

Subject: Mike Powers (MP)
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Interviewer: Milli Lake (ML)
Transcribed: Katie Bass
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ML: Today is the 18th of October 2011. My name is Milli Lake and this interview forms part of the Brand Responsibility oral and digital history project at the University of Washington. Could I begin by asking you to state your name and title for the record?

MP: My name is Mike Powers and I am a senior director in University Communications at Cornell University. I'm also in charge of licensing.

ML: Okay, thank you. So could you begin by first telling us a little bit about what your responsibilities are in terms of licensing?

MP: We use the Collegiate Licensing Company (CLC) and our licensing program is not large enough to warrant an internal staff. So, I work closely with the CLC on licensing issues. I also work with campus groups that might be interested in creating anything that might have Cornell names or marks on it. I work with our council's office as need be on issues that involve legal use of the names and marks. That's fairly infrequent but the entire licensing responsibility is probably 10-15% of my time.

ML: When did you first take on that role?

MP: We took this on in 2004.

ML: So if we could just begin by talking about the Nike case. Could you please tell us the story of how it unfolded from your perspective? You can start with how the issue first came to your attention.

MP: Well, I was aware of the issue, we're a member of the workers' rights consortium as well as the fair labor association. I'm on the board of the Workers' Rights Consortium and so this was very much in the WRC's radar for quite a while. We were getting constant updates on what the situation was. We have a couple of very active student groups on campus, Cornell Students Against Sweat Shops and Cornell Organization for Labor Action. Most of the students are in the School of Labor Relations, which makes sense. So they were also paying a lot of attention to this. We were staying in communication with them about what was going on. They were pushing immediately for Cornell to disaffiliate with Nike and as we know that never did prove to be necessary.

ML: Could you talk us through the course of action and the decision processes that you went through as this came to your attention, and what the normal protocol at Cornell is?

MP: Well because we have never been faced with anything like this before we created a licensing oversight committee and that consisted of several faculty members, two students, the director of the Cornell store, and a couple of business managers from administrative divisions. We started meeting on this quite regularly, I'm guessing this was early 2010, to basically look at this issues. It was complicated by the fact that Cornell's athletic division has a sideline agreement with Nike. Basically they receive heavily discounted uniforms and sporting goods and it's a serious six figure savings. Since we do not, being an Ivy League school, have the huge athletic revenues that the [ten] schools and the SCC schools have, this is a serious number for them. So there was some concern there that should we break our relationship with Nike that that could lead to a problem with their arrangement and there was a lot of money on the line for them. We met periodically, we had a couple of conference calls with Nike representatives, where we presented our concerns. There was some correspondence back and forth and eventually the oversight committee decided to recommend to the Cornell President that we let the existing contract- this is not the athletic contract- our license with Nike through the CLC, that we allow that to expire at the end of 2010 if they did not show some meaningful progress in the problems. As we know, they did quite quickly, so we did not have to pull the license.

ML: So you talked about having telephone conversations with Nike, was this yourself, personally?

MP: There were four or five of us from the Licensing and Oversight Committee.

ML: And who did you speak with at Nike?

MP: We spoke to Amanda Tucker, and I believe one other person was with her. They were very forthcoming. They never tried to, in my mind, shrink from the argument. They were forthcoming, they acknowledged certain problems, but they held steadfast on other items were they felt they were right.

ML: So, one of the primary issues at the University of Washington, with regard to their code of conduct, was that there was a lot of discussion in these meetings about two issues. Whether University of Washington goods had been produced at Nike factories, and Nike's disclosure of that information.

MP: They were the same issues [at Cornell]. In fact I spoke to someone at the University of Washington at some point.

ML: Were you in conversation with any other schools while this was going on?

MP: I'm sure I spoke with my colleague, Mary Beth Schmutz, at Rutgers, only because she's a fellow board member at the Workers' Rights Consortium (WRC). Likewise, I also probably spoke to Jim Wilkerson at Duke who is also on the WRC, and Lemar Billups at Georgetown who is also on the WRC. I don't recall that I spoke to anybody else.

ML: In the meetings of the committee, was there a lot of consensus on how you should proceed as a school or was there some disagreement?

MP: There was general consensus I think that the students of course, just being students, they like drama, they just wanted to yank the license away. We took a little more measured approach in the end. The one hold out as I recall, he voted against, allowing the license to expire and all that business, was the business manager from the athletic department. As I mentioned before, there was a financial concern there, so I understand why they did it.

ML: You also talked about the Nike case as the first case like this that had arisen for Cornell. Is this because this issue hadn't arisen before with your licenses, or because the students were pushing to keep this [particular] item on the agenda?

MP: I think it was a combination of both. Granted, I have only been doing this since 2004. The WRC, I believe, had been around since the end of 1999. There may have been conversations like this prior to me taking this role over. But, it was certainly a combination of the WRC and its watchdog responsibilities and there's no question that students played a major role in this.

ML: What were your interactions with the students throughout this? Did you speak to them personally?

MP: I've always had a great relationship with students and we're very frank with each other. We sometimes agree and sometimes disagree. But the lines of communications have always been excellent. We meet pretty regularly, and we meet when things come up, so I can characterize that as a completely productive relationship.

ML: And how did they respond? I know some of the students at the University of Washington were obviously frustrated by the pace of action that the University took.

MP: Well, students are generally frustrated by the pace of the real world. They operate in semesters. They are very busy for four months, and then they go away and come back and are busy again for four months. The real world doesn't work like that.

