

**APPROVED EDITION
REGISTERED 1 JULY 1993**

THE FELLOWSHIP INTELLECTUAL PROPERTY TRUST

**Approved by the Fellowship of Narcotics Anonymous
as given voice by its groups through their regional service representatives
at the World Service Conference on 27 April 1993**

Operational Rules revised by the regional service representatives
at the World Service Conference on 30 April 1997, 27 April 1998, and 1 May 2012

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**INSTRUMENT:
THE FELLOWSHIP INTELLECTUAL
PROPERTY TRUST**

ARTICLE I

Section 1: Name of the Trust

The name of this trust shall be “The Fellowship Intellectual Property Trust.”

Section 2: Creation of the Trust

The Trustor, the Fellowship of Narcotics Anonymous as given voice by its groups through their regional delegates at the World Service Conference, does hereby reaffirm and restate its transfer, assignment, and conveyance of all NA recovery literature, trademarks, service marks, and all other intellectual property to Narcotics Anonymous World Services, Inc. as Trustee, to hold and administer in accordance with this Trust document and its purpose.

Section 3: Nature of the Trust

The Trustee shall hold the Trust Properties as a perpetual charitable trust, subject to revocation by the Trustor, and shall use the properties and income derived therefrom exclusively for the charitable and educational purposes described in the statement of purpose below, and for the payment of the incidental expenses and costs of the administration of the Trust.

Section 4: Purpose of the Trust

The sole object and purpose of this Trust is to hold and administer all recovery literature and other intellectual properties of the Fellowship of Narcotics Anonymous in a manner that will help addicts find recovery from the disease of addiction and carry that message of recovery to the addict who still suffers, in keeping with the Twelve Steps and Twelve Traditions of NA.

Section 5: No bond required

The Trustor waives the requirement that the Trustee give a bond to secure performance of the Trustee’s duties.

ARTICLE II: PARTIES TO THE TRUST

The Fellowship of Narcotics Anonymous, as given voice by its groups through their regional delegates at the World Service Conference, is the Settlor and the Trustor. Narcotics Anonymous World Services, Inc. is the Trustee of the Trust. The Fellowship of Narcotics Anonymous as a whole is the Beneficiary of the Trust.

ARTICLE III: IDENTITY OF TRUST PROPERTY

The Trust Property includes all recovery literature, trademarks, service marks, copyrights, and all other intellectual property of the Fellowship. From time to time, the Trustor may add to, modify, or delete property from the Trust. All additions made to the Fellowship's recovery literature, trademarks, service marks, copyrights and all other intellectual property by Narcotics Anonymous World Services, Inc. shall additionally be considered property subject to this Trust. However, note that NA service handbooks and other service materials approved by NA's World Service Conference are specifically excluded from the purview of this Trust.

Recovery literature should be taken to mean any Narcotics Anonymous book, booklet, or pamphlet intended primarily for use by individual NA members or for use or distribution within the context of an NA recovery meeting. *Service materials* should be taken to mean those materials intended primarily for use within the context of an NA service board or committee.

ARTICLE IV: OPERATIONAL RULES

The Trustor shall generate Trust Operational Rules which shall be controlling on the Trust and the parties thereto except if such Rules conflict with the terms of this Instrument.

ARTICLE V

Section 1: Trustee's duties

The Trustee has the following general duties with respect to administration of the Trust:

1. The Trustee has a duty to administer the Trust according to the Trust Instrument and, except to the extent that this document provides otherwise, according to the statutes of California.
2. The Trustee shall follow written direction given to it from time to time by the Trustor. However, if a written direction would have the effect of modifying the Trust, the Trustee has no duty to follow it unless it complies with the requirements for modifying the Trust herein.
3. The Trustee has a duty to administer the Trust solely in the interest of the Beneficiary and the Trustor.
4. The Trustee has a duty to deal impartially with the Beneficiary.
5. The Trustee has a duty not to use or deal with Trust Property for the Trustee's own profit or for any other purpose unconnected with the Trust, nor to take part in any transaction in which the Trustee has an interest adverse to the Beneficiary or the Trustor.
6. The Trustee has a duty to take, keep control of, and preserve the Trust Property.
7. The Trustee has a duty to make the Trust Property productive.
8. The Trustee has a duty to keep the Trust Property separate from other property not subject to the Trust, and to see that the Trust Property is clearly designated.

9. The Trustee has a duty to take reasonable steps to enforce claims that are part of the Trust Property.
10. The Trustee has a duty to take reasonable steps to defend actions that may result in a loss to the Trust, and to prosecute actions to protect the Trust Property.

Section 2: Delegation of duties

The Trustee shall not delegate to others the performance of acts that the Trustee itself can reasonably be required to perform, and may neither transfer the office of Trustee to another nor delegate the entire administration of the Trust to another entity. All other matters may be delegated, but where the Trustee has properly delegated a matter to an agent, employee, or other person, the Trustee has a duty to exercise reasonable supervision over the person or entity performing the delegated matter.

Section 3: Trustee's standard of care

The Trustee shall administer the Trust with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the Trust as determined from the Trust Instrument.

Section 4: Trustee's powers

The Trustee has the following powers: the powers conferred by the Trust Instrument; the powers conferred by statute, except as limited in the Trust Instrument; and the power to perform any act that a Trustee would perform for the purposes of the Trust under the Trustee's standard of care, except as limited in the Trust Instrument. The exercise of a power by the Trustee is subject to the Trustee's fiduciary duties to the Beneficiary and the Trustor. Under this document, the Trustee has the following powers:

1. The power to collect, hold, and retain Trust Property.
2. The power to receive additions of property to the Trust.
3. The power to participate in the operation of any business that is part of the Trust, and to change the legal form of the business.
4. The power to manage and control Trust Property, and to manage, control, and divide proceeds and assets generated from the manufacture or sale of products derived from Trust Property.
5. The power to encumber, mortgage, or pledge any portion of the Trust Property except those copyrights, trademarks, and service marks held by the Trust.
6. The power to enter into a lease for any purpose.
7. The power to insure the Trust Property against damage or loss and to insure the Trustee against third-party liability.
8. The power to prudently borrow money for any Trust purpose, to be repaid from proceeds from the sale of products generated from Trust Property.

9. The power to pay, contest, or settle claims against the Trust by compromise, arbitration, or otherwise, and the additional power to release in whole or in part any claim belonging to the Trust.
10. The power to pay taxes, assessments, reasonable compensation of the Trustee and of employees and agents of the Trust, and other expenses incurred in the collection, care, administration, and protection of the Trust.
11. The power to hire people, including accountants, attorneys, auditors, investment advisors, or other agents, even if they are associated or affiliated with the Trustee, to advise or assist the Trustee in the performance of administrative duties.
12. The power to execute and deliver all instruments which are needed to accomplish or facilitate the exercise of the powers vested in the Trustee.
13. The power to prosecute or defend actions, claims, or proceedings for the protection of the Trust Property and of the Trustee in the performance of the Trustee's duties.¹

Section 5: Limitation

The Trustee is not granted the power to make loans to the Beneficiary either out of Trust Property or out of proceeds from the sale of products generated from Trust Property, or to guarantee loans to the Beneficiary by encumbrances on either Trust Property or proceeds from the sale of products generated from Trust Property.

Section 6: Indemnification of Trustee

To the fullest extent permitted by law, the Trustor shall indemnify the Trustee and its board members, officers, employees, and other persons described in Section 523(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that code section, and including an action by or in the right of the Trustee, by reason of the fact that the person is or was a person described in that code section. Procedures for the approval of indemnity, advancement of expenses, and insurance shall be described in the Trustee's bylaws.

The Trustee and its board members, officers, employees, and other persons described in Section 523(a) of the California Corporations Code, including persons formerly occupying any such position, may not be relieved of liability for breach of Trust committed intentionally, with gross negligence, in bad faith, or with reckless indifference to the interests of the Beneficiary or the Trustor, or for any act wrongfully consented to by the Beneficiary or the Trustor.

¹ For details, see page 15, "Protection of Trust Properties."

