



Legal Challenge 2019

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THE CASE

1. On May 7, 1984, two young men were sitting at a seashore restaurant in Talestown, Terryland. Much has changed since they first met five years ago as penniless waiters in the same place: they still were not rich, but both were one step closer to achieving their dreams. Alex has finally finished his cyber punk novel “Dust on Our Hands”, while Allan has got a programmer’s position at Omnia – a huge company in Obliland, which recently got engaged in computer games development.

 - Alex, you know... computer games are fascinating. Imagine that! You are living another life thanks to your character. Now, it’s not just a single author who creates the story. Every player is doing that through in-game behaviour. You show your political preferences, make your moral choices, express your philosophical views. Games empower people to live their ideal lives in games, which can be even more authentic than in reality... Having all these opportunities, I think it’s so stupid to offer roles of elves, ogres and pixies again and again. Come on!
 - What is not stupid then?
 - I want... clever robots, brave rebels shaping the universe. Yes, you’ve got it... I want your novel!
 - That’s funny, Allan. I believe by now you are the only person besides my mum, who has read it. Probably, not even my girlfriend, who sponsored its publication. Use the story the way you want and bring me a bottle of Pinot Noir if anything works out. Ideally, the same we were drinking that night when I came up with my novel’s name.
2. Allan shared this discussion with the CEO of Omnia – John Rees. John liked the novel. He agreed that it provided a solid ground for development of characters, outline of their “missions” and underlying conflicts. Upon his request, Allan created a table of what shall be borrowed from “Dust on Our Hands”, and what shall be adjusted (see Exhibit 1). All these suggestions were further implemented.
3. On May 20, 1984, Alex issued a perpetual worldwide exclusive and transferrable license to Omnia for use of “Dust on Our Hands” for computer games development and publishing (see Exhibit 2). Even though the game’s future was totally unpredictable, Omnia undertook to pay to Alex a considerably higher price, than what he had requested. The parties signed this license and Omnia paid the promised 10,000 US Dollars to Alex.
4. Allan headed the game development process, and by 1990 the game known as “Cosmic Dust” was released, becoming one of five most popular MUDs worldwide. It was a subscription-based game, and, unlike many other MUDs, it even brought in some money: during 10 years of existence it earned over 100,000 US Dollars net for Omnia. During this period, sales of the book “Dust on Our Hands” also grew substantially, and Alex made a small fortune from them.
5. In 1995, Omnia decided to stop maintenance of “Cosmic Dust”. Disappointed, Allan left the company.
6. In 2005, Omnia decided to relaunch its computer games business. A famous game designer Anna Vein joined Omnia with a plan to create an MMO game. She loved many things about “Cosmic Dust” and together with John they decided to build an MMO upon the MUD without even changing the name: the new title was “Cosmic Dust 2”.

