xbox kiosks now seen in every Indian Hypermarket, department store and electronics outlet.

Arriving in India feels strange. I know. At Virgin Comics our studio of 100+ artists, writers and designers create products that we sell at more than 7,000 stores in India. We've been publishing and distributing there for almost nine years. Much of the country of India as well as Indian businesses have changed during that time.



Much change is still to come. And some changes are never to be.

LIMA's delegation was an intense immersion into one of the world's most rapidly changing economies. Capably led by LIMA's Jennifer Coleman, the group crisscrossed Mumbai for meetings with senior executives at the FICCI-FRAMES media conference, boardroom summits with top retailing executives, and tours of India's newest, most glitzy western-style shopping malls; and of course choice accommodations at Mumbai's most popular restaurants.

Some highlights of what the group took away from our time in India:

- India is chaos theory at work. Gritty and disordered, this enigma somehow works like a beautiful poem that doesn't rhyme.
- While timeframe is unclear, the country of India will become one of the world's top markets for licensed products and services.
- Indian consumers at all income levels are value shoppers. Consumers know what they are willing to pay for an item and will not over-pay.
- Indian consumers are loyal to quality products and impeccable customer service. This is very different from brand loyalty,

which is not particularly strong.

- The infrastructure in India is simply an abomination; water, electric, sewers and transportation all need to improve to sustain the country's growth. Our group experienced the transit challenges firsthand when a 14 mile drive from our hotel to the downtown headquarters of Reliance's Fresh Select retail chain inched along for almost three hours.
- Private commerce is no longer willing to wait for the government to make improvements. Industry is investing heavily in real estate improvements, transportation and communication networks.
- Less than 5% of retail commerce in India is “organized” – even by the loosest definition of the word. Shops are small and run by families who know their customers by name.

So what's the bottom line?

Our group tried to predict the future. With new shops and shiny new cars, you would think that in 10 years this place will look like America. But our group was not deceived – India is a very, very different place. And it always will be. The world's largest democracy is not simple. To quote *Business Week* in their March 2007 profile on India, “Just about every foreign company operating in India has a horror story of the hardships of doing business there.”

We'd like to believe it's getting easier, but that's just not the case. Business in India is getting more competitive and more expensive. Fortunately the rewards are growing even faster. Now is the time to join us in India as we set our sights on greatness.

The staff of LIMA offers our support and kindest wishes to one of our member companies, Virginia Tech Licensing, after the tragedy that befell the University on April 16, 2007. Our thoughts are with you and everyone affected by this unfortunate event. Go Hokies!

Demystifying Licensing In Food & Beverage

BY JANNA MARKEL, THE VALEN GROUP



There is a great deal of activity currently taking place in food and beverage licensing, due to a variety of reasons:

- This category is not as saturated with brands and

licenses as many other categories such as stationery, apparel, toys, etc.

- The belief that food and beverage licensed product revenues can be substantial and long-term such as the Taco Bell license with Kraft Foods for taco products.
- The increased interest in cooking and food due to the abundance of celebrity chefs and the Food Network, such as Rachel Ray and Emeril Lagasse.
- The rising concern regarding childhood obesity and the potential to offer alternative solutions other than “junk food” for kids, such as Sponge Bob branded carrots and Disney character branded cheese.

Building a successful food and beverage licensing program requires an understanding of the sophisticated consumer packaged goods (CPG) industry...and patience. Developing this type of program typically takes a minimum of 18 months before product will be on the supermarket shelf.

Shelf space is as difficult to obtain and retain in the supermarket as it is in mass market and other highly competitive channels. In the supermarket arena, slotting fees are typical. Slotting fees “buy” a few inches of space on a shelf, or in a freezer or refrigerated case, for a period of time. Slotting fees give the manufacturer the opportunity to prove their product’s worth. It can cost \$1 million to place a single SKU on the supermarket shelf nationwide! That will secure the space for maybe six months. Then, if the velocity of the sales are not high enough, the product is replaced with a new one and the slotting investment is lost.

This is the reason why major consumer

packaged goods manufacturers like Kraft, Nestle, PepsiCo, Proctor & Gamble and others evaluate, test and research every aspect of a product before it launches. The investment of resources is high to utilize these rigorous processes, but the risk of failure can be even higher. Typically, the multi-billion dollar packaged goods companies are not going to consider a license of another brand because they only want to invest their dollars in their own brand names, not in a brand that they will only have

Once the positioning and distribution strategy is in place, it is time to look for the right partners. These partners should have distribution in the channels where you want your products to be found. In the specialty food channels, manufacturers will usually be fairly small companies with capabilities to produce customized formulations and utilize more expensive ingredients because there is some flexibility in pricing in specialty foods. These companies will typically launch a product line at the Fancy Food

“Shelf space is as difficult to obtain and retain in the super-market as it is in mass market and other highly competitive channels.”

for a few years. In some cases, such as the license of South Beach Diet to Kraft, a long-term agreement can be struck where the licensee can consider the brand their own and invest in it accordingly. This deal made sense to Kraft because it filled a niche that their own branded products could not.

This leads to a discussion on types of partners in food and beverage licensing. First, a licensor needs to determine the positioning for the brand in food and what distribution channels are compatible with that positioning. When I licensed the T.G.I. Friday’s brand into food and beverage, we wanted to target mainstream consumers and provide a Friday’s eating occasion at home. Thus, our distribution goals were supermarkets and club stores. When I licensed Chef Stephen Pyles, a celebrity chef based in Texas, the positioning was very different. We were targeting the “foodie” – that person who loves to try the latest gourmet food products and flavors. We supported the chef positioning through the products. In this case, we targeted specialty food stores such as Dean & DeLuca, Sur La Table, Central Market and Whole Foods (at that time Whole Foods was considered a specialty food store).

Show and distribution gains will be slow. More than likely it will be difficult to ever achieve national distribution in a meaningful way. These companies will use their own staff to test the products, not consumers.