Section 7: Nonpartisan activities by the Trustee

The Trustee shall be nonprofit and nonpartisan. No part of the activities of the Trustee shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Trustee shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

ARTICLE VI: REVOCABILITY

This Trust is revocable by the Trustor.

ARTICLE VII: TERMINATION

This Trust will terminate when any of the following occurs:

1. The Trust purpose is fulfilled;
2. The Trust purpose becomes unlawful;
3. The Trust purpose becomes impossible to fulfill; or
4. The Trustor revokes the Trust.

On termination of the Trust, the Trustee continues to have the powers reasonably necessary under the circumstances to wind up the affairs of the Trust. On termination of the Trust, the Trust Property is to be disposed of as determined by the Trustor. If no such determination is made, the Trust Property shall be transferred to the Trustor.

ARTICLE VIII: JURISDICTION

The Superior Court of the State of California has exclusive jurisdiction of proceedings concerning the internal affairs of the Trust, and has concurrent jurisdiction over actions and proceedings to determine the existence of the Trust, actions and proceedings by or against creditors or debtors of the Trust, and actions and proceedings involving the Trustee and third persons, in accordance with California Probate Code Section 17000.

There is no right to a jury trial in proceedings under the California Probate Code concerning the internal affairs of the Trust.

ARTICLE IX: TRUST REGISTRATION

The Trustee shall register the Trust document with the California Attorney General, and shall perform all obligations attendant thereto.

The instrument was signed by Vivienne Long, RSR, San Diego-Imperial Region, designated signator for the Trustor; K. Joseph Gossett, Executive Director, WSO, Inc., Trustee; and Mary Kay Berger, Chairperson, Board of Directors, WSO, Inc., Trustee. It was registered with the Attorney General for the State of California, USA, on 1 July 1993.

**OPERATIONAL RULES:
THE FELLOWSHIP INTELLECTUAL
PROPERTY TRUST**

**ARTICLE I:
BACKGROUND, PURPOSE,
AND PARTIES OF THE TRUST**

SECTION 1: BACKGROUND OF THE TRUST

The foundation for the Fellowship Intellectual Property Trust was laid, in fact, at the 1st World Convention of Narcotics Anonymous, held November 5, 1971, in La Mirada, California, USA. At that convention, the membership of the Fellowship of Narcotics Anonymous directed its World Service Board of Trustees to establish a World Service Office to serve as a central Fellowship contact point, an NA information clearinghouse, and NA's publishing agency. Since that time, the World Service Office has been the Narcotics Anonymous Fellowship's authorized publisher, holding the Fellowship's intellectual property in trust as a fiduciary of the Fellowship's primary service arms, the World Service Board of Trustees (through 1976) and the World Service Conference (from 1976 to the present).

The WSO's (known as Narcotics Anonymous World Services, Inc. (NAWS) since 1998) role as Fellowship publisher has been described in every approved NA service manual, from the first edition of *The NA Tree* (1975) to the most recent edition of *A Guide to World Services in NA*, as follows: "[Another] major function of WSO is the publication and distribution of literature, which includes the printing, warehousing, and distribution of all existing literature."

On 15 September 1982, the trust relationship was reinforced when the WSC Literature Committee specifically conveyed the copyright to the book *Narcotics Anonymous*, NA's Basic Text, to World Service Office, Inc., such specific trust to be administered in accordance with the direction of the World Service Conference as given at its annual meeting of 5–9 May 1982.

In 1988, the trust relationship was further reinforced when the World Service Conference approved guidelines for the WSC Literature Committee which read, in part: "After the World Literature Committee has completed its work on a piece of literature, it is turned over to the World Service Office for production and distribution. Production involves copyright registration... Literature is then sold through WSO."

Finally, in 1991, the World Service Conference reaffirmed the trust relationship that had been established over the years between the Fellowship of Narcotics Anonymous, the World Service Conference, and World Service Office, Inc. This was accomplished by the approval of motions which read as follows:

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.

At the World Service Conference in 1997, the name “regional service representative” was changed to “regional delegate”. At the World Service Conference in 1998, the name of the legal entity “World Service Office, Inc.” was changed to “Narcotics Anonymous World Services, Inc.” (NAWS). The directors of Narcotics Anonymous World Services, Inc. are referred to as World Board members. These name changes are reflected in this document except when used in a historical context.

SECTION 2: PURPOSE OF THESE RULES

These rules describe the way the Fellowship Intellectual Property Trust is to be administered. They describe the intellectual properties held by the Trust, the parties to the Trust, the rights and responsibilities of each of those parties, and the relationship between them. They also describe specific means by which the rights and responsibilities of the Trustee can be revoked and reassigned, and the procedure to be used in altering specific provisions of the Trust Instrument itself.

SECTION 3: PARTIES OF THE TRUST

Trustor: The Fellowship of Narcotics Anonymous as given voice by its groups through their regional delegates at the World Service Conference

Equitable ownership of the recovery literature, trademarks, service marks, and all other intellectual properties of the Fellowship of Narcotics Anonymous resides with the Fellowship itself, the basic collective unit of which is the NA group. Decisions concerning NA's intellectual properties directly affect each individual NA group as well as NA as a whole. For this reason, such decisions are made by the duly authorized representatives of the NA groups, their regional delegates, when those RDs gather at NA's World Service Conference. By such means, the Fellowship of Narcotics Anonymous acts as the Trustor of the Fellowship Intellectual Property Trust and is responsible for the creation, approval, revision, and decommissioning of NA recovery literature, trademarks, service marks, and other intellectual properties. The Trustor's specific rights and responsibilities are detailed in Article III of these rules and in the currently applicable service manuals.

Trustee: Narcotics Anonymous World Services, Inc.

Narcotics Anonymous World Services, Inc. is the Trustee of the Fellowship Intellectual Property Trust, responsible to hold, register, use, and protect the licenses, copyrights, trademarks, service marks, and other intellectual properties composing the Trust Property. The Trustee is responsible to use or regulate the use of those intellectual properties in a manner consistent with the instructions of the Trustor in service to the Beneficiary, the Fellowship of Narcotics Anonymous as a whole. The Trustee's specific rights and responsibilities are detailed in Article IV of these rules.

Beneficiary: the Fellowship of Narcotics Anonymous as a whole

The Beneficiary of the Fellowship Intellectual Property Trust is the Fellowship of Narcotics Anonymous as a whole. The Beneficiary's specific rights and responsibilities are detailed in Article V of these rules.

**ARTICLE II:
INTELLECTUAL PROPERTIES HELD IN TRUST**

SECTION 1: TWELVE STEPS, TWELVE TRADITIONS

By license agreement with Alcoholics Anonymous World Services, Inc., the Trust holds all rights to the Twelve Steps and Twelve Traditions as adapted for use by the Fellowship of Narcotics Anonymous, listed in Schedule A of these rules.

SECTION 2: OTHER RECOVERY LITERATURE

By assignment from the Trustor, the Trust holds all other recovery literature created directly or indirectly by the Trustor, the Beneficiary, and/or the Trustee. However, note that NA service handbooks and other service materials approved by NA's World Service Conference are specifically excluded from the purview of this Trust.

Recovery literature should be taken to mean any Narcotics Anonymous book, booklet, or pamphlet intended primarily for use by individual NA members or for use or distribution within the context of an NA recovery meeting. *Service materials* should be taken to mean those materials intended primarily for use within the context of an NA service board or committee.

SECTION 3: TRADEMARKS, SERVICE MARKS

Trademarks and service marks held by the Trust include, but are not necessarily limited to, the name "Narcotics Anonymous," the stylized NA initials in a double circle, the four-sided diamond enclosed in a circle touching all four of its points, and the original NA group logo. The Trust holds legal title to such marks and all translated, adapted, and hybrid forms of such marks.

SECTION 4: COPYRIGHTS

The Trust holds legal title to the copyrights for all books, booklets, pamphlets, and audio and/or video recordings, both in original and in translation, that have been approved by the World Service Conference or its predecessors. The Trust holds legal title to the copyrights for all literary works in progress, both in original and in translation, developed by the World Service Conference, its boards, and its committees.

