

WORLD SERVICE BOARD OF TRUSTEES OF NARCOTICS ANONYMOUS

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DATE: February 26, 1992

TO: All Conference Participants

FROM: Becky Meyer, Chairperson
World Service Board of Trustees

RE: CAR Motions #9 and #10

At its February meeting in Montreal, the World Service Board of Trustees revisited our motions in the *Conference Agenda Report*. In discussing our proposal for dual membership contained in Addendum 5, we came to the conclusion that the reference to dual membership which was included in Addendum 4 (our operational guidelines) should be deleted. Instead, we would like to have everything related to the 1-year trial together in one proposal. On this basis, the World Service Board of Trustees would like to offer the following amendment to motion #9 and #10.

Also, we discussed two minor wording changes in Amendment 4 which were recommended to us as a result of discussions held in CAR workshops. We see these as strictly housekeeping motions which will add to the clarity of our operational guidelines. Consequently, we are offering the following amendments to motion #9.

We have also enclosed a package of questions and answers regarding the Fellowship Intellectual Property Trust. This was sent to one region in response to their questions and has proven useful to us in conducting CAR workshops. It is being sent to you for informational purposes only.

Thank you for considering these amendments at this late date. We look forward to seeing you soon in Dallas.

MOTION TO AMEND RE. DUAL MEMBERSHIP

Moved, to amend Addendum 4 by deleting Item 3.F in its entirety; and to amend Addendum 5 by substitution, replacing it with the following:

TRIAL ONE-YEAR DUAL MEMBERSHIP ON THE WORLD SERVICE BOARD OF TRUSTEES AND THE WSO BOARD OF DIRECTORS

Purpose

The purpose of dual membership between the World Service Board of Trustees and the World Service Office Board of Directors is to facilitate the development of a shared perspective and understanding of the issues which affect each entity, as well as to enhance the fundamental relationship between the two service boards. By designating fully participating members who will develop a proprietary interest in the affairs of both service boards, we will build into the memberships of both entities individuals whose participation will encourage a more global perspective and enhance the inherent link between the two boards. Further, dual membership will assist both service boards in becoming better attuned to all of the affairs associated with NA world services and will help eliminate unilateral considerations of issues and projects.

Procedures

1. At its June 1992 meeting, the World Service Board of Trustees shall designate one trustee who shall begin serving immediately as a fully participating member of the WSO Board of Directors until the opening of WSC'93.
2. At its June 1992 meeting, the WSO Board of Directors shall designate one director who shall begin serving immediately as a fully participating member of the World Service Board of Trustees until the opening of WSC'93. *This director shall not vote as a trustee at WSC'93.*
3. At WSC'93, the WSB and the WSO board shall jointly present a report on the one-year dual membership trial. That report may include recommendations defining dual-membership positions, selection procedures, and terms of service on a permanent basis.

Amendments to Addenda 4 and 5, page 2

ADDITIONAL MOTIONS TO AMEND

Moved, to amend Addendum 4 by deleting the word *drugs* from Item 3.B.

Moved, to amend Addendum 4 by replacing the sentence, *There is a separate election for each trustee position*, in Item 3.E with the sentence, *There is a separate election for trustee positions*.

Questions and answers to the proposed Fellowship Intellectual Property Trust

Early in January 1992, the Michigan Region submitted a series of questions concerning the Fellowship Intellectual Property Trust being proposed by the World Service Board of Trustees for approval at the 1992 annual meeting of the World Service Conference. The following are our answers to those questions. We hope they prove useful to you in your review of the material. For additional explanatory notes, see pages 1-7 of the handbook itself.

WSB Internal Affairs Committee

BACKGROUND OF THE DOCUMENT

Why is this presented as an "approval form" and not a "draft"? This question might be rephrased, "Why has the fellowship not been given a review-and-input form of the trust documents before being presented with this approval form?"

When preparing for the World Service Conference, the fellowship is asked to consider three kinds of proposals: new recovery literature (such as the daily meditation book), new handbooks for use by local subcommittees (such as the *H&I Handbook*), and policy statements like this year's trust proposal. The fellowship has established review-and-input period guidelines only for new recovery literature.

This is not to say, however, that input on material relating to the intellectual property trust has not been sought from the fellowship. In September 1990, a paper entitled "The NA Literature Trust" was distributed to all RSRs and to anyone else requesting it. In reviewing actions approved over the years by the fellowship through its World Service Conference, that paper defined the basic elements of the proposed Fellowship Intellectual Property Trust. Fellowship response to that paper, extensive review by the entire world service community of early trust

drafts, and specific direction from last year's conference resulted in the current approval form of the Fellowship Intellectual Property Trust.