For mainstream supermarket distribution, potential partners could be the major CPG companies, but second tier food and beverage manufacturers are usually the best partners. They will typically have a need for your brand in their portfolio and will embrace it. However, they may still apply rigorous consumer research and testing to the brand and products before they are launched at retail. There are some more entrepreneurial companies that still use their “gut” and marketing savvy to determine a product line, its flavor profiles and SKU assortment. Those are the companies willing to risk failures on shelf, but get to market quicker. The other companies may spend many months testing the overall concept, brands, specific product concepts, pricing and other aspects to ensure that when the products are launched, there is a strong consumer benefit that will yield successful sales velocities.

Either of these approaches is acceptable.

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Neil Friedman To Be Inducted Into Licensing Hall of Fame



Neil Friedman, President of Mattel Brands and former Chairman of the LIMA Board, will be inducted into LIMA's Murray Altmuler Licensing Industry Hall of Fame at the Annual LIMA Awards Gala on June 20.

An icon of the toy industry, Neil has demonstrated exceptional contributions to licensing whose relevance continues to impact the industry today. He has been actively involved in licensing and offers a complete perspective on the industry, having taken on varying roles as a retailer, licensee and licensor throughout his 34-year career.

As President of Mattel Brands, Neil oversees all business including Fisher-Price, Barbie, Polly Pocket, Hot Wheels, Matchbox, Mattel Games, the entertainment-licensed properties and the newly acquired Radica Games portfolio. He is also responsible for Mattel Brands Consumer Products, which controls the out-licensing for all Mattel owned brands.

Under Neil's leadership, Fisher-Price introduced "T.M.X.™" Elmo in 2006, one of the most successful launches in the toy industry's history, generating a record-breaking first day of sales. He is also credited with the huge success of the original Elmo toy – Tickle Me Elmo – one of the first mainstream toy hits to incorporate technology to enhance traditional preschool play.

Neil joined Mattel in March 1997, following the merger between Tyco Toys, Inc. and Mattel. It was during Neil's Presidency at Tyco where he first left his inextinguishable mark on the industry as a pioneer and visionary. His focus and definitive expertise on creating innovative products, combined with strong licenses, established "feature plush" product as a key category in driving preschool licensed lines. This changed the landscape of the toy industry forever. Neil's insight resulted in a 500% increase in Sesame Street sales and the launch of the Blues Clues line for what became the largest licensed preschool company in the world, Fisher-Price.

Prior to joining Tyco in 1995, Neil served as President of MCA/Universal Merchandising; Senior Vice President, Marketing and Operations, Just Toys; General Manager, Baby Care Division, Gerber Products; President, Aviva/Hasbro, Hasbro's Import Division; and Executive Vice President and Chief Operating Officer of Lionel Leisure/Kiddie City.

An illustrious career – still going strong – for a man who has ensured that the toy industry continues to wow kids of all ages.

News from LIMA UK

BY KELVYN GARDNER, LIMA UK MANAGING DIRECTOR



I've been "in the LIMA chair," so to speak, here in the UK for almost nine months. Not quite enough time to form a comprehensive view of how LIMA is seen by its members, nor how

licensing generally is perceived by the UK business world. One thing has become increasingly clear however: in the UK neither LIMA itself nor the licensing business is anywhere near as well known or understood as it needs to be.

One of my first issues to tackle as UK Managing Director was the Ofcom debate about advertising "unhealthy" foods to children. I rapidly discovered that LIMA has no representation in key parliamentary bodies which were influencing this vital policy. After

that, I found where in the DTI (UK Government's Department of Trade and Industry) licensing finds itself represented and, in fact, we are *not*. The DTI doesn't really know what licensing is, so *our* section spends all its time on promoting UK music, cinema and the performing arts. It took the DTI's people in the Osaka embassy to find us!

Then there's the media. Outside the licensing press, we have no press! Every now and again a licensing story will appear in the newspapers or on the radio, and every time the journalists find a marketing expert or trademark lawyer to comment. We don't receive the chance to address the issue because the media doesn't know we even exist as an industry. Am I over-reacting? I think not. Simply contrast the coverage, however fleeting, of Licensing International in New York in popular papers like USA Today with the zero response from the London press to a great stunt pulled at Brand

& License Show last year where more than a dozen famous costume characters were photographed on the London Underground together. Not a single column inch!

Getting LIMA and licensing more widely known and respected is a task that's somewhat like piecing together a puzzle. To get more respected we need more members. To get more members we need more benefits. To get more benefits we need higher revenues. To get higher revenues we need more members and more events. To get the DTI helping us we need accurate industry research, so we need more members again and more funds to pay for the research. Nonetheless, I see this as a challenge rather than a problem.

I have a vision of LIMA as a well-known, powerful industry force, with a wide membership providing substantial revenue which

Continued on page 11

Nominees for The 2007 LIMA International Licensing Excellence Awards for Achievement During The 2006 Calendar Year

BEST ART BRAND LICENSE OF THE YEAR

Property	Owner/Agent
Andy Warhol.....	The Andy Warhol Foundation/The Beanstalk Group, LLC
Artkey's Qi Baishi.....	Qi Baishi/ArtKey Co., Ltd.
Debbie Taylor-Kerman	Debbie Taylor-Kerman, Inc./Marketing On Demand, LLC
Sandra Magsamen.....	Hanny Girl/Mixed Media Group, Inc.
Thomas Kinkade, Painter of Light.....	The Thomas Kinkade Company/ Creative Brands Group, Inc.

BEST ART BRAND LICENSEE OF THE YEAR

Licensee	Property/Product
Accessory Network.....	Bobby Jack/accessories
Briefly Stated, Inc.....	Bobby Jack/sleepwear, underwear
Levi Strauss & Co.....	Andy Warhol/apparel
Seiko.....	Andy Warhol/watches

BEST CHARACTER BRAND LICENSE OF THE YEAR

Property	Owner/Agent
Barbie in the 12 Dancing Princesses.....	Mattel Brands Consumer Products
Care Bears.....	American Greetings Corporation/The Joester Loria Group
Clifford - Japan.....	Scholastic Entertainment Inc./Dentsu Inc.
Peanuts.....	United Media Licensing
Strawberry Shortcake	American Greetings Corporation/DIC Entertainment, L.P.