SECTION 5: NATURE OF OWNERSHIP OF THE TRUST'S COPYRIGHTED RECOVERY LITERATURE

The creation of all new or revised Trust literary properties will be commissioned by the Trustor, either directly or through a subordinate board or committee of the World Service Conference. The process used to create those properties, from commencement to conclusion, will be under the constant control of the Trustor, exercised directly or by ~~a subordinate board or committee of the World Service Conference~~the World Board. The Trustor authorizes the Trustee to make non-substantive corrections to Trust literary properties as those needs arise and to create enhanced electronic or digital versions of texts that include supplemental material or connections to other NA materials, so long as the Trustee provides not less than 120 days prior notice of such proposed corrections or enhancements to the fellowship.² Individuals who take part in the creation of those properties will do so as employees of either the Trustor or the Trustee, whether salaried or volunteer, with full knowledge of the commissioning and controlling interests of the Trustor. No individual participant in any project designed to create or revise Trust recovery literature will retain any claim of copyright with respect to their contributions thereto. The ownership of these Trust Properties will be registered in the name of the Trustee.

² The actual language adopted at WSC 2012 reads:

To allow the World Board to make non-substantive corrections to Fellowship Approved literature which do not impact the original meaning of the Fellowship Approved text and which fix typographical errors, obsolete references, references to outdated literature, and other similar corrections. The World Board will announce such corrections not less than 120 days in advance of publication.

To allow the World Board the ability to create and approve enhanced electronic or digital versions of texts that include supplemental materials or connections to other NA materials. The World Board will announce such enhancements not less than 120 days in advance of publication.

**ARTICLE III:
RIGHTS AND RESPONSIBILITIES
OF THE TRUSTOR**

SECTION 1: GENERAL RIGHTS AND RESPONSIBILITIES

The Fellowship of Narcotics Anonymous as given voice by its groups through their regional delegates at NA's World Service Conference, as Trustor, has sole authority to approve any proposed revision of the NA Fellowship's adaptation of the Twelve Steps and Twelve Traditions. The Trustor and its designated agents have sole authority to commission, direct, and approve the creation and revision of books, booklets, and informational pamphlets for and on behalf of the NA Fellowship. The Trustor and its designated agents have sole authority to create or revise trademarks and service marks for and on behalf of the NA Fellowship.

SECTION 2: WSC BOARDS AND COMMITTEES

The World Service Conference of Narcotics Anonymous accomplishes its tasks, including those tasks having to do with the Trust, through ~~subsidiary boards and committees~~the World Board, which has oversight of the activities of NA World Services, Inc. ~~The conference may dissolve existing boards and committees and create new boards and committees.~~ The conference ~~may select the leadership and composition~~elects the members of the World Board, and may ~~of its boards and committees.~~ ~~The conference may~~ delegate portions of its authority to ~~its subsidiary~~the World B~~boards and committees.~~ However, in all matters and at all times, ~~these boards and committees are~~the World Board is subject to the direction of the World Service Conference.

The specific purpose, function, authority, and composition of ~~the World Board each of the conference's standing subsidiary boards and committees~~, and the relationship between ~~them~~the World Board and the conference, is described in the relevant guidelines and handbooks approved by the World Service Conference. ~~The conference regulates its ad hoc committees through motions passed at its biennial meeting, recorded in its minutes.~~

**SECTION 3: ADDITION, REVISION, OR DELETION
OF PROPERTIES FROM THE TRUST BY THE TRUSTOR**

The Trustor may add properties to the Trust, delete properties from the Trust, or revise the content or nature of Trust Properties by the following means:

1. Proposals must be distributed to the NA groups via their regional delegates no less than ninety days prior to the biennial meeting of the World Service Conference at which the proposals will be considered.
2. For such a proposal to be approved, two-thirds of the regional delegates recorded as present in the WSC roll call immediately prior to the vote must vote "yes" to the proposal.

**ARTICLE IV:
RIGHTS AND RESPONSIBILITIES
OF THE TRUSTEE**

SECTION 1: IDENTIFICATION OF TRUSTEE

Narcotics Anonymous World Services, Inc. a California nonprofit public benefit corporation, is Trustee of the Fellowship Intellectual Property Trust. Its bylaws are filed with the California Secretary of State.

SECTION 2: GENERAL RESPONSIBILITIES FOR TRUST PROPERTIES

The Trustee shall hold in a fiduciary capacity the right to control and use all Trust Properties, and specifically to manufacture and sell products generated from Trust Properties, so long as the Trustee's actions are not inconsistent with the directions of the Trustor.

SECTION 3: FIDUCIARY RELATIONSHIP TO TRUSTOR

The Trustee is a service entity which functions within the totality of the Fellowship of Narcotics Anonymous and, in so doing, endorses the aims, goals, and purposes of the Fellowship. The Trustee, including its members, officers, and employees, is and shall be subject to, and will abide by, the principles of the Twelve Traditions of Narcotics Anonymous as set forth in the book *Narcotics Anonymous*.

Further, the Trustee shall abide by motions adopted by the Trustor at each World Service Conference meeting, and shall implement decisions reached by the Trustor as they pertain to the administration of the Trust. This applies even to decisions reached by the Trustor which have the effect of modifying either the Trust Operational Rules or the Trust Instrument, provided those decisions are reached in a way that is consistent with Article VII of these Rules. It is herein specifically acknowledged that the Trustee acts as a fiduciary in its dealings with and on behalf of the Trustor.

SECTION 4: TRUSTEE COMPENSATION

Board members and officers of the corporation serving as Trustee shall serve without compensation, but may be reimbursed for expenses they incur in their service to the Trust.

No board member, officer, employee, or other person connected with the Trustee, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit generated by the Trust; provided, however, 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.

SECTION 5: REGISTRATION OF TRUST PROPERTIES

The Trustee shall take all reasonable measures to register and protect the Trust's copyrights, trademarks, and service marks, both in their original forms and in their translated, adapted, or hybrid forms, in the United States and other countries where

those properties are used or are likely to be used, in accordance with the provisions of United States law and all applicable international intellectual property rights treaties.

SECTION 6: MANUFACTURE, DISTRIBUTION, AND SALE OF PRODUCTS

The Trustee shall use, produce, print, manufacture, and/or reproduce products using Trust Properties, and shall offer such products for sale to the Beneficiary and the general public. The Trustee may enter into appropriate agreements and arrangements with third parties regarding the manufacture, distribution, and sale of products using Trust Properties.

SECTION 7: TRUSTEE AUTHORITY WITHOUT NOTICE OR PERMISSION

In the absence of the Trustor's specific direction to the contrary, the Trustee may make the following decisions relative to administration of the Trust without prior notice to or permission of the Trustor:

1. The Trustee has complete discretion as to the manufacturing format of products generated from Trust Properties, including appearance, design, typeface, paper grade, binding, cover, ink, or other material.
2. The Trustee has complete discretion in the management of all affairs related to the perpetuation of the Trust's business, including contracts, leases, licenses, covenants, manufacturing specifications, inventory and production quantities, distribution and marketing policies and programs, and pricing of products generated from Trust Properties.
3. The Trustee has the complete discretion to make non-substantive corrections to Trust literary properties as those needs arise. *(see footnote 2, page 10)*
4. The Trustee has the authority to bundle, excerpt, and repackage Trust Properties.³
5. The Trustee has complete discretion to create enhanced electronic or digital versions of Trust Properties that include supplemental materials and connections to other fellowship materials. *(see footnote 2, page 10)*

³ The actual language adopted at WSC 2012 reads:

To allow the World Board to bundle, excerpt, and repackage Fellowship Approved literature without changes to the texts themselves. The World Board will announce these actions not less than 120 days in advance of publication.