7. “Cosmic Dust 2” was released in 2010 in all major markets of the world. By 2018, around one thousand people were working on the game, and it has won Omnia various awards within the games industry. On top of that, net profits during 8 years of operation of the game have exceeded 800 mln US Dollars. Of this, 25 mln US Dollars were generated from consumers in Terryland, and 50 mln US Dollars were generated from consumers in Obliland.
8. The game’s intro made it clear that “Cosmic Dust 2” evolved from “Cosmic Dust”. One of the first marketing campaigns of the MMO game leaned against this link with the MUD (see Exhibit 3).
9. On October 2, 2018, Allan invited his friend Alex for a dinner and shared a few articles about recent Terryland legislation that apparently authorized Alex to claim additional royalties from Omnia for use of his “Dust on Our Hands” novel.
10. On October 20, 2018, Alex and Allan contacted Omnia with a request for reasonable royalties from the income Omnia has generated from “Cosmic Dust 2” sales. Alex claimed such royalties shall be no less than 80 mln US Dollars, which he believed was approximately 10% from Omnia’s net revenues from “Cosmic Dust 2” – the same rate Omnia normally negotiates with its merchandise licensees. Allan’s claims did not contain a specific amount. Alex also expressed doubts as to whether Omnia could publish “Cosmic Dust 2” at all. Omnia replied that the demands were groundless, especially because the license agreement with Alex and Allan’s employment contract were governed by Obliland laws, which contained no provisions regarding remuneration adjustments (see Exhibit 4). Omnia also stressed that “Cosmic Dust 2” had evolved from “Cosmic Dust”, but not from “Dust on Our Hands”; while all Allan’s contributions to “Cosmic Dust” belonged to Omnia as a work-for-hire.
11. On October 23, 2018, Omnia’s counsels on one side and Alex’ and Allan’s counsels on the other side met and entered into an arbitration agreement under which the dispute shall be resolved by means of binding arbitration in Talestown, Terryland.
12. On November 27, 2018, Alex and Allan filed a request for arbitration in accordance with the mentioned agreement against Omnia, claiming that:
 - A) Omnia shall pay additional appropriate remuneration to Alex Karsky in respect of “Cosmic Dust 2” on the grounds that the originally paid remuneration was disproportionately low compared to Omnia’s revenues from the product;
 - B) Omnia shall pay additional appropriate remuneration to Allan Chen in respect of “Cosmic Dust 2” on the grounds that the remuneration paid to him as an employee of Omnia was disproportionately low compared to the contribution that he made to “Cosmic Dust 2” and to Omnia’s revenues from the product;
 - C) if the court decides that no additional remuneration shall be paid to Alex Karsky, Omnia shall be considered to be in breach of the license agreement with Alex Karsky, because the license did not permit Omnia to develop and exploit “Cosmic Dust 2”.

* Please note that the discussion about procedural issues is out of scope of the case.

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Exhibit 1 to the Case

DUST ON OUR HANDS

Near future. The Solar system is completely colonized; however, travel to the closest stars (e.g., Alfa Centauri) still takes dozens of years.

Events take place at a time when the Earth' governmental authority is challenged by several global corporations in possession of some pieces of technology being of critical importance.

The plot revolves around the main character Ava Martin who has obtained the technology that can shake the control corporations hold over the world. Ava's moral compass is put in overdrive as she needs to decide what this technology should be used for, and whether she can bare asking others to risk their lives in the fight against corporations.

COSMIC DUST

Same.

Mainly the same, global corporations are already as strong, as the government.

We'll skip the part on how Ava actually obtained the technology and decided to keep it from falling into the hands of corporations. The game's events evolve from the moment she starts rebel movement. This storyline is to be elaborated (let me know if you know a decent sober screenwriter please!).

Other notes:

The game is played online. No graphics, everything is based on text descriptions. Players can choose a character class or create their own classes. Players can fight NPCs and other players, engage in dialogues, complete quests given by NPCs, steal, trade, work. The player has an inventory and can carry and use items, improve their stats by training or using implants, gain new skills. The game has many quests and storylines but no central one. General objectives of the game are to survive, increase skills, collect pieces of technology, increase the influence of your faction (one of the corporations, Earth government, rebels etc.)

N/B!

As players are free to communicate to each other and support any faction in the game universe, their actions will gradually change the balance of power and other aspects of the game.

P.S. N/B!

As much freedom as possible, but interesting!

FACTIONS

<p>Gigaparsec Industries Incorporated – a company that has developed cryogenic sleep technology as well as antigravity-based sources of energy which enables their spaceships to travel up to 50% the speed of light.</p>	<p>Gigaparsec Industries Incorporated – a company representing a faction in the game, which a player can join. Enables the player to use special Gigaparsec space ports for easier and cheaper travel between planets, fulfil quests given by the management, gain access to several unique locations.</p>
<p>Terra Cognita – a company that has achieved a breakthrough in the field of robotics and artificial intelligence.</p>	<p>Plus Ultra – a company representing a faction in the game, which a player can join. Enables the player to fulfil quests given by the management, gain access to several unique locations and use a special remote AI assistant that gives advice on the progress in many quests.</p>
<p>Earth government – a structure, which is still powerful, but gradually declining in terms of technology behind the largest corporations, whilst losing its grip on power, especially in the colonies.</p>	<p>Earth government – a structure representing a faction in the game, which a player can join. Enables the player to fulfill quests given by the government, gain access to several unique locations and to give orders to some NPCs who still respect the Earth authority.</p>
<p>Only rumors of rebel groups and mentioned twice.</p>	<p>Rebels – a group representing a faction in the game, which a player can join after having fulfilled a number of quests given by the NPC Ava Martin. Enables the player to fulfill quests given by the group, gain access to several unique locations.</p>

