Trademark Licensing Qualification Standards

The USMC Trademark Licensing Office (TMLO) has created this document to provide applicant qualification information to companies interested in licensing Marine Corps Trademarks. Before filling out our license application, please review our licensing criteria to make a self-determination of your company's likelihood of being approved for a license agreement. If your company decides to apply for a license please review the Terms and Conditions described below, and submit the completed application form and other required documents to TMLO. We will then review the information and make a determination as to whether your unsolicited proposal qualifies for the Marine Corps Licensing Program. No decision can be made by TMLO until all of your application information meets USMC criteria. An overview of the pre-qualification process is set forth below.

1. **Our Brand Identity.** The USMC’s Eagle, Globe, and Anchor emblem and other distinctive symbols represent our illustrious history of our values of honor, courage and commitment. These symbols connect today’s Marines to the lineage of warriors who have earned their place among The Few. The Proud®. Our unyielding commitment to protecting the lives of our citizens and the interests of our nation has remained constant since 1775. This service to our nation places the USMC among America’s “Most Patriotic” brands according to a 2013 Brand Keys study.

2. **Desired Licensing Partners.** Our ideal licensing partner understands our brand identity and aligns their designs, manufacturing, and marketing practices with some of the highest expectations in the licensing industry. Our preference is for potential licensees to offer “Made in USA” products. Our “Made in USA” royalty reduction reflects this preference by incentivizing licensees to seek out quality U.S. based manufacturers. All companies seeking to license USMC branded flags must have them “Made in USA”.

3. **How It Works.** TMLO represents the United States Marine Corps for the licensing of USMC owned trademarks and logos (the “USMC Marks”). Some USMC Marks include the Eagle, Globe and Anchor, Coat of Arms, the words MARINES, MARINE CORPS, U.S. MARINE CORPS, USMC initials, slogans,
and unit insignia. Please see the USMC Content Guide on our website for a more comprehensive listing). The pre-qualification process requires that you submit certain information about your company for review by TMLO. Reviewing these qualification standards is the first step in a process that involves several stages. If the information you submit about your company matches the criteria for the USMC licensing program we will contact you about the possibility of your company licensing Marine Corps marks. Any such license would be the subject of a separate written agreement between your company and TMLO. *Neither our request for information nor your reply to a request for information constitutes contract or a solicitation by TMLO to offer a license to your company.*

4. **Licensing Royalties.** TMLO offers two royalty rate categories:

   a) *Made in USA - 2.5% net, 3.5% wholesale.* To qualify for this reduced royalty rate, the entire USMC line of licensed products must be Made in USA in accordance with Federal Trade Commission (FTC) requirements.

   b) *Non-Made in USA - 10% net, 12% wholesale.*

   Depending on company size and sales volume we also assess an advance payment ($100-$1,500) and annual minimum guarantee ($50-$10,000). Companies qualifying for the Made in USA rate typically receive reduced annual minimum guarantees and advance payments.

5. **Minimum Requirements.** For your unsolicited proposal to qualify for consideration by TMLO, your company **MUST**:

   a) Demonstrate a firm understanding and control over its supply chain and sourcing practices to include blanks and component parts. Companies will not be selected as potential licensing partners if they source goods from a blanks supplier or distributor who does not manufacture the product directly, unless that supplier holds a license agreement directly with TMLO (Gildan currently offers pre-approved USMC Blanks). TMLO holds licensees accountable for complying with strict social compliance standards and the use of a blanks supplier does not allow for supply chain transparency and accountability.

   b) Mitigate risk in the supply chain by not sourcing listed products and component parts from countries that the Department of Labor (DoL) has reason to believe are likely produced by child labor or forced labor in violation of international standards. This listing by country and product category appears at; [http://www.dol.gov/ilab/reports/child-labor/list-of-goods/](http://www.dol.gov/ilab/reports/child-labor/list-of-goods/). For example, TMLO would not approve a licensee to source garments from Argentina, Brazil, China, India, Jordan, Malaysia, Thailand or Vietnam since “garments” from these sources indicate significant child and/or forced labor issues.

   c) Be a product owner, meaning you are seeking an agreement for products under your control and responsibility. This policy generally applies to companies
requesting to license promotional products or an excessive number of product categories such as apparel, novelty items, tactical gear, home goods, footwear, video games and consumables.

