



Beverly Hills City Council Liaison / Branding and Licensing Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

**City Hall
455 North Rexford Drive
4th Floor Conference Room A
Beverly Hills, CA 90210**

**Monday, June 10, 2019
4:00 PM**

AGENDA

- 1) Public Comment
 - a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.
- 2) Short-term use of Beverly Hills Shield at Duty Free Stores by Marc Tetro
- 3) Update from CMG Worldwide on requests for use of Beverly Hills Shield
- 4) Update regarding unauthorized use of Beverly Hills Shield
- 5) Adjournment

A handwritten signature in black ink, appearing to read "Lourdes Sy-Rodriguez".

Lourdes Sy-Rodriguez, Assistant City Clerk

Posted: June 7, 2019

A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE LIBRARY AND CITY CLERK'S OFFICE.



Pursuant to the Americans with Disabilities Act, the City of Beverly Hills will make reasonable efforts to accommodate persons with disabilities. If you require special assistance, please call (310) 285-1014 (voice) or (310) 285-6881 (TTY). Providing at least forty-eight (48) hours advance notice will help to ensure availability of services. City Hall, including Conference Room 4A, is wheelchair accessible.

Item 2



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Branding and Licensing

FROM: Laura Biery, Marketing and Economic Sustainability Manager

DATE: June 10, 2019

SUBJECT: Short-term Use of Beverly Hills Shield by Marc Tetro

ATTACHMENTS:

1. Cease and Desist Letter to Marc Tetro
2. Wholesale Sales Report as Provided by Marc Tetro

INTRODUCTION

The City of Beverly Hills has used its famous Beverly Hills shield for more than forty years. The City owns numerous federal trademark registrations for the Beverly Hills shield. On occasion, unauthorized uses of the Beverly Hills shield are discovered. As a result, a cease and desist letter is sent from the City Attorney's Office. In response to the May 23, 2019 cease and desist letter, Marc Tetro has requested a short-term use of the Beverly Hills Shield.

DISCUSSION

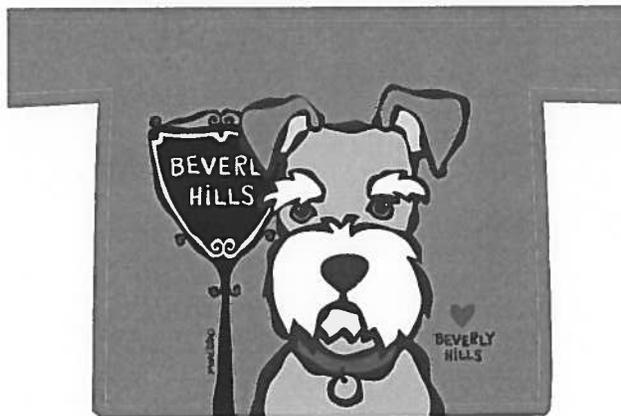
It was discovered by City staff that Marc Tetro was using the Beverly Hills shield on products for sale at the Duty Free Stores at LAX without written permission for use of the trademarked shield. A cease and desist letter was sent to Marc Tetro on May 23, 2019 (Attachment 1). In response, Marc Tetro requested a short-term use agreement with the City to exhaust all remaining product in production and/or on order already.

The City has contracted with CMG Worldwide since 2013 to vet all potential Beverly Hills shield uses. CMG Worldwide spoke with Marc Tetro on June 2, 2019 to discuss a short-term use settlement agreement to exhaust the remaining product of tote bags, travel pouches, suitcase tags, and passport covers. Marc Tetro provided a wholesale sales report (Attachment 2) on June 7, 2019 detailing sales from March 27, 2018 – June 2, 2019.

Tentative Deal Points:

- **Settlement fee:** \$5,000 (Represents 12% of wholesale revenue on all product sold from March 27, 2018 – June 2, 2019 as well as all product currently on order/in production)
- **Term:** No longer than 1 year or once all existing product is exhausted (whichever occurs first).
- **Territory:** Worldwide

Visuals of the products are included below:



FISCAL IMPACT

If the above terms are accepted, the fiscal impact of the Marc Tetro short-term use settlement agreement is \$5,000. Historically, an 11%-12% royalty has been proposed for wholesale license agreements recommended by CMG. In this case, a 12% royalty would equate to \$4,713.84 to capture wholesale sales of product since March 27, 2018 - June 2, 2019 as well as all product on order/in production already. The short-term use settlement agreement is proposed for a term of one (1) year or once all product is exhausted (whichever occurs first).