BEST CHARACTER BRAND LICENSEE OF THE YEAR - HARD GOODS

Licensee	Property/Product
Dynacraft.....	Hot Wheels/bike
JAKKS Pacific's Creative Designs.....	Barbie in the 12 Dancing Princesses/ International Div. dance mat and instructional video
Play Along a division of JAKKS Pacific, Inc.....	Care Bears/plush toys
Playmates Toys, Inc.....	Strawberry Shortcake/dolls
Scholastic Inc.....	It's Happy Bunny/books

BEST CHARACTER BRAND LICENSEE OF THE YEAR - SOFT GOODS

Licensee	Property/Product
Briefly Stated, Inc.....	Care Bears/sleepwear, loungewear, underwear
Steve & Barry's.....	Marvel/apparel

BEST CORPORATE BRAND LICENSE OF THE YEAR

Property	Owner/Agent
Danskin Now.....	Danskin/The Beanstalk Group, LLC
Jeep.....	DaimlerChrysler Corporation/The Joester Loria Group
Michelin.....	Michelin/The Licensing Company
Mr. Clean.....	The Procter & Gamble Company/Nancy Bailey & Associates, Inc.
The Weather Channel.....	The Weather Channel/KKM Global Brand Strategies

BEST CORPORATE BRAND LICENSEE OF THE YEAR - HARD GOODS

Licensee	Property/Product
ConAgra Foods.....	Crock-Pot/ready-to-cook meals
Fisher-Price, Inc.....	Power Wheels Jeep Hurricane/ battery-operated ride-on vehicle
Karastan.....	Design in America-The National Trust/carpet collection
Masterbuilt Manufacturing, Inc.....	Kingsford/grills
Robinson Home Products.....	Culinary Institute of America/ CIA's Masters Collection cooking tools

BEST CORPORATE BRAND LICENSEE OF THE YEAR - SOFT GOODS

Licensee	Property/Product
Appaman.....	Dodge/apparel
DBL.....	Pepsi/clothing
Mighty Fine.....	McDonald's/apparel
WestPoint Home, Inc.....	Harley-Davidson/bed and bath
WestPoint Home, Inc.....	Komboze by Little Missmatched/bedding

BEST FILM, TELEVISION & ENTERTAINMENT BRAND LICENSE OF THE YEAR

Property	Owner/Agent
American Idol.....	FremantleMedia Enterprises
Bratz.....	MGA Entertainment
Disney/Pixar Cars.....	The Walt Disney Company
Dora the Explorer.....	Nickelodeon & Viacom Consumer Products
Thomas & Friends.....	HIT Entertainment

BEST FILM, TELEVISION & ENTERTAINMENT BRAND LICENSEE OF THE YEAR - HARD GOODS

Licensee	Property/Product
Bandai America, Inc.....	Ben 10/toy line
Digital Blue.....	Disney/digital cameras and accessories
Elizabeth Arden.....	Britney Spears/Fantasy fragrance
Fisher-Price, Inc.....	Sesame Street - "T.M.X." Elmo
Mattel, Inc.....	Disney Pixar Cars/Fast Talkin' Lightning McQueen interactive toy

BEST FILM, TELEVISION & ENTERTAINMENT BRAND LICENSEE OF THE YEAR - SOFT GOODS

Licensee	Property/Product
ACI International.....	Dora the Explorer/footwear
Disguise, Inc.....	Pirates of the Caribbean/costumes
Jay Franco & Sons.....	Disney Pixar Cars/home collection
Kids Headquarters.....	Dora the Explorer/apparel
Rubie's Costume Co., Inc.....	Star Wars/costumes, masks and accessories

BEST SPORTS BRAND LICENSEE OF THE YEAR

Licensee	Property/Product
Hands-On Mobile.....	World Poker Tour/mobile game
MDI Entertainment, LLC.....	Major League Baseball/lottery scratch tickets
Radica Games.....	Golden Tee/Golden Tee Golf - Home Edition
Steve & Barry's.....	Starbury/apparel collection
World Wide Cycle Supply ...K2 Sports/K2 Bike: T:NINE women's bike collection	

BEST PROMOTION OF THE YEAR

Title of Program	Owner/Agent
Happy Feet.....	Warner Bros. Consumer Products
Monopoly.....	Hasbro
Snoopy at Macy's, Holiday 2006.....	United Media Licensing
Talladega Nights the Ballad of Ricky Bobby.....	Sony Pictures Entertainment
Toys "R" Us - Deal or No Deal Sweepstakes.....	Endemol USA/JTMG, LLC

BEST RETAILER OF THE YEAR

Retailer	Property
Barneys New York.....	Andy Warhol
CVS.....	Playskool
Steve & Barry's University Sportswear.....	Steve & Barry's
Toys "R" Us.....	Deal or No Deal
TysToyBox.com.....	The Doodlebops

OVERALL BEST LICENSE OF THE YEAR

Property	Owner/Agent
Andy Warhol.....	The Andy Warhol Foundation/The Beanstalk Group, LLC
Barbie in the 12 Dancing Princesses.....	Mattel Brands Consumer Products
Bratz.....	MGA Entertainment
Care Bears.....	American Greetings Corporation/The Joester Loria Group
Disney/Pixar Cars.....	The Walt Disney Company
Dora the Explorer.....	Nickelodeon & Viacom Consumer Products
Jeep.....	DaimlerChrysler Corporation/The Joester Loria Group
Mr. Clean.....	The Procter & Gamble Company/Nancy Bailey & Associates, Inc.
Strawberry Shortcake.....	American Greetings Corporation/ DIC Entertainment, L.P.
Thomas Kinkade, Painter of Light.....	The Thomas Kinkade Company/ Creative Brands Group, Inc.