SECTION 8: TRUSTEE OBLIGATION FOR NOTICE AND APPROVAL

Other than alterations that consist of non-substantive corrections, bundling, excerpting, and/or repackaging, or enhanced electronic versions of Trust Properties, the Trustee must notify the Trustor at least ninety days prior to any given biennial World Service Conference meeting of the Trustee's intent to publish or otherwise manufacture a product based on an alteration of any Trust Property. The Trustee may not publish or manufacture such a product prior to receiving the Trustor's approval at that biennial meeting. For such a proposal to be approved, two-thirds of the regional delegates recorded as present in the WSC roll call immediately prior to the vote must vote "yes" to the proposal. Where an alteration consists of a non-substantive correction, bundling, excerpting or repackaging, or an enhanced electronic version of Trust Properties, the Trustee shall provide not less than 120 days prior written notice to the Trustor of its intent to publish that product. *(See footnote 2, page 10 and footnote 3, page 13)*

SECTION 9: UTILIZATION OF REVENUES

From the revenues accruing from licenses, covenants, or sale of products generated from Trust Properties, the Trustee shall provide services as directed by the World Service Conference, including but not limited to the following:

1. The Trustee shall provide administrative, organizational, and logistical services to the World Service Conference of Narcotics Anonymous and the Fellowship of Narcotics Anonymous at large.
2. The Trustee shall provide service to individual addicts and groups of addicts seeking recovery from addiction, and shall assist the general public in understanding addiction and the Narcotics Anonymous program for recovery from addiction. Such assistance may include direct and indirect communication with addicts, organizations, agencies, governments, and the public at large.
3. The Trustee shall publish and distribute periodicals written or prepared by and/or for the World Service Conference.
4. The Trustee shall not utilize revenues generated from Trust Properties to engage in any activities or exercise any powers that are not in furtherance of the primary purpose of Narcotics Anonymous, which is to carry the NA message to the still-suffering addict.

SECTION 10: DISBURSEMENT OF TRUST REVENUE

The Trustee shall hold and manage in a fiduciary capacity the income produced by any of the activities described in Article IV, Sections 6 and 9, of these Rules in such a manner as to further the purpose described in Article I, Section 4, of the Trust Instrument.

SECTION 11: PROTECTION OF TRUST PROPERTIES

The Trustee shall have the duty and authority to protect the Trust Properties from infringement. The Trustee will utilize the following process to proceed with protection of the Trust Properties.

1. Before legal proceedings are initiated, the Trustee will request that all infringing parties cease and desist their infringement.
2. The Trustee will seek to resolve the infringement prior to filing formal litigation.
3. Prior to filing suit, at least three-quarters of the board members of the Narcotics Anonymous World Services corporation must approve the action.
4. Prior to filing, the Trustee will report to all World Service Conference participants its intent to file infringement suit, unless the provision of such a report would demonstrably impair the Trustee's ability to effectively protect Trust Property. In the event that prior notice of intention to protect the intellectual properties of the Trust would jeopardize the success of any action, appropriate provisions or remedies such as injunctions and seizure orders may be sought without prior notice.
5. Once filed, settlement of infringement litigation shall be at the discretion of the Trustee.

SECTION 12: TRUSTEE REPORTING OBLIGATION

Each year, the Trustee shall give a full written report of its activities to the Trustor. This report shall be delivered to all participants of the World Service Conference at or before its biennial meeting, and shall be available at cost or less to any Narcotics Anonymous member. This report shall include:

1. A year-end financial report of the previous calendar-fiscal year.
2. A description of all Trustee activities funded from proceeds generated by the Trust in the previous year.
3. A budget and project description for Trustee activities planned for the coming conference cycle.

An audit of the Trust for the previous fiscal year will be provided, upon completion, to all participants of the World Service Conference as Trustor. This audit shall be performed by an independent-certified public accountant. Additionally, the Trustor may elect to instruct the Trustee to perform a review of operational practices and policies, above and beyond the review of internal controls and procedures which is conducted annually.

**ARTICLE V:
RIGHTS AND RESPONSIBILITIES
OF THE BENEFICIARY**

SECTION 1: FELLOWSHIP USE OF TRUST PROPERTIES

Use of NA's copyrights, trademarks, and service marks by NA groups, service boards, and committees is covered in a separate document called "Internal Use of NA Intellectual Property."

SECTION 2: BENEFICIARY IMPACT ON THE TRUST

The Beneficiary may take part in decisions affecting the Trust through the established Narcotics Anonymous service structure as described in the most recent Narcotics Anonymous service manual.

SECTION 3: INSPECTION OF TRUSTEE ACTIVITIES

The Fellowship of Narcotics Anonymous, as given voice by its groups through their regional delegates at the World Service Conference, is the Settlor and the Trustor of the Trust. The Fellowship of Narcotics Anonymous as a whole is the Beneficiary of the Trust. Only the Trustor can request and conduct an inspection of Trustee activities on behalf of the Trust Beneficiary. With the exception of any items excluded by law, there are no limitations on what the Trustor can inspect.

Under Article IV, Section 12 of the Operational Rules, and in accordance with California law, Narcotics Anonymous World Services, as Trustee, is required to, among other things: (1) give a year-end financial report of the previous fiscal year; (2) cause an audit to be performed by an independent certified public accountant of the Trust for the previous fiscal year; and (3) deliver a copy of both the financial reports and independent audit to all participants of the World Service Conference.

If, after a review of the financial reports and independent audit, ~~therea member or service body has are~~ questions or concerns, ~~a member or service body~~they can contact the World Board. If questions or concerns still remain, after contacting the World Board, they would then be discussed through the established Narcotics Anonymous service structure. This discussion would be initiated by any region, through its regional delegate, submitting a request by motion to the Trustor, at the World Service Conference, through the Conference Agenda Report.

Conditions of inspection

~~Any regional service committee or equivalent service body may inspect the records and operations of the Trust on behalf of the Beneficiary, provided the following conditions are met:~~

- ~~1. A motion to conduct an inspection of the Trust must be approved by a regional service committee or its equivalent.~~

- ~~2. The regional service committee wishing to inspect the Trust must assume the expense associated with the participation of its own representative in the inspection. All other costs associated with the inspection shall be borne by the Trustee.~~
- ~~3. The regional service committee must present a written request for inspection of the Trust, detailing its concerns and any particular areas of Trust operations it wishes to inspect.~~

~~Selection of inspection team~~

- ~~1. The regional service committee requesting the inspection will select two members of the World Board for inclusion on the inspection team. These two members will facilitate the inspection.~~
- ~~2. The regional service committee requesting the inspection will designate one of its participants to be included on the inspection team.~~

~~Inspection limitation~~

~~A Trust inspection conducted by a regional service committee on behalf of the Beneficiary may examine any aspect of the Trustee's operations, including all records, with the exception of documents privileged by law, including but not limited to the Trustee's personnel records.~~

~~Report of inspection~~

- ~~1. One of the two inspection team members drawn from the World Board will develop a report of the team's findings relative to the region's stated concerns. The report will include full documentation of the inspection team's findings.~~
- ~~2. The final report, along with a copy of the original request for inspection, will then be published in the next *Conference Report*.~~

**ARTICLE VI:
REVOCATION AND REASSIGNMENT OF THE
TRUSTEE'S RIGHTS AND RESPONSIBILITIES**

SECTION 1: CONSIDERATION OF REVOCATION

The Trustee's rights and responsibilities may be revoked and reassigned to another party by the Trustor, provided the following conditions are met:

1. A written petition to revoke the rights and responsibilities of the Trustee must be submitted to the World Service Conference. To be considered, the petition must meet one of the following conditions:
Either the petition must be signed by a third of the regional service committees recognized as voting participants in the most recent biennial meeting of the World Service Conference,
Or the petition must be signed by the World Board, the motion to submit such a petition having been approved by no less than two-thirds of the members of the World Board.
2. In order to be considered at any given biennial meeting of the World Service Conference, such a petition must be received between 1 June and 31 December of the previous year, allowing time for the petition to be distributed to Conference participants.
3. If the above criteria are met, the petition will be placed on the agenda of the next biennial meeting of the World Service Conference. Statements of the petitioners will be published with the petition itself in the *Conference Agenda Report*.