RECOMMENDATION

It is recommended that the City Council Branding and Licensing Committee provide direction regarding approval of terms of a short-term use settlement agreement with Marc Tetro. If the terms are approved, an official agreement will be drafted and reviewed by CMG Worldwide and the City Attorney's office before executing.

Attachment 1



Lolly A. Enriquez

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40th Floor
Los Angeles, CA 90071-3101
rwglaw.com

May 23, 2019

VIA FEDEX AND E-MAIL

Marc Tetro/marctetro.com
DFS, Los Angeles International Airport
380 World Way
Los Angeles, CA 90045
info@marctetro.com

Re: **Demand to Cease and Desist Unauthorized Use of BEVERLY HILLS
SHIELD DESIGN Trademark**

To Marc Tetro/marctetro.com:

This law firm acts as the City Attorney for the City of Beverly Hills, and it is in my capacity as Assistant City Attorney that I write this letter to you. It has come to our attention that marctetro.com is using the BEVERLY HILLS SHIELD DESIGN (the "Shield") on its merchandise and social media websites.



The City has used its famous Shield (depicted below, including variations adopted over the years) for more than forty years in connection with the general promotion of business, community, cultural, municipal, and civic interests, as well as on various goods and in connection with a wide range of educational, entertainment, community-related, and governmental services.

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Through its decades of use of the Shield, the City has developed tremendous recognition and invaluable goodwill in the mark. In addition to its strong common law trademark rights, the City owns numerous federal trademark registrations for the Shield, as detailed in the chart attached as *Exhibit A*. The Shield has thus become a critically important asset for the City, which takes great care to protect the ability of the Shield to identify the City as the source of high quality products and services provided directly by the City or through very carefully selected partnerships.

Please provide your written assurances that you will remove the Shield from your merchandise, social media and other materials that marctetro.com uses and, except with the express written authorization of the City of Beverly Hills, agree not to use the Shield in the future.

We would appreciate receiving these assurances by June 6, 2019.

We thank you in advance for your understanding and cooperation in resolving this matter.

Sincerely,

Lolly Enriquez

LOLLY ENRIQUEZ,
ASSISTANT CITY ATTORNEY

cc: Laurence S. Wiener, City Attorney
Laura Biery, Marketing & Economic Sustainability Manager

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EXHIBIT A

**Selected U.S. Federal Trademark Registrations for
 Beverly Hills Shield Design Marks**

Mark	U. S. Registration No.	Description of Goods/Services
	Reg. No. 3,123,926	Directories featuring lists of members and reference information; books and pamphlets featuring business information and business practices; printed materials, namely pamphlets featuring information on residences, shopping, dining and personal care services; maps, calendars, stationery and postcards
	Reg. No. 2,677,651	Clothing, namely, sweat shirts, shirts, jackets, shorts, sweat pants, sweat suits, socks, hats, footwear, polo shirts, parkas, ponchos and t-shirts
	Reg. No. 3,123,926	Directories featuring lists of members and reference information; books and pamphlets featuring business information and business practices; printed materials, namely pamphlets featuring information on residences, shopping, dining and personal care services; maps, calendars, stationery and postcards
 (registered as displayed in brown shield with yellow letters)	Reg. No. 2,774,666	Promoting the business, community, cultural, municipal and civic interests of the City of Beverly Hills, California; promoting tourism, business, residential and Advertisement growth, economic development, cultural and entertainment attractions, and government services; and providing information on tourism, residential and Advertisement growth, economic development, business services, government services, employment opportunities, and library services via the computer or computer networks

