



Ministry
of Defence

Ministry of Defence
Defence Intellectual Property Rights
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Ref: FOI2017/2181

Requester's name: [REDACTED]

Email address: [REDACTED]

10th March 2017

Dear [REDACTED]

Thank you for your email of 10th February 2017 requesting the following information about MOD's brand licensing activities:

- "1. What is the annual turnover from licensing activity per annum 2014, 2015 and 2016?*
- 2. What is the annual profit from licensing activity per annum 2014, 2015 and 2016?*
- 3. Which territories are active licences granted in?*
- 4. Which product categories are currently licensed?*
- 5. Have you had any brand reputation issues with licensed products previously?"*

I am treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

A search for the information has now been completed within the Ministry of Defence, and I can confirm that some information in scope of your request is held.

The information you have requested can be found in Annex A to this letter.

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.uk). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <https://ico.org.uk/>.

Yours sincerely,

Deputy Head – Policy Protection and Exploitation
Defence Intellectual Property Rights

ANNEX A

1. *What is the annual turnover from licensing activity per annum 2014, 2015 and 2016?*

The MODs Officially Licensed Products scheme income for Financial Years 2014/15; 2015/16 and 2016/17 (as of 07/03/2017) are detailed below. The figures are based on receipts in and do not include agent fees and expenses. These are deducted before reaching our accounts.

- 2014/15 FY: £593,737.91
- 2015/16 FY: £988,117.59
- 2016/17 FY (as of 07/03/2017): £709,491.55

2. *What is the annual profit from licensing activity per annum 2014, 2015 and 2016?*

The MODs Officially Licensed Products scheme is not exclusively a profit-focused enterprise. Protecting, enhancing, and promoting public awareness of the MOD and the Single Services unique brands and reputation is as important if not more so. However, the business has an income, which covers more than its costs and therefore does provide some profit.

The approximate profit figures below are calculated by deducting the associated staff costs of administering the Officially Licensed Products scheme from the total income generated for a given financial year.

The associated staff costs used to provide a reasonable approximation is given as two licensing staff and their senior manager full time. It should be acknowledged that the MOD personnel that manage Officially Licensed Products scheme also perform a range of duties unconnected with it. The MOD does not collect data on the actual staff time spent purely on managing the Officially Licensed Products scheme, therefore, the total staff costs will be overstated to some extent.

The associated staff costs do not include all employment costs; business overheads (utilities, rates etc.); maintenance of the MOD trademark portfolio or the costs of staff in broader roles in the Directorate of Defence Communications (DDC).

With those qualifications, the annual profit after costs is as follows:

- 2014/15 FY: £486,760
- 2015/16 FY: £874,212
- 2016/17 FY (as of 07/03/2017): £619,767

3. *Which territories are active licences granted in?*

Under the Officially Licensed Products scheme, licences have been granted in the following territories:

- UK, the Channel Islands and ROI
- Japan
- China (excluding Hong Kong, Macau and Taiwan)
- Brazil
- Poland
- Australia
- New Zealand

- South Africa
- Holland
- Germany
- Austria

Licences have also been granted that allow worldwide sales.

4. *Which product categories are currently licensed?*

Under the Officially Licensed Products scheme, products have been licenced in the following categories:

- Metal goods
- Electronic publications
- Musical recordings, media & computer games
- Jewellery clocks and watches,
- Musical instruments
- Printed matter and stationery
- Leather goods
- Wood & plastic goods
- Household goods
- Textiles
- Clothing
- Haberdashery and embroidery
- Toys
- Food
- Beverages

Other goods and services that are officially licenced by the MOD but not under the Officially Licensed Products scheme (and where it might not be appropriate to charge royalties) have been licenced in the following categories:

- Miniature and reproduction medals
- Charitable fundraising
- Events and musical performances
- The operation of museums
- Welfare services delivered through official charities.

5. *Have you had any brand reputation issues with licensed products previously?*

The MOD makes every effort to ensure that its brand and reputation are protected as part of its licensing programme; however, we do not hold any information on specific reputational issues.