Why was this developed? The Fellowship Intellectual Property Trust was developed to clearly demonstrate, in a single document, the relationships existing between WSO, Inc. and the WSC in regards to NA's intellectual properties. Until now, the decisions made by the WSC--and subsequently by WSO, Inc.--concerning those properties had not been compiled in one place; everything was *there*, but to get all the details you had to dig through many years' worth of WSC minutes, board and committee guidelines, handbooks, and correspondence. The trust puts all those decisions together in one place so that its easy to understand the relationship between the fellowship, the conference, and the office with regard to intellectual property administration.

What was the intent of this piece? The intent of the trust is to provide assurance to our present and future membership that NA's properties are duly protected from misuse by anyone, including the assigned trustee. NA's properties belong to no one individual, board, or committee, but are held in trust for the Fellowship of Narcotics Anonymous as a whole.

Who asked for this? The World Service Conference asked for this when it adopted the following resolutions last year. (Also see operational rules, Article I, Section 1, "Background of the Trust," pages 14-15.)

"To reaffirm and ratify that the ownership of all of NA's intellectual and physical properties prepared in the past, and to be prepared into the future, is held by WSO, Inc., which holds such title in trust on behalf of the Fellowship of Narcotics Anonymous as a whole, in accordance with the decisions of the World Service Conference."

"To reaffirm that the World Service Office, Inc., is the exclusive publisher and distributor of all World Service Conference-approved literature, including all books, pamphlets, handbooks, and other intellectual and physical properties, as directed by the Fellowship of Narcotics Anonymous through the World Service Conference."

"The World Service Office Board of Directors is entrusted with the responsibility for protecting the

Fellowship's physical and intellectual properties, including the Basic Text, and at the [discretion of the] Board of Directors... shall take legal action to protect those rights against any and all persons who choose to infringe upon this literature trust."

PAGE 1

What are some other options that don't fit our relationship? "Trust" being one option, what are some others? Probably the most obvious option is to leave things as they are now, but that is not significantly different from what is being proposed in the trust. Another option is to allow the trust properties to become public domain, which would mean they would belong to the community at large, unprotected, and subject to appropriation by anyone in or outside of the fellowship. No matter what entity is assigned the responsibilities, it needs to be given the responsibility to protect the properties and the ability to administer them properly.

PAGE 2

Will the italicized text be edited out of the final document? Will the explanatory notes be cut? What exactly will remain in? *Nothing* in the explanatory notes--the text found on pages 1 through 7--is being proposed for approval. Those notes are included only to help members understand certain key features of the trust as they consider approving it. Only the instrument (pp. 8-13) and the operational rules (pp. 14-32) are being proposed for actual conference approval. However, if the fellowship *wants* the explanatory notes to remain in the trust handbook for distribution and information purposes, that would not be a problem.

PAGE 8

In Article I, Section 2 of the trust instrument, why doesn't it say "all conference-approved literature" instead of "all NA literature"? The terms are essentially synonymous. As it stands today, in order for an item to be described as "NA literature," it must receive conference approval.

In Section 3, what is a "perpetual charitable trust"? Define. *Perpetual* means "never ceasing; continuous; enduring; lasting; unlimited in respect of time." A *charitable trust* is defined as a "fiduciary

relationship with respect to property arising as a result of a manifestation of an intention to create it, and subjecting the person by whom the property is held to equitable duties to deal with the property for a charitable purpose." A *charitable purpose* is thought of as the "accomplishment of objectives which are beneficial to the community or area." And a *fiduciary relationship* is "one founded on trust or confidence reposed by one person in the integrity and fidelity of another."

What costs and incidental expenses are anticipated? The only anticipated costs are the normal filing fees incurred in registering the trust instrument, attorney's fees for registration and amplification of applicable copyright and trademark registrations, and the incidental costs associated with the modification of fellowship documents (including WSO bylaws and possibly the *Temporary Working Guide to our Service Structure*) to reflect the conditions described in the trust instrument and rules. Exact costs, while not known at this time, would not be considerable.

What does "below" mean here? The rest of the document? The word "below" used in Article I, Section 3 specifically refers to Section 4, which describes the purpose of the trust.

PAGE 9

In Article II of the trust instrument, define "settlor." (The dictionary defines it as "a person who makes a settlement of property.") This simply states that the WSC is the creator of both the property being placed in trust and of the trust itself, and therefore maintains equitable interest in the trust property.

