

TLL THE LICENSING LETTER

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The Economy, DJs, DTR, Sourcing, and Spreading Eastward: France's Kazachok Delivers a Contrast to U.S. Perspectives

Here are the topics that surfaced repeatedly in speaking with licensing executives at the 10th annual Kazachok Licensing Forum held in Paris mid-April:

- ▶ The economy;
- ▶ DJs and spokespeople;
- ▶ Retail skittishness;
- ▶ Importing U.S. brands into Europe;
- ▶ DTR;
- ▶ China sourcing; and
- ▶ Western European agents (and their properties) expanding eastward.

With the possible exception of DJs surfacing as a promotional medium for licensed properties, none of these are new considerations. But there are distinct contrasts between the European lens and the American one.

The Economy

The economy is still *the* issue for Europeans in the licensing business. While there's a fragile sense in the U.S. that the business is seeing positive momentum—a little more openness to experimentation, slightly higher initial orders—I can report that literally every conversation I had with a licensing executive at Kazachok began with a statement similar to that of consultant Rob Watson, invoking both the current reality and tentative optimism: “No one's making a decision unless they're forced into it. Yet business goes on.”

Referencing manufacturers, BNL's David Speijer, who represents the second generation for that long-standing European licensing agency, similarly says, “They are merging to stay in business. When the economy goes up we'll see changes. We all always try to expand, but it's hard [now]. But we like challenges.”

In the U.S., the stock market has given heart to some, but more important in our sights is what we're hearing from subscribers to some of our consumer research newsletters. One real estate consultant, for example, who specializes in the market for senior living facilities, tells us,

“About six months ago we started hearing the focus groups turning positive, and that's continuing. And we're starting to see investment in building pick up for the first time since 2008.”

That thrust powers expansion across the economy and should bode well for licensing.

A few licensing executives from specific territories—notably Turkey and Russia—are more optimistic than the rest as they watch their markets expand. But that expansion is from a very small base. And those outside Russia are concerned that political issues could stand in the way of consummating deals.

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TLL SURVEY

Corporate Trademarks, Brands Up 3.7% in 2012, Again the Strongest of the Major Property Types

Retail sales of licensed merchandise based on Corporate Trademarks and Brands in the U.S. and Canada were up 3.7% in 2012, according to *TLL's Annual Licensing Business Survey*. Retail sales were \$26.1 billion (representing 27.4% of the total licensing business) compared to \$25.18 billion in 2011.

This growth did not equal the 5.8% increase the sector showed in 2011. Still, Corporate Trademarks and Brands experienced the fastest growth of any major sector in licensing in 2012 and was second overall, with only Interactive Properties showing more strength. The latter grew 8.9%; however, retail sales in this small sector are only \$577 million and represent just 0.6% of the licensing market overall.

Food and Consumer Electronics Remain Strong

As has been the case for the last several years, licensed goods-based Restaurant and Food brands led the way, with 4.3% and 3.9% growth, respectively. Most of this is driven by

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in short

A Le Creuset rabbit-style lever cork remover is 159 € at Galeries Lafayette in Paris. The same size Peugeot-branded version is 77 €.



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Licensing Ledger

HASBRO ADVANCES

Hasbro has "a couple of advances left on the Marvel agreement for this year": \$30 million due in May, and \$50 million in July. And the final payment of Hasbro's guarantee to The Hub—\$25 million—comes up in November, the company's Brian Goldner reported in an analysts call following release of first-quarter results. Also of note: 51% of the company's business in the first quarter was outside the U.S. And Hasbro shares licensing income for American Greetings' Care Bears and Strawberry Shortcake. "We may look at having other people do some of those brands over time," he added.

CARRERA AND CHOO

Footwear designer **Jimmy Choo** is teaming with **Carrera**, a division of Safilo, for a capsule collection of eyewear under the Carrera by Jimmy Choo label. Carrera was founded in 1956 and made motorcycle goggles, ski masks, and ski helmets before moving into fashion sunglasses and optical frames. Jimmy Choo's brand has extended from women's footwear into luxury handbags, leather goods, scarves, eyewear, belts, fragrances, and men's shoes.

PAINT YOUR MAGIC

Glidden's Disney paint line is coming to market after two years in development, exclusively at U.S. **Walmart** stores. The line includes color palettes inspired by Disney Fairies and Cars; a range for babies featuring shades such as Eeyore's Rain Cloud and Blushing Piglet; and a line of bright colors for tweens and teens. Five specialty finishes also are available, ranging from glitter, metallic, and confetti to a yellow glow coating and a colored chalkboard surface.

SEW YOUR PRIDE

Jo-Ann adds Ohio State University to its roster of collegiate licenses, offering four cotton and three fleece fabrics printed with the university's mascot, Brutus, and other imagery tied to the school. This is the 53rd collegiate license for Jo-Ann, which has 800 stores in 49 states.

NO PLAYBOY CLUB FOR INDIA

Plans to open a licensed Playboy Club on the beach in Goa, India, have been quashed by the regional government, which said it could not give permission to operate a "beach shack," as reported in *The Guardian*. The licensee, Mumbai-based **PB Lifestyle**, secured a license last year to open clubs, hotels, bars, and cafes, as well as sell branded merchandise, in India. Goa would have been the first location under the deal.

IMG SIGNS E-COMMERCE DEAL FOR CHINESE SOCCER GEAR

IMG Worldwide, licensing agent for the **Chinese Football Association**, has signed a leading Chinese e-commerce company, **Jingdong**, as the exclusive online retailing partner of the CFA's China Super League. The five-year deal relaunches a partnership that was last in place in 2010. As of 2013, the league has 16 teams, mostly in Eastern China cities such as Beijing, Guangzhou (two teams), and Shanghai (three teams). The league's players hail from all around the world.

ROYALTY DEFICIT

According to the 2013 Royalty Compliance Report, compiled annually by **Invotex**, only 11% of audited licensees report royalties accurately. While 27% underreported and underpaid by 1% to

5% in early 2013, almost the same number (25%) underreported and underpaid by over 100%, according to the royalty compliance specialist. The remaining 26% underreported by between 6% and 99%. The top three errors that lead to underreporting and underpayment of royalties are underreporting sales (with 55% doing so), misinterpreting the licensing agreement (38%), and overstating deductions (28%).

DAM TROLLS ARE BACK

DreamWorks Animation has acquired the global intellectual property rights, outside Scandinavia, for the **Thomas Dam Trolls**, which were introduced in 1959, achieved fad status in the 1960s and 1990s, and were reintroduced less successfully as **Trollz** in the mid-2000s. Denmark-based **Dam Things** retains the rights to the Scandinavian countries.

DRIBBLE THIS!

NBA SCORES ZARA

Global retailer **Zara** has created its first collection tied to a U.S. sports league, launching a line of T-shirts for boys 3-12 under license from the **NBA**. Meanwhile, the New York Knicks franchise is the most popular in NBA team merchandise sales, and one of its players, **Carmelo Anthony**, is No. 1 in jersey sales, according to the league. The top five teams, in descending order, are: New York Knicks, Miami Heat, Los Angeles Lakers, Brooklyn Nets, and Chicago Bulls. Top five in jersey sales: Anthony, LeBron James (Miami Heat, and formerly No. 1), Kevin Durant (Oklahoma City Thunder) Kobe Bryant (Lakers), and Derrick Rose (Bulls). The NBA data cover November 2012 through mid-April.