d) Maintain product liability insurance from a licensed insurance carrier with an individual limit of one million dollars ($1,000,000.00) per occurrence and two million dollars ($1,000,000.00) aggregate limit.

e) Be in compliance with all federal, state and local laws and, where applicable, international rules and regulations, including all applicable labor laws.

f) Comply with TMLO’s hologram labeling requirement and artwork submission and approval process through JPatton.

g) Have a Dunn and Bradstreet PayDex score of 70 (1-year average) or higher, demonstrating its financial ability to maintain a license for several years. (D&B requirement may be waived for small businesses)

h) Be a member of a USMC approved social compliance association such as the Fair Labor Association (FLA) if seeking to source products from outside the U.S. *(DOL listed products will not be approved despite association membership)*

i) Offer high-quality merchandise as determined by TMLO.

6. **Application Information.** You will be required to submit the following information on your license agreement application:

a) A completed trademark license application, which includes detailed information about your company and its officers, financial information, experience, and other information about your proposed use of USMC Marks.

b) Business history.

c) Physical product samples showcasing proposed product quality.

d) Dunn and Bradstreet Comprehensive Insight Plus report.

e) Manufacturer listing by product category and service rendered e.g. decorator, cut and sew factory.

7. **Prohibited Content.** Your pre-qualification information should **NOT** include any confidential or proprietary creative ideas or products. Accordingly, when you send us information about your company, **do NOT include confidential or proprietary information**, such as product concepts, designs, ideas, original artwork, or other original creative materials or suggestions. Such requirements are necessary to prevent possible future misunderstandings when products developed by TMLO employees or licensees might seem to others to be similar to their creative work. You acknowledge and agree that USMC at all times has many
products and projects in various stages of development and that the results of these endeavors may be similar or identical to your products or projects. Unsolicited submissions of every kind and nature, throughout the world, shall be entitled to unrestricted use for any purpose whatsoever, commercial or otherwise, without compensation of any kind to the provider of the unsolicited submissions.

8. **Categories of Products Not Licensed by USMC.** We do NOT license USMC marks in the following categories:

a) Weapons (typically those that require a permit, such as firearms or that are often illegal, such as switchblades or butterfly knives. Weapon policy does not include paintball or airsoft, or fixed-bladed knives or swords, such as hunting knives or ceremonial sabers)

b) Tobacco or alcohol products

c) Products with sexual references and/or of a sexual nature

d) Products promoting extreme violence

e) Products that contain political or religious activism

f) Products of a controversial nature

g) Products containing harsh and/or offensive language

h) Products that promote criminal activity

i) Products which discredit and/or tarnish the image and integrity of the United States or Marine Corps

j) Services such as educational, financial, or household

k) Charitable and fundraising activities

9. **Submission of Information.** It is important that you follow the procedures outlined above. Once you have completed the trademark application form, please mail it and all other requested information to TMLO. We do not accept any fax submissions; all applications must arrive by mail. You will receive by e-mail an acknowledgement once your license application arrives. If the information you submit matches the criteria for the USMC licensing program, you will hear from TMLO within 90 days. If you do not hear from TMLO within 90 days, please be advised that your company has not met the criteria for the USMC licensing program established by TMLO.

10. **Risk of E-mail Communications.** You acknowledge and agree that e-mail is inherently not a secure method of communication, that third parties may access information sent by you to the USMC by e-mail, and that USMC will not be liable
for any disclosure to or subsequent use by third parties of confidential information communicated via e-mail.

11. **Limitations and Restrictions.** All information in the application form must be filled in as directed. You understand that a failure to comply with this requirement is grounds for disqualification. Nothing contained in these Terms and Conditions is intended to limit USMC’s sole and complete discretion to accept or reject any licensing proposal. *Providing the information requested by USMC in no way implies or guarantees that your company will be granted a license to any Marine Corps Marks.*

12. **Next Steps.** Now that you are familiar with the Licensing Qualification Standards please feel free to apply. Applications are available via our website’s “Apply Now” section. TMLO offers three license versions:

   a) Standard Business (1-3yr term) for companies grossing more than $5M annually in total company sales volume

   b) Small Business (2-3yr term) for companies grossing less than $5M annually in total company sales volume

   c) Hobbyist (1yr term) No application required. Direct sales only, no manufacturers or retail sales authorized