



# VIRGINIA HIGH SCHOOL LEAGUE, Inc.

1642 State Farm Blvd., Charlottesville, Virginia 22911  
434-977-8475 • 434-977-5943 (fax) • www.vhsl.org



KENNETH G. TILLEY, EXECUTIVE DIRECTOR

November 9, 2009

Dear Principal and Athletic Director:

The Virginia High School League (VHSL) is constantly seeking new opportunities that will provide benefits to its member schools and their students, especially in these trying economic times. We believe that we have come across one such opportunity that will not only provide positive visibility for each member school, but create a new source of revenue that will benefit our overall mission.

Over the past few years, you may have noticed numerous products bearing the logos and names of various high schools in traditional retail storefronts. In most cases, these products are being sold without any financial return to the school. We feel that there is significant benefit in controlling these sales to help ensure that each school receives its rightful share of revenue generated; therefore, the National Federation of State High School Associations (NFHS) and the VHSL have entered into an agreement with the Licensing Resource Group (LRG) to help manage this new program.

LRG is a trademark management company that has specialized in the collegiate licensed product business for more than 18 years. LRG currently manages the licensing interests of more than 150 collegiate institutions nationwide. As part of our agreement, LRG will track the revenue generated for each high school and will pay the royalties due directly to each participating school on an annual basis. This program will not affect any product sales being conducted by booster clubs, products sold for fund raising events, or merchandise sold at your high school bookstore. It also does not affect team uniform sales. These types of programs are considered exempt from any royalty charge.

As part of creating a more formalized program for our schools, several questions have been raised as to how to protect or "trademark" the school's name or logo. We suggest that you explore registering your logo with the Commonwealth of Virginia to help further protect it against misuse. If you have questions about this process or how to determine the best course of protection for your mark, please contact your school division attorney.

We are treating this as an "opt in" opportunity, meaning that any VHSL member school will need to complete the enclosed agreement form in order to participate in this initiative. It is important to note that this program has been reviewed and approved by the VHSL Executive Committee and legal counsel. All of us believe this can be a win-win situation for the League and its member schools.

Again, we are very excited about this opportunity and hope that you will realize the value in participating. If you have any questions or would like to discuss this new program in more detail, please contact me.

Sincerely,

KGT/lbb

Enclosure

## AGREEMENT

THIS AGREEMENT made on \_\_\_\_\_, 20\_\_\_\_ will be effective the first day of the next calendar quarter upon execution by both parties ("Agreement").

**BETWEEN** VIRGINIA HIGH SCHOOL LEAGUE, a Virginia not-for-profit corporation having an address of 1642 State Farm Blvd., Charlottesville, VA 22911 ("VHSL").

**AND** \_\_\_\_\_ High School located at \_\_\_\_\_  
\_\_\_\_\_ ("High School").

The words "party" or "parties" refer only to a named party to this Agreement.

"Licensed Marks" means all of High School's trademarks, service marks, school name, nickname, mascot, and related designs, logographics and symbols.

"Annual Revenue" means the collected royalty income received by the VHSL's Agent (defined below) resulting from the sale of product bearing Licensed Marks during the period of January 1 to December 31 in any year of this Agreement.

1. Grant of License. High School grants the VHSL a limited, exclusive license to use the Licensed Marks in connection with the marketing and sale of merchandise bearing Licensed Marks.
2. Ownership. High School warrants and represents that it is the owner of all rights in and to the Licensed Marks and agrees not to retain the services of any other person, persons, agency or firm to represent it to commercialize the Licensed Marks.
3. Term. This Agreement will expire \_\_\_\_\_ years from the effective date, unless sooner terminated in accordance with the provisions of this Agreement. After the expiration of the initial term this Agreement will automatically extend from year to year on the same terms and conditions, unless either High School or the VHSL gives written notice at least one hundred eighty days (180) days prior to the beginning of any such additional year of its intent to terminate this Agreement as of the end of any such year. Notwithstanding the foregoing, the VHSL may terminate this agreement without cause by providing thirty (30) days written notice to High School.
4. Payments. The VHSL will pay High School fifty (50%) percent of the Annual Revenue during the term of this Agreement. The parties understand and agree that a single payment, via check, will be made to High School annually within ninety (90) days following the end of any Annual Revenue collection period.
5. Use of Licensed Marks. The parties understand and agree that the Licensed Marks may be used in conjunction with other trademarks, service marks, trade names, logos, symbols, or devices for any event involving a rivalry and/or a tournament in which several schools are participating.
6. Agency. The parties understand and agree that the VHSL may use an agency to carry out its obligations under this Agreement and that it has contracted with Licensing Resource Group, LLC, whose principal place of business is located at 442 Century Lane, Suite 100, Holland, MI 49423 ("Agent") to carry out its obligations under this Agreement. Without consent, Agent may assign its rights and obligations to the VHSL to an affiliate owned and controlled by Agent.