Publisher & Executive Editor
Ira Mayer
212-941-1633, x27
imayer@epmcom.com

Special Projects Editor
Karen Raugust
kbraugust@yahoo.com

Assistant Editor
Scott Steinhardt
212-941-1633, x22
scott@epmcom.com

Creative/Marketing Director
Naomi Berger
212-941-1633, x21
nberger@epmcom.com

VP Business Development
Randy Cochran
503-291-7963, x118
rochran@epmcom.com

Customer Service
212-941-0099

Managing Editor
Janice Prescott
janicep@bvresources.com

Desktop Editor
Monique Nijhout
moniquen@bvresources.com

President
Lucretia Lyons
lucretial@bvresources.com

CEO
David Foster
davidf@bvresources.com



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EPM, a division of Business Valuation Resources; 1000 SW Broadway, Suite 1200, Portland, OR 97205-3035; Phone: 212-941-0099; Fax: 212-941-1622

Major Property Types

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brand-extension licensing into the Food and Beverage sector. The latter was the second fastest-growing product category within Corporate Trademarks and Brands in 2012, up 7.9% over 2011. Consumer Electronics was the top growth category within this sector, rising 10.1%.

Some observers believe the Consumer Electronics sector is underrepresented in the *TLL* survey, both on the property type and product category side, given the huge numbers associated with the many deals involving Consumer Electronics brands extending into adjacent Consumer Electronics categories. Many of the major electronics brands rely heavily on licensing to market everything from televisions to light bulbs to small appliances.

Other categories that may be on the conservative side, given the composition of respondents to the *TLL* survey, include hardware and paint (with tools being a significant licensed business) and "Other," which measures licensing programs encompassing categories as diverse as electronic generators, heating and air conditioning products, and solar panels. (The *TLL* survey only includes consumer products; it would include solar panels sold to individuals at a DIY or hardware store, but not those sold to industrial customers, for example.)

Other Property Types and Product Categories

While Food and Restaurant brands showed the highest growth among Corporate Brand property types in 2012, all types measured by *TLL* showed increases during the year, from Sporting Goods to Automotive/Motor Vehicle.

On the product category side, meanwhile, the results were mixed. In addition to Food/Beverages and Consumer Electronics, categories experiencing growth were Accessories, Apparel, Footwear, Health/Beauty, Infant Products, Sporting Goods, and Toys/Games.

Those showing declines included Domestic, Furniture/Home Furnishings, Gifts/Novelties, Housewares, Publishing, Stationery/Paper, and Videogames/Software. Most of these are small categories overall and not core to the majority of Corporate Trademark brands (although there are always exceptions).

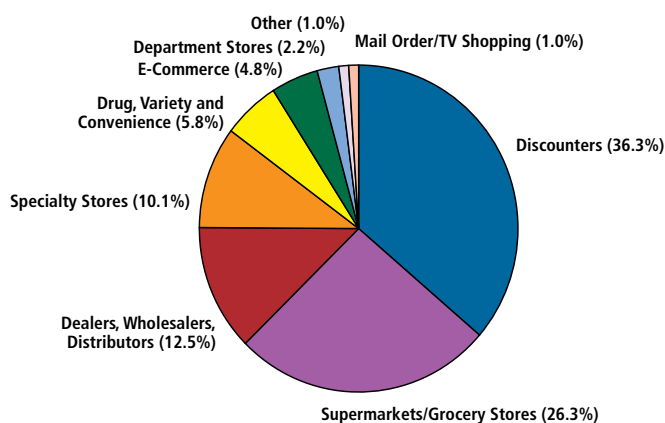
It should be noted that individual Corporate Trademark and Brand programs are unique in terms of category breakdown, and many diverge significantly from these overall averages. The Sunkist program bears virtually no resemblance to that for Farberware or Westinghouse, for example. This wide diversity is associated with

RETAIL SALES OF LICENSED TRADEMARK/BRAND-BASED MERCHANDISE, BY PRODUCT CATEGORY, U.S. AND CANADA, 2011 VS. 2012

CATEGORY	(dollars in millions)		% CHANGE 2011-2012	2012 SHARE OF MARKET
	2012 RETAIL SALES	2011 RETAIL SALES		
Accessories	\$1,749	\$1,680	4.1%	6.7%
Apparel	\$2,259	\$2,160	4.6%	8.7%
Consumer Electronics	\$3,424	\$3,110	10.1%	13.1%
Domestics	\$79	\$80	-1.8%	0.3%
Food/Beverages	\$7,747	\$7,180	7.9%	29.7%
Footwear	\$1,652	\$1,590	3.9%	6.3%
Furniture/Home Furnishings	\$922	\$950	-2.9%	3.5%
Gifts/Novelties	\$336	\$340	-1.2%	1.3%
HBA	\$1,012	\$980	3.3%	3.9%
Housewares	\$528	\$540	-2.2%	2.0%
Infant Products	\$218	\$210	3.6%	0.8%
Publishing	\$853	\$860	-0.8%	3.3%
Sporting Goods	\$1,059	\$1,020	3.8%	4.1%
Stationery/Paper	\$108	\$110	-1.5%	0.4%
Toys/Games	\$547	\$530	3.2%	2.1%
Video Games/Software	\$752	\$800	-6.0%	2.9%
Other	\$2,860	\$3,040	-5.9%	11.0%
<i>Hardware and Paint</i>	\$149	\$140	6.7%	0.6%
<i>Gardening</i>	\$104	\$100	3.9%	0.4%
<i>Pet Products</i>	\$201	\$190	5.6%	0.8%
<i>Automotive Accessories</i>	\$350	\$330	6.2%	1.3%
<i>Boats and Vehicles</i>	\$486	\$450	8.1%	1.9%
<i>Other</i>	\$1,569	\$1,840	NA	6.0%
TOTAL	\$26,106	\$25,180	3.7%	100.0%

SOURCE: THE LICENSING LETTER

RETAIL SALES OF LICENSED TRADEMARK/BRAND MERCHANDISE, BY DISTRIBUTION CHANNEL, U.S. AND CANADA, 2012 TOTAL = \$26.1 BILLION



SOURCE: THE LICENSING LETTER

Corporate Trademarks and Brands more than for any other that *TLL* tracks, by far.

In terms of distribution, the major changes in 2012 were a slight increase in e-commerce

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Benchmark Royalty Rates, Guarantees and Advances



DO YOU KNOW?

- ▶ The average royalty across all property types and product categories?
- ▶ Which three property types earn the highest royalties?
- ▶ Which three product categories pay the highest royalties?
- ▶ The range of guarantees for licensing agreements?
- ▶ How long the average licensing contract runs by property type and product category?

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Kazachok

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DJs as Promoters

As someone who was a close observer of the music business during the initial disco years, I remember clearly the emergence of club DJs as powerful brokers of hits. They were the early adopters, so to speak, and by influencing the patrons at key clubs, they could start the word-of-mouth viral marketing critical to hit-making.

As their power increased, brands started using the DJs. I don't have details on the licensing programs DJs have been involved in that came up in passing during conversations. But the fact is that DJs came up three times in two days (one instance was at a meeting in Amsterdam not affiliated with Kazachok—the others are a Starter Black Label promotion for Refuel in the U.K., and efforts BNL has undertaken for some of its properties).

If DJs help craft image, so do spokespeople. This has been critical for The Licensing Company's (TLC) joint venture with Iconix in developing some Iconix-owned U.S.-based brands in Europe, says TLC's Regine Labrosse. Among the examples she cites is Rocawear's use of male model Rick Genest, known as "Zombie Boy" for his head-to-toe tattoos resembling a human skeleton, to launch as a lifestyle brand in France.