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Mark	U. S. Registration No.	Description of Goods/Services
	Reg. No. 2,766,280	Education and entertainment services, namely, organizing and conducting community cultural, recreational, and safety-preparedness events; educational classes and events for adults and youths in the fields of art, dance, music, fine arts, foreign language, coping with disabilities, athletics, homemaking, computers, leisure activities, personal development, government, politics, and science; cable television programming and broadcasting; and providing community information about community, cultural, and civic events, and education services, entertainment attractions and municipal regulations, via the computer or computer networks
	Reg. No. 2,768,789	Promoting the business, community, cultural, municipal and civic interests of the City of Beverly Hills, California; promoting tourism, business, residential and Advertisement growth, economic development, cultural and entertainment attractions, and government services; and providing information on tourism, residential and Advertisement growth, economic development and business services, government services and employment opportunities, and library services via the computer or computer networks
	Reg. No. 3,843,763	Metal goods, namely, metal key chains ----- Wireless external computer storage devices, namely, blank USB flash drives; laptop bags ----- Notebooks; loose-leaf diaries and agenda books; writing instruments, namely, ball-point pens and roller-ball pens, pens and key chain fobs sold as a set; directories featuring lists of members and reference information; books and pamphlets featuring business information and business practices; printed materials, namely, pamphlets featuring information on residences, shopping, dining and personal care services, maps, calendars, stationery, stationery notes containing adhesive on one side for attachment to surfaces and postcards; document portfolios; passport cases ----- Beverage containers, namely, coffee mugs, travel mugs, glass water bottles sold empty and plastic water bottles sold empty ----- Online retail store services featuring general merchandise including business accessories and gift sets, leather goods,

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Mark	U. S. Registration No.	Description of Goods/Services
		<p>notebooks, key-chains, wireless external computer storage devices, writing instruments, diaries, agenda books, document portfolios, stationery, laptop bags, messenger bags, business-card cases, beverage containers, headwear and clothing; promoting the business, community, cultural, municipal and civic interests of the City of Beverly Hills, California; promoting tourism, business, residential and Advertisement growth, economic development, cultural and entertainment attractions, and government services of the City of Beverly Hills, California; providing business information services and providing information in the field of Advertisement growth, economic development and employment opportunities via a global computer network</p> <p>-----</p> <p>Cable television broadcasting</p> <p>-----</p> <p>Providing travel and tour information services via a global computer network</p> <p>-----</p> <p>Education and entertainment services, namely, organizing and conducting community cultural, recreational, and safety-preparedness events; educational classes and events for adults and youths in the fields of art, dance, music, fine arts, foreign language, coping with disabilities, athletics, homemaking, computers, leisure activities, personal development, government, politics, and science; and providing community information about community, cultural, and civic events, education services and entertainment attractions via the computer or computer networks; Cable television programming</p> <p>-----</p> <p>Providing legal information in relation to government services and municipal regulations via a global computer network</p>
	<p>Reg. No. 3,843,764</p>	<p>Books and pamphlets featuring business information and business practices; printed materials, namely, pamphlets featuring information on residences, shopping, dining and personal care services and maps</p> <p>-----</p> <p>Online retail store services featuring general merchandise including business accessories and gift sets, leather goods, notebooks, key-chains, wireless external computer storage devices, writing instruments, diaries, agenda books, document</p>

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Mark	U. S. Registration No.	Description of Goods/Services
		<p>portfolios, stationery, laptop bags, messenger bags, business-card cases, beverage containers, headwear and clothing; promoting the business, community, cultural, municipal and civic interests of the City of Beverly Hills, California; promoting tourism, business, residential and Advertisement growth, economic development, cultural and entertainment attractions, and government services of the City of Beverly Hills, California; providing business information services and providing information in the field of Advertisement growth, economic development and employment opportunities via a global computer network</p> <p>-----</p> <p>Cable television broadcasting</p> <p>-----</p> <p>Providing travel and tour information services via a global computer network</p> <p>-----</p> <p>Education and entertainment services, namely, organizing and conducting community cultural, recreational, and safety-preparedness events; educational classes and events for adults and youths in the fields of art, dance, music, fine arts, foreign language, coping with disabilities, athletics, homemaking, computers, leisure activities, personal development, government, politics, and science; and providing community information about community, cultural, and civic events, education services and entertainment attractions via the computer or computer networks; Cable television programming</p> <p>-----</p> <p>Providing legal information [about] government services and municipal regulations via a global computer network</p>
	<p>Reg. No. 3,948,469</p>	<p>Clothing, namely, shirts, hats and polo shirts</p>
	<p>Reg. No. 3,948,468</p>	<p>Jewelry</p>