In Article III of the trust instrument, why doesn't it say "all conference-approved literature" instead of "all NA literature"? *Same as Article I, Section 2.* The terms are essentially synonymous. As it stands today, in order for an item to be described as "NA literature," it must receive conference approval.

What is meant by "modify or delete property"? This refers to the WSC's ability to revise existing literature and/or remove an item from the classification of approved NA literature.

What about coffee cups, the Basic Journal, and other products other than intellectual property?

(Also see Article II of the trust rules, "Intellectual Properties Held in Trust," page 17.) Coffee cups, chips and medallions, desk, chairs, and computers are all *physical* properties of the WSO corporation. These physical properties are held in a fiduciary trust and are administered within the same *general* parameters, by virtue of provisions in WSO, Inc. bylaws, as the intellectual properties described here. However, any *trademarks* displayed on those properties are *specifically* subject to the rules of use described in the intellectual property trust.

Article IV of the trust instrument refers to the trust operational rules (pp. 14-32). Are the rules separate from the trust and not filed with the attorney general? Because we are talking about "legal stuff," we need to use our terms in a very precise way here. The *trust* is a legal *arrangement*; it is not any of the documents associated with it. Both the trust *instrument* and the trust *operational rules* are meant to describe how the trust works--each, however, speaks to a different "audience." The trust instrument, describing the basic legal framework of the arrangement, is written to tell the government that we are settling our intellectual property affairs in a particular order recognizable to the courts. The operational rules serve as our fellowship's internal agreement about the details of the trust's actual administration. The trust instrument is like the articles of incorporation of the trust, and the rules like its bylaws. Of the two documents describing the trust, only the *instrument* must be filed with the attorney general. However, Article IV of the instrument links the operational rules to the trust in such a way that, once the instrument is filed, the rules also become legally binding on all parties of the trust.

PAGE 10

In Article V, Section 1, Item 6 of the trust instrument, what is meant by "take, keep control of, and preserve"? This means that the trustee (WSO, Inc.) has the duty to receive from the trustor (WSC) any intellectual properties that the WSC decides are to be included in the trust. The trustee must then properly register its possession of the property, preserve it in its original form, use it in the way described in the instrument and rules, and take

steps to insure that others do not misuse the intellectual properties.

In Item 7, what is meant by "make the trust property productive"? The trustee must make the trust property available in some useful form to all who would benefit from it, in accordance with the rules of the trust.

In Article V, Section 2 of the instrument, what is meant by "all other acts may be delegated"? What are some examples of acts delegated to others? The trustee may delegate *portions* of its duties--for instance, it may contract with an attorney to register copyrights for certain trust properties--given reasonable supervision by the trustee. However, the trustee may never transfer or delegate to another entity the *whole* of its administrative duties. The trustee may hire an attorney to represent its interests in a court of law; it may charge an employee with the responsibility to account for the income of trust properties; it may appoint someone to negotiate a business deal on its behalf. However, the trustee may *not* ask someone else to take over the role of trustee itself--at least not on its own authority. Only the trustor can reassign the rights and responsibilities of the trustee *in toto* to another party (see the rules, Article VI, pages 28-29).

Why has Article V, Section 3 of the instrument been included? It seems arbitrary. This section could really be labeled the trustee's "oath of office." It is a solemn pledge to be assumed by the trustee, acknowledging that wanton and willful neglect of its responsibilities will not be tolerated.

In Article V, Section 4 of the instrument, what are some examples of "powers conferred by statute"? *Rather than provide an imprecise answer to this question, we have referred it to the WSO intellectual property attorney. Michigan will be given the answer as soon as we receive it.*

PAGE 11

In Article V, Section 4 of the instrument, can you name some examples for numbers 3, 4, 5, 8, 9, 11, 12, 13? While the "legalese" language found in these items is sure to be unfamiliar to most of our members, it is very common to these types of legal

documents. We will try to clarify the particular points as best we can.

3. How could "the form of business" be changed?

This item is phrased as if the trustee's corporation--the World Service Office--were being set up at the same time as the trust. Item 3 gives WSO, Inc. the authority to set up and incorporate a business enterprise so that it can fulfill the rights and responsibilities described in Article IV of the operational rules (print, warehouse, and distribute NA literature, etc.). It also gives WSO, Inc. the authority to modify the way the business is set up if such is found to be necessary for the fulfillment of its responsibilities as trustee.

4. What is meant by "manage and control"? This item gives the trustee (WSO, Inc.) the responsibility to properly register, protect, and regulate the use and licensing of the trust properties themselves--that is, the copyrights to NA literature and the registrations of our trademarks and service marks. It also gives the trustee the authority to put whatever proceeds or assets might come from the sale of literature (using trust copyrights) or NA memorabilia (using trust trademarks) to their most effective use.