"Rocawear is a hip-hop brand in the U.S. associated with founder Jay-Z," explains Labrosse. "Jay-Z is known in France, but a hip-hop image isn't going to work here." So they hired Genest for a photo shoot and are launching initially as a specialty brand. "Once we've built a story" demonstrating performance at that level, TLC will move the brand to wider distribution or a U.S.-style DTR agreement. (More on that strategy below.)

Retail Skittishness

The shot heard 'round the world: "No one will take a property unless there's a proven track record." We heard it repeatedly. But retail skittishness goes both ways: retailers are scared to take a chance, and property owners are fretful over which channels to enter.

"Every retailer is reducing stock," says Labrosse on the first count. "They will only commit to small production runs, and they won't re-order. So they're not giving manufacturers a chance for success."

Channel Differentiation

Speijer notes that BNL steers classic properties away from mass markets and value retailers (the latter being the equivalent of U.S. dollar

stores)—much as property owners in the U.S. used to do.

In the U.S., however, property owners ranging from General Mills to Disney signed on with dollar stores to mitigate the effects of the economic downturn. They discovered that creating products and packaging them specifically for that channel didn't appear to hurt (at least not substantially) their performance at higher levels.

Yet even as Speijer insists on "the importance of protecting the brand" from Primark and other value chains and says that once you are in the lower channels you can't build upward, he says they're taking Betty Boop and Lancome from mass and "upscaling" them to mid-tier.

Importing/Exporting Brands and DTR

Iconix Europe, the Iconix/TLC joint venture, will one day serve as a case study for what happens when you try to take U.S. apparel brands and move them to new territories. It's too early to project the level of success the company will achieve, but there are early signs that they're learning what the obstacles are—and how to overcome them.

The initial goal, Labrosse says, was to implement the Iconix DTR model in Europe.

"When we went to retailers here, though, and told them how well any given one of these brands had done, say, at Walmart, they weren't interested.

"Retailers here don't have the thousands of doors Walmart has. [When we take a brand to them] they're more interested in what Asda did. We have to work on a different scale," Labrosse continues.

"There's also sometimes a knee-jerk reaction to U.S. brands. We have to make some of these brands skew differently. We had moments after our initial meetings with retailers [following the launch of the joint venture] where we couldn't understand why" the U.S. DTR model didn't work.

In addition to the Rocawear example cited above, Labrosse recounts the evolution of the Starter introduction in France.

"Starter is a \$1 billion brand in Walmart, but in France, they're only known for baseball jackets among an older audience. So we created the Starter Black Label line for apparel, headwear, and baseball jackets for Refuel in the U.K.; Refuel also has European rights. It's a lifestyle brand that piggybacks on nostalgia. And we worked with DJs to attract young adults."

Spain's confection brand Chupa Chups' No. 1 territory for licensed merchandise is Western

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PROPERTIES AVAILABLE OR RECENTLY ASSIGNED, U.S. (Canada as indicated)

PROPERTY	DESCRIPTION	CATEGORIES AVAILABLE	LICENSING CONTACT
American Kennel Club	Purebred dog association in existence for over a century.	All	Bruce Foster, 4Licensing
American Outdoorsman	TV series featuring scenes of hunting, fishing, and other outdoor activities for over 20 years. Currently airing on the Outdoor Channel.	All	Michael Gottsegen, All American Licensing & Management
Bates Motel	Television series (currently airing in the U.S. on A&E) taking place prior to the events of movie/novel Psycho.	Apparel, bath items, neon signs, novelty items, paper products	Grace Ressler, Joy Tashjian Marketing Group (JTMG)
Bob Marley	Reggae musician known for extensive song catalog. Now featured in products including headphones and beverages.	All except headphones and beverages	Gary Krakower, Creative Artists Agency
Devils Ride	Bischoff Hervey Entertainment Television's motorcycle club-oriented television series, airing on Discovery Channel.	After-market car/motorcycle accessories	Elizabeth Bakacs, Discovery Communications
Hickey Freeman, Hart Schaffner Marx	Menswear brands recently acquired by Authentic Brands Group.	Footwear, fragrance, home goods, outerwear, sportswear	James Salter, Authentic Brands Group
Kathy Davis	Designer (and design collection) of fabrics and greeting cards.	Fashion accessories, giftware, home decor	Alex Meisel, Alex Meisel & Co.
Marcie St. Clair	Artist known for her use of bright colors and upbeat messages.	Apparel, cards, gift items, home textiles, stationery, wall decor	Marty Segelbaum, MHS Licensing
Planet Sock Monkey	Patch Products' soft doll line featuring different likenesses of the popular sock monkey doll.	All except plush	Eve LeMaster, Firefly Brand Management
Rocket Monkeys	Animated comedy show currently airing worldwide on Nickelodeon (and Teletoon in Canada).	Apparel, games, toys	
Stacey Yacula	Canadian-born artist known for youth-filled depictions of characters, natural scenes, and other images.	Gift items, home textiles, stationery, wall coverings	Marty Segelbaum, MHS Licensing

LICENSES RECENTLY GRANTED, U.S. (Canada as indicated)

PROPERTY	GRANTED TO	PRODUCTS MANUFACTURED	GRANTED BY
Archer	Abrams	Calendars	Brandgenuity
	BioWorld Merchandising	Apparel	
	Buckle Down	Belts, keychains, wallets	
	Cryptozoic Entertainment	Board games, trading cards	
	HYP	Hats, headwear	
	ICUP	Glassware	
Batman (classic)	Mezco Toyz	Toys, vehicles*	Warner Bros. Consumer Products
Care Bears, Twisted Whiskers	Checks In the Mail	Checks, coin purses, stationery, tote bags (U.S., Canada)	American Greetings

*Extension or renewal.

Continued on page 6


licensing news *Continued from page 5*

PROPERTY	GRANTED TO	PRODUCTS MANUFACTURED	GRANTED BY
Carli Davidson's Shake	Acco Brands	Wall calendar	Mansion Street Literary Management
Chucky (franchise)	Mezco Toyz	Toys	Universal Partnerships & Licensing
Devils Ride	Changes	Accessories, apparel	Discovery Communications
Domo	Franco Manufacturing	Bed/bath accessories	Big Tent Entertainment
	Kellytoy USA	Amusement inflatables, key chains, pillows, plush, plush hats	
	Magnote	Decor, gift items, puzzles	
Eric Carle	Wonder-Shirts	T-shirts/tops, tote bags	Joester Loria Group
Fast & Furious 6	Guess?	Limited edition apparel	Universal Partnerships & Licensing
Fraggle Rock	Heyday Footwear	Footwear	Jim Henson Company/HIP Brands
	ICUP	Glassware, mugs	
	Threadless	T-shirts	
	Walls 360	Wall graphics	
Hasbro roster	Aquarius Entertainment Merchandising/NMR Distribution	Collectible playing card sets, lunch tins, magnets	Hasbro
Hello Kitty	Blik	Wall graphics	Sanrio
Hickey Freeman, Hart Schaffner Marx	Concept One	Accessories, bags, belts, cold weather items, headwear, leather goods	Authentic Brands Group
	PVH	Dress shirts, loungewear, neckwear, sleepwear, underwear	
Jungle Book	Fruit of the Loom/Union Underwear	Packaged underwear	SMC Entertainment
	Inkology	Activity products, stationery	
	Kellytoy USA	Amusement plush	
	Newco	Bean bags, bean bag chairs, desks, dressers, furniture, toy boxes	
Kidz Bop	Church & Dwight	Toothbrushes with music	Kidz Bop
My Little Pony	Build-A-Bear Workshop	Personalized plush (North America)	Hasbro
Ohiya	Ripple Junction	Buttons, stickers, T-shirts	Joy Tashjian Marketing Group (JTMG)
Parks & Recreation	Trends International	Bookmarks, calendars, posters	NBC Universal Television Distribution
Peppa Pig	Evy of California	Apparel (girls')	Entertainment One
Pink Cookie	DGL Group	Electronic device cases, mobile phone/MP3 audio accessories, speakers*	CopCorp
Smithsonian Institute	Tervis Tumbler	Insulated tumblers	Smithsonian Enterprises
Tiesto	Guess?	Accessories, apparel (men's, women's)	Movement International

*Extension or renewal.