LOCATION

<p>Many planets, one of which is Las Vega – and artificial planet orbiting Jupiter, where the main characters meet for the first time and where the rebel movement is most likely to start.</p>	<p>Mainly Las Vega – an artificial planet orbiting Jupiter, which serves as the starting location for all new players, they also come here for recharging, communication with peers, etc.</p>
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CHARACTERS

Ava Martin - a scientist who went to Alfa Centauri to investigate artifacts of, presumably, alien origin. When her research group is able to decipher alien code which holds a key to amazing new technology - the faster-than-light travel, all members of the group except for Ava are killed one by one by mercenaries sent by unknown faction. Afraid for her life, Ava flees back to the Solar System. Ava's storyline revolves around the huge responsibility of being the only person with access to a unique technology. Looking at the actions of the Earth government, the powerful corporations as well as space pirates, all of whom are chasing her, she decides that she should make the technology available to everyone, rather than let it fall into the hands of a single faction, which she manages to achieve in the end.

The head of Gigaparsec Industries Incorporated is never named or mentioned directly.

Non-playable Character (NPC): Ava Martin.

The player can meet her on the artificial planet Las Vega. In dialogue she tells the players that she has been sent to Alfa Centauri system by the Earth government to investigate artifacts of, presumably, alien origin. When her research group was able to decipher alien code which holds a key to the faster-than-light travel, all members of the group except for Ava are killed by mercenaries sent by Gigaparsec Industries. Ava, who through sheer luck was not registered in Gigaparsec travel system as a scientist, was able to travel back to the Solar System with important information in her mind.

Gives the player quests such as:

- 1) find a fake ID for her;
- 2) find a way to make a copy of all the info in her brain and safely hide it;
- 3) knock off the track the investigator hired by Gigaparsec Industries to find her, etc.;
- 4) recruit followers who support her cause of making all technology free and available to everyone.

If Ava Martin gains a significant following, her faction, the "Rebels", will become available in the game.

Non-playable Character (NPC): Watari Sato

The CEO of Gigaparsec Industries Incorporated. The player can meet him if he joins Gigaparsec Industries faction and rises up its ranks multiple times via fulfilling its quests. Sato is an extremely ambitious and unforgiving boss. 15 players with the best intellect stats and pieces of technology collected in the Gigaparsec Industries faction are considered a part of Sato's "inner circle" and receive the ability to travel for free with an NPC bodyguard.

Head of Terra Cognita is never named or mentioned directly.

Non-playable Character (NPC): Stefan Ratic

The CEO of Plus Ultra company. The player can meet him if he joins Plus Ultra faction and rises up its ranks multiple times via fulfilling its quests. Ratic has inherited his share and position from his father and has to constantly scheme against his rivals in the company. He gives the player numerous quests with ever increasing rewards, but the larger the reward, the larger the probability the player could be kicked out of the company due to being seen by Ratic as a rival.

AI4400 – a robot who was working at Terra Cognita headquarters as part of a program to achieve human-like behavior. Eventually the robot becomes so charming, that one of the programmers started to consider him a real friend. Wishing to save AI4400 from utilization, he programmed a self-preservation instinct (instead of strict obedience) into it and set it free.

In the novel AI4400's main conflict is trying to understand whether it is human, or something else. Helping the other characters, AI4400 eventually understands that it is not important whether it is artificial or not, as long as its existence has a purpose.

No such character as AI4400, but it is used as a prototype for character class: Android (made by Plus Ultra).

Durable (+3 armor)

Poisons immunity

Cannot use implants

Plus Ultra corporate secrets (additional options in dialogues with NPCs who are Plus Ultra employees)

Charming (+3 charisma)

Cannot join any faction.

