

78

Church of Scientology International



December 31, 1988

WORLD INSTITUTE OF SCIENTOLOGY
ENTERPRISES
3540 Wilshire Boulevard
Los Angeles, California 90010

Re: Your Sublicense To Use Trademarks
of Religious Technology Center

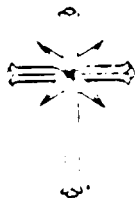
Gentlemen:

On 28 May 1982, L. Ron Hubbard licensed NEP to use certain trademarks and service marks in connection with certain products and materials and secular, non-religious services and to sublicense you to use those marks in connection with certain products and materials. In this license agreement LRH reserved to Religious Technology Center ("RTC") the right to control all of NEP's use of these marks. A copy of your sublicense agreement with NEP is attached for your information.

Religious Technology Center, as the owner of the trademarks and service marks used by organizations of the religion of Scientology, has granted Church of Scientology International, ("CSI"), the Mother Church of the religion, the authority to supervise and control your use of RTC's marks under the attached agreement.

This letter agreement constitutes a sublicense to use RTC's marks and in no ways invalidates the existing license you have with NEP. You are aware of the standards, specifications and guidelines for use and display of the Marks. These will continue to govern your use of the Marks under the attached agreement.

Of course, the Estate of LRH now holds all rights that were owned by LRH when he died.



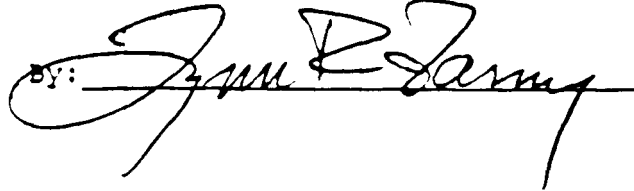
"The Sun Never Sets on Scientology®"

Scientology® Applied Religious Philosophy
6331 HOLLYWOOD BOULEVARD, LOS ANGELES, CALIFORNIA 90028



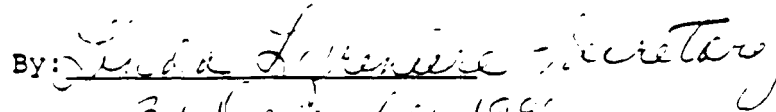
Sincerely,

CHURCH OF SCIENTOLOGY INTERNATIONAL

BY: 

Accepted:

WORLD INSTITUTE OF SCIENTOLOGY ENTERPRISES

By:  Secretary

Date: 31 October 1988

cc: Religious Technology Center
Estate of L. Ron Hubbard
New Era Publications Int ApS

“The Sun Never Sets on Scientology®”

Scientology © Applied Religious Philosophy

SUBLICENSE AGREEMENT-NEP/WISE

THIS AGREEMENT is made this 28TH day of MAY
1982 by and between:

NEW ERA PUBLICATIONS, a corporation of Denmark having a place of business at Copenhagen, Denmark (formerly AOSH DK Publications, Department A/S, and hereinafter referred to as "NEP"); and

WORLD INSTITUTE OF SCIENTOLOGY ENTERPRISES, INC., a Delaware corporation whose principal place of business is 34 North Port Harrison Avenue, Clearwater, Florida 33515 (hereinafter, referred to as "WISE").

RECITALS

A. NEP has been licensed, with the right to sublicense WISE, to sell products embodying and bearing certain trademarks and service marks pertaining to the religion of Scientology, SCIENTOLOGY applied religious philosophy, DIANETICS spiritual health technology, and organizations and operations relating thereto, which marks are shown in the list attached hereto and identified as Exhibit A (hereinafter referred to as "the Marks"); and

B. NEP has been licensed, with the right to sublicense WISE, to make and publish, for sale other than through bookstores of the religion of Scientology, compilations of and derivative works from certain copyrighted original works and existing derivative works of L. Ron Hubbard (hereinafter referred to as "LRH"), these works being identified in the lists attached hereto and identified as Exhibits B and C, respectively (hereinafter collectively referred to as "the Works"); and

C. NEP has been licensed, with the right to sublicense WISE, to make appropriate use of the Marks in connection with administrative technology services based upon secular applications of the technology of LRH in non-religious fields.

D. WISE desires to obtain from NEP a sublicense, for itself and its members, for the sale of products bearing and embodying the Marks, for the publication of collective and derivative works, and for appropriate use of the Marks in connection with the administrative technology, and NEP is willing to grant such a sublicense to WISE pursuant to the terms and conditions provided herein.