Continued on page 7

INTERNATIONAL PROPERTIES AVAILABLE OR RECENTLY ASSIGNED

PROPERTY	DESCRIPTION	CATEGORIES AVAILABLE	LICENSING CONTACT
Boo - The World's Cutest Dog	Canine Internet star known for Facebook popularity and subsequent plush, publishing, and other licensing programs.	All (UK, Ireland)	Caroline Mickler, Caroline Mickler Limited
		All (France)	Francoise Bouvet, M.J.A. Licensing
		All (Australia)	Grahame Allan, Grahame Allan Company
British Olympic Association	Team GB brand and all consumer product endeavors pertaining to its inclusion in the Olympics.	All (Worldwide)	Simon Gresswell, IMG Licensing
Cut The Rope	Multi-platform puzzle game app featuring Om Nom, a creature with an insatiable appetite for candy,	All (France)	Christine Carouge, Lagardère Active
		All (Central/Eastern Europe, Nordic)	Peder Tamm, Plus Licens
		All (Israel)	Lina Dobronevsky, Brand Is Real
Emma Gardner	American interior designer known for her Emma at Home brand	Art reproductions, blankets, candles, fabric, floor coverings (Europe)	Anna Cartwright, Boom Licensing
FIFA World Cup	Localization of 2014 World Cup games in Brazil.	Accessories, apparel, back-to-school, computer accessories, eyewear, footwear, home furnishings, school supplies, sporting goods, stationery (India)	Jiggy George, Dream Theatre Pvt. LTD.
Hasbro brands	Includes Furby, Littlest Pet Shop, My Little Pony, and Transformers.	Apparel, back-to-school, dress-up (Israel)	Lina Dobronevsky, Brand Is Real
I Love Egg	Viral YouTube video series known in Asia for its quirky and lovable humor.	All (Worldwide except Asia)	Melissa Segal, Jim Henson Company / HIP Brands
King Features properties	Includes Betty Boop, Popeye, Olive Oyl, others.	All (Greece, Cyprus)	Anthe Louizos, License2Brand
Lillipippins	Lisa Johnson's design property featuring animal miniatures contrasted with household objects.	Apparel, confectionery, decor, food, giftware, HBA, greetings, housewares, nursery products, stationery (Worldwide)	Jane Evans, Jane Evans Licensing Consultancy / Brand Extensions Russia
Miramax Films	Weinstein Brothers-founded film company (now owned by Filmyard Holdings) known for releases including Pulp Fiction, Chicago, and Shakespeare in Love. Evolution represents the newly-created Miramax Legend brand.	All (France)	Veronique Pichon, Sagoo Licensing
		All (Australia, New Zealand)	Alan Schauder, Merchantwise Pty. Ltd.
		All (Denmark, Finland, Iceland, Norway, Sweden)	Morten Geschwendtner, Ink Brands
Pac-Man And The Ghostly Adventures	Namco Bandai's video game hero, to appear in his own show this fall.	All (Belgium, France, Switzerland)	Patricia de Wilde, Zodiak Kids
		All (Russia)	Paul Tush, Plus Licens Russia
Pink Cookie	Fashion brand targeting teen and tween girls.	All (Denmark, Finland, Iceland, Norway, Sweden)	Anna Lisa McBride, Nordic Licensing Company
Shortology	Short story brand known for its brief web adaptations (and subsequent book) of popular historical and pop culture events.	Apparel, housewares, novelty items (Worldwide)	Romana Caldarelli, Caldarelli Licensing Agency
Skylanders	Activision's toy-based video game featuring Spyro the Dragon and many other original characters; Skylanders Swap Force due later this year.	All (Nordic)	Anna Lisa McBride, Nordic Licensing Company
Space Heroes Universe!	Children's free-to-play story-driven online game from Bubble Gum Interactive.	All (Asia)	Hubert S. Co, Empire International Merchandising
Temple Run	Popular iOS/Android game where the player dashes across various temple settings to escape certain doom. Recent sequel launched for both mobile platforms.	All (Pan China)	Hubert S. Co, Empire International Merchandising
		All (Australia, New Zealand)	Shane Lipton, Wild Pumpkin

*Extension or renewal.

Continued on page 8

international licensing news *Continued from page 7*

PROPERTY	DESCRIPTION	CATEGORIES AVAILABLE	LICENSING CONTACT
Tractor Ted	Children's entertainment brand, now a series of live attractions across the UK.	All (UK)	Martin Lowde, Brands With Influence (B.W.I.)
World Of Eric Carle	Umbrella designation for the children's book author (The Very Hungry Caterpillar, others). Sub-licensed by Joester Loria Group.	All (Russia)	Jane Evans, Jane Evans Licensing Consultancy / Brand Extensions Russia
WotWots	Preschool series from New Zealand, featuring two aliens exploring various locations traveled to by spaceship.	All (Turkey)	Diana Magarino, Max Licensing

INTERNATIONAL LICENSES RECENTLY GRANTED

PROPERTY	GRANTED TO	PRODUCTS MANUFACTURED	GRANTED BY
Arrow Classics	Black Ball	Air fresheners, ashtrays, buttons, keychains, patches, posters, stache tins (U.S., Worldwide)	C3 Entertainment
Bob Marley	Bravado International Group	Master apparel (Worldwide)	Creative Artists Agency
Boo - The World's Cutest Dog	Blueprint Collections	Back-to-school, stationery (UK)	Caroline Mickler Limited
	Global Licensing	T-shirts (UK)	
Care Bears	Blues Clothing	Apparel, sleepwear (UK, Ireland)	Copyright Promotions Licensing Group (CPLG)
Chupa Chups	Half Moon Bay	Gift items (UK)	Fluid World Ltd.
	Kimm & Miller	Baking sets (UK)	
	Uniqlo Co. Ltd.	T-shirts (UK)	
Fraggle Rock	TruffleShuffle.com	T-shirts (UK)	Jim Henson Company / HIP Brands
Lillipippins	Portfolio	Greeting cards (UK)	Jane Evans Licensing Consultancy / Brand Extensions Russia
	Simson Cards	Greeting cards (Australia)	
Minecraft	Jazwares	Electronics, toys (Worldwide)	Jinx
Mrs. Brown's Boys	Brand International Group	Slippers (UK)	Rocket Licensing Limited
	Cooneen Textiles	Nightwear (UK)	
	Misirli UK	Underwear (UK)	
	Star Cutouts	Cardboard cutouts, facemasks (UK)	
	Trademark Products	Sweatshirts, t-shirts (UK)	
NBA	Zara	T-shirts (Americas, Europe, Middle East, Africa, Asia)	NBA Global Merchandising Group
Oxford University	IGS Corporation/Impact International	Bicycles (UK)	Performance Brands Limited
Pink Cookie	BagTrotter	Back-to-school, bags, stationery (France)	M.J.A. Licensing
Plants vs Zombies	Accessories 4 Technology	Game peripherals, headphones, smartphone/tablet peripherals (UK)	Bulldog Licensing
Tickety Toc	Trademark Collections	Bags, purses, wallets, wheeled luggage, umbrellas (UK)	Zodiak Kids
Wall's Ice Cream	Global Licensing	Apparel (UK)	Hot Pickle
	Half Moon Bay	Gift items (UK)	



contacts & connections

Contacts & Connections is an alphabetical listing of the licensing companies in this issue.