Lance Wang – a hacker who works as a freelance industrial espionage expert. He initially starts following Ava to sell her to whichever faction pays the higher price, but later on understands her motives and helps her.

No such character as Lance Wang, but it is used as a prototype for character class: Hacker.

Hacking skills (can open electronic locks, obtain additional information from electronic terminals and computers)

Geek (-1 charisma)

Roger "Jolly Roger" Stoff – a space pirate operating in the asteroid belt who meets and decides to help Ava just out of love for mysteries and adventure.

No such character as Roger "Jolly Roger" Stoff, Character class but it is used as a prototype for character class: Space pirate.

Small guns proficiency (+2 damage when using handguns)

Lance Wang has a friend who works at a spaceport. He tries to dissuade Lance from embarking on the adventure but fails and is never mentioned again.

Used as a prototype of character class: Technician.

Can use up to 5 implants (instead of 4)

Can repair items twice as effectively as other characters.

The novel mentions merchants who sell bionic implants, but the characters never meet them.

Used as a prototype for character class: Merchant.

Negotiator (-10% price of all purchases, higher chance of NPC persuasion if randomness is involved)

Can choose and use one implant at the start of the game.

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Exhibit 2 to the Case

LICENSE AGREEMENT

This license is dated September 21, 1984.

PARTIES

- (1) Alex Karsky, citizen of Terryland, passport No. TRI67898, address: 5 Pegrin street, Talestown, Terryland (Licensor), and
- (2) Omnia Ltd., company registered under the laws of Obliland under No. 57I9383648I9, address: 187 Peggy street, floor 12, Seatown, Obliland (Licensee).

BACKGROUND

- A. The Licensor has created the Work (as defined below).
- B. The Licensee wishes to receive, and the Licensor is willing to grant to the Licensee a license on the terms and conditions set out in this agreement to reproduce the Work within the Product (as defined below) and to sell the Product within which the Work has been reproduced.

AGREED TERMS

I. INTERPRETATION

The following definitions shall apply in this agreement:

"Copyright" means all copyright and rights in the nature of copyright subsisting in the Work in any part of the world to which the Licensor is, or may become, entitled.

"Business Day" means a day other than a Saturday, Sunday or public holiday in Terryland or Obliland.

"Effective Date" means the date of this agreement.

"Licensed Product" means the Product in which the Work has been used according to Clause 2.

"Product" means the computer game to be created by Omnia or upon its instructions.

"Territory" is worldwide.

"Work" is "Dust on Our Hands" novel by Alex Karsky as of the Effective Date.

2. GRANT

2.1. The Licensor hereby grants to the Licensee an exclusive license to do the following acts in the Territory in perpetuity, subject to, and in accordance with, the terms of this agreement:

- a) reproduce the Work within the Product; and
- b) use the Work in such other way as may be required for creation and further use of the Product.

2.2. Nothing herein shall be interpreted as granting any rights to the Licensed Product to the Licensor.

2.3. The Licensor undertakes not to grant any licenses to use the Copyright in relation to computer games or other computer software without prior written approval from the Licensee, which shall not be unreasonably withheld.

3. QUALITY CONTROL AND MARKING

3.1. The Licensee shall ensure that the Licensed Product is not defective in terms of workmanship, materials or otherwise. The Licensee, however, is free to independently decide on the form and content of the Product, as well as its any advertising and promotional material.

3.2. The Licensor agrees to provide consultations about the Work, as well as to participate in promotion of the Work upon reasonable request from the Licensee.

3.3. The Licensee has the right, but not the obligation, to mention the Licensor as the author of the Work, e.g., by marking the Licensed Product with a copyright notice: "Based on "Dust on Our Hands" novel by © Copyright Alex Karsky, 1983".

3.4. The Licensee shall, in exercising its rights under this agreement, comply with all applicable laws, regulations and codes of practice.

4. CONSIDERATION

4.1. On the Effective Date the Licensee shall pay to the Licensor the sum of 10,000 (ten thousand) US Dollars cash and such sum shall not be returnable. The parties agree that the mentioned fee is an adequate compensation for the license granted hereunder, and no further payments from the Licensor shall be due in its regard.

