

Manual for ITC's Clients, 2012



General Rules for License and Use of the "Safe Toys" Mark

Institute for Testing and Certification, Inc. - Czech Republic

1. Objective of the Rules and Ownership of the Mark

These rules determine:

- the procedures, security and restrictions in the use of the common "Safe Toys" certification mark (for the graphic design see Appendix A), hereinafter referred to only as the "Mark".
- the relations between Institut pro testování a certifikaci, a.s. (Institute for Testing and Certification, Inc.), with the registered office and workplace at T. Bati Street 299, 764 21 Zlín (hereinafter referred to as the ITC) and trading companies (hereinafter referred to only as the "Companies") trying to acquire the licence to use the "Safe Toys" registered mark, of the sole owner the Italian Institute for Toy Safety, with the registered office and workplace at Via Europa, 28 22060 Cabiate (hereinafter referred to only as the IISG).

2. Objectives of the Mark

The Mark aims at providing the possibility of recognising all of the following toys and items for children:

- which underwent tests in the ITC prescribed by law in relation to toy safety and which meet the essential requirements set in Directive 2009/48/EC and all other directives, relating to toys, Czech Government Order No. 86/2011 Coll., and Decree of the Ministry of Health No. 84/2001 Coll., as amended by subsequent regulations;
- which underwent tests and assessments in the ITC, contained in the technical Appendix C, which forms an integral part of these rules;
- whose production or production batch underwent an inspection, performed by the ITC authorised staff.

The Mark aims to provide information about the safety level of products in an appropriate manner to all involved entities.

The Mark endeavours to support co-operation between the clients and the provider for the purpose of achieving the competitiveness of products with a high level of safety.

The Mark is meant to spread the image of safety in the world of toys. It is issued by an independent organization.

3. Conditions of the Agreement

The Mark is destined for the following types of products:

- toys, defined in Directive 2009/48/EC and all other directives, relating to toys, Czech Government Order No. 86/2011 Coll., and Decree of the Ministry of Health No. 84/2001 Coll., as amended by subsequent regulations;
- other products for children, after having been assessed by the ITC.

Use of the Mark is allowed only under the conditions stipulated in these rules and the Companies must observe these in all circumstances.

Only the Companies authorised by the ITC institute may use the Mark.

The right to place the Mark on products depends on the results of periodic inspections, and the observance of the conditions specified herein.

The authorisation to use the Mark will apply solely to the products:

- which the ITC certified and assessed from the point of view of compliance with the essential requirements stipulated in the European Directive 2009/48/EC and in other directives relating to the product;
- where on the basis of assessment, testing and experimental analyses, the ITC confirmed the conformity of the product properties with the safety requirements contained in Appendix C to these rules. This document includes both the requirements of the national and international legislation, as well as the requirements set for various product categories by the ITC institute.
- where the ITC confirmed the successful progress of the production batch inspection.

Tests and checks must be carried out in the ITC laboratories or at a place agreed between the ITC and the applicant.

The authorisation to use the Mark cannot be transferred to a different company. In the instance of a merger or change of the owner of the Company, the authorisation to use the Mark will cease to exist. The licensee is bound to immediately inform the ITC about changes in the Company structure, its address or economic status. Proceeding from the situation analysis, the ITC will decide about the continuation of the right to use the Mark.

The ITC determines and carries out publicising and advertising in the mass media, promotion, as well as informational activities, relating to the products with the right to use the Mark.

The applicant's Company may use the Mark only in the format (graphic design, colours and dimensions) set by the ITC. Copying the Mark or any part thereof is forbidden.

The applicant's Company may perform advertising drives and sales promotion by referring to their right to use the Mark, but they must ensure that the importance and use of the Mark is not misinterpreted.

In order to prevent misunderstandings, the applicant's Company must send to the ITC a detailed written presentation of the content of documents and information used for the product promotion. The ITC will provide its written statement containing its approval or refusal.

The Mark must be visibly placed on all packaging of products, which are identical to the samples tested by the ITC that are produced, imported or distributed by the Company, which is the licensee authorised to use the Mark.

The ITC will ensure the professional confidentiality of all information, data or other collected records required from the Company throughout the whole process of acquiring and using the Mark.

The Companies, which may apply for a licence to use the Mark, are such companies which:

- produce or commercially use products, which the Mark is suitable for;
- completely accept these rules and the relevant appendices, which form an integral part hereof.