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Mark	U. S. Registration No.	Description of Goods/Services
		Goods made of leather, namely, key-chains, messenger bags, business-card cases, tote bags, hand bags, purses, book bags, school bags, carry-on bags, shoulder bags, credit card cases, and all-purpose carrying bags ----- Clothing, namely, shirts, hats, polo shirts, oxford shirts, and t-shirts
	Reg. No. 4,186,999	Perfumes
	Reg. No. 4,187,000	Perfumes

Attachment 2

Mar 27, 18 - Jun 2, 19

	Qty Sold	Qty On Order	Total Qty Sales + On Order	Total \$ Sales + On Order
Total Sales + on Order				
Tote	348	0	348	5,888.00
Schnauzer LG Travel Pouch	1040	200	1240	6,993.00
Dog Group SM Travel Pouch	900	450	1350	5,710.00
Dog Pattern Sm Pink Travel Pouch	1450	300	1750	7,402.00
Dog Pattern Sm Blue Travel Pouch	1350	150	1500	6,345.00
Suitcase Tag	400	200	600	2,538.00
Dog Group Passport Cover	900	350	1250	4,406.00
				39,282.00
			12%	4,713.84

Item 3



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Branding and Licensing
FROM: Laura Biery, Marketing and Economic Sustainability Manager
DATE: June 10, 2019
SUBJECT: Update from CMG Worldwide Regarding Requests for Use of Beverly Hills Shield
ATTACHMENT: Memo from December 14, 2018 Liaison Meeting

INTRODUCTION

A the December 14, 2018, City Council Liaison/Branding and Licensing meeting, the Liaisons of then Vice-Mayor John Mirisch and then Councilmember Lester Friedman reviewed a request from Sara Kazimi to sell a custom Swarovski Crystal purse design that had the Beverly Hills Shield made out of crystals (Attachment 1). Representatives from CMG Worldwide will provide a verbal update regarding the status of this request and viability of the product.

DISCUSSION

Staff receives inquiries from individuals and businesses looking to use the Beverly Hills Shield on products and merchandise. As requests are received, they are referred to the City's branding and licensing consultant at CMG Worldwide. The City has contracted with CMG Worldwide since 2013.

Interest calls are vetted by CMG Worldwide and if found viable, are brought to the Liaisons to review for a potential license agreement. The Liaisons requested to schedule time to view the purse at a later date, if CMG Worldwide thought the product was viable for sale. Representatives from CMG Worldwide will provide a verbal update regarding their research.

FISCAL IMPACT

There is no fiscal impact from the research and vetting of potential license agreements.

RECOMMENDATION

It is recommended that the City Council Branding and Licensing Committee receive the verbal update and provide direction as needed.

Attachment 1



**CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT**

MEMORANDUM

TO: City Council Liaison/Branding and Licensing
FROM: Laura Biery, Marketing and Economic Sustainability Manager
DATE: December 14, 2018
SUBJECT: Requests for Use of Beverly Hills Shield
ATTACHMENT: None

INTRODUCTION

The City has received several inquiries about the use of the Beverly Hills Shield since the last City Council Liaison/Branding and Licensing meeting on June 18, 2018. Many of the requests have not come to fruition once the interested party was informed of the licensing requirements. Two parties however are interested in moving forward with a request to use the Beverly Hills shield on merchandise. One request is to use the Beverly Hills shield on slippers and the other is for the use of the Beverly Hills shield on a Swarovski Crystal purse.

DISCUSSION

Staff receives inquiries from individuals and businesses looking to use the Beverly Hills shield on products and merchandise. As requests are received, they are referred to the City's branding and licensing consultant Bill Uglow of CMG Worldwide. The City has contracted with CMG Worldwide since 2013.

Interest calls are vetted by CMG Worldwide and there were two parties that expressed interested in moving forward with a license agreement to be presented to the City Council Liaisons. One request is to use the Beverly Hills shield on slippers and the other is for the use of the Beverly Hills shield on a Swarovski Crystal purse.