4.2. The provisions of this shall remain in effect notwithstanding termination or expiry of this agreement until the settlement of all subsisting claims by the Licensor.

5. PROTECTION OF THE COPYRIGHT

5.1. In case of any actual, suspected or threatened infringement of the Copyright, or claim made or threatened that the Work infringes the rights of any third party, the Licensee shall at its absolute discretion decide what action to take, as well as shall have exclusive control over and conduct of all claims and proceedings. The Licensee, however, shall not make any admissions other than to the Licensee. The Licensor shall provide the Licensee with all assistance that the Licensee may reasonably require in the conduct of any claims or proceedings. The Licensee shall bear the cost of any proceedings and shall be entitled to retain all sums recovered in any action for his own account.

5.2. The Licensee has the right to bring infringement proceedings in its own name in relation to the Copyright.

6. LICENSOR WARRANTIES

6.1. The Licensor warrants that:

- a) he is the sole legal and beneficial owner of, and owns all the rights and interests in, the Copyright;
- b) he has not licensed or assigned the Copyright by the Effective Date;
- c) the Work is his original work and has not been copied wholly or substantially from any other source.

7. MORAL RIGHTS

The Licensor, being the sole author of the Work, hereby waives all moral rights in respect of the use to be made of the Work under this agreement to which the Licensor may now or at any future time be entitled under any applicable laws.

8. LIABILITY, INDEMNITY AND INSURANCE

8.1. To the fullest extent permitted by law, the Licensor shall not be liable to the Licensee for any costs, expenses, loss or damage (whether direct, indirect or consequential, and whether economic or other) arising from the Licensee's exercise of the rights granted to it under this agreement.

8.2. The Licensee shall indemnify the Licensor against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Licensor arising out of or in connection with:

- a) the Licensee's exercise of its rights granted under this agreement;
- b) the Licensee's breach or negligent performance or non-performance of this agreement, including any product liability claim relating to Licensed Products manufactured,

supplied or put into use by the Licensee;

c) the enforcement of this agreement; or

d) any claim made against the Licensor by a third party for death, personal injury or damage to property arising out of or in connection with defective Licensed Products, to the extent that the defect in the Licensed Products is attributable to the acts or omissions of the Licensee, its employees, agents, sub-licensees or subcontractors.

8.3. This indemnity shall apply whether or not the Licensor has been negligent or at fault.

8.4. The Licensee acknowledges and agrees that the exercise of the license granted to the Licensee under this agreement is subject to all applicable laws, enactments, regulations and other similar instruments in the Territory, and the Licensee understands and agrees that it shall at all times be solely liable and responsible for such due observance and performance.

9. ASSIGNMENT AND OTHER DEALINGS

9.1. The Licensor shall not assign, transfer, mortgage, charge, sub-license, sub-contract, declare a trust over or deal in any other manner with any or all of its rights and obligations under this agreement without the prior written consent of the Licensor.

9.2. The Licensee may at any time assign, transfer, mortgage, charge or deal in any other manner with any or all of its rights and / or obligations under this agreement.

10. DURATION AND TERMINATION

10.1. This agreement shall commence on the Effective Date and continue in perpetuity unless terminated earlier in accordance with the following provisions.

10.2. The Licensor may terminate this license by notice with immediate effect if the Licensee commits any breach of this license which is material and not capable of remedy, or which is capable of remedy but which is not remedied within 20 (thirty) days of notice from the Licensor to do so.

10.3. Any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this agreement shall remain in full force and effect.

10.4. For the purposes of this Clause 10, a material breach means a breach (including an anticipatory breach) that is serious in the widest sense of having a serious effect on the benefit which the terminating party would otherwise derive from a substantial portion of this agreement.

11. VARIATION

No variation of this agreement shall be effective unless it is in writing and signed

by the parties (or their authorized representatives).

12. SEVERANCE

12.1. If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

12.2. If one party gives notice to the other of the possibility that any provision or part-provision of this agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

13. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

14. GOVERNING LAW

This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of Obliland.