4. **Rights and Obligations**

The Company holding the licence to use the Mark is entitled to:

- publish the information about acquiring the licence to use the Mark in a manner, which it considers to be the most suitable, however only in relation to the products for which it acquired the licence.
- to place the Mark or have it placed on the relevant packaging, or possibly directly onto the products.

The licence to use the Mark issued by the ITC does not relieve the Company from the duty to meet all of the legislative obligations relating to the supplied products or contractual obligations with respect to clients.

Particularly, it will apply that the Company is the sole entity guaranteeing the observance of these rules and in this respect the ITC will hold no responsibility in relation to third parties or end users.

The Company holding the licence to use the Mark undertakes:

- to archive the certificates and technical documentation, on the basis of which the certificates were issued for the period of at least 5 years from the end of production of the relevant product;
- to use the Mark only on products, which the certificate was issued for;
- to guarantee that all products launched in the market with the Mark have the same characteristics, as the products sent to the ITC for assessment, testing and analyses. The ITC must be informed about any product changes whatsoever and must be sent the changed sample for assessment. The ITC must perform the tests necessary for the further use of the Mark. The Company undertakes to eliminate deviations (non-conformities) caused by modifications;
- to clearly indicate in price lists, catalogues and promotional materials, the products which were certified to bear the Mark, thus avoiding any possible misunderstanding in relation to other products;

- to respect the terms and conditions derived from these rules;
- to make, produce and import only products identical to the "type", for which the certificate to use the Mark was issued;
- to enable the ITC to make an inspection visit to production, inspecting, testing and storage premises, where the products certified to bear the Mark are located, for the purpose of confirming their conformity with the requirements;
- to enable the ITC to collect samples or their parts in the production, inspecting, storage or installation premises, or possibly from the market, for the purpose of confirming the product conformity with the "type" for which the certificate to bear the Mark was issued;
- to settle the annual fee for the licence to use the Mark.

The ITC undertakes to support and spread information about the Mark via direct communication, advertising, informative seminars, publications, specialized publications, the press etc.

The licence to use the Mark issued by the ITC institute for the Company's products meeting all necessary requirements does not mean that the ITC will ensure the safety of the entire production, if the production differs from the product type, which underwent testing.

5. **Procedure for the Acquisition of the Licence to Use the Mark**

Submission of the application

Companies which intend to acquire the licence to use the Mark must send a written application on an ITC model form, or possibly a different form, provided that it contains all of the information given on the model form.

For each product (referred to as a "type" herein), in relation to which the Company intends to acquire the right to use the Mark, a separate application must be submitted.

The same "type" may cover several product variants provided that the differences between the variants do not influence the safety level or any other characteristics from the point of view of the behaviour of the product. The evaluation of the influence of the differences between individual variants on the safety level of the specific product lies within the sole competence of the ITC.

The decision on the possibility of considering more product variants to be one "type" is therefore within the sole competence of the ITC, which will make this decision after the evaluation of the product and its technical documentation within the application acceptance process.

The Company must submit to the ITC the application including the following documentation:

- General information about the product, including, depending on the circumstances:
 - > the user manual, and where necessary, installation and maintenance instructions;
 - > the target age group, for which the product is intended;
 - the technical specifications;
 - the drawing documentation, if available;
 - the method and place of production;
 - the countries, where sales are made;
 - the methods and criteria, with which the Company ensures the conformity of all of the manufactured products with the type, for which the licence to use the Mark was requested.

Review of the application

After receiving the application the ITC will register it and carry out a preliminary evaluation with the following targets:

- to verify the completeness and to evaluate the consistency of general information;
- to verify the completeness and to evaluate the consistency of technical documentation.

The ITC will ensure the handing over of a copy of these rules for approval and signing by the Company representative.

If in the opinion of the ITC, the submitted documentation is inadequate, inconsistent or insufficient, the standard procedure will be discontinued, until the applicant complies with the requirements for the supplementation or modifications, communicated to him by the ITC.

If the review of the application found no imperfections, then the ITC will officially notify the applicant's Company about its consent and will pass on its price estimate including:

- the annual fee for the licence to use the Mark;
- the price of tests, analyses, and all other necessary checks for the verification of the product conformity with the relevant safety requirements;
- the price of the issue of the Certificate to use the Mark;

The continuation of the process of acquiring the licence to use the Mark and the test and analyses commencement is conditioned by:

- the consent of the Company to the proposal, confirmed with a signature;
- the consent with these rules confirmed by signing these.

