

44

LICENSE AGREEMENT-CSI/CHURCH  
(Marks)

THIS AGREEMENT is made this 26th day of May, 1982,  
1982, by and between:

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California non-profit religious corporation (hereinafter referred to as "CSI"); and

The Church of Scientology Flag Service Organisation Inc.

(Name)

500 Cleveland Street,

Clearwater, Florida 33515

(Address)

(hereinafter referred to as "CHURCH").

RECITALS

A. Religious Technology Center, a California non-profit religious corporation (hereinafter referred to as "RTC"), was formed to be the protector of the religion of Scientology and to maintain the purity and ethical use of the philosophy and technology of the religion, including the services and the

products associated with the religion, and to own the service marks and trademarks associated with those services and products, with all of the rights and responsibilities that are incident to and required by ownership in order to maintain their validity, to protect the exclusivity of their use by faithful organization of the religion of Scientology, and to insure that the nature and quality of all services and products that are associated with the service marks and trademarks are in accordance with the writings and recorded spoken words of L. Ron Hubbard, the Founder of the religion (hereinafter "LRH", whose writings and recorded spoken words with respect to Scientology and the organizations formed for the purposes thereof hereinafter are referred to as "the Scientology Scriptures").

B. CSI is the Mother Church and the highest ecclesiastical authority of the religion of Scientology, and has been and is committed and dedicated to the advancement and dissemination of the religion of Scientology in accordance with the Scientology Scriptures, through the organizations of the religion of Scientology, including the Churches that are under its ecclesiastical control and supervision.

C. RTC is the owner by assignment from LRH of certain service marks, and trademarks formerly owned by LRH and pertaining to the religion of Scientology, DIANETICS spiritual healing

technology, SCIENTOLOGY applied religious philosophy, and organizations and operations related thereto, including the name, initials and parts of the name of LRH, and the marks identified in the list attached hereto and identified as Exhibit A (hereinafter referred to as "the Marks"), and of the goodwill associated with the Marks.

D. RTC is the owner by assignment from LRH of registrations of certain of the Marks in many countries of this planet, and of pending applications for registrations, and of the goodwill associated with the Marks shown in those registrations and applications for registrations.

E. RTC may file applications for registration of other marks pertaining to the religion of Scientology, DIANETICS spiritual healing technology, SCIENTOLOGY applied religious philosophy, and organizations and operations relating thereto, which applications and all registrations that issue thereon will be included in the Marks.

F. RTC and CSI have entered into a formal agreement granting CSI and the Churches of the religion of Scientology under the ecclesiastical supervision and control of CSI the right to use the Marks in connection with services.

G. CHURCH wishes to use the Marks, as a related organization of CSI under CSI's ecclesiastical supervision and control.

NOW, THEREFORE, in consideration of the following grant and mutual promises, and other good and valuable consideration, the parties agree as follows:

1. Grant

a. CSI, with the approval of RTC, grants to CHURCH the right and license to use each and all of the Marks in connection with services pertaining to the religion of Scientology rendered by CHURCH.

b. This grant extends to all activities of CHURCH with respect to the religion of Scientology that are under the ecclesiastical supervision and control of CSI, so long as CHURCH expressly agrees and covenants to respect and abide by the terms and conditions of this grant, including recognition and acceptance of RTC as the owner and protector of the Marks, with the rights and responsibilities that accompany ownership.

c. This grant does not include the right to authorize or to license the use of the Marks by other entities of any kind, and the granting of further licenses is expressly prohibited.

d. This grant is limited to use of the Marks in connection with services. The right to sell products, including books and other publications, embodying or bearing the Marks, except products obtained by or through LRH or another source authorized by LRH or RTC, is expressly excluded from this grant.

2. Consideration And Expense Reimbursement

The only consideration required of CHURCH for the grant herein made is the acknowledgement, as a condition of this license, of the prior and continuing commitment to the full and faithful performance of the promises made herein, particularly including the promise to actively use the Marks in advancing and disseminating the religion of Scientology in accordance with the Scientology Scriptures, and to promote and protect the religion of Scientology and the image of LRH, as the Founder, under and in connection with the Marks.