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

1. Recitals. The recitals are hereby made a part of this Agreement and are acknowledged to be true.

2. Grant.

a. NEP hereby grants to WISE the non-exclusive right and sublicense to manufacture, have manufactured, distribute and sell products and materials bearing or embodying each and all of the Marks in all countries of this planet where NEP has, or acquires, rights under the Marks, and to use the Marks in connection with administrative technology services based upon the secular applications of the technology of LRH in non-religious fields. This grant is limited to use of the Marks on or as products and materials and for secular non-religious services, and does not include the right to use the Marks in rendering services in the field of DIANETICS spiritual healing technology or the field of SCIENTOLOGY applied religious philosophy.

b. NEP hereby grants to WISE the right to make and publish, for sale other than through bookstores of the religion of Scientology, compilations and derivative works of and from the Works, in the form of books and printed publications, only. This grant includes the right to translate the Works and portions of the Works into languages other than English and to publish the translations as parts of compilations. It is understood and agreed that WISE, unless specifically authorized

by NEP, shall not offer any publications that are published pursuant to this Agreement to regular and established bookstores operated by Churches of Scientology.

c. WISE shall have no right to grant sublicenses regarding the Marks or the Works, but may extend the rights herein granted to its members in good standing who covenant and agree, in writing, to faithfully fulfill all of the obligations of this Agreement with respect to the Marks and the Works.

d. LRH has used his name, initials and parts thereof as marks, and has reserved all rights of an individual to continue using his name, initials and parts thereof in reference to himself and his works. This grant includes the right to embody his name, initials and parts thereof in emblems, insignia and jewelry, and to use his name in an authorized manner in reference to LRH and his works, but does not include the right to apply his name, initials or parts thereof to any product or material as an indication of source, authorship or sponsorship without his express authorization, in writing.

3. Control and Supervision

a. NEP and its Licensors reserve the right to control the nature and quality of all products, materials and services upon or in connection with which WISE and its members use any of the Marks, and the manner of use and display of the Marks, and the nature and quality of all compilations and derivative works of and from the Works.

without limiting the generality of the foregoing sentence, this right of control includes:

(1) the right of NEP and its Licensors to inspect and approve, before publication, the nature, content and quality of all products and materials to be associated in any way with any of the Marks, or with the name or initials of LRH, or parts thereof, and to reject any materials deemed to be unsuitable or inappropriate; and

(2) the right of NEP and its Licensors to inspect and approve, before publication, all advertising and promotional materials relating to any products, materials or services to be associated in any way with any of the Marks, or with the name or initials of LRH, or parts thereof, and to reject or rewrite any advertising or promotional materials deemed to be unsuitable or inappropriate.

b. NEP and its Licensors shall have the right to prescribe standards and specifications for all products and materials bearing or embodying any of the Marks, and services to be associated with the Marks, and guidelines for the manner of use and display of the Marks. Until such time as NEP and its Licensors issue new standards and guidelines, those presently in existence shall remain in full force and effect.

c. NEP and its Licensors shall have the right, at all reasonable times, to inspect all premises where WISE or any of its members produces or sells products or materials bearing or embodying any of the Marks, and also to receive at least two (2) samples, upon request but not more than twice during any three (3) month period, of all products or materials on which any of the Marks is in use.

d. Before introducing any new product or material bearing or embodying any of the Marks, WISE and its members shall submit two (2) specimens of that product or material to NEP or its designated representative, showing the Marks as they are to be used, for approval by NEP and its Licensors. Such approval shall be deemed to have been granted if NEP or its designated representative does not notify WISE of disapproval within fifteen (15) days after receipt of the specimens.

e. NEP reserves the right of prior approval regarding all compilations and derivative works to be published pursuant to this Agreement. WISE and its members shall furnish to NEP or its designated representative typed manuscripts of all such compilations and derivative works, together with all artwork and photographs and captions therefor, if any, and will make all changes required by NEP or its designated representative prior to publication. If disapproval of the manuscript, in writing, is not received within thirty (30) days after any submission for approval, that approval shall be deemed to have

been given. NEP or its designated representative shall have the right to approve final page proofs at least seven (7) days before commencement of printing.

f. WISE and its members shall include appropriate copyright notice in all compilations and derivative works of and from the Works, sufficient to protect the compilations and derivative works, and to maintain the protection of the Works, under the Universal Copyright Convention.

4. Copyright Notices

a. In each copy of each compilation or derivative work published pursuant to this agreement, WISE and its members' shall include a copyright notice, as follows:

"This work is based upon and contains materials from [name of Work], copyright [date] by L. Ron Hubbard. Used by permission."

b. As to each compilation or derivative work published pursuant to this Agreement that involves significant authorship, WISE and its members may include in each copy of each compilation or derivative work as a whole a copyright notice in the name of the compiler or author of the derivative work. The contents, relative positions and prominence of the notices shall be subject to the approval of NEP or its designated representative.