DeMario Collection Slippers

The DeMario Collection is interested in using the Beverly Hills shield on a slipper design. The slipper collection would be called the "Beverly Hills Slipper Collection." It is anticipated the slippers will be covered in velvet and suede with an embroidered Beverly Hills shield. The slipper will have a leather sole and stacked wood heel. It is considered suitable for both ladies and gentleman and will be marketed for both daytime and evening wear. The distribution plan is initially to high end boutiques and department stores throughout the U.S. and later abroad.

Deal Points:

Permission fee: \$7,000

Term: 3 years

Territory: Worldwide

Royalty: 11% on wholesale or 5.5% on retail

Decision Points:

- Is the DeMario Collection slipper an appropriate use to partner with?
- If the City wishes to grant the license, are the terms mentioned above acceptable?



Swarovski Crystal Purse

Sara Kazimi is interested in using the Beverly Hills shield on a custom Swarovski Crystal purse design that she has created and would like to sell. The purse is covered in crystals and has the Beverly Hills shield on it made out of crystals. Ms. Kazimi states that the cost for fabrication of each purse is roughly \$100,000. The distribution plan includes domestic and international markets.

Deal Points:

Permission fee: \$15,000

Term: 3 years

Territory: Worldwide

Royalty: 5.5% on retail (not interested in wholesale)

Decision Points:

- Is the Swarovski Crystal Purse an appropriate use to partner with?
- If the City wishes to grant the license, are the terms mentioned above acceptable?



FISCAL IMPACT

If the above agreements are accepted, the fiscal impact of the DeMario Collection slipper is \$7,000 for the permission fee plus royalties of 11% on wholesale and 5.5% on retail sales of the merchandise. The price point for the DeMario Collection slipper sales are unknown at the current time. The initial term of the agreement is proposed for a 3 year term.

If the above agreements are accepted, the fiscal impact of the Swarovski Crystal Purse is \$15,000 for the permission fee plus royalties of 5.5% on retail sales of the

merchandise. The price point for the purse is unknown at the current time. The initial term of the agreement is proposed for a 3 year term.

RECOMMENDATION

It is recommended that the City Council Branding and Licensing Committee provide direction regarding use of the Beverly Hills shield on the the DeMario Collection slippers and Swarovski Crystal purse.

Item 4



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Branding and Licensing
FROM: Laura Biery, Marketing and Economic Sustainability Manager
DATE: June 10, 2019
SUBJECT: Update Regarding Unauthorized Use of Beverly Hills Shield
ATTACHMENT: None

INTRODUCTION

The City of Beverly Hills has used its famous Beverly Hills shield for more than forty years in connection with the general promotion of business, community, cultural, municipal, and civic interests, as well as on various goods and in connection with a wide range of educational, entertainment, and community-related, and governmental services. On occasion, unauthorized uses of the Beverly Hills shield are discovered. As a result, a cease and desist letter is sent from the City Attorney's Office.

DISCUSSION

Through the years, the City has developed tremendous recognition and invaluable goodwill in the Beverly Hills shield. In addition to its strong common law trademark rights, the City owns numerous federal trademark registrations for the Beverly Hills shield, as depicted in the photo below:



The Beverly Hills shield has thus become a critically important asset for the City, which takes great care to protect the ability of the Beverly Hills shield to identify the City as the source of high quality products and services provided directly by the City or through very carefully selected partnerships.

The City Attorney's office authors cease and desist letters to individuals or companies that are found using the Beverly Hills shield without authorized permission. The following companies received a cease and desist letter from the City Attorney's office since the previous City Council Liaison Meeting on December 14, 2018:

- Rite Aid – December 17, 2018
- Kennel Club of Beverly Hills/Beverly Hills Dog Show – December 17, 2018
- Kitson and Patrick DiLascia Clothing Brand – January 29, 2019
- Le Petit Gan – January 29, 2019
- Star City Tours – February 25, 2019
- Dr. Mahnaz Rashti, D.D.S. – February 27, 2019
- 8477 Sunset Blvd – April 2, 2019
- Beverly Beach – April 30, 2019
- Marc Tetro – May 23, 2019

FISCAL IMPACT

There is no fiscal impact from the issuance of an initial cease and desist letter.

RECOMMENDATION

It is recommended that the City Council Branding and Licensing Committee receive and file this report.