3. Control and Supervision

a. The governing standards for the nature and quality of all services rendered under and in association with the Marks shall be the Scientology Scriptures, as they exist upon the effective date of this Agreement. Additional writings and recorded spoken words of LRH may be added to the Scientology Scriptures, and to the governing standard of this Agreement, as they come into existence and are adopted by CSI.

b. CSI shall have the right to disseminate standards, specifications and guidelines for the proper use and display of the Marks, and CHURCH shall insure that all of its staff, members, employees, parishioners and congregants shall follow and abide by all such standards, specifications and guidelines. All standards, specifications and guidelines presently in use by the Churches of Scientology shall remain in effect until changes are disseminated by CSI.

c. CHURCH shall not engage in any activity that is in conflict with or hostile to the Scientology Scriptures, or hostile to or derogatory to LRH, and shall not use any of the Marks on or in connection with any matter that is not part of, or related to, the religion of Scientology, or the approved services of SCIENTOLOGY applied religious philosophy and DIANETICS spiritual healing technology.

d. CSI and RTC shall have the right to monitor all operations of CHURCH with respect to the Marks, inspect all books, records and facilities pertaining to use of the Marks and receive sample specimens and summaries of literature, publications and products using the Marks, in reasonable numbers and with reasonable frequency, to insure compliance with all standards, specifications and guidelines.

e. CSI may, if it ever deems it necessary or advisable, send a corrective mission to CHURCH to correct any deviation from the standards, specifications or guidelines of this

Agreement, and CHURCH shall reimburse CSI for all of its costs of the corrective mission, including travel and living costs of personnel and the time of such personnel, at rates not to exceed the then prevailing rates charged by CSI for corrective missions.

4. Minimum Standards

In addition to the standards that have been stated, the minimum requirements for qualification to use the Marks as a related organization of CSI shall include:

a. Establishment of a religious body and entity for the advancement and dissemination of the religion of Scientology, pursuant to the Scientology Scriptures;

b. Maintenance of sufficient trained staff to effectively minister to all parishioners and congregants;

c. Proper and effective display of the Marks and the religious symbols of the religion of Scientology, to enhance and preserve the image of Scientology as a religion, including display of a certificate supplied by CSI;

d. Offering of religious services, hearing of confessionals for executives, staff and parishioners, and publication and distribution of religious literature and other sectarian aids to propagate and disseminate the religion of Scientology;

e. Subject to local laws, satisfaction of all requirements for tax exempt status as a religious charitable organization; and



f. Maintenance of financial responsibility and solvency at all times.

5. Enforcement

RTC and CSI are responsible for the enforcement of rights under the Marks against any unauthorized or improper use. CHURCH shall report to CSI all unauthorized or improper use that comes to its attention, and shall render all assistance that may be required in correcting or terminating such use, but shall not initiate any legal action without the express written permission of CSI or RTC.

6. Indemnity and Disclaimer

a. CHURCH acknowledges its full responsibility for the ethical and proper use of the Marks and the philosophy and technology of the religion of Scientology according to the Scientology Scriptures, and covenants that neither it nor any of its staff, members, employees, parishioners or congregants will make any claim against RTC, CSI, LRH or any person associated with RTC, LRH or CSI. CHURCH shall indemnify and hold harmless RTC, LRH, CSI and all of their agents, employees, representatives, heirs, successors and assigns, from and against all liabilities, claims and actions of any kind, and costs, including attorneys' fees, which arise from or relate to the use of the Marks, or relate to or arise from any of the services or products associated with the Marks.

b. The Scientology Scriptures contain a record of research and observation of LRH into the nature of the human mind and spirit and a spiritual guide intended to assist persons to become more aware of themselves as spiritual beings, restoring respect for self and others, and not for treating or diagnosing human ailments of body or mind nor for engaging in teaching or practicing medical arts or sciences. Neither RTC, CSI nor LRH makes any claim that the nature or purpose of the Scientology Scriptures exceeds this description or that the Scientology Scriptures will have any particular effect on any particular parishioner.

c. CHURCH hereby acknowledges and agrees to the disclaimer of the preceding paragraph.

d. CHURCH and its staff, members, employees, parishioners and congregants shall require all individuals who receive training or counseling services under the Marks to sign a disclaimer in the form attached as Exhibit B.