ML: So you said that a lot of your information came both from WRC, and from Nike. Were there other sources of information that you can recall?

MP: No, I think those were our two primary sources.

ML: Can you talk a little bit about since the Nike settlement?

MP: As far as my day to day dealings with Nike, I really don't have any. They do business, and when they want to put Cornell apparel out into the market place, they submit designs to the Collegiate Licensing Company. Now we are learning that some of the things they said that they would do, like paying the severance, are not happening. I understand there are conversations underway, I understand from Scott Nova of the WRC, who I will be seeing actually at the end of next week. We have a board meeting. So, you know, decisive potential to stir things up again. I hope they manage to solve the problem so we don't have to go down that road.

ML: So if we could just turn to the Russell Case and go through a similar set of questions. If you could just start with how that case came to your attention?

MP: Well, again it was on our radar because of my connection to the WRC. It was very much parallel to the Nike case. Russell came before Nike. Students picked up on it, and the way things progressed were very similar. As I recall, we were something like the twelfth school to pull the license. Ultimately, I think there were about 120. Russell at that point really finally did do an about-face and solve the problems. It's interesting because I really think that the speed with which Nike reacted to all this, was from their experience in watching what happened with Russell. I think they figured once the domino effect started to happen, and once one school pulled their license, the handwriting was on the wall. This is not really a huge financial issue for companies of that size. The American sportswear market, we make up something like five to ten percent (colleges and universities), so it's really dust in the overall scheme of things. It's very harmful to them from a public relations point of view to have a big issue in the public eye.

ML: Could you speculate on why you think that is?

MP: Well, I'm not sure, we're not businesses. We are not in the business of selling our merchandise to make money, though some schools do, some schools make enormous revenue. But that is certainly not the case for Cornell. Our licensing revenue, which I think last year was around \$65,000, but we don't charge royalties to any businesses in our county, which is where most of the sales occur. It's just an old standing rule. It has to do with Cornell being the 800 pound gorilla, locally.

ML: With the Russell case, who were you in contact with during those conversations. I assume the WRC, but the FLA as well, being members?

MP: Yeah I had correspondence with Rick Medlan and Stan Likenship, and two or three other administrators within the company.

ML: Was this expressing your concerns about things you had learned from the WRC? Did you request further information?

MP: We were expressing our concerns; they would write back. They felt very strongly that they were the victims of a campaign presenting them in an unfair light. They did a very good job of presenting statistics on factory closures, from that part of the world, in which they were not involved. They were trying to make the case that these were serious economic issues causing the closings.

ML: How did you all respond?

MP: Well we stuck by our guns. Remember, at this point we were just dealing with two, two specific factories. We did acknowledge that there may have been some economic rationale for closings of the factories. That we also felt that anti-union stance on the part of Russell was part of the reason they did it.

ML: Were the students similarly active in this case, or were they less active, more active?

MP: They were about the same, I would say.

ML: I know at the University of Washington there was a lot more consensus among faculty, among stake holders within the University that a code of conduct violation had occurred, so the students and the faculty and the administrators and everybody seemed to be more on the same page in this particular set of negotiations.

MP: I'd say that there was a lot of consensus in both cases.

ML: In both cases?

MP: It makes it sound like there were a lot of people involved in this at Washington?

ML: There were a few. They have an advisory committee on trademarks and licensing, which is comprised of probably five or six faculty members, a representative from University administration, and then two students. Then, obviously, there is a very large student body which remains involved.

MP: Well, here there is the School of Labor and Industrial Relations. There is a lot of watching going on, because this is their field, and it is of interest to them.

ML: Do you take votes in those meetings, or is it more informal?

MP: In the oversight committee? Yeah we voted. I would emphasize again that I think students play such an important type role in this type of thing. We are all very busy people. University administrators are pulled in a zillion directions, so it's nice to have someone there sort of hitting you on the toe to remind you that this is an issue and you have to deal with it. I give them enormous credit for that.

ML: So, given that, can you think of other campaigns that the students are involved in either currently or over the past few years?

MP: Well, we're feeling some pressure. There's always been great distrust among students about the Fair Labor Association. That's because the brands are represented on the board, as are universities, as are NGOs. So our students have been putting tremendous pressure on us to disaffiliate with the FLA, so there have been conversations about that. I know there's a similar movement at Rutgers. I don't know if you are an FLA school?

ML: Yeah, we are.

MP: Are you experiencing the same?

ML: There is definitely some of that sentiment.

MP: Right. So, we'll be having a conversation with the students very soon. We've been trying to get a meeting together, and it's just been pulling teeth trying to get everyone in a room together at the same time. But, we'll pull it together.

ML: Do you find the arguments persuasive about the FLA?

MP: They're definitely persuasive and I think that there are things within the FLA that need to be fixed. I don't think that disaffiliating is a solution because you just walk away and don't have a voice anymore, you're just gone. I take the position that if you are a member of an organization and you truly believe in what the organization is trying to do, it's your responsibility to speak up when things aren't working correctly and try and get the organization fixed.

ML: Were you surprised about the outcomes of these cases, or did you expect, given your conversations with representatives from Nike and Russell that the situations would be resolved in the ways that they were?

MP: I wasn't surprised in Russell. I wasn't surprised in Nike, but I was surprised by how quickly they moved. To me that just says that they learned an awful lot by watching the Russell situation. I think we'll learn a lot more as we address the follow-up problems that I think both organizations are having.

[END TAPE]