

Licensing Division 106 W. Main St. Cortland, NY 1305 www.affinity-consultants.com

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## Licensing: Basic Information

Any group or individual that wishes to manufacture, distribute or advertise a product or service bearing the marks of our various clients must first obtain a license from that organization. The name (including Greek letters), logos and emblems of these organizations are legally registered marks and as such are protected by United States trademark laws.

A license involves signing an agreement (contract) with the organization(s) in which the licensee (vendor) agrees to comply with various provisions. The following is a summary highlighting the main provisions contained within the License Agreement for each of our clients:

- **A. License** The member organizations grant non-exclusive licenses for the use of their insignia.
- **B.** Quality Standards Licensee must provide a representative sample of the product(s) proposed to be sold. Samples are to be sent to Affinity Consultants at the address in the letterhead. For custom products, licensee must submit all designs for approval prior to production, marketing and/or sale.
- **C. Royalties** Licensee agrees to pay a royalty, based on the gross sale of the product or service, for all licensed products sold by licensee. Standard royalty is 8.5% of gross sales with an annual \$40 royalty advance per licensed group.
- **D. Reporting** Licensee must report sales and pay royalties on a quarterly basis (within thirty (30) days of September 30, December 31, March 31 and June 30).
- **E. Term** One year agreement, automatically renewing each year unless terminated by either party.
- **F. Termination** The organization(s) can terminate upon written notice if licensee fails to observe the terms of the agreement.
- **G. Insurance** Licensee must maintain a \$1 million comprehensive general and product liability insurance policy naming "Affinity Consultants' clients" as additional insured.

Prior to executing the agreement, the licensee should read it carefully as the above outlines only major terms under the agreement.



## **Our Goal at Affinity**

Our goal is to license companies who are dedicated to providing quality products and services with fair prices. Our clients represent a large and unique audience whose affinity to their organization is unparalleled. These organizations encourage all vendors to apply to become licensed.

If you have any further licensing questions, please contact us at (760) 734-6764 ext. 140, or by email at melissa@affinity-consultants.com.