ITEM NO. 10

STAFF REPORT

CITY OF OCEANSIDE

DATE: July 18, 2007

TO: Honorable Mayor and City Councilmembers

FROM: Fire Department

SUBJECT: **APPROVAL OF A LICENSING AGREEMENT WITH UNIMAX TOYS LTD. TO REPLICATE AS TOYS AND COLLECTIBLES OCEANSIDE FIRE DEPARTMENT FIRE-FIGHTING AND RESCUE VEHICLES**

SYNOPSIS

Staff recommends that the City Council approve an licensing agreement with Unimax Toys Ltd. to replicate as toys and collectibles Oceanside Fire Department's (OFD) fire-fighting and rescue vehicles, and authorize the City Manager to execute the agreement.

BACKGROUND

Unimax Toys Ltd. and its subsidiaries (Unimax) is engaged in the business of manufacturing, marketing and distributing toys and collectible products (Products). As part of its Forces of Valor-Homeland Heroes line of products, Unimax plans to replicate in miniature certain Oceanside Fire Department firefighting and rescue vehicles and turn-out uniforms, and has requested: authorization to copy, modify, and reproduce the designs of the vehicles; to use the trademarks appearing on the vehicles in connection with the products; and to manufacture, promote, display, distribute and sell the products.

ANALYSIS

Unimax worldwide is seeking authorization for and non-exclusive right to (1) copy, modify and reproduce the designs of the vehicles on the products; and (2) use the trademarks appearing on the vehicles in connection with the products, packaging and promotional materials; and (3) manufacture, promote, display, distribute and sell the products.

Unimax will donate 48 pieces of the completed replicas to the department as a gesture of appreciation for permission to replicate the vehicles. The agreement would remain in force so long as Unimax manufactures, distributes and sells the products.

FISCAL IMPACT

The agreement is a non-financial agreement and can be terminated with or without cause with a twelve-month period to dispose of inventory.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve an licensing agreement with Unimax Toys Ltd. to replicate as toys and collectibles Oceanside Fire Department's (OFD) fire-fighting and rescue vehicles and authorize the City Manager to execute the agreement.

PREPARED BY:

Mary Kazungu
Senior Management Analyst

SUBMITTED BY:

Peter A. Weiss
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Terry Garrison, Fire Chief

Mark Alderson, Fire Administration Division Chief — MGM for MARK A.

Paul Bussey, Interim Financial Services Director

UNIMAX

July 18, 2007

Mr. Peter Weiss
Interim City Manager
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054

Re: Permission of Use of Your Department's Names, Markings, and Vehicle Designs

Dear Mr. Weiss,

I am writing to obtain your consent for Unimax Toys Limited and all its subsidiaries ("Unimax") to replicate in miniature as toys and collectibles certain of Oceanside's fire-fighting and rescue vehicles ("Vehicles") including the names, markings, numbers, design and titles pertaining to them ("Trademarks"). This release does not apply to the manufacturer's trademarks, as those have been arranged separately with the manufacturer directly.

Unimax is engaged in the business of manufacturing, marketing and distributing toys and collectible products. We plan to expand our business to replicate, in miniature, certain fire-fighting and rescue vehicles ("Products"). We therefore desire to have your authorization for Unimax' worldwide and non-exclusive right to (1) copy, modify and reproduce the designs of the Vehicles on the Products; (2) use the Trademarks appearing on the Vehicles in connection with the Products, packaging and promotional materials thereof; and (3) manufacture, promote, display, distribute and sell the said Products.

Unimax will be pleased to provide 48 pieces of the completed replica as a gesture of our appreciation for permission to replicate the vehicle.

This agreement will remain in force for so long as Unimax manufactures, distributes and sells the Products. If this agreement is terminated in writing with or without cause, Unimax will cease the use of the Trademarks and Vehicle designs, with a reasonable time period (not to exceed twelve months) to dispose of its inventory.

Please acknowledge your acceptance of the foregoing hereof by signing and returning the copy of this Letter to me by fax at 1 949 858 5802.

Thank you for your support.

For and on behalf of
UNIMAX TOYS LIMITED

Roger

Roger Richards

Accepted and agreed by:
Mr. Peter Weiss
Interim City Manager
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054
Signature: _____
Title: _____
Date: _____

Unimax Toys Inc.
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