News from LIMA Germany

BY HEIKE WINNER, LIMA GERMANY MANAGING DIRECTOR



“Day of License” in Cologne sets new records – LIMA Germany draws all the major licensing players to the metropolis on the River Rhine

On March 27, LIMA Germany organized its fourth “Day of License” in Cologne. The event has grown into a significant gathering for Germany’s licensing sector, with the number of exhibiting companies and visitors climbing every year.

LIMA Germany welcomed 25 agencies and rights owners to the Rheinterrassen in Cologne, greeting first-time participants such as KB&B Advertising, TV-Loonland, Mattel, 4Kids Entertainment, Telepool, Sco-

pas Medien, and Gorian Consumer Products. Such global players as Disney and Warner Bros., as well as German licensing agencies including Super RTL, MM Merchandising Media and EM Entertainment also returned for another exciting year.

In compact 15-minute presentations, the record 550 visitors received a comprehensive insight into the latest themes and trends in the world of cinema, TV, brands, art and lifestyle. The trade, licensees and branded companies were impressed with the abundance of information offered and the overall quality of the event.

“Informative as ever and extremely well organized. LIMA even got the weather back under control again,” praised Jürgen Ptok of Santex. Peter Boder, CEO of United Labels, added that the event had surpassed his expectations.

From a thematic point of view, “Day of



Attendees at Day of License in Cologne

License” offered a successful mix featuring everything from classical themes such as “Tabaluga” and “Bob the Builder” to Hollywood blockbusters such as “The Golden Compass” and “Indiana Jones 4.” Fashion-oriented lifestyle themes, casting shows and fitness themes currently play an important

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News from LIMA Japan

BY TETSUO ISHIDA, PRESIDENT, COSMO MERCHANDISING CO., LTD



Picture book licensing is presently undergoing a renaissance in Japan. Of the total ¥130 trillion Japanese retail economy in 2005, licensing accounted for 1.2% at ¥1.6 tril-

lion. Mass market characters and big name brands made up the majority with picture books occupying a smaller but growing sector. A snapshot look at the Japanese retailing landscape reveals picture book-based characters prominently displayed in shops and picture book fans, both adults and children, flocking to original art exhibitions and licensed product sales events.

Since late 2006, in the Tokyo metropoli-

tan area alone, there has been a significant increase in new retail space with a wave of mall openings where tenants include stores dedicated to picture book properties. At LaLaport Yokohama, picture book products such as Eric Carle’s *The Very Hungry Caterpillar*, *Elmer the Patchwork Elephant*, *Barbapapa* and *The Moomins* can be found at Tokyo Hands, Plaza, Grobkids and Don-guri Garden (all specialty chains) as well as Japan’s first official Gaspard et Lisa shop dedicated to the hugely popular French picture book animal characters.

In February 2007, Plaza Style Corporation, well known for its specialty chain of PLAZA (ex Sony Plaza) stores, opened Japan’s first shop dedicated entirely to products based on picture book properties. The store, called Cuddlesome, is the first of a chain of 15 to be opened by 2009 and



Gaspard et Lisa shop at Matsuya Department Store in Ginza, Tokyo

positions itself as an outlet catering chiefly to adults.

Department stores have also for a long time played an active role in the promotion of picture book properties through their

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News from LIMA China

BY SHERRY RAO, LIMA CHINA MANAGING DIRECTOR



The Chinese economy has been aggressively growing in the past years and should continue its **doube digit** growth in the years to come. According to the National Bureau of Statistics,

the GDP growth rate of China was 10.7% in 2006, and the growth rate of retail sales 13.7% – a 0.8% increase over last year. The total import and export volume reached 1760.7 billion US Dollars – exports reached 969.1 billion, a 27.2% increase, while import reached 791.6 billion, a 20% increase. According to PWC research, China has the greatest growth potential in retail consumption among all Asian countries.

Mainland China is now ranked as the second largest licensing market in Asia, and retail sales of licensed merchandise reached a whopping US\$1.1 billion at the end of 2005, a year-on-year growth of 66.7% from 2001. LIMA China witnessed the growth of licensing business in China as well as the growth of licensee members from such diverse industries as apparel, toy, food, textile, electronics, and sporting goods.

Under such favorable macro and micro environments, LIMA China is working with the China Toy Association to organize a LIMA-sponsored licensing pavilion at Shanghai Toy Expo 2007 – the largest toy show in mainland China and second largest in Asia. The Expo will be held from October 17-19, 2007 at Shanghai International Expo Center. The creative idea of combining a licensing show with the largest toy show in China has been warmly received by the market, and has drawn great interest from both international and local licensing communities.

By the end of March, leading international licensors such as Nickelodeon & Viacom Consumer Products, HIT Entertainment, foremost local licensing companies such as Greatdreams Cartoon group, Click Licensing Asia, Shanghai Character License, licensees such as Dr. Fresh, and many other

companies have already confirmed their attendance at Licensing Pavilion.

As an integral part of LIMA's global licensing shows network for 2007, Licensing Pavilion is an ideal platform for licensors and licensing agents to showcase their properties, increase brand awareness, and seek out new business partners. It is also an opportunity for licensees to showcase licensed merchandise, broaden sales channels, and foresee future trends of the Chinese licensing industry.

Show Space is limited. For detailed information, please contact LIMA China Office at info@licensing.org.cn or visit our website at www.licensing.org.cn/eng (English), www.limachina.com (Chinese)

A Step Forward In Fighting Counterfeiting On the Internet

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The Federal Supreme Court explicitly pointed out that in taking necessary measures, no undue burden must be put on the provider that could jeopardize its entire business model. It is likely that the platform providers will raise this point in their defense in the future. They are required to use all technically possible and generally acceptable measures to avoid the offering of fake products on the Internet platform in the first place. The Federal High Court thus overruled the Appellate Court's decision and referred the decision back to the appellate court in Düsseldorf for further review. What remains to be decided now by the Appellate Court (Oberlandesgericht) is whether, in those cases, the trademark infringements were obvious and clear.

