

# **Royalty on Internal Goods**

Florida Atlantic's Brand Refresh initiative, a 15% royalty was implemented on all internally purchased licensed merchandise and products effective October 1, 2025. This includes promotional products, awards, uniforms, giveaways, and any other items that display the university's trademarks, including names, logos, symbols, insignia, trade names, service marks, and other brand identifiers.

# Why the Change?

## **Protecting and Sustaining Our Brand**

The Brand Development, Licensing & Marketing Office is responsible for registering, maintaining, and protecting the university's trademarks, as well as monitoring and approving licensed artwork. These efforts ensure consistent, accurate, and legally enforceable use of our brand.

#### **Ensuring Artwork Accuracy**

Licensees are required to report all sales through our licensing partner, CLC, using only university-approved artwork. Currently, we estimate slightly more than two-thirds of internal orders undergo this review process. This means a significant portion of merchandise on campus does not fully align with the university brand guidelines and policies. By implementing the royalty, we improve our ability to verify and enforce accurate brand representation on all merchandise.

#### **Industry Standard Best Practice**

Charging royalties on internal orders is standard practice among universities nationwide in trademark protection. While many institutions impose a royalty of 18% or more, our leadership has approved a more modest 15% rate, balancing effective brand protection with sensitivity to campus budgets.

## **Support Campus Sustainability**

Implementing an internal royalty rate can help curb excessive ordering of giveaway items by introducing a cost consideration.

This approach encourages more intentional purchasing decisions, aligning with Florida Atlantic's sustainability goals by reducing waste and lowering the university's overall carbon footprint.

# **Supporting Students**

After covering administrative expenses, net royalty revenue directly supports both academic and athletic scholarships, helping us further the university's mission to provide opportunity and access for students.

#### **Ensure Standardization at Retail**

Implement a standardized cost structure for the use of Florida Atlantic intellectual property (IP) on all products, regardless of the distribution channel.

Support and protect Florida Atlantic's retail partners by limiting product giveaways. Every item given away represents a potential lost sale at retail.



## **Operational Excellence**

The royalty was reviewed and approved by our leadership in February 2025. as part of a broader effort to enhance consistency, compliance, and excellence across university operations.

# What This Means for You

- 1. Florida Atlantic departments must now factor the 15% royalty into budgets for licensed merchandise or negotiate with licensees to cover some or all of the royalty.
- 2. The licensee is responsible for paying the royalty.
- 3. The royalty applies to all university licensees, and licensees will not be able to submit royalty reports without linking each order to university approved artwork, ensuring compliance and quality control.

## Questions and Support

We understand that this change may require some adjustments, and we are here to support you. Please feel free to reach out to me directly with any questions or concerns as you plan your future purchases.

Thank you for your cooperation, and for helping us protect and elevate the Florida Atlantic University brand.