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July 22, 2009

OVERNIGHT MAIL
RETURN RECEIPT REQUESTED
and Email: frank.hellwig@anheuser-busch.com

Mr. Frank Z. Hellwig
Anheuser-Busch Companies, Inc.
One Busch Place
St. Louis, Missouri 63118-1852

Re: Potential Infringement of Trademarks of The University of Michigan

Dear Mr. Hellwig:

Please be advised that this office represents the Regents of the University of Michigan, of Ann Arbor, Michigan with regard to its trademark matters (hereafter "University" or "Michigan"). We are contacting you regarding your proposed "Team Pride"- "Made for Gameday" program. We understand that this program is intended to brand your beer during the upcoming football season with color indicia used by popular sports teams and that this program includes color trademarks of the University of Michigan.

As you certainly know, Michigan has a strong national fan base. Furthermore, Michigan's Maize and Blue colors are a significant component of that national identity. It is not the least bit unusual to have Michigan teams referred to as only "the Maize and Blue." Many million Maize and Blue fans purchase properly licensed Michigan products under the Michigan licensing program. This program yields substantial revenue to Michigan to support its educational and athletic programs. It is, however, also carefully crafted to assure that any products licensed support the University's values and its standards for excellence. This program does not permit the licensing of Michigan trademarks on alcoholic beverages. While the University understands that alcoholic beverages are legal and responsibly enjoyed by many people, including Michigan fans, if your company or its wholesalers were to approach the University for a license to use its trademark colors in the promotion of your products, it would not grant such a license for the reason noted above.

Michigan strongly believes that your proposed Team Pride program would infringe upon Michigan's trademarks, specifically its trademark colors (regardless of how they are referenced in your promotional materials). Furthermore, as your marketing materials make obvious, this is precisely your intention. Your intention is to "create year-round excitement" and to "stock up and watch the fans follow" by placing your products in cans that carry the color indicia and trademarks of popular sports teams, including those of the University of Michigan.

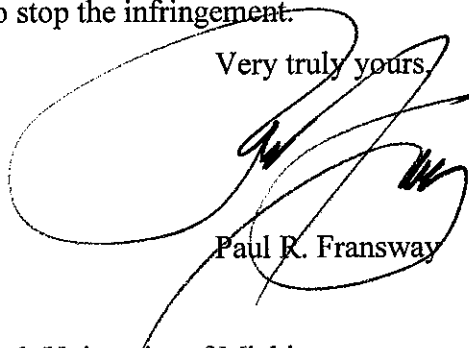
It is clear that unauthorized use of colors associated with a university constitutes trademark infringement in a manner similar to any other trademark. *See Board of Supervisors for Louisiana State University, et al v. Smack Apparel Company*, 550 F.3d 465 (5th Cir. 2008), *cert. denied* 2009 U.S. LEXIS 4007 (June 1, 2009). This infringement occurs not only when there is a marketing of competitive products, but also where there is any likelihood of confusion, including confusion of sponsorship, affiliation or connection.

We understand from our contacts with the University's licensing agent, the Collegiate Licensing Company, that you have asserted that since this is a national program and your wholesalers are making the choice to market the Team Pride cans, that your company would not have any responsibility. We do not believe that this assertion will shield you from liability. Ignoring the fact that this is *your* promotion making you directly responsible for this infringement, it is clear that even if your wholesalers choose the colors, you would still be responsible for contributory trademark infringement. *See e.g., Mini Maid Services Company v. Maid Brigade Systems, Inc.*, 967 F.2d 1516 (11th Cir. 1992). In this case, the court stated: "Liability for trademark infringement can extend beyond those who actually mislabel goods with the mark of another. Even if a manufacturer does not directly control others in the chain of distribution, it can be held responsible for their infringing activities under certain circumstances. Thus, if a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer or distributor is contributorially [sic] responsible for any harm done as a result of the deceit" *citing Inwood Laboratories, Inc. v. Ives Lab., Inc.*, 456 U.S. 844 (1982). Here you are not only directly mislabeling the cans but you are also intentionally inducing your wholesalers to infringe upon Michigan trademarks. Obviously, your wholesalers will pick those colors of the teams that have local identity. In fact, that is precisely your intent.

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To assure that there is no misunderstanding, the University of Michigan strongly objects to your proposed use of its trademarks, including its trademark Maize and Blue colors. We would appreciate your written confirmation within the next five (5) days that this promotion will not utilize Michigan trademarks. We would also appreciate it if you would forward a copy of this letter to any wholesalers that propose to use the Michigan Maize and Blue colors (shown on your promotional material as "Dark Blue and Yellow") with the promotion of your beverages. If you or your wholesalers choose to proceed with your promotion as planned, the University will have little choice but to take appropriate action against all parties involved to stop the infringement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul R. Fransway", is written over the typed name. The signature is stylized and somewhat cursive.

Paul R. Fransway

PRF/ms

CC: Office of the General Counsel, University of Michigan
Mr. Michael J. Modl
Axley Brynson, LLP
2 East Mifflin Street
Suite 200
Madison, Wisconsin 53703
(via email mmodl@axley.com and Overnight Mail)