For now, another potentially vital weapon in the arsenal of measures against counterfeiting has been given. Trademark holders can use it to better and more efficiently protect their interests and defend the reputation of the products they are selling.

One small step, maybe. But a giant leap in the battle against counterfeiters.

Demystifying Licensing In Food & Beverage

Continued from page 7

The goal is to build a sustainable product line that meets the consumer's unique needs as well as the licensor and licensee's revenue goals.

I will be covering these topics and others in more depth at the seminar, "3 Steps to Building a Successful Food & Beverage Licensing Program," at The Licensing Show in June. The seminar will include several lead marketers from food companies who license brands and their discussion on how they assess a brand for licensing.

Janna Markle has spent 20 years successfully licensing brands into the consumer products world of food and beverage. Her success has been driven by a deep understanding of the CPG industry and creativity in developing appropriate positioning for the brands she licenses.

News from LIMA UK

Continued from page 8

LIMA will plough back to the members through information, research, support for members' businesses through benefits, discounts and access to key government departments. We've made a humble start on this in the UK, but we have a long way to go. With the assistance of my LIMA colleagues and members, and the support of the International Board, I'm optimistic that we can build steadily towards our goal of a bigger, brighter LIMA over the next few years. Let me know what you think I should be doing for your business, and I'll try my hardest to deliver for you.

Kelvyn can be reached at kgardner@licensing.org.

Promotions/New Positions

Rubie's Costume Company has hired **Lauren Rabinowitz** as Licensing Manager. Lauren will manage and build relationships with current licensors, as well as focus on the acquisition of new licenses for Rubie's. Prior to this position, Lauren was an Account Executive at CopCorp Licensing and has held sales and licensing positions at Rand International and Marvel.

Ethan Collings of **JAKKS Pacific** has been promoted to Manager, International Licensing. In this role, Ethan will be managing all current international licenses, inves-

tigating and negotiating new international contracts, and acting as liaison between licensor's international teams and JAKKS Pacific's international marketing group.

Entara has welcomed two new faces. **Sam Milligan** joined the company from Warner Bros. to become the new Marketing Executive, while **Libby Grant** moved over from the Ministry of Sound to provide maternity coverage as Licensing Manager.

Elana Loewenthal has been promoted to Manager, Retail Development for **Nickelo-**

deon & Viacom Consumer Products.

Kirk Niswander has returned to **InfoPower** to assume the role of President after a three year absence in which he was running a distribution company.

Richard Meyers has been named the new Chief Operating Officer of **Paradox Entertainment Inc.** Meyers' 15 year licensing history includes positions with Sony Signatures and The Roger Richman Agency. Most recently, Meyers founded and served as President of Legacy Licensing Management.

Announcements and Offerings

Matt Hautau formed brand licensing agency **Kaleidoscope LLC** in January 2007. After the birth of their twins Stella and Cooper last year, Matt and his wife relocated their home and their offices to Petaluma, CA.

The Sotheby's Institute of Art is making *The Art of Licensing* class taught by **Jerry Houle** a permanent element in its Art Business curriculum. The course was initially created for the Entrepreneurship Center at Babson College in association with LIMA and its Education Committee. Houle has been assigned to bring the concept of licensing to America's business schools. The course is also permanent at Babson.

Isaac Dweck has opened his new showroom for **SIXFIFTEEN** at 320 Fifth Avenue in New York.

Some happy and sad news from **Michael Peikoff** of **20th Century Fox**. His father, Elliot, passed away after a brief illness on March 15 at the age of 88. Considered by many as the "Will Rogers of Winnipeg," Elliot was known for his quips, anecdotes, and clever, self-effacing wit. He will be sorely missed.

In the meantime **Michael** is proud to announce that his daughter Lauren, a freshman at Arizona State University, was accepted into the very prestigious Walter

Cronkite School of Journalism and Mass Communication. Her concentration will be on print journalism.

Sheila Kalisher, President of **A.L.L.'S. WELL & Co**, is in the final stages of completing the copyrights and trademark on all 12 images in her Ladies of the Zodiac collection.

Catherine Thomson, Production and Broadcaster Relations Manager for **Entara**, ran the London Marathon in the outstanding time of 4 hours 33 minutes.

Babies

Nickelodeon's Samantha Kanter and her husband, Eric, welcomed their first bundle of joy into the world! Lilly Madeline Kanter was born on April 10th.

Also in April, **Entara's** Licensing Manager **Clare Stanton** and her husband, Ben, became the proud parents of a beautiful baby girl named Ella May Stanton.

Submit your news and information for the next News and Notes section to: cattardo@licensing.org

News from LIMA Germany

Continued from page 10

role in Germany's licensing business. Madcap humor from the likes of "Bernard" or the "Bad Taste Bears" rounded off the festival of themes.

The "Day of License" thrives above all on the sector's enthusiasm and commitment, which was reflected in the numerous sponsors at this event. LIMA Germany recognized Copyright Promotions, EM Entertainment, MM Merchandising Media, Super RTL, Fipo Group, Kauka Promedia, United Labels, TV-Mania, Happy Toys and ZDF Enterprises for their support, as well as media partners W&V, Das Spielzeug and mep licensing.

After a concentrated day of presentations, guests were able to relax and enjoy the wonderful atmosphere at "Wolkenburg," one of Cologne's top locations. Networking in a tranquil, spring-time atmosphere with a buffet and music formed the perfect end to an elucidating and inspiring "Day of License."

The sector's excellent response makes the "Day of License" an absolute must for everyone involved in the licensing supply chain. We now look ahead to the second "Licensing Market," which will take place on November 6, 2007 at the "Bayerischer Hof" hotel in Munich.