#### 7. Names And Ownership

CHURCH may make appropriate use of the Marks in its name, but acknowledges and agrees that:

a. This Agreement rescinds and replaces all previous agreements with respect to the Marks, and CHURCH has no rights of any kind with respect to any of the Marks except those rights that are granted by this Agreement;

b. The Marks shall not become part of the assets of CHURCH, and all use by CHURCH of any of the Marks, in its name and otherwise, is and shall be pursuant to this Agreement alone, and shall support the ownership of the Marks by RTC with the same effect as if RTC had itself made that use; and

c. If this Agreement ever is terminated for any reason CHURCH shall immediately cease all use of each of the Marks, in its name and otherwise, and shall forever refrain from further use of any of the Marks, unless and until formally reinstated hereunder.

8. Enforcement of Obligations of Performance

a. This Agreement shall be perpetual in term, and shall be terminable by RTC and CSI only for cause, and only after arbitration as provided herein has determined that no other effective alternative is available. At its own discretion, RTC may, however, immediately suspend the right of CHURCH to use any of the Marks pending arbitration, if CHURCH is not using the Marks, or is misusing any of the Marks in a manner that places the validity or enforceability of any of the Marks in serious danger under applicable laws.

b. As a condition of this license, CHURCH agrees that any dispute which arises out of or relates to this Agreement shall be determined by arbitration at Los Angeles, California, or such other location upon which the parties to the dispute may agree. In the event of arbitration, the parties to the dispute shall attempt to agree upon a

single arbitrator to hear the dispute. If they are unable to do so, each party shall select a separate arbitrator, and the two arbitrators so selected shall choose a third arbitrator. Each arbitrator shall be a member in good standing of a Church of the religion of Scientology, and shall be familiar with the Scientology Scriptures, and in particular, those Scientology Scriptures pertaining to the Scientology ethics and justice system of the Churches of Scientology. All such arbitration shall be conducted in accordance with the Scientology ethics and justice system, and the decision of the arbitrator or arbitrators shall be final.

c. RTC and CSI, subject to the decisions in arbitration shall have the authority to assess and collect monetary fines from CHURCH, in amounts that are commensurate with the circumstances. RTC also shall have the right, as a least resort after all other measures have proved unsuccessful, to terminate the right of CHURCH to use the Marks.

d. If CHURCH ever falls into hostile hands or engages in or condones propaganda against the Marks, the religion or organizations of Scientology, or LRH, or fails to hear confessionals of its executives, staff and parishioners, or if it conducts itself in such a way as to endanger the name or repute of RTC, CSI or LRH, or involves RTC, CSI or LRH or any of their agents in public litigation, this license is subject to cancellation.

9. Registrations and Recordings

Upon the request of RTC, CHURCH shall execute and deliver to RTC any license agreements, registered user agreements, and other documents that RTC deems necessary or desirable for the purpose of registering or recording this Agreement or the rights of either party under this Agreement, in any country on this planet. CHURCH shall assign to RTC or cancel (at RTC's option), any registrations or agreements of CHURCH that are in conflict with RTC's ownership of any of the Marks or registrations.

10. Lack of Agency

Neither party shall be deemed to be the agent, joint venturer, or partner of the other, or of LRH or RTC, and neither shall have the authority to act in behalf of the other or for RTC or LRH in any matter, including acceptance of service of process.

11. Governing Law

This Agreement shall be interpreted according to the laws of the State of California, United States of America.

12. Assignability and Binding Effect

a. This Agreement is personal to CHURCH, and the rights and obligations hereunder shall not be assignable or otherwise transferrable by CHURCH, in whole or in part, without the prior written approval of CSI. In the event of

any attempted assignment or transfer by CHURCH of its rights under this Agreement, whether voluntary or involuntary, all rights of CHURCH with respect to the Marks shall immediately terminate.

b. This Agreement shall be binding upon and for the benefit of the successors, assigns and legal representatives of CSI.