4Licensing, Bruce Foster, Interim CEO, 212-758-7666, bfoster@4licensingcorp.com, P. 5.

Abrams, Laura Mihalick, Marketing/Publicity Associate, 212-229-7110, lmihalick@abramsbooks.com, P. 5.

Acco Brands, Lori Conley, Director Licensing & Design, 937-495-2466, lori.conley@acco.com, P. 6.

Alex Meisel & Co., Alex Meisel, 805-212-4907, alex@alexmeisel.com, P. 5.

All American Licensing & Management, Michael Gottsegen, 818-749-7236, michael@aaling.com, P. 5.

American Greetings, Michael Brown, VP Licensing, 216-252-7300 x1346, michael.brown@amgreetings.com, P. 5.

Aquarius Entertainment Merchandising/NMR Distribution, Konrad Hoening, President, 905-895-1556 x223, konrad@aquariusimages.com, P. 6.

Authentic Brands Group, James Salter, CEO, 212-760-2410, info@authenticbrands.com, P. 6.

Big Tent Entertainment, Richard Maryanek, CMO, 212-604-0667, maryanek@bigtent.tv, P. 6.

BioWorld Merchandising, Jennifer Staley, VP Licensing, 972-488-0655, jennifers@bioworldmerch.com, P. 5.

Blik, Scott Flora, Co-Founder, 866-262-2545, scott@whatisblik.com, P. 6.

Brandgenuity, Rachel Humiston, Manager, 212-925-0663, rachel@brandgenuity.com, P. 5.

Buckle Down, Eric Swope, COO, 714-895-4900, ericswope@beltsdirect.com, P. 5.

Build-A-Bear Workshop, Misty Jackson, Manager, Bear Stuff Development, 314-423-8000, mistyj@buildabear.com, P. 6.

Changes, Will Thompson, VP Licensing, 718-441-6464, wthompson@changesonline.com, P. 6.

Checks In the Mail, Cindi Champion, Marketing Manager Licensing, 830-609-6306, cchampion@checksinthemail.com, P. 5.

Church & Dwight, Tammy Talerico-Payne, Director Licensing, 609-279-7334, Tammy.Talerico@churchd Dwight.com, P. 6.

Concept One, Patricia Mercer, 917-267-4207 x 201, pmercer@concept1.com, P. 6.

CopCorp, Michelle Zamora, Licensing Manager, 212-947-5958, mzamora@copcorp.com, P. 6.

Creative Artists Agency, Gary Krakower, Agent, 424-288-2000, gkrakower@caa.com, P. 5.

Cryptozoic Entertainment, John Sepenuk, EVP Global Sales & Business Development, 949-385-6000, P. 5.

DGL Group, Joseph Wahba, VP, 718-499-1000, joey@dglusa.com, P. 6.

Discovery Communications, Elizabeth Bakacs, VP Licensing & Creative, 240-662-3315, elizabeth_bakacs@discovery.com, P. 5, 6.

DreamWorks Animation, Brad Woods, Head Domestic Licensing, 818-695-7011, brad.woods@dreamworks.com, P. 2.

Entertainment One, Sarah Powell, Licensing Executive, 44-20-7907-3773, spowell@entonegroup.com, P. 6.

Evolution, KJ Istok, VP Licensing, 818-501-3186, kj@evomgt.com, P. 12.

Evy of California, Kevin Krieser, President, 213-763-6100, kevink@evy.com, P. 6.

Firefly Brand Management, Eve LeMaster, SVP, 479-616-0056, eve@fireflybrandmanagement.com, P. 5.

Franco Manufacturing, Jeffrey Franco, Licensing Director, 732-494-0500 x398, jeffrey@franco-mfg.com, P. 6.

Fruit of the Loom/Union Underwear, David Springob, VP Marketing - Licensed Apparel, 270-935-6745, dave.springob@fotolinc.com, P. 6.

Gaikai, Careen Yapp, VP Business Development & Acct Mgt., 949-330-6889, careen@gaikai.com, P. 12.

Glidden / Akzo Nobel, Rob Horton, VP Marketing, 800-454-3336, rob.horton@akzonobel.com, P. 2.

Guess?, Frank Rescigna, President Licensing Worldwide, 212-852-0500, P. 6.

Hasbro, Bryony Bouyer, SVP Licensing, The Americas, 401-431-8422, bbouyer@hasbro.com, P. 6.

Heyday Footwear, Darin Hager, CEO, 347-443-9329, darin@heydayfootwear.com, P. 6.

HYP, Howard Levy, President, 212-684-7717 x125, howard@hypnyc.com, P. 5.

ICUP, Anthony Trapani, VP Sales, 215-788-8848, P. 5, 6.

IMG Worldwide, Wesley Haynes, SVP, 904-224-5101, waynes@licensingpartnersintl.com, P. 2.

Inkology, Barry Silberman, President, 561-826-3492, P. 6.

Jim Henson Company / HIP Brands, Melissa Segal, SVP Global Consumer Products, 323-802-1576, msegal@henson.com, P. 6.

Joester Loria Group, James Slifer, SVP Business Development, 212-683-5150 x306, jslifer@tjlg.com, P. 6.

Joy Tashjian Marketing Group (JTMG), Grace Ressler, Director, Licensing, Publishing, 310-836-1912, grace.ressler@gmail.com, P. 5, 6.

Kellytoy USA, Jonathan Kelly, SVP, 323-588-8697 x16, P. 6.

Kidz Bop, Kevin O'Connor, VP Business Development, 212-598-2274, koconnor@kidzbop.com, P. 6.

Magnote, Shinya Fujimoto, 415-935-1147, P. 6.

Mansion Street Literary Management, Jean Sagendorph, 212-518-6625, mansionstreet@gmail.com, P. 6.

Mezco Toyz, Mike Drake, Licensing Manager, 718-472-5100, drake@mezco.net, P. 5, 6.

MHS Licensing, Marty Segelbaum, President, 952-544-1377 x202, marty@mhslicensing.com, P. 5.

Movement International, Martin Cribbs, EVP Licensing, 212-868-2590 x202, mcribbs@themovementintl.com, P. 6.

NBA Global Merchandising Group, Vicky Picca, SVP Licensing/Business Affairs, 212-407-8000, vpicca@nba.com, P. 2.

NBC Universal Television Distribution, Kim Niemi, SVP Video Music & Product Development, 818-777-4559, kim.niemi@nbcuni.com, P. 6.

Newco, Mark Johnston, CEO, 818-834-7100, P. 6.

PVH, Kenneth Wyse, President, Licensing, 212-381-3628, kennethwyse@pvh.com, P. 6.

Ripple Junction, Scott Morton, Licensing Director, 513-559-3900, scott@ripplejunction.com, P. 6.

Safilo Group, Kimberly Chavaco, Brand Manager, 973-576-2549, kimberlyc@safilousa.com, P. 2.

Sanrio, Jill Koch, VP Brand Management & Marketing, 310-630-2904, jkoch@sanrio.com, P. 6.