5. How, to whom, and why would property be "encumbered, mortgaged, or pledged"? This is one of the standard clauses in trust instruments. It is usually intended to indicate that the trustee has been granted full authority to manage the trust property, especially for purposes of interaction with financial institutions. This power is very similar to a homeowner's ability to secure a mortgage on the equity in his or her house. It simply means that the trustee could use trust property (that is, copyrights and trademark registrations) as collateral in securing a loan, if that were held to be in the best interests of the trust. Only in a *very* severe situation should this power be invoked, and only as a final measure to save the trust itself.

5 and 6. Doesn't this put at risk the Basic Text and other properties? In an extreme case, giving the trustee the authority described in Item 5 creates the possibility that the text *could* be put at risk; the risk would occur, of course, only if the trustee actually pledged that particular copyright in securing a loan, something that would happen only if WSO,

Inc. had first done everything else possible to survive. The power to take out a lease described in Item 6, however, puts no trust property at risk.

8. Borrow money from whom? Why does this not say anything about excluding outside enterprises or being self-supporting? Item 8 allows the trustee to borrow money in the name of the trust, and to use the proceeds from sales of literature (using trust copyrights) or memorabilia (using trust trademarks) to repay the loan without allowing a claim to be made on the trust properties (the copyrights and trademarks) themselves. Most businesses avail themselves of credit-line services offered by financial institutions. WSO, Inc. has had a credit line of \$100,000 for several years now. It is the belief of the WSO board that this service is not an "outside contribution" since we not only repay the principal but also pay a fair price for its use. It is not thought much different from a manufacturer who extends thirty-day terms for payment on a printing bill.

9. This item simply authorizes the trustee to settle any legal actions taken against the trust should the trust itself be sued, and to release others from claims arising from disputes initiated by the trustee if such is deemed to be in the best interests of the trust.

11. Does this include writers? What does "administrative duties" mean? This item allows the trustee to hire or contract with people specifically to manage affairs related to the trust arrangement itself. Such "administrative duties" might require the assistance of attorneys to register copyrights and trademarks, accountants to keep track of the proceeds from the sale of literature and memorabilia, or administrative staff to compile necessary reports on trust activities, process trust-related correspondence, or evaluate requests to reprint literature protected by trust copyrights. Editorial staff could be used to draft or edit reports for these purposes, of course, but *this* item does not give the trustee specific authority to hire writers to help with the drafting or editing of literary projects being developed by one or another of the WSC boards or committees. The authority to spend money generated from the sale of copyrighted literature or memorabilia using trust trademarks to hire staff to provide "administrative, organizational, and logistical services to the World Service Conference" (writers

among them, should they be required) is detailed in Article IV, Section 7, Item 1 of the operational rules (p. 23).

12. This item gives the trustee the authority to sign whatever legal documents it must sign in the course of carrying out its responsibilities.

13. This item gives the trustee the authority to defend itself if it is sued and to file its own lawsuits against others, not only to protect the *trust property* but also to protect the *trustee* from liability, so long as its actions have been taken within the framework of its duties.

PAGES 11-12

What is the purpose of Article V, Section 5 of the instrument? Would it mean that new groups would not be able to get starter kits from the WSO? Would it mean they couldn't get literature if they couldn't afford it? This kind of provision is standard to trust instruments. Yes, this would allow WSO to provide new groups with starter kits, and yes, it would still be possible for the WSO to make arrangements to distribute literature in case of great need, should the office be directed to do so. (See the Trust Operational Rules, Article IV, Section 9--and specifically Item 2--on page 23.) The provision refers specifically to *financial* transactions only. This provision says that WSO, Inc. could *not* loan money to a member or group and could *not* guarantee a bank loan to a member or group. It may seem silly to say such a thing, since it is nearly impossible to imagine NA members or groups ever asking WSO, Inc. to lend them money or cosign for a new car. When we set up a charitable trust, however, the law requires that we spell out this particular aspect of the relationship between the trustee (WSO, Inc.) and the beneficiary (NA as a whole) in our trust instrument.

PAGE 12

In Article V, Section 6 of the trust instrument, define "indemnify." Is there any insurance policy? A different policy for the WSO board? What are some examples of "other persons"? Define "wrongfully consented to"; give possible examples. To indemnify means "to secure against hurt, loss, or damage." All this section does is provide that none of the mentioned persons will be

burned at the stake for making a simple error in judgment in the course of their duties, provided the error is made in good faith. The "other persons" referred to could include either those who are contracted to provide specific services for WSO, Inc. or who provide services on a voluntary basis at the behest of the corporation. If any of them are sued for something they've done in the performance of their duties, Article V, Section 6 of the trust instrument requires the trustor to protect them from personal harm.

