WITHDRAWN
DRAFT

08-1022-ED3

October 22, 2008

APPROVE ENTERING INTO AN EXCLUSIVE TRADEMARK LICENSE AGREEMENT TO LICENSE USE OF THE REAL MEN READ TRADEMARK TO SCHOLASTIC INC.

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a three year exclusive trademark license agreement to license use of the REAL MEN READ trademark to Scholastic Inc. Scholastic will pay a recoupable (against future royalties) license fee in the amount of $60,000 to the Board upon execution of the agreement. During the three year term, the Board may receive royalties based on net sales of the Scholastic Real Men Read program. Scholastic was not selected on a competitive basis as Scholastic provides books for the current Real Men Read Program. A written agreement to license the trademark is currently being negotiated. No use of the trademark shall begin prior to the execution of the written license agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

LICENSEE: Scholastic, Inc.
557 Broadway
New York, NY 10012

LICENSOR: Chicago Board of Education
125 S. Clark 5^{th} Fl.
Chicago, IL 60603
Contact Person: Chief Officer: Xavier Botana, Instructional Design and Assessment

TERM: The term of this trademark license agreement shall commence on the date the agreement is signed and shall end 36 months thereafter. There is one three (3) year option to renew based on mutual agreement of the parties.

USE OF TRADEMARK: Use of the REAL MEN READ service marks, trademarks, and logos including United States Registration Numbers 3,434,365 and 3,419,543 ("Marks") in connection with the manufacture, distribution, marketing, and sale of Scholastic's educational reading program(s) bearing the Marks; including books, instructional materials, academic papers, posters, packaging, marketing materials, website, audio and video products, CD-ROMs, and professional development materials ("Licensed Products") in any school market except the Chicago Public Schools during the term.

OUTCOMES: To provide a stream of income to sustain the Real Men Read Program in the Chicago Public Schools.

LICENSE FEE: Scholastic shall pay the Board an advance, recoupable (against future royalties) license fee in the amount of $60,000 upon execution of the agreement. Royalties shall be based on net sales on a cumulative basis over the 3 year term.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written license agreement. Authorize the President and Secretary to execute the license agreement. Authorize the Chief Officer of Instructional Design and Assessment to execute all ancillary documents required to administer or effectuate this license agreement.

AFFIRMATIVE ACTION: Not Applicable.

LSC REVIEW: Local School Council approval is not applicable to this report

FINANCIAL: No Cost to the Board. Instead, Licensee shall pay the Board an advance, recoupable (against future royalities) license fee in the amount of $60,000 upon agreement. Royalties shall be based on net sales on cumulative basis over the 3 years term.

GENERAL CONDITIONS:
Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:

Barbara Eason-Watkins
Chief Education Officer

Within Appropriation:

Pedro Martinez
Chief Financial Officer

Approve as to legal form:

Patrick J. Rocks
General Counsel

Approved:

Arne Duncan
Chief Executive Officer