Question 1: Are academic units given a 10% decrease in the price of ready-to-sell merchandise which use the marks? Since vendors pass this cost along to consumers for custom-made products as well as mass produced items, will the fee be waived for ready-to-sell, mass produced merchandise?

**WKU cannot waive licensing on apparel products that are manufactured for mass distribution and distributed to retailers generally. The costs of these items are determined by the manufacturer and the retailer and may or may not reflect a markup for licensing.**

However, WKU departments may purchase apparel products that are manufactured for mass distribution at the WKU Bookstore. Purchases made with a procard are given a 20% discount.

Question 2. According to the figures provided last year, Athletics received net royalties of $111,000 and paid an average of $44,000 in fees to CLC for a net gain of $67,000 (excluding personnel cost for managing the contracts). Are the fees already reduced from the net royalties figure or are these separate? In other words, does the $111,000 already include the deduction of $44,000 for fees?

$111,000 represents the net revenue paid by CLC to WKU.

Question 3. Based on the report provided, it appears that "non-athletic" marks constituted 22 of 477 (4.6%) submissions to CLC. How are "non-athletic" marks/logos defined? How is commercial activity classified as "athletic related" defined?

The 477 art submissions referenced above and in the report were for a period from June of 2008 through October of 2009. None of the 22 non-athletic mark uses were charged or generated royalties.

Athletic related marks would be those that depict or utilize the Red Towel or Big Red. At this time, there is no distinction with regard to commercial activity among marks that generate royalties for accounting purposes.

*November 2009*