CHURCH OF SCIENTOLOGY INTERNATIONAL

By Heber C. Jorgensen  
Its President

By Sandra Brennan  
Assistant  
Its Secretary

Church of Scientology Flag Service Organization, Inc  
Name of Church

By Carl Carhe  
Its President

By John E. Davila  
Its Secretary

TRADEMARKS  
(WORD MARKS)

ABILITY

APPLIED PHILOSOPHY

COMMUNICATION MAGAZINE

DIANETICA

DIANETICS

DIANETIK

E-METER

EASI

ECO

LA DIANETIQUE

LA SCIENTOLOGIE

LRE

L.R.B. SCIENTOLOGY

L. RON HUBBARD

HUBBARD

OYOTETSUGAKU

SCIENTOLOGI

SCIENTOLOGIA

SCIENTOLOGY

SCIENTOLOGY E-METER

STANDARD DIANETICS

UNDERSTANDING

EXHIBIT A  
Page 1 of 5

TRADEMARKS

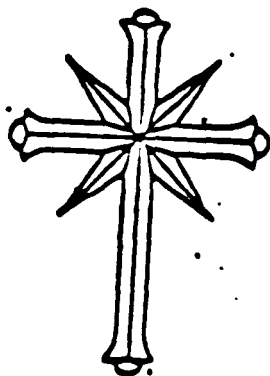
(DEVICE & DESIGN MARKS)



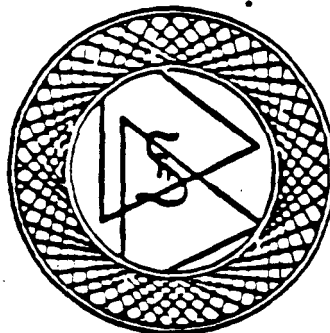
DIANETICS  
SYMBOL



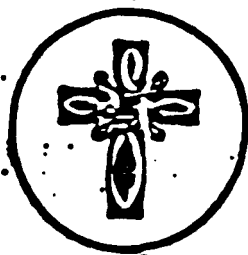
S & R IN DOUBLE TRIANGLE  
RELEASE PIN



SCIENTOLOGY CROSS  
(Pointed)

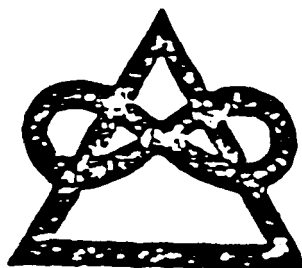


S & R IN DOUBLE TRIANGLE  
IN TWO CIRCLES



SCIENTOLOGY CROSS  
(Rounded)

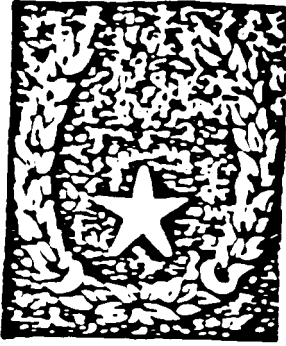
Also: SCN MINISTER'S CROSS



DIV VI SYMBOL

EXHIBIT A  
Page 2 of 5





STAR & WREATH

L. RON HUBBARD (Signature)



OT SYMBOL



POWER PIN



SEA ORG SYMBOL



E-METER SYMBOL  
(HCO Symbol)

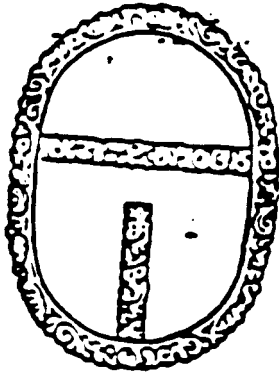




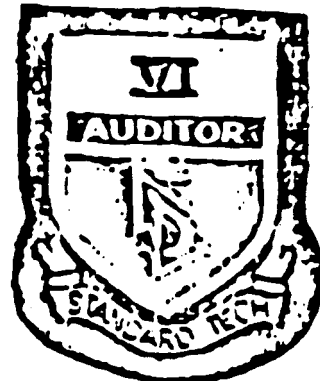
HCO HASI BADGE



SCN SYMBOL



OT SYMBOL IN WREATH



CLASS VI BADGE

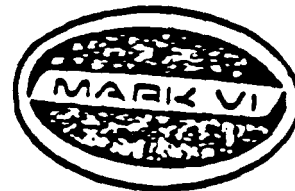


CAR BADGE "S"

LRH Initials (signature)



CLASS IV BADGE



MARK VI SYMBOL

EXHIBIT A  
PAGE 5 OF 5

Church of Scientology FSO

EXHIBIT A-2

ARC STRAIGHTWIRE

HRD

NED

BOOK ONE

BOOK 1

SUNSHINE RUNDOWN

THE BRIDGE

NEW VITALITY RUNDOWN

HAPPINESS RUNDOWN

SOLO NOTS

AUDITED NOTS

SCIENTOLOGIST

L 11

L 12

L 10

OT

NOTS

EXHIBIT A-2 (April 84)