Very recently, WSO, Inc. has extended its liability insurance coverage to provide this specific kind of protection for members of the WSO Board of Directors (including its officers), other volunteers on world service business, WSO employees, and those under specific contract to WSO, Inc. A single policy covers them all. Authorization for such insurance has been specified since 1987 in Article 8 of the WSO, Inc. bylaws.

Note that this section does *not* protect directors, officers, employees, or anyone else from any liability that may arise from wanton neglect of their responsibilities or from malicious acts. Nor does this section provide for protection against liability arising from "any act wrongfully consented to by the beneficiary or trustor." It may require a *lo-o-ong* stretch of the imagination, but picture this: What if the WSO were to direct WSO, Inc. to do something prohibited by the trust instrument, or if the fellowship at large were to pressure WSO, Inc. to do something illegal? Anyone associated with the trustee knowingly taking such actions would be held personally liable for the consequences of his or her actions, and would not be indemnified.

Why can an individual be sued by the trustee [WSO, Inc.], but an individual [associated with the] trustee can't be sued for their actions? Why does the trustee have more rights and protection than the beneficiary? It's true that both the trust instrument and the operational rules have provisions allowing the trustee, to file lawsuits in order to protect both itself and NA's literature and copyrights. (See Instrument, Article V, Section 4, Item 13, page 11, and rules, Article IV, Section 11, pages 24-25.) The World Service Conference has stated, in no unclear terms, that WSO, Inc. is responsible to protect the

fellowship's literature and logos from anyone who threatens them, whoever those persons may be. The provisions referred to in the footnote simply restate the intent of our First and Fourth Traditions in the context of the entire fellowship's intellectual property rights: no individual NA member, no individual NA group has the right to take action benefitting themselves that would impair our common welfare or negatively impact NA as a whole in any serious way. If the fellowship were to forbid the trustee to protect NA's copyrighted literature from being altered or published at will by individual members or groups, the courts would interpret that as the fellowship's way of saying that they had abandoned their collective control of the copyrights to NA literature--to put it bluntly, we would lose our copyrights to the Basic Text and all other NA literature.

Let's clarify the matter of lawsuits and the indemnification provided to WSO directors, employees, and contractors. *Anyone can be sued!* Indemnification simply provides assurance that those who serve on our board of directors or who take employment at WSO will not be subject to personal financial ruin if they *are* sued for doing their job. They are given this kind of protection because it is conceivable that people put in such a position on our behalf may need it, and because our fellowship has refused to put them in that position without backing them up. This does *not* give them more rights than the beneficiary. Remember, the beneficiary is "the Fellowship of Narcotics Anonymous as a whole." In the normal course of trust activities, NA as a whole is not exposed to any liability at all; only the trustee is exposed to such liability. The only reason the beneficiary, as defined in this trust, is not provided indemnification from liability is because the beneficiary *has* no liability associated with the trust.

Why is Article V, Section 7 of the Instrument there? Any public benefit or charitable organization applying for tax exemption must include such a provision in its organizing instrument.

PAGES 12-13

Regarding Article VII of the Instrument, under what circumstances could "the trust purpose [be] fulfilled"? Under what circumstances could it "become impossible to fulfill"? This is a standard

provision in the articles of incorporation or bylaws of many nonprofit organizations. The trust purpose may be fulfilled either when addiction disappears or when a cure is found--granted, not a likely occurrence. On the other hand, it could conceivably come to be impossible for the trust purpose to be fulfilled if, for instance, legislation is enacted outlawing the association of known addicts.

PAGE 13

Regarding Article VIII of the instrument, why California and not Michigan? Because WSO, Inc., Trustee, is registered in the State of California, as it has been since it first opened its doors.

PAGE 17

Regarding Article II, Section 2 of the operational rules, does this include coffee cups, the Basic Journal, and other memorabilia products? What about "Reaching Out"? Trademarks and service marks, described in Section 3, are included among the trust properties. Use of these marks on coffee cups, the Basic Journal, or other memorabilia are subject to regulation by the trustee.

Reaching Out, specifically, is not currently copyrighted because the conference has not given any instructions to restrict its duplication. The only periodical copyrights specified as being held by the trust are the rights to *The NA Way Magazine*, described in Section 4.