The *flip* Side



BY CHRISTINA ATTARDO, MARKETING COORDINATOR, LIMA



Here I sit, trying to think of kitschy phrases that I can incorporate with *flip*, and this is the best I can come up with:

- "Everyone is flipping for *flip*"
- "Flipped over *flip*"
- "*flip* is not a flop"

Yikes! Each one is worse than the last.

What I'm trying to find is a catchy way of saying that *flip* is growing rapidly; it is surpassing expectations; it is reaching many new faces in the industry. And it continues to gain momentum with every event on the East and West Coasts.

In March, we held our second Learning Lunch in New York with Nat Milburn, Vice President of Global Licensing for NewellRubbermaid. He led an engaging discussion about licensing for a corporate brand, while providing *flip* members with practical advice and input.

"The Learning Lunch with Nat Milburn was an eye-opening experience. His perspectives on the reasons

that consumers embrace brands were both insightful and poignant," comments Jason Sutton of LMCA.

Our Learning Series debuted on the West Coast with a Breakfast



flip members gather on the West Coast.



Nat Milburn addresses *flip* at March's Learning Lunch.



Friends and colleagues mingle at the East Coast networking event.

Seminar on April 18. Holly Stein, Vice President Licensing Acquisitions for Mattel, addressed 25 *flip* members at the Luxe Hotel in Beverly Hills.

"Holly was inspiring and informative. She engaged us with her knowledge and shared her vast experience in the industry with us," reports Joanna Grieg of DIC Entertainment. "She created an interactive format the was educational and interesting. Holly left the group with some key elements to succeeding in this industry. Her enthusiasm for what she does is a true inspiration on its own!"

Next on the roster were our spring networking events in both New York and Beverly Hills. *flip*'s East Coast event took place on April 24 at hip Fashion 40 lounge in Manhattan. We were thrilled to see so many new faces coming out for the event! For once, I don't even think an ice breaker was needed (though Lord knows I try). Everyone was mingling and engaged in conversation throughout the night. On May 15, I paid a visit to Beverly Hills to celebrate spring fever with *flip* members on the West Coast. We enjoyed a warm spring night at the chic Crescent Hotel in

Beverly Hills.

Looking back on our string of successful events so far in 2007, perhaps fancy phrase-work isn't needed to state the obvious: *flip* is going strong!

Five for *flip*

A *flip* Q&A WITH RECENT NYU GRAD AND DAN RIVER LICENSING COORDINATOR TODD KAUFMAN



1. What is your current role at Dan River?

I was hired in June 2006 as the Licensing Coordinator for Dan River. The "textbook" definition of my job is to be the day-to-day liaison with our licensors for information regarding product development, sales numbers, retail placement, and marketing efforts. In a normal day, I work internally with our design department, sales force, product development team, legal counsel, and sourcing team overseas. Externally, I work with licensors, retailers, and vendors for new product innovations. So I really get to hear points of view from every aspect of licensed product, which, for a first job, has been an incredible learning experience.

2. How has *flip* helped you since you joined the licensing community?

I am a very big relationship person, and *flip* has opened up the possibility of extending business relationships outside of the normal confines of the workplace. Many of my business contacts are people close to my age, with whom I share like interests and lifestyles – but because of the demands of the workday, I rarely get the chance to talk to them about anything other than work. With *flip*, I get to see that there are a lot of other people in my situation (being new to the working world and/or licensing industry), which has been a great source of comfort in starting out.

3. What got you interested in licensing as a career?

My senior year at NYU, I took a class in Sports and Entertainment Licensing, taught by Stu Seltzer. Each week Stu brought in leaders from all across the licensing industry including Gary Cap-

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Charity Corner

CO-CHAIRS: LEIGH ANN BRODSKY, HAL SNIK AND CHERYL STOEBAU

The Charity Committee is off to a great start in achieving our 2007 fundraising objectives for the Children's Brain Tumor Foundation (CBTF). We are very excited by the donations already received this year, bringing LIMA closer and closer to our \$1,000,000 goal – but more work remains!

If you have not already made your donation, Partners in Giving is a wonderful way of contributing much-needed support to the CBTF. Each Partners donation receives table signage and on-screen acknowledgment at the Gala, as well as a listing in the Program and Tribute book. The names of Partners in Giving will also be posted on the LIMA website.

We have already seen results from our

research grants and know there is so much that we, the licensing community, can do to help find a cure. Supporting the industry's Charity of Choice is a wonderful way to say "Thank you" for our prosperity through licensing by giving back to a tremendous cause.

For more information on donating, please contact Mary Verdegaal at LIMA at mverdegaal@licensing.org.

We are aiming for another record-breaking year of fundraising, which would not be possible without the dedication of the charity team and the generosity of the licensing community. Our thanks goes out to all of you and to our team of professionals:

Miriam R. Barry, S.E.A.R.C.H.

Adam Beder, Spin Master Ltd.
Jennifer Coleman, LIMA
Jamie Cygielman, HIT Entertainment
Elie Dekel, 20th Century Fox
Jay Foreman, Play Along, Inc.
David M. Franco, Franco Manufacturing
Joanne Loria, The Joester Loria Group
Ashley Duffy Maily, Sony Pictures Consumer Products
Rick Mallow, Elmer's Products
Maura Regan, Sesame Workshop
Karyn Schneider, United Media
Robert Strand, K2 Properties
Mary Verdegaal, LIMA
Barry Ziehl, Warner Bros. Consumer Products