In special cases when required by the product characteristics, the ITC will prepare a proposal relating to the tests and analyses not before the preliminary inspection visit to the place of production, storage or installation. The preliminary inspection is performed at the in-advance agreed scope and is billed to the Company.

Parameter testing and verification

After the acceptance of the proposal by the Company, the ITC will start testing and the planned verification in the ITC laboratories or at the place agreed between the ITC and the Company.

Initial inspection

The initial inspection covers a visit to the place of production or storage, during which the ITC technician will collect several samples from the production batch subject to the MIL STD procedure. The selected samples will undergo visual checks and an assessment of the determined parameters, noted down on special check-lists.

Upon the completion of these tests the ITC will issue an inspection report.

The cost of the inspection is covered by the Company – licensee and is calculated by the ITC on the basis of the number of man-days, necessary for the inspection and the relevant travel expenses.

Issue of the certificate for the licence to use the Mark

Upon the completion of tests, analyses and the initial inspection, the ITC will issue the certificate to use the Mark and will present it to the Company. The use of the Mark is conditioned by the performance of the below set prerequisites:

- signing these rules and the relevant appendices, which form an integral part of these rules;
- payment of the annual fee for the licence to use the Mark.

Procedure in the case of detecting nonconformities and negative test results

In the case of negative results, the Company may apply for the licence to use the Mark for the given "type" again but not before such a modification of the product, which will ensure its conformity with the relevant safety requirements. From the technical and economical point of view this request is considered to be a new application, with the whole procedure being repeated.

The determination of the scope of tests and verifications performed on the "modified type" with the target of confirming the conformity with all of the relevant safety requirements while taking into consideration the results achieved before the modification lies within the sole competence of the ITC.

Supervision over a product, which was issued with the licence to bear the Mark

The ITC reserves the right to make periodical checks focused on checking the conformity of products which are licensed to bear the Mark.

These checks may be carried out in the following ways:

 an inspection visit, at least once a year, at the place of production, inspection, testing, storage or installation of products, which were certified to bear the Mark.

During the inspection visit, samples may be collected so that that certain tests may be carried out. The date and plans of the visit will be set by agreement between the ITC and the Company.

 tests and the verifications of properties of the products certified to bear the Mark, which were collected directly from the market (at points of sale).

The selection of specific tests and verifications lies within the sole competence of the ITC. Tests are made in the ITC laboratories or at a place agreed between the ITC and the Company. A specific test report is to be issued.

The price of the inspection, tests and analyses of products is covered by the Company – licensee and is set by the ITC on the basis of the typology and number of products submitted for verification.

6. Validity of the licence to use the Mark

The authorisation to use the Mark is valid for the period of one year, starting from the point of the issue of the licence. After this time the authorisation to use the Mark will end.

This period may be shortened in the instance of the licence to use the Mark having been revoked on the basis of the prerequisites specified in these rules.

Renewal

The licence renewal must be applied for two months before the validity expiration. The request is to be sent to the ITC on a special form.

Unless the ITC receives the renewal request during the month after the expiration of the validity date, the authorisation to use the Mark will automatically be considered to have been terminated.

7. Suspension, Revocation and Surrender of the Authorisation to Use the Licence

Suspension

The ITC may suspend the licence to use the Mark in the following cases:

- upon the submission of an independent request of the Company, on the basis of justifiable technical or organisational reasons;
- upon the Company's failure to pay the in-advance agreed fees;
- upon the Company's refusal to undergo the inspection activities and tests agreed in accordance with these rules;
- if it has been proven that the product or a part of its production does not conform to the safety requirements.

The maximum period of suspension is 12 months. The decision, including the period of suspension will be communicated by the ITC to the Company in question in a registered letter, stating the reasons as well as the conditions under which the suspension will be cancelled (the licence will be revalidated). Unless the reasons for the suspension are rectified by the said deadline, the ITC may arrange another purpose-tied suspension, if the first suspension of the validity was issued for a period shorter than 12 months (maximum period), or may proceed to revoke the licence.