Regarding Section 3, define "hybrid". How is permission obtained to use hybrid versions of the logo? How do areas, regions, groups, conventions, etc. get use of the logo? Must individual members obtain permission to use, develop, or wear the logo or hybrid versions? Hybrids of the NA logos are fairly common--for instance, the stylized NA initials with the "NA Tree" superimposed. Permission to use a hybrid should be sought in the same way as permission to use any of the logos themselves. To date, there has been a general understanding that elements of the fellowship were allowed to use the NA logos for NA purposes but not for personal gain. However, the only *written* policy currently extant concerning such use appears in a very simply worded motion passed by the World Service Conference in 1981. The motion reads, "The

name, Narcotics Anonymous, cannot be used on fliers for dances, conventions, etc. The symbol (the stylized NA initials) can be used on fliers." (TWGSS'91, page 26.) A clearer written policy will be developed before long, stipulating in a more precise way how the logos can be used and under what conditions individuals, groups, and other elements of the fellowship could consider themselves to have already been given implicit permission to use them.

PAGES 17-18

Regarding Article II, Section 5 of the rules, does this mean that no literature will be originated outside the WSC Literature Committee? is an individual, group, area, or region prohibited from writing literature? No. First, note that this section refers to *all* the world service boards and committees, not just the conference literature committee. Any material originating outside the world service community--in an individual's home, for instance, or in a group, area, or region--would have to be accompanied by a full copyright release before it could be incorporated into an NA literature project, as has always been the case.

Does this mean that no individual who may have a vast knowledge in a particular area of recovery and/or the fellowship may have his or her name printed? Though we do not print NA books or pamphlets showing the names of individual authors, that is not what this section refers to. This says that individuals who take any part, big or little, in helping create literature for NA must do for the fellowship's benefit, not their own. The copyrights will be registered in the trustee's name, protecting the entire fellowship's rights to the literature, *not* in the names of any individuals who may have had a part in the project. Creative members who wish to write and publish their own copyrighted recovery material under their own names are not prohibited from doing so.

If the trustor has constant control over literature from commencement to conclusion, does that include area or regional newsletters? No. This refers only to *trust* literary properties--materials created in the name of NA as a whole.

PAGE 19

Regarding Article III, Section 1 of the rules, does the way this is written exclude the creation of literature, etc., outside of the WSC/WSO--for instance, in groups or areas? No. This says only that the conference has sole authority with regard to literature created "for and on behalf of the NA Fellowship," referring to the *entire* fellowship.

Does this leave anything out (keytags, WCC cups, etc.)? No. What's being regulated is not the products (keytags, cups) themselves, but the NA trademarks and service marks used in *making* those products--*all* those products, no matter who their manufacturer may be.

Why is Article III, Section 2 included in the rules? Because our name and the use of the stylized NA initials (our two primary trademarks and service marks) and the White Booklet (the seed from which our Basic Text sprang) were created under the authority of the World Service Board of Trustees before the World Service Conference ever met. This section makes it clear that those items created prior to November 1976 are also subject to the trust, having been developed by the predecessor to the current trustor.

PAGES 19-20

Why is Article III, Section 3 included in the rules? The trustor itself, the World Service Conference, is responsible for developing literature and creating or revising trademarks and service marks. However, the conference is a decision-making body, not a working body. The conference usually farms out the actual work of developing literature to one or another of its boards or committees. This section precisely defines the relationship between the conference and those boards and committees, making it clear that the trustor itself has the final word on exactly how its trust responsibilities are carried out.

PAGE 20

Regarding Article III, Section 4, will there never be a time when groups will be able to revise the content or nature of trust properties? The groups have *always* had the ability to do so through the World Service Conference. Whether they will one

day be given more direct means, such as a group tally, is up to the conference.

It sounds like the Basic Text may be revised with only a ninety-day review period by WSC voting participants. Is this true? Yes. This reflects conference action taken in 1990, revising the WSC Literature Committee guidelines. The provision has appeared in the *Temporary Working Guide to our Service Structure* for the last two years. (See TWGSS'90, first item on page 19, "H," and top of page 39, item 10-A. Also see TWGSS'91, top third of page 19, "H," and top of page 23, item IV-A.)

PAGE 21

Regarding Article IV, Section 3 of the rules, define "fiduciary." A fairly thorough description of the fiduciary relationship appears on page 5 of the trust handbook in the explanatory notes. A shorter explanation appears on page 2 of this Q&A brief.