This agreement has been entered into on the date stated at the beginning of it.

Signed by Alex Karsky



Signed by John Rees, Director



for and on behalf of Omnia Ltd.

Director

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Exhibit 3 to the Case

COSMIC DUST 2

A scientist, a philanthropist, a cult figure... an anarchist, a traitor?!

10 years have passed since the day Ava Martin opened a new bright era in human history through her astonishing discovery of an alien technology. The face of the world has changed, but its nature remains the same, power still being the most sought-after resource in the universe. This time Ava will not hide from those who want to exploit her knowledge for their own selfish needs.

She will rebel.

Are you joining her or someone else?

A great surprise for the fans of "Cosmic Dust". Omnia brings you a new open-world adventure in the grim world where nanotech is abundant, but human compassion is scarce. Unite the world under the uncompromising rule of CEO Watari Sato with Gigaparsec Industries, rise up the ranks of the world-changing Plus Ultra Company, help the Earth government restore its former authority or fight against any authority hand in hand with Ava Martin's rebels. Welcome to "Cosmic Dust 2"!

“Cosmic Dust 2” is an MMO, where you can play as a human or as a robot, a space pirate or a hacker, a mercenary, a merchant – or choose any of over a dozen character classes we have for you in the game. You can even create your own custom class...

John Rees, General Director at Omnia: "Cosmic Dust was unique and different from any other game because the game universe was truly alive and evolving. Look at Ava Martin, for example – in the beginning she was a leader of a small group of rebels, but with time she gained such a massive support from players that made her a very influential figure, almost a religious symbol in the Cosmic Dust world. Rest assured that in Cosmic Dust 2 we have kept all other wonderful developments of the game universe which You, our loyal players, have helped us to achieve.

The plot of Cosmic Dust 2 will pick up exactly where we left off in the original game. As you remember, the Earth Government had to let go of all the colonies due to little support by the players, and now they control merely the original pale blue dot. That is the point where You start in our new MMO.

Whether a long-time fan or completely new to the story, we are sure everyone will enjoy the tense battles, complicated diplomacy and now also the stunning visuals of Cosmic Dust 2."

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Exhibit 4 to the Case

EXHIBIT 4

(relevant provisions of the laws of Terryland and Obliland)

<p style="text-align: center;">TERRYLAND</p> <p style="text-align: center;">Civil Law Code dated May 15, 1993, as amended (Part 2. Section 11 “Intellectual Property”)</p>	<p style="text-align: center;">OBLILAND</p> <p style="text-align: center;">Law on Copyright and Designs dated January 1, 1980, as amended</p>
<p>Article 1147.</p> <p>The author is the creator of the work.</p>	<p>Article 7.</p> <p>The author is the creator of the work.</p>
<p>Article 1154.</p> <p>Copyright works include:</p> <p>[...]</p> <p>(d) derivative works, i.e., the works that represent an adaptation of another copyright work [...].</p> <p>Translator, as well as the author of another derivative work (cinematic adaptations, musical arrangements, etc.), owns copyright to the performed translation or another adaptation of the other (original) work.</p> <p>Copyright of a translator or another author of a derivative work are granted the same protection as the rights to independent (original) copyright works. Such protection does not depend on protection of the independent (original) copyright works.</p> <p>Copyright of translator or another author of a derivative work can be exploited provided that the author has used the independent (original) work lawfully.</p>	<p>Article 9.</p> <p>The subject matter of copyright includes compilations and derivative works, but protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully.</p> <p>The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.</p>
<p>Article 1167.</p> <p>Author of a work or another owner of copyright has the exclusive right to use a work and authorize to use the work, irrespectively of whether such use is aimed at getting profit or not, namely by the following means:</p> <ul style="list-style-type: none"> a) reproduction of the work, i.e., creation of one or more copies of the work in any material form; b) distribution of the work by sale or another transfer of its original or copies; c) public display of the work; 	<p>Article 12.</p> <p>The owner of copyright under this title has the exclusive rights to do and to authorize any of the following:</p> <ul style="list-style-type: none"> a) to reproduce the copyrighted work in copies or phonorecords; b) to prepare derivative works based upon the copyrighted work; c) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; d) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and