SECTION 2: REVOCATION PROCESS

1. A majority of regional delegates must approve before proceeding with the revocation process.
2. An ad hoc committee will be appointed. The committee will consist of the following:
 - a. four regional delegates
 - b. the chairperson and three members of the World Board, one of whom will chair the committee
3. This committee will hold two forums during the upcoming conference cycle to receive Fellowship input, and will provide accounts of those forums in the *Conference Report*.
4. In addition to those forums, the committee will meet at least twice, and will provide accounts of its meetings in the *Conference Report*.
5. At the conclusion of its study, this committee will prepare a written report to be included in the *Conference Agenda Report*, along with any motions or recommendations related to the proposed revocation.
6. Any motion to revoke the Trustee's rights and responsibilities arising from the committee's study will require approval of two-thirds of the regional delegates recorded as present in the WSC roll call immediately prior to the vote.

SECTION 3: REASSIGNMENT OF TRUSTEE RESPONSIBILITIES

Should the Trustee's rights and responsibilities be revoked, the Trustor will immediately direct the Trustee to assign those rights and responsibilities either to the Trustor or to the entity the Trustor wishes to administer the Trust. The Trustee shall comply immediately with such direction.

**ARTICLE VII:
REVISION OF TRUST RULES AND INSTRUMENT**

SECTION 1: REVISION OF TRUST OPERATIONAL RULES

The Trust Operational Rules may be revised by the “yes” vote of two-thirds of those regional delegates recorded as present in the World Service Conference roll call immediately prior to the vote.

SECTION 2: REVISION OF TRUST INSTRUMENT

Provisions of the Trust Instrument may be changed only under the following conditions:

1. Any motion to review proposed revisions to the Trust Instrument must receive the approval of a majority of regional delegates at the World Service Conference.
2. After such review is approved, proposed revisions will be open for a six-month review and input period, after which the proposed revisions will be presented in the *Conference Agenda Report* for adoption.
3. A motion to adopt any proposed revisions to the Trust Instrument will require a vote of “yes” from two-thirds of those regional delegates recorded as present in the World Service Conference roll call immediately prior to the vote.

**SCHEDULE A:
TWELVE STEPS AND TWELVE TRADITIONS, AS
ADAPTED FOR USE BY THE FELLOWSHIP OF
NARCOTICS ANONYMOUS**

License to adapt the Twelve Steps and Twelve Traditions for use by the Fellowship of Narcotics Anonymous granted by Alcoholics Anonymous World Services, Inc.

TWELVE STEPS

1. We admitted that we were powerless over our addiction, that our lives had become unmanageable.
2. We came to believe that a Power greater than ourselves could restore us to sanity.
3. We made a decision to turn our will and our lives over to the care of God *as we understood Him*.
4. We made a searching and fearless moral inventory of ourselves.
5. We admitted to God, to ourselves, and to another human being the exact nature of our wrongs.
6. We were entirely ready to have God remove all these defects of character.
7. We humbly asked Him to remove our shortcomings.
8. We made a list of all persons we had harmed, and became willing to make amends to them all.
9. We made direct amends to such people wherever possible, except when to do so would injure them or others.
10. We continued to take personal inventory and when we were wrong promptly admitted it.
11. We sought through prayer and meditation to improve our conscious contact with God *as we understood Him*, praying only for knowledge of His will for us and the power to carry that out.
12. Having had a spiritual awakening as a result of these steps, we tried to carry this message to addicts, and to practice these principles in all our affairs.

TWELVE TRADITIONS

1. Our common welfare should come first; personal recovery depends on NA unity.
2. For our group purpose there is but one ultimate authority—a loving God as He may express Himself in our group conscience. Our leaders are but trusted servants; they do not govern.
3. The only requirement for membership is a desire to stop using.
4. Each group should be autonomous except in matters affecting other groups or NA as a whole.
5. Each group has but one primary purpose—to carry the message to the addict who still suffers.
6. An NA group ought never endorse, finance, or lend the NA name to any related facility or outside enterprise, lest problems of money, property, or prestige divert us from our primary purpose.
7. Every NA group ought to be fully self-supporting, declining outside contributions.
8. Narcotics Anonymous should remain forever nonprofessional, but our service centers may employ special workers.
9. NA, as such, ought never be organized; but we may create service boards or committees directly responsible to those they serve.
10. Narcotics Anonymous has no opinion on outside issues; hence the NA name ought never be drawn into public controversy.
11. Our public relations policy is based on attraction rather than promotion; we need always maintain personal anonymity at the level of press, radio, and films.
12. Anonymity is the spiritual foundation of all our traditions, ever reminding us to place principles before personalities.

READER'S NOTES**INTRODUCTION**

Who says NA literature is *NA* literature? Who “owns” NA’s literature and logos? Who may print and distribute our White Booklet, our Basic Text, our Daily Book, our IPs? What is done with the money paid for NA literature? How is that money accounted for? And what can we do if it’s used improperly? The answers to these questions form the substance of the Fellowship Intellectual Property Trust.

The purpose of the Fellowship Intellectual Property Trust is to lay out the collective decisions the Narcotics Anonymous Fellowship has made over the years concerning its literature and logos. Anyone who has any questions about how NA literature is to be developed and approved, who “owns” it, how it may be changed and who may change it, who may print it, and what is to be done with the money resulting from its sale can easily refer to the Fellowship Intellectual Property Trust. In this one comprehensive document appear the policies our entire fellowship has created to preserve the integrity of its published message and the accountability of its publishing services.

These policies have been cast as a legal document, a “trust.” This has been done, in part, because US law and international treaty regulate the way “intellectual property”—copyrights, trademarks, and other creations of the mind or spirit—should be administered. The legal “trust” framework has been used because it fits the relationship established in Narcotics Anonymous between the fellowship and its service bodies where NA literature and logos are concerned.

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 our world services. The trust clarifies and limits Narcotics Anonymous World Services’ responsibility and authority in administering those properties on the fellowship’s behalf. NA’s literature and logos belong to no one individual, board, or committee, but are held in trust for the Fellowship of Narcotics Anonymous as a whole. By casting the policies affecting this arrangement as a registered legal document, we ensure that those policies can be enforced, if need be, by the California state government.

TRUST INSTRUMENT

The first of the Trust document's two parts is the legal "Trust Instrument" which is filed with the California attorney general. The instrument describes the relationship between the NA Fellowship, the fellowship's ~~representatives-delegates~~ meeting at the World Service Conference, and Narcotics Anonymous World Services, Inc. in the manner required in registering a charitable trust in California.

ARTICLE I

What "incidental expenses and costs of... administration" are anticipated?

These are the costs that were originally associated with creating the Trust: normal filing fees incurred in registering the trust instrument, attorney's fees for registration and amplification of applicable copyright and trademark registrations, and other incidental costs.

ARTICLE II: PARTIES TO THE TRUST

This article of the trust instrument briefly identifies the three parties of the Fellowship Intellectual Property Trust according to the relations that have developed over the years in Narcotics Anonymous services. Through their regional delegates, the NA groups make decisions at the World Service Conference about the development, approval, and publication of literature on behalf of the entire NA Fellowship. Once those decisions are made, the approved literature is given in trust to Narcotics Anonymous World Services, Inc., which is expected to publish it in accordance with the directions the fellowship's representatives give it. The literature is created and published to benefit the Fellowship of Narcotics Anonymous as a whole in fulfilling its primary purpose: "to carry the message to the addict who still suffers." In legal trust terminology, this makes the NA Fellowship, through its RDs, the *Trustor*, Narcotics Anonymous World Services, Inc. the *Trustee*, and the NA Fellowship, as a whole, the *Beneficiary*.

ARTICLE III: IDENTITY OF TRUST PROPERTY

What is meant by "modify or delete property"?

This refers to the fellowship's ability, as trustor, to revise existing NA literature and/or remove an item from the classification of approved NA literature.

What about coffee cups, the Basic Journal, and other such products?

Coffee cups, chips and medallions, desks, chairs, and computers are all physical properties of the NAWS corporation. However, any trademarks displayed on those properties are specifically subject to the rules of use described in the intellectual property trust.

ARTICLE IV: OPERATIONAL RULES

This article refers to the Trust Operational Rules. Are the rules separate from the Trust in some way? Aren't they registered as part of the Trust 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 are like its bylaws or guidelines. While only the instrument *must* be registered with the attorney general, the rules are also filed for information purposes. Further, Article IV of the instrument links the operational rules to the trust in such a way that, once the instrument is registered, the rules also become legally binding on all parties of the trust.