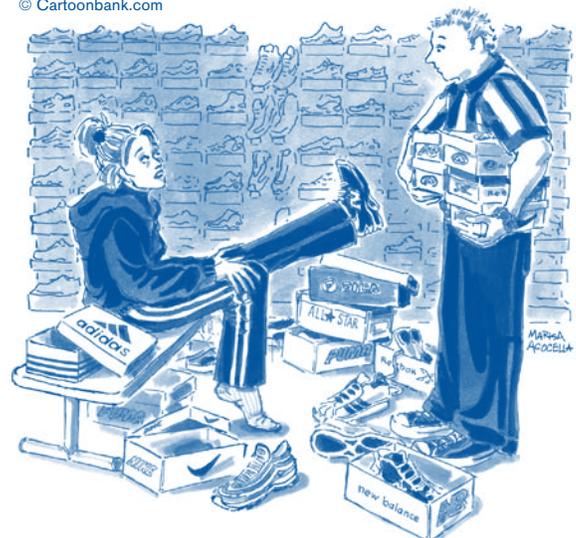
LIMA Events Boost Bologna Children's Book Fair

The Bologna Children's Book Fair is an important international rights market for children's publishers. Each spring, publishers, authors and illustrators, literary agents, television and film producers, licensors and licensees, retailers, and many other members of the children's entertainment community meet in Bologna to make deals while developing their own business. Around 25,000 industry contacts working in the field of children's publishing, licensing and audiovisual productions and more than 1,300 exhibitors from 66 countries participated in this year's fair.

The positive results achieved at the 2007 Bologna Children's Book Fair are due in large part to the event's valued co-operation with LIMA. Alice Cahn of Cartoon Network gave the LIMA sponsored Keynote speech about "Reading Kids." Kelynn Gardner, Managing Director of LIMA UK, moderated the LIMA sponsored Licensing Basics session to a packed house and Jennifer Coleman, LIMA Director of Marketing and Communications, moderated a session on How to Pitch a Property.

The next Bologna Children's Book Fair will take place from March 31 to April 3, 2008.

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"I can't decide. I'm having a brand identity crisis."



Member Spotlight: K2 Inc



New York based K2 Properties (K2P), the outbound licensing division created by K2 Inc., completed its second full year of operation in fall 2006. The goal of the division is to create

a new revenue stream for the company through outbound licensing of K2 Inc and extending its 35+ brands into new product categories. Sister division, Carlsbad-based K2 Licensed Products, manages the inbound licensing activity for the company with licenses including MLB, NFL, Collegiate, Marvel, Disney and Warner Brothers.

K2P functions as a product of service to the K2 Inc family of brands, working with key divisions. In the licensing world, its portfolio straddles the Corporate and Brand Name, Sports and Fashion categories. Active brands for licensing include Rawlings, Shakespeare, Ugly Stik, K2 Sports, ExOfficio, JT, Stearns, and Marker.

Under the leadership of Robert Strand, Vice President of Licensing, K2P has many exciting new ventures to look forward to. New activity for K2P in 2007 includes a licensed footwear program for ExOfficio. The line, which will be launched Spring 2008, aims to carve a niche in travel/outdoor footwear. K2P is also looking forward to the launch of Ugly Stik ophthalmic and sun eyewear, as well as Shakespeare licensed apparel program. Initial orders for their men's and women's t-shirt programs have been placed at sporting goods retail accounts for Spring and Summer 2007.

K2P is also planning increased exposure and placement for Rawlings' licensed active apparel in sporting goods retail stores. A new 'future athlete' program of outdoor family games has been launched at big box retail accounts encouraging kids to get outside and play.

There will also be the addition of two new licensed programs for K2 Sports. K2 Suncare is a highly specialized product, targeting the action sports segment where no sun protection product currently meets this demanding consumer's needs. It will launch in Fall 2007 with placement on-mountain, drugstore.com, and specialty ski shops. K2 Skates, in the meantime, will meet a need in

the market for recreational and fitness ice skates. Products are currently in development for 2008 launch.

K2 Bike Licensee is also adding to their successful 2006 launch, for which the licensee is a 2007 International Licensing Excellence Award nominee.

If you are interested in being featured in the next Member Spotlight please contact cattardo@licensing.org for more information.

News from LIMA Japan

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hosting of original art exhibitions held in conjunction with associated licensed product sales events. Hankyu, Osaka, has consistently used picture books as its Christmas promotional theme for a number of years, going back to *Brambly Hedge* in the late 1980s. For the past three years, they have used Gaspard et Lisa for their famous show window displays that attract hundreds of thousands of visitors every Christmas. Matsuya, Tokyo held a similar art exhibition in March that included *Penelope*, another picture book series by the same authors, which brought nearly 100,000 visitors. Other department store exhibitions have featured *The Moomins*, *Paddington Bear*, and *Olivia the Piglet*.

What is behind the current market for picture book properties?

The "kawaii" (cute) factor is always an underlying reason, but another is that adult females across a surprisingly broad age range (20 to 60) are buying picture books and related products not just for their children or grandchildren, but also for their own personal enjoyment and fulfillment. This aptly fits into the currently popular marketing term "lyashi kyara" that defines characters as not only "kawaii" but also communicates to people warmth and a sense of relief.

Another reason is that, unlike some entertainment-based properties which generally have a shorter life span, picture book properties consistently attract educated urban

families with young children who learn positive social values from the books. Because of this inherent nature, these properties become longer term licensing propositions.

With these aspects in mind, picture books and allied products will continue to have a healthy and bright future, especially now that the Japanese economy is on the upswing.

Five for flip

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lan (Gary Capan Inc.), Danny Simon (The Licensing Group), Mark Matheny (Global Brands Group), Jennifer Coleman (LIMA), Sal LaRocca (NBA), Torri Stevens (ESPN), and Karyn Schneider (United Media). After hearing their expertise, combined with Stu's passion for the industry, I decided to start searching for jobs exclusively in licensing post-graduation.

4. What is the best business advice you ever received?

In college I worked for a guy who used to say, "If you're selling sponsorship or sandwiches, it doesn't matter. You're in the relationship business." In addition to providing superior service to each and every one of his clients, he knew their anniversaries, birthdays, children's birthdays, tenure with the company, favorite movies, and more. Apply even a tenth of that to everyday life and watch how your daily interactions with people change. The woman who hands me my Metro newspaper every morning, the host at my favorite deli, the doormen in my building: I have established a relationship with all of these people. Life is much more rewarding when you can take stock in what everybody around you is doing, because they will do the same for you.