SMC Entertainment, Pamela Harris, Director Licensing, 818-678-9680, pamelas@smcentertainmentgroup.com, P. 6.

Smithsonian Enterprises, Brigid Ferraro, Director of Licensing, 202-633-2532, jaffet@si.edu, P. 6.

Tervis Tumbler, Rich Kaplan, President Sales & Marketing/Chief Brand Officer, 800-237-6688, rkaplan@tervis.com, P. 6.

Threadless, Wilson Fong, Head Partnerships/Business Development, 773-878-3557 x535, wilson@threadless.com, P. 6.

Trends International, Jeff Loeser, VP Licensing, 317-388-4068, jloeser@trendsinternational.com, P. 6.

Universal Partnerships & Licensing, Cindy Chang, VP/GM Licensing, 818-777-2067, cindy.chang@nbcuni.com, P. 6.

Walls 360, Stewart Christensen, Director Business Development/On-Demand Operations, 888-244-9969, partners@walls360.com, P. 6.

Warner Bros. Consumer Products, Karen McTier, EVP Domestic Licensing & Worldwide Marketing, 818-954-3008, karen.mctier@warnerbros.com, P. 5.

Wonder-Shirts, Matthew Mohr, President, 614-467-4229, matthewmohr@gmail.com, P. 6.



international contacts & connections

This section refers to the International listings on Pages 7-8. International calls from the U.S. and Canada must be preceded by the 011-prefix.

Accessories 4 Technology, Andrew Shephard, Owner, 44-161-727-0170, P. 8.

Andrew Lownie Literary Agency, Andrew Lownie, 44-207-222-7574, lownie@globalnet.co.uk, P. 11.

BagTrotter, Jean Du Che, Managing Director, 33-1-45-06-91-80, jean.duche@bagtrotter.com, P. 8.

Black Ball, Paulie Velasquez, 979-733-9357, paulie@blackballcorp.com, P. 8.

Blueprint Collections, Helen Webster, Licensing and Marketing Director, 44-845-217-2400, helen.webster@bluecoll.co.uk, P. 8.

Blues Clothing, Patrick Bailey, Commercial Director, 44-207-371-9900, patrick.bailey@blues1.co.uk, P. 8.

BN Licensing, David Speijer, Director, 31-88-77-3450-00, david@bnlicensing.com, P. 1.

Boom Licensing, Anna Cartwright, Owner, 44-1753-400060, anna@boomlicensing.com, P. 7.

Brand International Group, Rob Meara, Sales Director, 44-1628-536-400, P. 8.

Brand Is Real, Lina Dobronevsky, Licensing Director, 972-3-542-70-00, lina@brandisreal.com, P. 7.

Brands With Influence (B.W.I.), Martin Lowde, Managing Director/Founder, 44-7831-2350-24, martin@brandswithinfluence.com, P. 7.

Bravado International Group, Felix Sebacious, SVP Worldwide Licensing, 212-445-3447, felix.sebacious@bravado.com, P. 8.

Bulldog Licensing, Rob Corney, Managing Director, 44-20-8325-5455, robcb@bulldog-licensing.com, P. 8.

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C3 Entertainment, Ani Khachoiian, VP Licensing & Merchandising, 818-956-1337 x215, akhachoiian@c3entertainment.com, P. 8.

Caldarelli Licensing Agency, Romana Caldarelli, 39-334-2870078, cla.licensing@gmail.com, P. 7.

Carmen Ariza, Carmen Ariza, Owner, 34-647-849-755, carmen@carmenariza.com, P. 1.

Caroline Mickler Limited, Caroline Mickler, Licensing Agent / Consultant, 44-79-6885-0329, caroline@carolinemicklerltd.co.uk, P. 7, 8.

Chupa Chups, Christine Cool, Senior Brand Manager, 34-93-773-9362, christine.cool@es.pvmgrp.com, P. 1.

Cooneen Textiles, Mike Coles, Director, 44 -161-273-5213, mike.coles@cooneenmanchester.com, P. 8.

Copyright Promotions Licensing Group (CPLG), Stephen Mills, Licensing Manager, 44-208-563-6174, smills@cplg.com, P. 8.

Creative Artists Agency, Gary Krakower, Agent, 424-288-2000, gkrakower@caa.com, P. 8.

Dream Theatre Pvt. LTD., Jiggy George, Founder/CEO, 91-22-2411-5579, info@dream-theatre.co.in, P. 7.

Empire International Merchandising, Hubert S. Co, President, 011-63-2-722-4311, hubert@empiremultimedia.com, P. 7.

Faber, Henry Volans, Head of Digital, 44-207-927-3800, henry.volans@faber.co.uk, P. 11.

Fluid World Ltd., Libby Grant, Brand Director, 44-1963-240-110, libby@fluidworld.co.uk, P. 8.

Global Licensing, Corinna Drysdale, Director, 44-207-935-0973, c.drysdale@global-licensing.co.uk, P. 8.

Grahame Allan Company, Grahame Allan, President, 61-7-555-91208, grahame-allan@bigpond.com.au, P. 7.

Half Moon Bay, Rachael Carpenter, Product Manager, 44-1225-473873, P. 8.

Hot Pickle, Rupert Pick, Planning/Creative Director, 44-203-651-6626, rupert@hotpickle.co.uk, P. 8.

IGS Corporation / Impact International, Angus Boyd, Owner, 44-845-600-1676, P. 8.

IMG Licensing, Simon Gresswell, VP Licensing, Europe, 44-20-8233-5300, simon.gresswell@imgworld.com, P. 7.

Ink Brands, Morten Geschwendtner, Chairman-President Licensing/Special Projects, 45-3355-6100, mg@ink-brands.com, P. 7.

Jane Evans Licensing Consultancy / Brand Extensions Russia, Jane Evans, Managing Director, 44-1225-8190-30, jane@jevanslicensing.com, P. 8.

Jazwares, Laura Zebersky, EVP Global Sales, 954-845-0800, laura@jazwares.com, P. 8.

Jim Henson Company / HIP Brands, Melissa Segal, SVP Global Consumer Products, 323-802-1576, msegal@henson.com, P. 8.

Jinx, Shawn McCarthy, Head Of Sales, 858-457-5469, mc@jinx.com, P. 8.

Kimm & Miller, William Pegg, Brand Manager, 44-1234-270524, P. 8.

Lagardère Active, Christine Carouge, Licensing Manager, 33-140-69-16-00, ccarouge@lagardere.fr, P. 7.

License2Brand, Anthe Louizos, Managing Director, 30-210-942-7610, info@license2brand.gr, P. 7.

Licensing Company, The, Regine Labrosse, Managing Director, 33-1-42-65-91-91, regine@thelicensingcompany.com, P. 1.

M.J.A. Licensing, Françoise Bouvet, President, 33-684-5231-17, f.bouvet@mjalicensing.com, P. 7, 8.

Make Believe Ideas, Joanna Bicknell, MD, 44-1442-874-569, joanna.bicknell@makebelieveideas.com, P. 11.

Max Licensing, Diana Magarino, Owner, 90-212-275-8490, dianamagarino@maxlicensing.com, P. 8.

Merchantwise Pty. Ltd., Alan Schauder, Director, 61-3-9520-1000, alan@merchantwise.com.au, P. 7.

Misirli UK, Ihsan Erturgut, Managing Director, 44-116-2645-860, ihsanerturgut@misirli.com.tr, P. 8.

NBA Global Merchandising Group, Vicky Picca, SVP Licensing/Business Affairs, 212-407-8000, vpicca@nba.com, P. 8.