Are there possible pitfalls in Chapter Six, "The Twelve Traditions of Narcotics Anonymous," of our Basic Text due to bad grammar, vagueness, conflicting statements, etc.? In other words, can you foresee any situations where the trust or ownership of trust properties could be challenged by taking the traditions, WSC minutes, or the Temporary Working Guide out of context? There is always that possibility. However, no passage immediately springs to mind as presenting any obvious danger of that sort. On the contrary, three actions taken at WSC'91 put our fellowship's intellectual property affairs in very good order for the time being. For the text of those resolutions, see the either page 1 of this brief or the italicized paragraphs on page 15 of the handbook (Article I, Section 1 of the operational rules).

PAGE 22

Regarding Article IV, Section 4 of the rules, define "pecuniary." "Pecuniary profit" here means specifically "awards resulting from lawsuits."

Does this section conflict with the Trust Instrument, Article V, Section 4, Item 11 (p. 11)? No, this section does not conflict with the trustee's authority to hire people, granted in the instrument; it says specifically "that this provision shall *not* prevent payment to any such person of reasonable

compensation for services rendered to or for the trustee in furtherance of its purposes."

What are some examples of expenses? Members of the WSO Board of Directors are routinely compensated for their expenses associated with travel to and from board meetings--airfare, meals, and lodging. Another common expense is for phone calls used to conduct WSO board business.

Does this mean nonaddict authors for hire? Are more specific guidelines needed? While there is nothing in this section forbidding the hiring of nonaddict authors by the WSO, the WSC Literature Committee guidelines prohibit their use in the development of NA literature (Sec. 3-G). That seems to be sufficiently specific for our purposes.

PAGES 22-23

Regarding Article IV, Section 7, does Item 1 mean logos can be changed at any time? If what you mean by "logos" is the Narcotics Anonymous name, the design of the stylized NA initials, or the diamond in a circle, the answer is *no*. Changes in those trademarks and service marks can only be made by the World Service Conference.

Does Item 2 mean the trustee totally controls pricing of all literature? Yes--that is, WSO, Inc. controls the prices at which the office sells materials to others. This has been standard policy since the office's creation. WSO, Inc. does *not* control prices charged by local NA offices who buy their literature from WSO.

PAGE 24

Regarding Article IV, Section 10, define "review audit" and "certified process audit." The *review audit* occurs when a CPA comes into the office, reviews the accounts, prepares the annual financial statements, and certifies the integrity of the books with specific notes. This is the kind of audit currently conducted each year at the WSO and published in its annual report.

A *certified process audit* is more complicated, more time-consuming, and vastly more expensive. The accountants come in, review WSO financial policies, then track through every aspect of everything the office does that has to do with either incurring expense, paying out money, or receiving

payment. Once they've completed their job, they issue a comprehensive report and set of recommendations on WSO financial procedures along with the ordinary statements and certification. No certified process audit has yet been conducted at WSO.

Regarding Article IV, Section 11, Item 5, does this mean that WSO, Inc. can file a lawsuit without telling (or asking) the WSC if it thinks that it may jeopardize the success of that action? Yes. As we were putting the trust documents together, the only situation in which we imagined this occurring would be if one or more conference participants themselves were targets of a particular suit. Note also that the item says that prior notice cannot be withheld unless it "would *demonstrably* impair the trustee's ability to effectively protect the trust property." Should the conference ever suspect that notice had been withheld without due cause, the conference could--and should--require the office to demonstrate its case.

PAGE 26

Regarding Article V, Section 1, does this mean no copying of IPs? Yes.

Does this mean that no jewelry, clothing, or other items [displaying one of the registered NA trademarks] could be produced by individuals, groups, areas, regions, or convention committees? No, that's not what this means, at least not necessarily. Refer back in this brief to the question on page 6 regarding hybrid marks.

PAGES 26-27

Regarding Article V, Section 3, explain further the expenses of the inspection. Does this mean there needs to be a specific "concern" to justify a review? Does this mean that the fellowship can pour millions into the WSO via literature purchases and convention revenue, but must additionally spend its own money to review in detail how that money is spent? An exhaustive, on-site, hands-on inspection of the trust--that is, of WSO operations and records--could very well be very time-consuming, disrupting fellowship service activities, preventing the timely processing of fellowship literature orders, requiring key WSO directors to fly

into Los Angeles and key administrative staff to leave their duties so as to be available for questioning. Depending on the extent of the inspection, related expenses could range from the cost of flying in the designated members of the inspection team to those costs incurred in operational disruptions to the office.

Item 3 under "Conditions of Inspection" requires the RSC that requests the inspection to "detail its concerns and any particular areas of trust operations it wishes to inspect." Those concerns may be expressed in terms as generic as, "We have concerns that lead us to request a complete inspection of the trust." This provision was included solely to facilitate easy inspection of particular aspects of trust operations, should only limited areas be of special concern.

