

# Agenda Report

August 6, 2007

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: APPROVE THE USE OF THE PASADENA CITY SEAL ON A "MATCHBOX" FIRE ENGINE; AND AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH MATTEL INC. FOR USE OF THE PASADENA CITY SEAL AND THE PASADENA FIRE DEPARTMENT MARK ON A "MATCHBOX" FIRE ENGINE

## **RECOMMENDATION**

It is recommended that the City Council:

1. Approve the use of the Pasadena City Seal on a "Matchbox" fire engine;
2. Authorize the City Manager to enter into a contract with Mattel Inc. for use of the Pasadena Fire Department mark – which includes the Pasadena City Seal – on a "Matchbox" Fire Engine.

## **BACKGROUND**

Mattel Inc., manufacturer of "Matchbox" toy vehicles, plans to create a fire engine for mass marketing and sale. Mattel Inc. recently approached the City of Pasadena with the concept of using the Pasadena Fire Department mark, similar to what appears in Exhibit A. This is the mark that appears on actual Pasadena fire engines; it would be used by Mattel Inc. for this purpose only. The "Matchbox" fire engines would also bear the logo of the Pierce Company, maker of actual full-size fire engines.

Neither the Pasadena Fire Department mark nor the Pasadena City Seal, which is a part of the mark, have been trademarked for this or any other use, and there is no established policy for their uses for commercial purposes. The City Attorney's Office is in the process of registering the Pasadena Fire Department

mark and the Pasadena City Seal for formal trademark protection. After the trademark process has been completed, staff will propose to the City Council an ordinance to establish official parameters for all future uses – government, commercial and otherwise – of the Pasadena City Seal.

The City is the owner of the Pasadena City Seal. Authority to enter into an agreement for use of the Pasadena City Seal has not been requested in the past.

The process for creating the “Matchbox” fire engine would take from nine months to one year to complete. After conducting market research to determine the popularity of such a product, Mattel Inc. would determine the quantity that would be mass produced. There is a possibility that, in addition to mass production, there could also be a limited edition collectors’ version of higher quality and at a higher price point.

The agreement would be for one year with the possibility of two additional one-year agreements.

The proposed agreement with Mattel Inc. is not of sufficient monetary value to trigger any related procurement process, such as a competitive bid or the Taxpayer Protection Act.

The “Matchbox” fire engine project is moving forward quickly and there is a possibility that Mattel Inc. officials may approach another city if Pasadena cannot provide the necessary approvals quickly. Any agreement with Mattel Inc. would state that the trademark is pending. The trademark process requires eight to 12 months to complete.

**FISCAL IMPACT**

There is no direct fiscal impact as a result of this proposed transaction. As one of the terms of the agreement, Mattel Inc. would provide the City of Pasadena with 100 "Matchbox" fire engines in consideration for use of the Pasadena City Seal and Pasadena Fire Department mark, as well as the opportunity to purchase additional units at the lowest wholesale rate. There is great value in the enhanced City of Pasadena identity as a result of lending its name and graphic image to the Mattel project. The expense of registering City marks is one that should be incurred in any event, regardless of this specific project, as a prudent measure to protect the City's rights to its assets.

Respectfully submitted,


  
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Concurrence:



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