ARTICLE V: TRUSTEE

In Section 1, Item 6, what is meant by “take, keep control of, and preserve”?

This means that the trustee (NAWS, Inc.) has the duty to receive from the fellowship any intellectual properties that the fellowship 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 ensure that others do not misuse the intellectual properties.

In Section 1, Item 7, what is meant by “make the trust property productive”?

The trustee must make the trust property available in some useful form to those who would benefit from it—namely, the NA Fellowship as a whole.

In Section 2, what is meant by “all other matters 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 all the rights and responsibilities of the trustee to another party (see the rules, Article VI).

Section 3 seems arbitrary. Why has it been included?

This section could really be labeled the trustee's "oath of office," and it is far from arbitrary. The language in this section has been very carefully crafted and is based on extensive California experience in defining the way in which a trustee can effectively be held accountable. Such a statement of the standard of care the trustee is to be held to is required by California trust law.

In Section 4, what are some examples of "powers conferred by statute"?

As with so much of the language included in the trust instrument, the lead to this section is taken directly from the California Probate Code division on trust law, Section 16200. The specifics are drawn from other sections of the code that describe the powers of trustees (Sections 16201, 16202, 16220-21, 16223-49).

In Section 4, can you clarify some of the powers listed?

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.

Item 3. *How could "the legal form of business" be changed?* This item is phrased as if the trustee's corporation—Narcotics Anonymous World Services, Inc.—were being set up at the same time as the trust. Item 3 gives NAWS, 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 NAWS, Inc. the authority to modify the way in which the business is set up if such is found to be necessary for the fulfillment of its responsibilities as trustee. (For more on "legal forms of business," see the glossary at the back of this handbook.)

Item 4. *What is meant by "manage and control"?* This item gives the trustee (NAWS, 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 whatever uses would most benefit the NA Fellowship.

Item 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 as collateral in securing a loan, if that were held to be in the best interests of the trust. Note, however, that the most important of the trust properties—our fellowship's name and logos and the copyrights to NA's literature—*cannot* be put up for a loan.

Item 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. It is the belief of the World Board that this service is not an “outside *contribution*” since NAWS, Inc. not only repays the principal but also makes interest payments for its use.

Item 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.

Item 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 (now the World Board). 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 9, Item 1 of the Operational Rules.

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

Item 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. Note that the matter of filing suit to protect the fellowship's literature and logos is dealt with in much greater detail in Article IV, Section 11 of the operational rules.

What is the purpose of Section 5? Would it mean that new groups would not be able to get starter kits from NAWS? Would it mean they couldn't get literature if they couldn't afford it?

Under California trust law, the power to make loans to the beneficiary is one of the standard powers assigned to trustees. Therefore, we must specifically limit this power in our trust's instrument if we do not wish monetary loans to be made from the trust.

This section does not limit the kinds of group service efforts we have come to expect from NAWS. It does not prevent NAWS from providing new groups with starter kits, and it does not restrict NAWS from making appropriate arrangements to distribute literature at reduced cost or free of charge in cases of need. (See Article IV, Section 9 of the Trust Operational Rules, and specifically Item 2.)

In Section 6, define “indemnify.” Is there any insurance policy? A different policy for the World 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 persons mentioned will be burned at the stake for making a simple error in judgment made while carrying out 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 NAWS, 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.

Early in 1992, NAWS, Inc. extended its liability insurance coverage to provide this specific kind of protection for members of the World Board (including its officers), other volunteers on world service business, WSO employees, and those under specific contract to NAWS, Inc. A single policy covers them all. Authorization for such insurance has been specified since 1987 in Article 8 of NAWS, Inc. bylaws.

Note that this section does *not* protect board members, 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.”

Why can an individual be sued by the trustee (NAWS, Inc.) while an individual associated with the trustee cannot 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 to protect both itself and NA’s literature and logos. (See instrument, Article V, Section 4, Item 13, and rules, Article IV, Section 11.) To date, the fellowship has stated in no unclear terms that NAWS, Inc. is responsible to protect the fellowship’s literature and logos from anyone who threatens them, whoever those persons may be. This is simply a restatement of 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 benefiting 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 NAWS members, employees, and contractors. Indemnification simply provides assurance that those who serve on our World Board or who take employment at NAWS will not be subject to personal financial ruin if they are sued for doing their jobs. 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 Section 7 there?

Organizations taking part in political activities are regulated by the tax authorities in a different way than nonpartisan organizations. Therefore, any public benefit or charitable organization applying for tax exemption must include such a provision in its organizing instrument.

ARTICLE VII: TERMINATION

Under what circumstances could “the trust purpose [be] fulfilled”?

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.

ARTICLE VIII: JURISDICTION

Why California and not some other USA state?

Because the standards of accountability that trustees are held to in caring for a trust are far stricter in California than anywhere else in the USA. Registering the Fellowship Intellectual Property Trust in California provides the fellowship with the greatest possible protection. NAWS corporation has had principle offices and has been registered in the State of California since 1977. The California Attorney General's Office would probably have had some serious questions if we had tried to establish this trust in a state with more lenient standards of care.

Why no jury trial?

Because trusts are subject to probate law, not criminal law, and juries are not used in probate court. This is merely a statement of legal fact concerning all trusts under California law, not a special provision of the Fellowship Intellectual Property Trust.

ARTICLE IX: TRUST REGISTRATION

When the trust was approved, the RDs who voted on the groups' behalf to do so selected one of their members to sign the instrument for them before it was filed with the California attorney general as shown on page 5. The same will have to be done in the future if the instrument is ever revised.

TRUST OPERATIONAL RULES

The next section of the trust document is the working “operational rules,” the bylaws or guidelines ~~which~~ that control the actual administration of the trust and the relationship between the parties to the trust: the fellowship, its representatives, and Narcotics Anonymous World Services.

ARTICLE I

Section 1

Section 1 provides a brief documentary history of the trust relationship that had already developed between the fellowship, the World Service Office, the World Service Board of Trustees, and the World Service Conference prior to the formal creation of the Fellowship Intellectual Property Trust.

Section 2

Section 2 summarizes the general purpose of the Trust Operational Rules.

Section 3

Section 3 briefly defines and describes the three parties to the Fellowship Intellectual Property Trust: the *Trustor*, the *Trustee*, and the *Beneficiary*. In all trusts, the *trustor* establishes the general policies that guide the administration of the trust property. The *trustee* carries out the trustor's instructions in the day-to-day management of the property of the trust. And the *beneficiary* is the person or group of people in whose interest the trust is managed. In this trust, the trustor is the Fellowship of NA as given voice by its groups through their RDs at the World Service Conference, the trustee is Narcotics Anonymous World Services, Inc., and the beneficiary is the NA Fellowship as a whole. It is our belief that these trust roles line up pretty closely with the roles the RDs, NAWS, and the fellowship have already come to play in NA's development. With the exception of our narrowed definition of the trustor as the body of RDs, we have not described anything new in the Fellowship Intellectual Property Trust; we have merely tried to mirror the existing service relationships in our fellowship.

The means by which the fellowship acts as trustor is described in a very specific, even peculiar way. What is behind this language?

In developing the trust, we had originally identified the World Service Conference itself as the trustor. Historically, the NA groups have given the conference authority to make decisions concerning services affecting the entire fellowship, putting it in a good position to act as trustor of the Fellowship Intellectual Property Trust. However, identifying the WSC itself as trustor created two problems.

First, because the trustor must be the actual owner of whatever is being placed into trust, we would have to find a way to identify the fellowship itself as the trustor and, hence, the “equitable” (or moral) owner of NA's literature and logos.

Second, with the approval of *Twelve Concepts for NA Service* in 1992, our fellowship had agreed that decisions affecting the NA message must be decided, in some fashion, by the NA groups. For example, the essay on Concept Two reads, “proposals to change NA’s Twelve Steps, Twelve Traditions, name, nature, or purpose should be approved directly by the groups.” The NA name, being a registered trademark and service mark, is one of the intellectual properties covered by this trust; the nature and purpose of Narcotics Anonymous are defined by its copyrighted literature, also protected under the Trust. Giving the whole WSC body authority to make decisions about the Fellowship Intellectual Property Trust seemed to run contrary to the spirit of the Twelve Concepts. Somehow, the Trust would have to identify either the NA groups or their direct representatives as the collective trustor.