Nordic Licensing Company, Anna Lisa McBride, Co-Owner, 45-3378-6605, alm@nordiclicensing.com, P. 7.

Penguin Books, Eric Huang, Director of New Business & IP Acquisitions, 44-20-7010-3442, eric.huang@uk.penguingroup.com, P. 11.

Penguin Books, Nathan Hull, Digital Development Director, 44-20-7010-3000, nathan.hull@uk.penguingroup.com, P. 11.

Performance Brands Limited, David Ball, Managing Director, 44-207-730-9606, david.ball@performance-brands.com, P. 8.

Plus Licens, Peder Tamm, President, 46-8-545-139-00, peder.tamm@pluslicens.se, P. 7.

Plus Licens Russia, Paul Tush, Managing Director, 7-495-775-3067, paul.tush@pluslicens.ru, P. 7.

Portfolio, David Corner, Director, 44-20-8960-3051, sales@portfoliocards.com, P. 8.

Rocket Licensing Limited, Rob Wijeratna, Joint Managing Director, 44-20-7207-6241, rob@rocketlicensing.com, P. 8.

Sagoo Licensing, Veronique Pichon, Owner, 33-1-77-75-18-39, contact@sagoo-licensing.com, P. 7.

Simson Cards, John Simson, 61-3-9316-0700, P. 8.

Star Cutouts, Ian Ravey, Director, ian@starcutouts.com, P. 8.

Story Mechanics, Simon Meek, Executive Producer & Director, 44-141-241-6073, P. 11.

StudioCanal, Eleonore Bebear, 33-1-71-352387, eleonore.bebear@studiocanal.com, P. 1.

Trademark Collections, Helen Hillson, Creative Director, 44-1799-599-899, helen@trademarkcollections.com, P. 8.

Trademark Products, Damian Crux, 44-1883-653-580, damian@trademarkproducts.co.uk, P. 8.

TruffleShuffle.com, Pat Wood, Managing Director, 44-117-982-8884, info@trufflesuffle.com, P. 8.

Uniqlo Co. Ltd., Kensuke Suwa, Global Marketing Director, kensuke.suwa@uniqlo.co.jp, P. 8.

Wild Pumpkin, Shane Lipton, Owner/Director, 61-3-9429-4498, shane@wild-pumpkin.com, P. 7.

Zara, Jackie Lee, 212-355-1415, P. 8.

Zodiak Kids, Patricia de Wilde, SVP Consumer Products, France, 33-1-44-34-66-31, patricia.dewilde@zodiakkids.com, P. 8.

Rob Watson, Consultant, 33-6-1348-7598, robmileswatson@wanadoo.fr, P. 1.

Major Property Types

Continued from page 3

sales, which now account for 4.8% of total retail sales of licensed merchandise based on Corporate Trademark and Brands, *TLL* estimates, balanced by slight decreases in mail order and TV shopping.

The latter has been a growth area for many other property types, notably Fashion, Celebrity, and Entertainment/Character. While there have been some examples of Corporate Brand-licensed merchandise sold on HSN and QVC—Coca-Cola forged a wide-ranging deal with HSN in December 2012, for example—this channel has not had as significant an impact as it has for some other sectors.

RETAIL SALES OF LICENSED TRADEMARK/BRAND-BASED MERCHANDISE, BY PROPERTY TYPE, U.S. AND CANADA, 2011 VS. 2012

(dollars in millions)

PROPERTY TYPE	2012 RETAIL SALES	2011 RETAIL SALES	% CHANGE 2011-2012	2012 SHARE OF CORPORATE TRADEMARK LICENSING
Automotive/Motor Vehicle	\$3,944	\$3,840	2.7%	15.1%
Food/Beverage	\$6,759	\$6,480	4.3%	25.9%
Restaurants	\$4,291	\$4,130	3.9%	16.4%
Sporting Goods	\$1,305	\$1,300	0.4%	5.0%
Hardware, Appliance, and Tool	\$2,650	\$2,570	3.1%	10.2%
Home-related	\$366	\$360	1.7%	1.4%
Electronics/Technology	\$2,977	\$2,910	2.3%	11.4%
Electronic Media	\$217	\$210	3.3%	0.8%
Other	\$3,598	\$3,390	6.1%	13.8%
TOTAL	\$26,106	\$25,180	3.7%	100.0%

SOURCE: THE LICENSING LETTER

The ‘Land Grab’ for Rights Is On as Publishers, Agents, Authors Vie for Control

Book publishers and agents are involved in a “land grab” for rights on intellectual property (IP), with each party seeking to control as many platforms as possible in a world where content increasingly takes a variety of forms—from traditional book to e-book, app, game, and video, as well as spin-off merchandise.

The issue is among those discussed at the London Book Fair, which wrapped up April 15 and saw the industry looking at the challenges of the post-digital world. Penguin’s Eric Huang says publishers and agents are trying to capitalize on new opportunities in IP exploitation through deals or partnerships with other media or merchandising companies—or even owning the property outright.

“We are in competition with agents in this space. It is a friendly land grab,” says Huang. “There’s a property called Hattie B, about a veterinary clinic for magical creatures. We bought it from Mum’s Creative and control all rights. Books are just the beginning. We’ve announced a TV development deal, and we’re also looking at how we can spin it out into consumer products.”

His colleague Nathan Hull, also at Penguin, adds: “As technology advances, the temptation to embellish a reading experience is huge—particularly with children’s illustrated titles. There’s a lot of homework to do from the outset, as the rights in this area are often very complex and intricate.

“On the most basic level, with a children’s project—and licensed brands in particular—you may be about to enter a minefield where you’ll trip against gaming rights, animation rights, film rights, other publishers’ rights, education rights, audio rights, comic/magazine rights. The simplest way to circumvent all this—but it’s the long game—is to create and control your IP.”

Not surprisingly, agents argue that it is they who are better placed to secure multiplatform deals for their clients, since publishers have to spread themselves over a greater number of authors. One agent also offers a fascinating vision of the future, one in which the traditional gatekeepers—including agents themselves—have all but disappeared.

“Digital publishing means the consumer (the reader) and the producer (the writer) can be in direct contact,” says London agent Andrew Lownie. “Self-publishing has lost much of its stigma and many authors are now simply publishing themselves.

“They can earn more, market directly, and respond more quickly. I see the market in the future being 5% major publishers/authors/agents, perhaps 20% smaller agencies/publishers/authors, and 75% will be self-published in one form or another.”

As if to underline this trend, the digital zone at Earls Court was 30% bigger this year, and there were large crowds at the self-publishing events hosted at the zone’s two theaters. Amazon is a key player in this field but found itself at the center of a stormy debate headed “Amazon: friend or foe.”

Amazon lost the vote, almost certainly because publishers formed the majority of the audience and their relationship with the online giant is at best ambivalent. Comments one: “What Amazon wants to do is have all the publisher files—e-books, POD—so they become the supplier and cut out the publishing industry entirely. They’re trying to get all the IP in—they want those files.”

For the first time, Random House had a panel on its stand advertising its bestselling apps—not books, note—while Faber used the fair to launch its latest piece of digital publishing, *The Thirty-Nine Steps*, an “interactive, visual novel” based on the John Buchan classic.

Faber joined two software publishers and a developer, The Story Mechanics—the multiplatform and gaming division of Scotland- and Northern Ireland-based TV and digital production company Tern—to bring the project to fruition.