The Companies with the licence suspended are bound:

- not to use the Mark until receiving a notification that the suspension has been cancelled;
- to carry out measures required by the ITC with the purpose of eliminating the causes, which were the reason for the suspension.

Suspension based on the nonconforming properties of the product may originate also from complaints and actions of third parties. Any and all legally identifiable physical or legal entity, whose data, if required by law, may be protected by business secret, may lodge a complaint with the ITC with respect to the insufficient safety of the product bearing the Mark.

The ITC may carry out suitable examinations as to verify the truthfulness of the content of the complaints by means of inspections and tests.

The price of checking the complaint is charged to the person filing the complaint, however if the tests prove the legitimacy of the complaint, the costs will be charged to the Company.

In the course of the licence suspension, the obligation to pay the annual fee for the license to use the Mark remains in force.

Surrender

The Company may surrender its authorisation to use the Mark:

- if it does not accept any amendments and revisions of these rules;
- if it does not accept changes in the price list;
- for organisational or technical reasons (for example the discontinuation of the manufacture of the products, for which the licence was granted or in the instance of bankruptcy or liquidation of the Company).

After the surrender the Company is bound:

- to remove all symbols of or references to the licence to use the Mark from the products, their packaging and technical and promotional documentation;
- to remove all documentation and promotional material containing symbols or references, in any form whatsoever, connected with the licence to use the Mark;
- to inform the ITC in a registered letter about the compliance with these prerequisites.

The ITC reserves the right to turn down a licence application from a Company, which in the past surrendered its authorisation to use such a licence; nevertheless in any case an application may not be accepted before 6 months after the surrender of the licence.

Revocation of the licence

The ITC will decide about the revocation of the licence on the basis of the following reasons:

- repeated failure to comply with the requirements and regulations arising from the application of these rules;
- missing or insufficient elimination of causes, which were the reason for the licence suspension, after the maximum period of 12 months;
- permanent late payments;
- discontinuation of the manufacture of the product or products, for which the licence was granted, if the Company has not submitted a notification about the surrender of the licence.

Revocation of the licence as a result of the misuse of the Mark

The ITC, as the owner of the Mark, is entitled to enter into all legal acts, which it considers to be suitable, in accordance with legislation in force, in the instance of any unauthorised use of the Mark by any Company or a third party.

The unauthorised use of the Mark will be considered to be a situation when it is used:

- on products, whose licence became invalid for reasons stipulated in Article 6;
- on products, in relation to which the licence application is currently being dealt with;
- on products, in relation to which the licence was turned down;
- on products, with a suspended or revoked licence;
- on products, different from the products in relation to which the authorisation to use the Mark was granted;
- on products, in relation to which neither a licence application was filed nor the licence to use the Mark was granted;
- on products, which systematically fail the safety requirements.

The decision on the licence revocation will be communicated by the ITC to the Company in a registered letter, where it will state the reasons and specific obligations of the Company after the licence revocation.

Complaints and appeals

The Company, whose licence was revoked, may request in writing a meeting with the ITC representatives within 15 days from the day, when it received the registered letter, notifying it about the licence revocation.

The ITC is bound to hold such a meeting no later than within one month from receiving the request.

8. Sanctions

If the ITC discovers that the Mark is used differently from the method described in these rules, and/or in a way which could endanger the prestige and image of the Mark, it will immediately put into action some of the following sanctions:

- Temporary suspension of the licence to use the Mark;
- Final revocation of the licence;
- Non-renewal of the licence.

If the Company does not agree with the sanction imposed by the ITC institute, it may ask for a review of such a decision upon filing a written application, no later than within 15 days from the day of receiving the notification relating to the imposition of the sanction.

Apart from these direct sanctions, the ITC, as the owner of the Mark, may initiate any necessary legal actions to stop the unauthorised use of the Mark by the Companies or other third parties.

9. Confidentiality

Documentation (data, documents, notifications, etc.) and information, relating to the process of awarding a licence for the use of the Mark, will be regarded by the ITC as confidential and will be treated in a way as to observe business secret rules.

10. Competent Court

Any and all disputes, relating to the application, performance and interpretation of these rules, will be dealt with solely by the competent court of justice, i.e. the District Court in Como.

11. Modifications of the Rules and Appendices

- The ITC will be entitled to modify these rules.
- The ITC will be bound to inform the Company about performed modifications.
- The ITC may unilaterally modify appendices, if it considers it to be appropriate, but will be bound to inform the Company about these modifications.