However, we could not show the duties of the trustor of the Fellowship Intellectual Property Trust as being dissipated among the individual groups because the decisions the trustor has to make affect the fellowship as a whole. To give individual groups the ability to take action on their own that could seriously affect other groups or NA as a whole would contradict our Fourth Tradition. Somehow, we had to provide means by which the groups or their direct representatives could fulfill their responsibilities as trustor in a coordinated way, so that they all took part in decisions affecting them all.

That’s how we came to define the trustor as:

1. the Fellowship of Narcotics Anonymous
2. as given voice by its groups
3. through their regional delegates
4. at the World Service Conference.

The fellowship itself, as given voice by its groups through their regional delegates at the World Service Conference, is identified as the Trustor and, therefore, the equitable owner of NA’s literature and logos. The NA groups are placed in direct control of the trust because the trust directly affects the interests of each individual NA group. Only their direct representatives, the RDs, are recognized as having the ability to make decisions on their behalf concerning the Trust. The RDs are required to make those decisions only within the context of the WSC, assuring that action affecting the entire fellowship will be conducted in a coordinated fashion.

ARTICLE II

The first four sections of this article simply describe the items that have been placed in trust: NA’s Twelve Steps and Traditions, other NA literature, NA’s name and marks, and the copyrights to NA literature. The Trust document regulates the creation, revision, and use of these items in a way consistent with already-approved policy.

Ownership

Throughout Article II, we find statements like this: “The ownership of [our literature] will be registered in the name of the Trustee,” Narcotics Anonymous World Services, Inc.

Some members might ask, “Does this mean that the fellowship doesn’t own its own literature?” The answer to that question is *no*.

Ever since the World Service Office (now called Narcotics Anonymous World Services, Inc.) was created in the early 1970s, it has been the registered *legal* owner of the copyrights to our literature. However, the *equitable* owner of our literature is the fellowship itself, as described in Article I, Section 3 of these rules. Narcotics Anonymous World Services, Inc. is not, after all, a completely independent entity; it is our fellowship’s world service corporation. All Article II says is that legal ownership of the fellowship’s literature will be registered in the name of the fellowship’s legal corporation.

Regarding Section 3, does this include coffee cups, the Basic Journal, and other memorabilia products?

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.

Regarding Section 3, define “hybrid”

Hybrids of the NA logos are fairly common—for instance, the stylized NA initials with the “NA Tree” superimposed.

Does Section 4 affect H&I’s “*Reaching Out*” newsletter?

Reaching Out, specifically, is not currently copyrighted because the conference has not given any instructions to restrict its duplication.

Section 5: works made for hire

Section 5 offers a very specific definition of the terms under which NA literature is created and copyrighted. We believe this definition is consistent with precedence, already-established fellowship policy, and our fellowship’s philosophy of both the anonymity and the accountability of its trusted servants. When our trusted servants take part in an NA service project, we expect them to do so not to accrue power, property, or prestige to themselves but to unselfishly serve our fellowship. And we expect that our fellowship, through its representatives in the service structure, will have final authority over such projects from start to finish.

Does this mean that no literature will be originated outside the World Board? Is an individual, group, area, or region prohibited from writing literature?

No, to both questions. First, note that this section refers to *all* the world service boards and committees, ~~not just the conference literature committee~~. Material originated in an individual’s home, for instance, or in a group, area, or region would only need to be accompanied by a copyright release before it could be incorporated into the NA literature development process, 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 so 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, provided they do not use the NA name or other trademarks.

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. For more information on local newsletters, see the approved *Handbook for NA Newsletters*, available from the World Service Office.

ARTICLE III

In this article, the role of the fellowship in the creation, approval, and revision of NA literature is clearly described: The fellowship, as given voice by its groups through their RDs at the WSC, currently has sole authority to approve or revise NA literature. Primary among the “agents” referred to in Section 1 is the World Service Conference and the boards and committees through which it does its detail work.

Does the way Section 1 is written exclude the creation of literature, etc., outside of the WSC/NAWS—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, world convention 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 Section 2 included in the rules?

To clarify the relationship of the World Service Conference, our fellowship's general decision-making body, with its boards and committees, to the trustor. While the trustor—the RDs at the World Service Conference—has direct authority in matters relating to the intellectual property trust, the trustor has a standing relationship with the World Board which facilitates the actual work involved in developing new material and revising existing materials within the terms of the trust.

It sounds like the Basic Text and other pieces of NA recovery literature may be revised with only one hundred fifty days notice. Is this true?

Yes, technically speaking. This reflects conference action. However, the same action showed an understanding that the fellowship should be given as much time as possible to review new or revised literature being proposed for its approval.

ARTICLE IV

This article of the operational rules goes into great detail in describing the role, responsibilities, and limitations that have been placed on Narcotics Anonymous World Services, Inc. in administering the fellowship's literature and logos.

Section 3: What is fiduciary relationship?

Section 3 defines the "fiduciary" relationship between the trustor (the body of fellowship delegates) and the trustee (NAWS). Basically, the fiduciary relationship is one where someone is given something to care for—copyrights, for example—and specific instructions about how to provide that care. Further instructions on how that care should be given may be issued as time goes on, and the caretaker is obliged to follow those instructions. Though the thing being cared for may come to be *legally* registered as the property of the caretaker, the original owner (in our case, the fellowship) maintains what is called *equitable interest* in the property, and may take it back if he or she pleases. This is the fiduciary relationship, and it matches well the arrangements that have been made in past years for the management and protection of NA-approved literature copyrights and logos by Narcotics Anonymous World Services, Inc.

Does Section 4 conflict with the Trust Instrument, Article V, Section 4, Item 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 World Board of NAWS 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 NAWS board business.

Does this mean non-addict authors for hire? Are more specific guidelines needed?

While there is nothing in this section forbidding the hiring of non-addict authors by NAWS, WSC guidelines prohibit their use in the development of NA literature (Sec. 3-G). That seems to be sufficiently specific for our purposes.

Regarding 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, the diamond in a circle, or the original NA group logo, the answer is *no*. Changes in those trademarks and service marks can only be made by the fellowship itself as given voice by its groups through their RDs at the conference.

Does Item 2 mean the trustee totally controls pricing of all literature?

Yes—that is, Narcotics Anonymous World Services, Inc. controls the prices at which NAWS sells materials to others. This has been standard policy since the office’s creation.

Section 11: How does the trustee protect the trust property?

This section describes the process to be used in protecting the trust’s intellectual properties. It allows Narcotics Anonymous World Services, Inc. to respond in a timely manner to infringement of the trust’s copyright, trademark, and service mark registrations, and to inform the fellowship of the problem. It also gives the office the authority to settle the problem in the best interests of the fellowship, provided that the members of the World Board concur. The provisions of Section 11 are consistent with a motion regarding infringement action approved at WSC’91.

Regarding Section 11, Item 5, does this mean that NAWS, 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 RDs, as trustor, ever suspect that notice had been withheld without due cause, they could—and should—require NAWS to demonstrate its case.

Section 12: What is the trustee reporting obligation?

This section lays out the fellowship’s requirements for full annual reports from Narcotics Anonymous World Services on its finances and operations, especially as they relate to the fellowship’s literature. This section is included to ensure that NAWS, as trustee, remains fully accountable for the way in which it administers our intellectual property trust.

ARTICLE V

This article describes the role of the beneficiary, the NA Fellowship as a whole, in the trust. One section deserves particular attention: Section 3.