LIST OF TRADEMARKS

SHSBC

FLAG

HQS

FLAG OF EXECUTIVE RUNDOWN

CAUSE REHABILITATION RUNDOWN

AUDITOR

ADVANCE

SOURCE

CENTRE

REALITY

UNDERSTANDING

STUDENT HAT

FEBC

OEC

NEW LIFE RUNDOWN

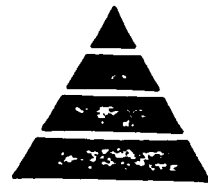
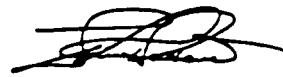
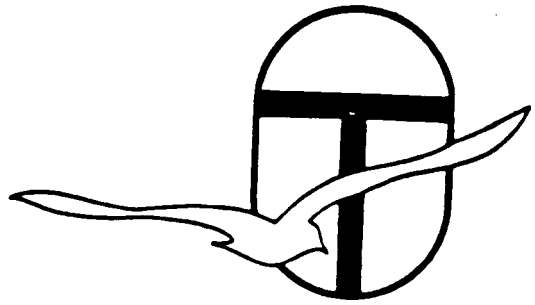
NEW ERA

POWER

KEY TO LIFE



SEA ORGANIZATION



DIANETICS



SCIENTOLOGY



DISCLAIMER  
(With Waiver)

1. The undersigned hereby acknowledges that:

a. The writings of L. RON HUBBARD ("LRH") are a record of observation and research by him into the nature of the human mind and spirit. These writings contain a spiritual and religious guide intended to assist persons to become more aware of themselves as spiritual beings, restoring respect for self and others, and not for treating or diagnosing human ailments of body or mind nor for engaging in teaching or practicing medical arts or sciences. Neither LRH nor any of the organizations which espouse, present, propagate or practice the religion of Scientology, or SCIENTOLOGY applied religious philosophy, or DIANETICS spiritual healing technology, makes any claim that the nature or purpose of the religion of Scientology, or of SCIENTOLOGY applied religious philosophy, or of DIANETICS spiritual healing technology, or the writings of LRH, exceed this description or that the application of any of them will have any particular effect on any particular person.

b. The undersigned relies solely on the single organization specifically involved, without the participation of any other person or entity, for the ethical and proper delivery of the religion of Scientology, SCIENTOLOGY applied religious philosophy and DIANETICS spiritual healing technology.

2. The undersigned hereby waives any claim against LRH, all other organizations, and the agents, employees, representatives, predecessors, successors, assigns, and affiliates of all of them, which is inconsistent with the preceding paragraphs, and will hold them harmless from any related or resulting cost or liability, including attorneys fees.

DATED: \_\_\_\_\_

EXHIBIT B





<u>Page</u>	<u>Topic/Index Keys</u>	<u>Summary</u>
4354 - 4355 -	McBean Hubbard	13 years old. He was then asked whether or not he had done research into the two high schools he had allegedly flunked out of. The records from one of these high schools were supposedly lost in a fire. Along with a notation about McBean Hubbard wrote that "the problem with China is there are too many Chinks here."
4355	Audit Procedure	With respect to personal information in processing files, Young stated that sometimes people would come in and reveal the most personal things which would better have been taken up with a counselor which were written down and put in the file.
4358	LRH's Mental Health	The witness was familiar with Hubbard's statements to the effect that his naval records say this officer has no neurotic or psychotic tendencies whatsoever. He was then asked about Exhibit UUU dated October 15, 1947, where Mr. Hubbard says "I cannot account for nor rise above long periods of moroseness and suicidal inclinations." Witness conceded that this appeared to be signed by L. Ron Hubbard.
4362	Re-Direct Examination By Mr. Litt	Litt had Young point out that one of the alleged representations specified by Armstrong in Exhibit V was that Snake Thompson had studied under Frued which in fact he appears to have done.
4363	Re-Cross Examination by Mr. Flynn	At the age of 12 or 13 he was unable to find any documents that he actually studied under Thompson although he was with him at that time, Young stated that he hoped to