The Company may propose modifications, which it considers to be appropriate.

Appendix No. 1 – Specification of the Czech Version of the "SAFE TOYS" Certification Mark

The Italian Institute for Toy Safety (IISG) is the exclusive owner of the trademark "Giocattoli sicuri" – "Safe Toys", which with the approval of the IISG may be translated into a national language version of an EU member state while keeping the same meaning. The following texts apply for the Czech version of the Mark.

Dimensions:

Diameter minimum cm. 1.5

2 colours version:

Grey = Panton Cool Grey 10 C Yellow = Panton Yellow 012 C

4 colours version:

Grey = Black 72% Yellow = Magenta 3% Yellow 100%





Text: (inside the yellow part) bezpečné hračky

Font: Revue Bold Body: 54 Condensed: 90% Track: -30%

Text: (inside the internal white part) www.itczlin.cz Font: Futura T Bold Body: 24 Condensed: 71%

Text: (below the grey round part)

INSTITUT PRO TESTOVÁNÍ A CERTIFIKACI, a.s.

Font: Futura T Bold Body: 21 Condensed: 71%

Appendix No. 2 - Trade Mark Registration

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Appendix No. 3 – Additional Requirements concerning the Licence to Use the Mark

Apart from the compliance with the minimum requirements set by Directive 2009/48/EC and all other directives, relating to toys, Czech Government Order No. 86/2011 Coll., and Decree of the Ministry of Health No. 84/2001 Coll., as amended by subsequent regulations, the additional below stated requirements are a necessary prerequisite for being granted the licence to use the Mark:

Additional technical requirements:

- 1. The determination of the target age group is to be carried out by the ITC expert.
- 2. Risk analyses for the overall product safety assessment
- 3. All toys for children up to the age of 36 months are subject to the bite test and durability test of all parts protruding at least 6 mm.
- 4. Cardboard, paper and labels used for toys must not contain fluorescent optical brighteners in accordance with EN 648.
- 5. Physical and mechanical tests of fillings as integral parts of toys, if accessible by children.
- 6. Absence of circular or almost circular openings of the diameter ranging from 5 to 12 mm in solid materials of 1.6 mm or less in thickness with the depth of the cavity > 9.5 mm.
- 7. Migration tests in simulated sweat and simulated saliva are carried out on all dyed parts, textiles, fibres (including hair) and the labels of toys, which can be put into the mouth; small toys are assessed whole.
- 8. Confirmation of conformity with the Cosmetic Directive in the instance of toys of the cosmetic type
- 9. Check of odour characteristics applying the Robinson test (the value must not exceed 2)
- 10. Confirmation of conformity with the EU Dangerous Substances Directive (76/469/EC as amended)
- 11. Confirmation of conformity with the EMC Directive 89/336/EEC and R&TTE directive.
- 12. Assessment of safety if coming into contact with food in accordance with the entire national legislation (2002/72/EC in the instance of plastic products)
- 13. Check of compliance with the Directive 87/357/EEC.
- Phthalate detection analysis in PVC material. PVC material may be used in toys for children up to the age of 36 months, only if it contains no more than 0.05 % of the weight for one or more phthalates (DINP- DEHP-DPB- DIDP- DNOP- BBP).

For toys for children over the age of 36 months, PVC may be used only if the migration of one or more phthalates (DINP- DEHP- DPB- DIDP- DNOP- BBP) does not exceed the below specified limit:

	Migration limit (mg/10cm ² /6h)
Substance	
DINP	1.2
DNOP	3.0
DEHP	0.4
DIDP	2.0
BBP	6.8
DBP	0.8

15. Other tests or product safety certificates (if necessary in view of the characteristics of the toy) originating from future legislation development or risk analyses performed by the ITC.

Administrative requirements

- 16. The Company is obliged to retain 1 sample of the toy for the period of at least 3 years after the termination of its sale for the purpose of its immediate submission to the ITC if checks are necessary.
- 17. A mandatory declaration of the Company about the method of marketing including the name, brand or product with which the toy will be jointly launched in the market.
- 18. The preliminary written approval of the ITC for the characteristics and method of affixing the product with the Mark and implementation arrangement.
- 19. The mandatory declaration of the Company that child labour is not used for production. (Social Supervision Programme).

Zlín, January 2012