4. Consideration

a. WISE shall pay to NEP royalties on all products, materials and publications sold by WISE under this Agreement at the rates provided in the Schedule attached hereto and identified as Exhibit D.

b. WISE shall collect royalties from its members, at the rates provided in Exhibit D, and shall pay to NEP ninety-seven percent (97%) of the royalties received from its members. WISE may retain the remaining three percent (3%) as compensation for its activities in connection with supervision of its members.

5. Records, Reports and Payments

a. WISE shall maintain accurate and complete books and records pertaining to its manufacture, procurement and sales of products and materials bearing or embodying the Marks, to the printing and sale of all compilations and derivative works, and to the rendering of administrative services under the Marks, in sufficient detail to permit calculation and verification of royalties payable under this Agreement, and shall require the same of its members. All such books and records shall be available for inspection by NEP and its Licensors at all reasonable times during regular business hours, for verification of royalties paid and payable.

b. Within forty-five (45) days after the end of each calendar quarter, WISE shall submit to NEP a report of all collections for activities of WISE and its members that are subject to royalties under this Agreement, including in such report identification of all products, materials, compilations and derivative works sold, the numbers and undiscounted list prices thereof, and identification of all services rendered under the Marks and the fees charged and collected therefor. WISE shall require its members to submit monthly reports to WISE within seven (7) days after the end of the close of each month, containing the same information for incorporation in WISE's quarterly reports to NEP.

c. Payments due to NEP from WISE for sales by WISE shall be paid weekly and shall be accompanied by an informal statement indicating the basis of the payment, together with such other information as may be requested by NEP or its Licensors. Payments due to NEP from WISE members shall be paid upon receipt by WISE and shall be accompanied by an informal statement indicating the basis of payment, together with such other information as may be requested by NEP or its Licensors. Royalties shall be payable in the United States of America in United States currency, and are net amounts to NEP. WISE and its members shall be responsible for all taxes, exchange controls, and other amounts required to be withheld from royalties payable to NEP.

6. Enforcement

a. WISE shall inform NEP promptly with respect to any unauthorized or improper use of the Marks or the Works that comes to the attention of WISE, and shall require the same of its members. Neither WISE nor any of its members shall take any legal action to enforce any rights in any of the Marks or the Works without the express written permission of NEP.

b. In the event that NEP or its Licensors decide to take any action against unauthorized or improper use of the Marks or the Works, WISE and its members shall cooperate fully with NEP and its Licensors in all such actions.

7. Indemnity and Disclaimers

a. WISE acknowledges its full responsibility for the proper use of the Marks and the Works under this Agreement, and for the products and materials sold and the services rendered pursuant to this Agreement, and covenants that neither it nor any of its agents, employees or members will make any claim against NEP or its Licensors or any person associated with NEP or its Licensors. WISE shall indemnify NEP and its Licensors, and all their agents, employees, representatives, successors, assigns and affiliates, and hold them harmless from and against all costs, liabilities, claims and actions of any kind, including attorneys fees, which arise from or relate to any activity of WISE or its members under this Agreement. All such

claims and actions shall be defended at the expense of WISE through legal counsel acceptable to NEP and its Licensors.

b. WISE and its members shall include in all published works based upon the Works an appropriate disclaimer, in a form approved by NEP, unless use of a disclaimer for a particular work is expressly waived by NEP.

8. Approval of Member Agreement

WISE shall submit to NEP a Member Agreement for use in authorizing WISE members to utilize the rights granted by this Agreement. WISE members shall be authorized to utilize the rights granted by this Agreement only when they have signed a Member Agreement approved by NEP.

9. Ownership

WISE acknowledges and agrees that all of the Marks and the Works are owned by NEP's Licensors, and that all uses of the Marks by WISE and its members shall support the ownership of the Marks by NEP's Licensors as if those uses were made directly by NEP's Licensors.

10. Best Efforts

WISE and its members shall use their best efforts and due diligence to promote products and materials bearing and embodying the Marks and to create and satisfy a market for such products and materials.

11. Term

a. The first term of this Agreement shall extend from the date in the introductory paragraph hereof until December 31, 1986, and this Agreement shall be renewed automatically at the expiration of the first term for an additional five (5) year term upon the agreement of both parties, unless sooner terminated in a manner provided herein.

b. This Agreement shall terminate automatically if WISE ever becomes bankrupt or insolvent, and as to any WISE member who ever becomes bankrupt or insolvent.

c. This Agreement also shall terminate automatically if WISE ever becomes controlled, directly or indirectly, by any entity or entities that are hostile to the religion or organizations of Scientology or to LRH or his works, and as to any WISE member who ever becomes controlled, directly or indirectly, by any entity or entities that are hostile to the religion or organizations of Scientology or to LRH or his works.

d. If WISE ever attempts to terminate this Agreement, or ever substantially abandons its use of the Marks pursuant to this Agreement, NEP or its Licensors may immediately terminate this Agreement.

e. After the death of LRH, his heirs, successors or assigns may terminate this Agreement by giving sixty (60) days notice of termination to WISE.