5. What advice would you give to someone like yourself who is just starting out?

The most practical piece of advice I can give right now would be just to simply know where you are at all times. The transition from college to the workplace is an extremely difficult one. 7:00 a.m. is now the start of your day instead of the end of your night, and nobody should ever hear otherwise. As funny as you may find the stories, more often than not, it's better that your co-workers not know how many beers you had the night before, or about that time you once woke up across state lines...

Welcome New Members

LIMA Headquarters

ADV Films Emily McCoy
AMBER Alert Foundation, Inc. Paul Hughes
American Bank Note Holographics, Inc. Adam Scheer
Amity Entertainment Jason Elsky
Aquarius Entertainment Merchandising, Inc. Konrad Hoenig
Barrett Firearms Manufacturing Ralph E. Vaughn
Beati Productions Lori Osiecki
BFS Brands, LLC Heather Novak
Big Apple Consulting USA, Inc. Marc Jablon
Big Monster Toys Donald Rosenwinkel
Boy Scouts of America David L. Harkins
Brainstorm Edventures, LLC Jacob Hargrave
C.F. Martin Guitar Heidi Thatcher
Camuto Group Joseph T. Diaz
Cathay Creative Co., Ltd. Ted Liao
Cerveceria Cuauhtemoc Moctezuma Sa de CV Pablo E. Ortega de la Garza
Children's Educational Network Selena Ponce
Conecture Technologies, LLC Eric Rennagel
Continental Enterprises Matthew Dooley
CPG (The China Pacific Group) of Oregon Nathan Bailey
Greata Promotion Teresa Chung
Creatif Licensing Corp. Paul Cohen
CSC Group Robert C. Kim
Dallas Cowboys Cheerleaders Kelli Finglass
Design International Group, Inc. Julie Hwang
Dualstar Entertainment Group Marla White
Fortune Fashions Industries Ric Munoz
Four Four Four Limited Andrew B. Cole
Fulanitos SA de CV Luisa Moad
G Modelo USA LLC Juan Fernandez

G Squared George Gross
GeeGuides, LLC Wayne Sabbak
GI Apparel, Inc. Adam Burtneiks
GM Group Javed Meghani
Gone in 30 Entertainment Jonathan Aroesty
GoodWorks Entertainment Anne Grant
Greenberg Glusker Richard E. Neff
Gromwell Search Steven Levi
Hamlin Marketing Group Chris Devine Dailey
Happy House David Buck
Hoffman Polland & Furman, PLLC Robert Greener
IIMAK Secure Matt Goldhawk
Indian Motorcycle Company/Chris Craft Melissa Jones
Inspired Ink Incorporated Norma Schrader
Island Dogs Myron Soslow
Jay Franco & Sons Joe A. Franco
Kennedy-Shrem International, Inc. Marc Kennedy
KKM Global Brand Strategies Kenneth K. Markman
Krone, LLC Robert Kronenberger
MEG Joe Morrison
Paradox Entertainment Rich Meyers
Performance Designed Products Paul Chen
Rattenbury Fine Arts Jon Rattenbury
Remote Hand, Inc. Jerry Roy
RSG Media Systems, LLC Erik Weiss
Santa's Best John Cavanagh
Silverberg Stonehill Goldsmith & Haber, PC Michael B. Goldsmith
SIXFIFTEEN, LLC Isaac Dweck
Smith & Wesson Bobbie Hunnicutt
Stephen-Bradford Search Joan Segal
Stu Heinecke, Inc./CartoonLink.com Stu Heinecke

Take By Storm W. Stormy Van Dyck
The Dorf Law Firm, LLP Darren M. Geliebter
Therapeutic International Michael Pino
Treasure Bay Don Panec
TTB Marketplace dba Ty's Toy Box Ty Simpson
Upper Deck Greg Goldstein
Voov Co., Ltd. Iksu Zhun
Walker Group/Designs Inc. Kenneth Walker
WHAM-O, Inc. Chris Guirlinger
Wyland Worldwide Deana Duffek

LIMA Germany

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Brandora AG Katja Lux
C & A Buying Comm. V Philippe Rainot
CG Kommunikation Corinna Grutza
Eegim Shoes BV Joost Kampshoff
Helmut Lingen Verlag GmbH & Co. KG Martina Hatzler
iHaiku Medien GmbH Steffen Aumüller
IMG GmbH Axel Heyenga
Joker AG/SA Meinrad Flury
Karl Walther Alben und Rahmer GmbH & Co. KG Stefan Schulze
Kidoh GmbH Ulrike Grabe
LSP Consulting GmbH Till Walz
MMmedia GmbH Martin Molgedey
Vedes AG Stephan Bercher
Vidis Electronic Vertriebs GmbH Arne Bartels

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Chapman Entertainment Melissa Brown
Goldstein Legal Roz Goldstein
Human Zoo Helen Cooper
J&H International Pierre Chabot
Kilogrammedia Ltd. Jane Garner

Melcombe International Ltd. Chris Kirby
Metrostar Claire Potter
Not So Stupid Ltd. Mark Briggs
Open Mind Productions Nick Underwood
RDF Rights Angeles Blanco
RE:MEDIA Ltd. Christopher Clarke
Tonino Lamborghini Lorenzo De Rose

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BrandWorx, Inc. Takaki Nakayama
CoMix Wave Inc. Goro Nakano
Fanworks, Inc. Akira Takayama
Future Institute Corporation Taichi Saitama
Global Brands Japan K.K. Emiko Okuhara
Rakukoubou (Chibashouten Ltd.) Akira Chiba
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Dream Entertainment Co., Ltd. Chen Min
PPW Sports & Entertainment Limited Ivan Chan
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Shanghai Yihua Garment Co., Ltd. Ben Chuang
Top-Insight International Co., Ltd. Rita Kao
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