This section was developed to allow individual regions that are concerned about WSO operations the ability to inspect the trust for themselves. This provision goes far beyond the rights normally accorded the beneficiary under California charitable trust law. This section also specifies that the region requesting the inspection must pay the costs associated with such an inspection, so that the fellowship as a whole is not required to pick up the tab for satisfying one region's concerns. Of course, if more than one region were concerned about the trustee's activities, those regions could agree to combine their efforts and divide the costs equally, thus reducing the expense to any given region. And if there is truly widespread concern, the World Service Conference as trustor has the authority to order an inspection, on behalf of NA as a whole, at the trustee's expense. In fact, the conference has the ability to completely strip WSO, Inc. of its rights and responsibilities as fellowship intellectual property trustee should the need ever arise (see Article VI of the rules, pages 28-29).

GENERAL

Why is God not mentioned once in this document? The instrument and operational rules are, respectively, a legal document and a set of procedural guidelines. They focus on the strictly mechanical aspects of administering and safeguarding our fellowship's intellectual properties--that is, our message in print. They are designed to *protect* that deeply spiritual message, not to *describe*

it. We find the same phenomenon in the *Temporary Working Guide to our Service Structure*, where the word "God" appears only once--and that in an early narrative section, not in the actual guidelines themselves--and the phrase "Higher Power" not at all.

Why are groups and areas not mentioned? The trust details the mechanics of the relationship between the fellowship at large, the conference, and the World Service Office regarding our literature and trademarks. At this time, the groups and areas impact those things in our fellowship, via their regional service representatives, through the World Service Conference. Interactions between groups and areas and their RSRs are entirely up to local control, with practices varying widely from region to region. We felt it would be grossly inappropriate to try and "lay down the law," telling them how to handle their own autonomous interactions. Therefore, our description covers only the fellowship-at-large and the specific relations between the conference (with its RSRs) and WSO, Inc., leaving local matters in local hands.

How might things have been different if we had this trust in place during the Fourth Edition controversy? The illegal or "Baby Blue" text controversy? For those who don't recall, the Fourth Edition of our Basic Text was published in October 1987. In the course of transcription for the copy editing process, numerous whole lines of text had been dropped, resulting in great confusion. At WSC'88, the conference directed that the errors be corrected, resulting in the Fifth Edition.

The "Baby Blue" text controversy occurred late in 1990 and continued until the April 1991 WSC meeting. About a half dozen NA members and groups had taken it upon themselves to publish their own version of Book One of the Basic Text, taking portions of their copy from the Second Edition and other portions from the Third Edition, Revised. Their actions generated much divisiveness in NA in the United States. It was also feared that, if their unauthorized publication of copyrighted material went unchallenged, the fellowship's copyrights to the book would be jeopardized. One NA member identified as a key figure in the unauthorized publication was taken to civil court, where he agreed without a ruling from the judge to cease any activities

he may have been involved in, provided the World Service Office presented three questions related to the Basic Text for consideration at the World Service Conference. The conference responded to the questions by reaffirming WSO, Inc. as the fellowship's intellectual property trustee and sole publisher, directing the office board to take legal action, when necessary, to protect our literature and trademarks.

Had the Fellowship Intellectual Property Trust been in place in late 1987, it is unlikely it would have had any impact at all on the confusion related to publication of the error-ridden Fourth Edition. However, had it been in place in early 1990, we believe it is entirely possible that it could have had significant impact on the individuals who later published their own version of the text without authorization. Knowing that the fellowship had *clearly* expressed itself about the policies and procedures to be applied in matters related to NA literature and trademarks, they may well have decided to cancel their plans before they'd ever begun, thereby saving the fellowship much time, money, and anguish. And while some were in doubt in 1990-91 as to what legal action WSO, Inc. should take, the trust would surely have clarified for one and all the WSO board's responsibilities in appropriately responding to the unauthorized duplication of the fellowship's copyrighted materials.

What happens to the trust when and if the service structure changes? Article VII of the Trust Operational Rules describes clear procedures by which both the instrument and the rules can be revised to conform with any change in the service structure.

Will the approval of the Twelve Concepts for NA Service affect this document? No.

Can indigent groups continue to photocopy literature? No. To a certain degree, *any* unauthorized duplication of copyrighted NA literature puts those copyrights at risk, jeopardizing the common welfare of *all* the NA groups. Indigent groups needing literature should consult neighboring groups, their area or regional committee, or the World Service Office for assistance. Under no circumstances should they duplicate NA literature themselves.