12. Termination

a. NEP and its Licensors may terminate the license herein granted to WISE, in its entirety or with respect to any of the Marks, for a material breach by WISE of any obligation under this Agreement, including failure to make timely payment of royalties and failure to satisfy the requirements of Paragraph 10, by giving WISE thirty (30) days' written notice of the breach, specifying in the notice the nature of the breach, and stating the intent to terminate at the end of the thirty (30) day period unless the breach has been corrected in the meantime. In the event that the breach has not been substantially corrected at the end of the thirty (30) day period, NEP or its Licensors may declare the license to have been terminated.

b. In the event of any breach deemed by NEP or its Licensors to be so serious as to place any of the Marks in jeopardy, NEP or its Licensors may terminate the license immediately, subject to reinstatement after correction of the breach.

c. Upon the termination of the license herein granted for any reason, WISE and its members shall immediately discontinue production and procurement of products and materials bearing or embodying the Marks or based upon the Works as to which the license has been terminated, and thereafter shall refrain from all future use of the Marks, and from all use of colorable imitations and confusingly similar marks, and from

all sales of compilations and derivative works based upon the works, except that WISE and its members may dispose of all previously manufactured and procured approved products and materials bearing or embodying the Marks, and all previously printed approved publications, for a period of three (3) months after termination, at prices that are at or below the cost of such products, materials or publications, and subject to payment of royalties hereunder on all products, materials and publications sold.

13. Registrations and Recordings

Upon the request of NEP, WISE shall execute and deliver to NEP or its Licensors any license agreements, registered user agreements, and other documents that NEP or its Licensors deem necessary or desirable for the purpose of registering or recording WISE's right to sell products bearing or embodying the Marks, in any country on this planet. WISE shall assign to NEP or its Licensors, or cancel (at NEP's option) any registrations or agreements of WISE that are in conflict with ownership of the Marks by NEP's Licensors.

14. Lack of Agency

Neither party shall be deemed the agent, joint venturer, or partner of the other, or of the other's representatives, successors, heirs or assigns, or of LRH or NEP's Licensors, and

neither shall have the authority to act on behalf of the other, or for LRH or NEP's Licensors, in any matter, including acceptance of service of process.

15. Governing Law

This Agreement shall be interpreted according to the laws of Denmark.

16. Assignability and Binding Effect

This Agreement is personal to WISE and its members, and shall not be assignable or otherwise transferrable by WISE or its members without the prior written approval of NEP and its Licensors. In the event of any attempted assignment or transfer by WISE of its rights under this Agreement, whether voluntary or involuntary, all rights of WISE with respect to the Marks and the Works shall immediately terminate.

17. Arbitration

Any dispute which arises out of or relates to this Agreement, including the adequacy of performance by WISE and of any demands made by NEP or its Licensors, shall be determined by arbitration at a location selected by NEP or its Licensors. 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 select a third arbitrator. The decision of the arbitrator or arbitrators shall be final.

18. Consequences of Breach

Both parties represent and agree that the rights involved hereunder cannot be replaced or the loss thereof adequately compensated for in money damages, and that any breach by one party of the Agreement will cause irreparable injury to the other party. Therefore, it is agreed that the parties shall have the right to obtain from any court or arbitrator having jurisdiction such equitable relief as may be appropriate, including injunctive relief or a decree of specific performance.

19. Nonwaiver of Rights

Failure of either party to enforce any of the provisions of this Agreement or any rights with respect thereto or failure to exercise any election provided for herein shall in no way be considered to be a waiver of such provisions, rights or elections or in any way affect the validity of this Agreement. The failure of either party to exercise any of said provisions, rights or elections shall not preclude or prejudice such party from later enforcing or exercising the same or any other provisions, rights or elections which it may have under this Agreement.

20. Entire and Sole Agreement

This Agreement constitutes the entire agreement between the parties and cancels and supersedes all prior agreements (subject only to payment of any unpaid obligations that exist

under such agreements), representations, warranties, statements, promises and understandings, whether written or oral, with respect to the subject matter hereof. Neither party hereto shall be bound by or charged with any written or oral agreements, representations, warranties, statements, promises, or understandings not specifically set forth in this Agreement.

21. Severability

Each and every provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision or provisions of this Agreement be, for any reason, unenforceable, the balance shall none the less be of full force and effect.

"NEP"
NEW ERA PUBLICATIONS

By Car. Moutly
Its ~~President~~ MANAGING DIRECTOR

By Ellen K. Koenig
Its ~~Secretary~~ BOARD MEMBER

"WISE"
WORLD INSTITUTE OF SCIENTOLOGY
ENTERPRISES, INC.

By Elizabeth Laide
Its ~~President~~

By [Signature]
Its Secretary