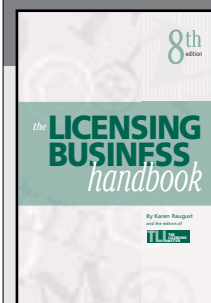
Faber’s Henry Volans says, “The Story Mechanics have come up with something completely new in the landscape of fiction ebooks. It’s a new way of reading with John Buchan’s story at its heart, presented afresh through a TV and gaming-inspired lens.” Many such projects are expected from other publishers.

Meanwhile, fellow British indie publisher Make Believe Ideas is about to cleverly exploit the success on both sides of the Atlantic of *Downton Abbey*. It was showing *Mouseton Abbey*—yes, you read it correctly—in which all the characters are knitted mice figures named after cheeses (Lady Mozzarella, Wensleydale the Butler, you get the idea).

The company’s Joanna Bicknell is currently negotiating with several partners in China who will produce plush in time for Christmas. She is also in discussions with two TV companies, following approaches at the Bologna Children’s Fair last month.

She had cleared the project with lawyers, and noted, as she held one of the knitted mice on her stand, “No one could possibly buy this and think they were buying *Downton Abbey*.”

Tools To Implement A Profitable Licensing Program



Whether you’re a beginner or a veteran, **The Licensing Business Handbook** gives you the tools you need to build new revenue streams and profit centers. This comprehensive guide shows you how to make money through licensed characters, teams, logos, trademarks, celebrities, events, fashion labels, likenesses and designs.

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WHO'S NEWS

Careen Yapp joins Gaikai as VP business development & account management. Gaikai is a cloud streaming service enabling users to play video games remotely. Sony recently acquired the company for use with its upcoming PlayStation 4 console. Yapp had been with Konami.

KJ Istok, formerly of Ink, Kidz Entertainment, and EEMC—all licensing agencies specializing in the Nordic countries and Central and Eastern Europe—joins Evolution as VP international licensing.

Kazachok

Continued from page 4

Europe, followed by the No. 1 single largest country, Japan, says the company's Christine Cool. The program is expanding in Asia, and the parent company is looking at expanding its licensing program for U.S. brand Airheads and developing new markets for Mentos, among others. Half of Chupa Chups' licensed business is apparel, which does best in fast fashion outlets such as H&M.

Other so-called lifestyle brands are trying to broaden their appeal and export into new markets. Among those exhibiting at Kazachok: Besomeone.

Sourcing

There may not be quite the "repatriation" momentum some companies are experiencing with "Made in the U.S.A." (see *TLL* April 18, 2013, pg. 1), says consultant Watson. As anyone in manufacturing will attest, labor and freight are getting more expensive in China as "workers who once made toys are lured by higher-paying jobs making iPhones and other electronics." India, notes Watson, wants to be the next high-tech source, not making toys.

Still, some luxury and other upscale manufacturers are exploring local production.

Go East, Young Man

This too may not be a new phenomenon, but the sign on agent Carmen Ariza's booth sums it up. A mainstay agency in Spain, the sign notes offices in "Barcelona • Madrid • Warsaw."

Other notes from Kazachok:

- ▶ Hello Kitty is starting to show up in job-lot-type stores in France, with French and U.K. goods. One observer says Kitty is falling off fast in the U.K., but that Peppa Pig (just beginning to take off in the U.S.) is still strong.
- ▶ Among the publishing properties with feature films due in 2014: *Little Nicolas on Holidays*, a followup to the 2009 film *Le Petit Nicolas*, based on the children's books by Rene Goscinny (Imav Editions), and *Paddington* and *The House of Magic* (both StudioCanal).
- ▶ Lucas global agency agreements mostly expire this spring; TLC runs through 2014 for France and Germany.

SAVE THE DATE

TLL Licensing Show Breakfast

THE LICENSING LETTER invites all subscribers to its annual pre-Licensing Expo breakfast on Monday June 17, 8:30-10 a.m. at the Luxor Hotel restaurant Tender. Publisher Ira Mayer and Special Projects Editor Karen Raugust will address international, retail, and other trends.

The breakfast is a low-key, high-level networking event open exclusively to companies that subscribe to THE LICENSING LETTER. Subscribers should RSVP with the names, titles, email addresses, and phone numbers of those attending to imayer@epmcom.com.

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THE GLOBAL MARKET FOR LICENSED PRESCHOOL PROPERTIES

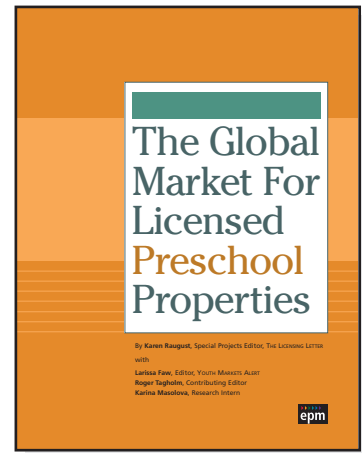
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THE GLOBAL MARKET FOR LICENSED PRESCHOOL PROPERTIES

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- Dora the Explorer
- Fancy Nancy
- Fifi and the Flowertots
- Galinha Pintadinha
- The Hive
- Ladybug Girl
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- Miffy
- Peppa Pig
- Pocoyo
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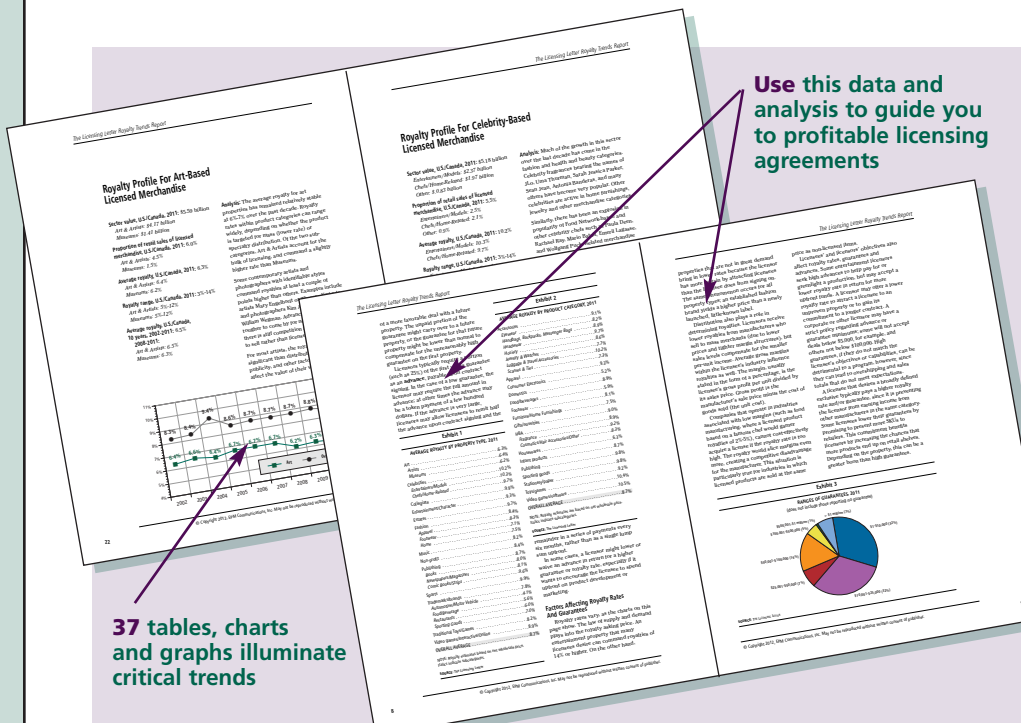
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