Section 3

~~This section describes how a single region can make a request if it has concerns about the financial activities associated with the Fellowship Intellectual Property Trust. It describes some of the ways that financial assurance is provided through reporting and independent audits. It then describes a process to use if the region still has concerns after reviewing the information available. The first step is to contact the World Board. If the concern is still unresolved, the final step is to ask the fellowship to support an inspection through a motion in the Conference Agenda Report. Only the WSC can make the decision to initiate an inspection request as they speak for the beneficiary and are responsible for the allocation of NA World Service's resources. goes far beyond the legal requirements normally imposed on trusts. Normally, the beneficiary of a trust is not permitted to examine the trustee's records under any circumstances. Such an arrangement, however, would not be appropriate in Narcotics Anonymous, especially in light of our Ninth Tradition and Second Concept. Therefore, we have drafted Section 3 in such a way as to allow segments of the fellowship to review the records of Narcotics Anonymous World Services, Inc. Any region may inspect any NAWS records except its personnel records. (USA federal employment codes require that employers keep these records completely confidential.) The inspection team would be led by a member of the World Board who is intended to serve as mediator and controller of the inspection. The reporting coming out of the inspection is designed to be objective, and its results are to be distributed to all RDs. This inspection procedure can do two things:~~

- ~~1. It can defuse controversy by thoroughly and objectively investigating any suspicion of impropriety on the part of NAWS in its administration of the trust.~~
- ~~2. It allows for open communication, thereby removing any air of suspicion or doubt.~~

Does there need to be a specific “concern” to justify an inspection?

~~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.” Given the resources that are already used to provide assurance of the financial activities and reporting for NA World Services, any concern should be articulated in a way that clearly outlines the issue and what the region believes should be inspected. This provision facilitates easy inspection of particular aspects of trust operations, should only limited areas be of concern.~~

ARTICLE VI

This article provides for a two-stage approach to the revocation and reassignment of trustee rights and responsibilities. The plan is based on the fact that revocation of the trustee's responsibilities would be a major organizational move. Such a move should

take place only if there is widespread, serious concern about the trustee's ability to fulfill its responsibilities, and only after thorough review.

Section 1

The first stage of the revocation process describes the means by which it will be determined whether there is substantial concern about the trust's administration. If so, the RDs must then approve *consideration* of a revocation proposal by a majority.

Sections 2, 3

The second stage of the revocation process describes the *actual* consideration, revocation, and reassignment. This stage takes a conference cycle to complete, allowing time for discussion and fellowship input. The committee created to study the revocation proposal is composed of a cross-section of World Service Conference participants, with a member of the World Board chairing the committee. The decision to revoke the trustee's rights and responsibilities requires approval of two-thirds of the RDs, ensuring substantial consensus on so weighty a decision.

ARTICLE VII

This article is a simple process for revision of the Trust Operational Rules and, more significantly, of the Trust Instrument itself. Revision of the Operational Rules can be accomplished on the spot. Revision of the Trust Instrument, however, takes longer. This is to assure that adequate consideration is given such a change.

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.

GLOSSARY**A**

Arbitration. Specific means by which civil disputes may be settled out of court; in California, regulated by civil code. (Instrument, Article V, Section 4, Item 9)

B

Bond. A deposit guaranteeing performance of an act previously agreed to, which is forfeited if the act is not fulfilled according to terms. (Instrument, Article I, Section 5)

C

Conveyance. The transference of property (esp. real property) from one person to another by any lawful act; in modern use only by deed or writing between living persons. (Instrument, Article I, Section 2)

Copyrights. The exclusive right given by law... to an author, composer, designer, etc. (or his assignee) to print, publish, and sell copies of his original work.

E

Encumber. To burden (a person or an estate) with debts; esp. to charge (an estate) with a mortgage. (Instrument, Article V, Section 4, Item 5; and Article V, Section 5)

F

Fiduciary. A *fiduciary relationship* is “one founded on trust or confidence reposed by one person in the integrity and fidelity of another.” Basically, the fiduciary relationship is one where someone is given something to care for—copyrights, for example—and specific instructions about how to provide that care. Further instructions on how that care should be given may be issued as time goes on, and the caretaker is obliged to follow those instructions. Though the thing being cared for may come to be *legally* registered as the property of the caretaker, the original owner (in our case, the fellowship) maintains what is called *equitable interest* in the property and may take it back. (Instrument, Article V, Section 4; Operational Rules, Article I, Section 1; and Article IV, Sections 2, 3, and 10)

H

Hybrid trademarks, service marks. The combination of one registered trademark or service mark with one or more other marks, whether registered or not. (Operational Rules, Article II, Section 3; Article IV, Section 5)

I

Indemnification. To secure against hurt, loss, or damage (esp. by means of an insurance policy). (Instrument, Article V, Section 6)

Infringement. A breaking or breach (*of a law, obligation, right, copyright, patent, etc.*); breach, violation. (Operational Rules, Article I, Section 1; Article IV, Section 11)

Injunction. A judicial process by which one who is threatening to invade or has invaded the legal or equitable rights of another is restrained from commencing or continuing such wrongful act, or is commanded to restore matters to the position in which they stood previously to his action. (Operational Rules, Article IV, Section 11, Item 5)

Intellectual property. Creations of the mind or spirit. Types of intellectual property include literature, trademarks, patents, and manufacturing processes, among others.

L

Legal form of business. The organizational type under which a business is registered with the government. Such forms include corporations, foundations, partnerships, and unincorporated associations of individuals. (Instrument, Article V, Section 4, Item 3)

P

Pecuniary profit. An award resulting from a lawsuit. (Operational Rules, Article IV, Section 3)

Performance audit. A meticulous examination of management policies and procedures. (Operational Rules, Article IV, Sections 10 and 12)

Detail: A normal *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 kind of audit is currently conducted each year at NAWS, and its results are published in NA World Services Annual Report.

A *performance audit* is more complicated, more time-consuming, and vastly more expensive. The accountants come in, review NAWS financial policies, then track through every aspect of everything NAWS 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 NAWS financial procedures along with the ordinary statements and certification. No performance audit has yet been conducted of NAWS.

Perpetual charitable trust. *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.” (Instrument, Article I, Section 3)

Probate Code, California. The branch of California civil code governing trusts. (Instrument, Article VIII)

Prudence. Ability to discern the most suitable, politic, or profitable course of action, esp. as regards conduct; practical wisdom, discretion. Wisdom; knowledge of or skill in a matter. Foresight; providence. *Note that in the course of California Probate Court action, "prudence" as affecting the administration of trusts has come to describe certain specific standards of care.* (Instrument, Article V, Sections 3 and 4)

R

Ratify. To confirm or make valid (an act, compact, promise, etc.) by giving consent, approval, or formal sanction (esp. to what has been done or arranged for by another). (Operational Rules, Article I, Section 1; Article IV, Section 11, Item 4)

Recovery literature. Any Narcotics Anonymous book, booklet, or pamphlet intended primarily for use by individual NA members or for use or distribution within the context of an NA recovery meeting. (Instrument, Article III, and Operational Rules, Article II, Section 2)

Register. To make formal entry of (a document, fact, name, etc.) in a particular register; also to get (a document, etc.) entered in the register by the person entitled to do so. (Instrument, Article IX; Operational Rules, Article I, Section 3; Article II, Section 5; Article IV, Section 5)

S

Seizure orders. Court orders to seize a person's property to remedy prior damage to another or to prevent the possibility of further damage. (Operational Rules, Article IV, Section 11, Item 5)

Service marks. A mark or device used to identify a service offered (such as transportation or insurance).

Service materials. Handbooks or other materials intended primarily for use within the context of an NA service board or committee. (Instrument, Article III, and Operational Rules, Article II, Section 2)

Settlor. The dictionary defines *settlor* as "a person who makes a settlement of property." When the trust instrument says that "the Fellowship of Narcotics Anonymous... is the Settlor and Trustor," it means that the fellowship is the creator of both the property being placed in trust and the trust itself, and therefore maintains equitable ownership of the trust property. (Instrument, Article II)

T

Third-party liability. A liability in the nature of a contingent claim, wherein the trustee is not accused of having caused damages and does not claim to have been harmed but is rather held liable for someone else's damages. (Instrument, Article V, Section 4, Item 7)

Trademark. A mark secured by legal registration used by a manufacturer or trader to distinguish his goods from similar wares of other firms; usually a distinctive device or figure, a fancy name or trade name, or the name of an individual or firm, marked or impressed on the article or upon the package, etc., in or with which it is sold.