7. Exemptions. The grant in paragraph 1 of this Agreement will not be exclusive as to the following:

- Purchases of product bearing Licensed Marks by High School which are for internal use.
- Purchases of product bearing Licensed Marks by a High School Booster Club or similar fund-raising organization.
- Purchases of product bearing Licensed Marks by: \_\_\_\_\_

(Place an "X" in the box for each purchase in which a royalty will NOT be collected.)

8. Termination. If the VHSL violates any of its obligations under this Agreement, including its payment obligation, High School will have the right to terminate this Agreement by giving written notice of termination to the VHSL. In such an event, termination will be effective thirty (30) days after notice is mailed to the VHSL unless in the interim, the VHSL satisfies High School that such violation has been remedied. If such violation results in license termination, the VHSL will discontinue use of Licensed Marks within ninety (90) days of notice of termination.

9. Miscellaneous. This Agreement represents the entire understanding between the parties with respect to the subject matter, and this Agreement supersedes all previous representations, understandings, or agreements, oral or written, between the parties with respect to the subject matter and cannot be modified except by a written instrument signed by the parties. This Agreement does not create a legal partnership or joint venture between the parties. No waiver by either party of breach or default of this Agreement will be deemed a waiver by said party of a subsequent breach or default of a like or similar nature. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of this Agreement as a whole or of any other provision hereof. There shall be no assumption that any ambiguities in this Agreement will be construed against any particular party. All notices or other communications required or desired shall be in writing and sent by registered or certified mail to the addresses first set forth above. Either party may change their address by providing notice to the other party.

By their execution below, the parties have agreed to the terms and conditions of this Agreement.

**VHSL**

**HIGH SCHOOL**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please Print)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

# NFHS LICENSING PROGRAM FAQ

## FREQUENTLY ASKED QUESTIONS

- 1 Q Why a licensing program? How does it benefit my school?  
A All schools from your state will receive revenue from the retail sale of product that uses your school name, marks, seals and mascot.
- 2 Q Why now?  
A Major retailers acknowledge the fastest-growing sales segment in licensed product is the high school market. Products bearing many school's names and logos are currently being produced and sold at retail with no revenue going to the school.
- 3 Q Do I need to "trademark" my school's name, mascot, etc.?  
A Technically, no. Since you are the "first user," those marks belong to your school; however, it is always wise to be on the safe side. In most states, this can be done online, at very little cost.
- 4 Q How does one know that a product is licensed and will therefore generate revenue?  
A Like the other associations and leagues (NCAA, NFL, NBA, etc.), the product will carry a distinct label and/or hang tag. It will identify the product as "Official NFHS High School Licensed Product."
- 5 Q Who pays the royalties?  
A The manufacturer of the product pays a royalty that is a percentage of the wholesale price.
- 6 Q How do we know the royalties are being paid?  
A This is the role of the Licensing Resource Group (LRG) that manages the entire program. It will track, enforce, monitor and report royalties of each licensee on our behalf.
- 7 Q Is the royalty revenue from products with my school name/logo shared with other schools?  
A No.
- 8 Q My school is small with a fairly small fan base. Do I need this?  
A Parents, fans and community members (though small in number) will be supporting your school when they purchase licensed product with your name/logo. You can promote school pride with a purpose. It costs you nothing to participate and provides a new revenue resource - why not participate?
- 9 Q How will this affect my booster club?  
A You own your marks; therefore, you can choose to exempt some groups from using licensed product for fundraising efforts. Keep in mind, however, that using licensed product for fund-raising generates additional revenue from the royalty paid by the manufacturer.
- 10 Q Can we stop a retailer from selling UNLICENSED products with our school name?  
A Yes. Our goal is to place "licensed" product at retail outlets to generate royalty revenue. LRG will work with retailers to "enforce" the sale of "licensed" product from participating schools.
- 11 Q How much time will be required by my school and staff?  
A None. The Licensing Resource Group (LRG) will handle all implementation and execution of the program.
- 12 Q How often will I receive a royalty check?  
A Annually.
- 13 Q How much does it cost a high school to participate in the program?  
A Nothing.
- 14 Q How do I take advantage of this opportunity?  
A You will automatically be included in the program unless you tell us that you are not interested. For further information, please contact Dick Welsh, LRG at 513.492.9278.

