Regents,

Attached for your information are letters to Anheuser-Busch from the University of Iowa and Iowa State University outlining the universities’ concerns with the Anheuser-Busch “Fan Cans” promotion. The University of Iowa plans to share its letter with the media today.

Please let me know if you have any questions or concerns. Thank you.

Sheila
August 28, 2009

Carol Clark
Vice President for Corporate Social Responsibility
Anheuser-Busch Companies Inc.
One Busch Place
St. Louis, MO 63118

Dear Ms. Clark:

On behalf of The University of Iowa, I want to express our extreme displeasure with the black-and-gold-colored can promotion in our community and the surrounding area. We are concerned about the fact that this promotion appeals to students, many of whom are under the age of 21. We have for some time been very concerned about the serious issue of underage and binge drinking on this campus and nationwide. Your promotion is a step backward and will only serve to exacerbate this major student health and safety problem. We are very disappointed in your decision to use this marketing strategy.

The sale of black-and-gold-colored beer cans in this market is clearly an attempt on your part to create the impression that the University endorses or has acquiesced to your promotion of this product. Please understand clearly: We were never contacted about this promotion, and, if we had been, we would have registered our strong disapproval of the concept.

We join the Federal Trade Commission and our colleagues at the University of Wisconsin, University of Michigan, University of Colorado, Oklahoma State University, Texas A & M University, Boston College, and others, in registering our displeasure with this promotion. I would ask that you pull the black and gold cans from our marketplace immediately. We applaud your ongoing efforts that support responsible drinking. However, a promotion that encourages friends of institutions and fans of our athletics teams to buy beer that is marketed by using school colors is openly targeting our student population, many of whom are underage. I hope you will take this opportunity to right this wrong.

Sincerely,

Sally Mason
President
August 25, 2009

Frank Z. Hellwig  
Anheuser-Busch, Inc.  
One Busch Place  
St. Louis, MO 63118

Re: Fan Cans Promotion

Dear Mr. Hellwig:

Your Fan Cans promotion has raised valid concerns regarding the promotion of drinking among our student population, regarding whether Iowa State University has endorsed this promotion, and therefore whether the promotion has damaged the good name of Iowa State University and infringed on our trademarks. I am writing to request that this campaign be discontinued after exhaustion of current products in the possession of distributors selling in the Iowa market.

While it is true that none of Iowa State University’s logos have been used in connection with the production of beer cans with our school colors, the manner in which the campaign has been promoted by Anheuser-Busch and others has had an actual impact on the University through confusion in the market. The cardinal and gold color scheme represents great pride and symbolizes institutional loyalty. Your campaign has undermined that.

One local retailer has, for example, placed both cardinal and gold cans and black and gold cans (representative of the University of Iowa) around a mock football field. This is the kind of marketing which you well could have anticipated to rise from initiation of this promotion just ahead of the college football season. This display has a poster bearing your trademarks (Budweiser and Bud Light) with the statement: “CHECK OUT YOUR TEAMS COLORED CANS!!” The poster tends to suggest that ISU somehow was involved in, licensed or endorsed the promotion. We have had fans, supporters and news reporters inquiring as to our support for this program.

We are aware that other colleges and universities have written to you indicating they believe your campaign infringes on their trademarks. Therefore I am sure I need not engage in an extended discussion of LSU v. Smack Apparel which holds that colleges and universities have protectable rights in their color schemes in the context of athletic competition. There, a Federal Court of Appeals found objectionable a commercial venture’s efforts to "obtain a 'free ride' by
profiting from confusion among the fans of the Universities' football teams who desire to show support for and affiliation with those teams.”

I request the courtesy of a response to this letter within 10 days indicating that Fan Cans in Iowa State’s team colors will not be continued after exhaustion of current products in the possession of distributors selling in the Iowa market.

Very truly yours,

Paul Tanaka
University Counsel

cc: Mark Doll (Doll Distributing)
    Gregory Geoffroy
    Warren Madden
    Leesha Zimmerman
    Jamie Pollard
    Michael Van Wieren (LRG)