<ul style="list-style-type: none"> d) import of the original or copies of the work for the purposes of further distribution; e) rental or lease of the original or copies of the work; f) public performance of the work; g) air broadcasting to the public via radio or television; h) cable broadcasting; i) translation or another adaptation of the work. While adaptation means creation of a derivative work (cinematic adaptations, musical arrangements, etc.); j) practical implementation of architectural, design, town planning, landscape gardening projects; k) communication of a work to the public, so that any person can get access to the work from any place and at any time and his / her own discretion. 	<ul style="list-style-type: none"> motion pictures and other audiovisual works, to perform the copyrighted work publicly; e) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and f) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.
<p>Article 1170.</p> <p>The moral rights shall protect the link between the authors and their works which is unlimited in time and independent of any waiver or transfer, and, in particular, the rights:</p> <ul style="list-style-type: none"> a) to be an author of the work; b) to sign the work with the author's name or pseudonym, or to make it available to the public anonymously; c) to have the contents and form of the author's work inviolable and properly used; d) to decide on making the work available to the public for the first time; e) to control the manner of using the work. 	<p>Article 15.</p> <p>Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.</p> <p>[The law does not prohibit waiver of economic or moral rights.]</p>
<p>Article 1172.</p> <p>Authors and performers shall be entitled to separate equitable remuneration where the party with whom they entered into a contract for the exploitation of the rights commences a new type of use of the work, which was agreed upon, but still unknown, at the time the contract was concluded.</p>	<p>No analogous or similar provisions.</p>
<p>Article 1173.</p> <p>Authors and performers are entitled to request additional, appropriate remuneration from the party with whom they entered into a contract for the exploitation of the rights when the remuneration originally agreed is disproportionately low compared to the subsequent relevant revenues and benefits</p>	<p>No analogous or similar provisions.</p>

<p>derived from the exploitation of the works or performances.</p>	
<p>Article 1185.</p> <p>Exclusive rights to use a copyright work and authorize to use a copyright work created in the course of its author's employment belong to his employer, unless the employment or another agreement between the employee and the employer provides otherwise.</p>	<p>Article 20.</p> <p>Where a literary, dramatic, musical or artistic work is made by an employee in the course of his employment, his employer is the first owner of any copyright in the work subject to any agreement to the contrary.</p>
<p>Conflict of laws rules in both countries are analogous to the ones provided for in Rome I and Rome II Regulations.</p>	

Legal Challenge 2019

Exhibit 5 to the Case

CLARIFICATIONS

Q1. Does the “conflict of laws rules” which is mentioned in the last line of the Exhibit 4 entitled us to use the whole Regulation of Rome I and Rome II or just the part of those regulations where the conflict of law is settled? (expected significance: The question is important to clarify the use of the art. 28 Rome I which does not state about the “conflict of laws” but is still important to the case)

A1. The conflict of laws provisions of Terryland and Obliland are analogous to the provisions of Rome I and Rome II and shall apply to contracts regardless of their date of conclusion.

Q2. What is Allan's nationality? (expected significance: This issue may be relevant in order to determine the jurisdiction of the law applicable to Allan's claims)

A2. Allan is a citizen of Terryland.

Q3. Is it possible to assume that the actual state of the case is rooted in the real history of video games? (expected significance: Expanding the possibilities of argumentation with events and other games released in reality)

A3. The case is a fictional case and is not based on, rooted in, or inspired by, any of the real-life events. You are free to argue based on any events that happened in reality and where the court finds your arguments to be relevant to the case, it may accept them as valid.

Q4. As I understand there is no procedural part at all and arbitration rules have no influence on the case?

A4. The parties shall only dispute about the merits of the case.

Q5. What is the correct date of the License agreement between Alex Karsky and Omnia Ltd? In as much as, in according with the clause 3 of the Case, the License agreement was made on May 20, 1984, however in the License Agreement states that the one is dated September 21, 1984.

A5. This is a mistake in the case. The date shall be September 21, 1984.

Q6. Are Terryland and Obliland member states of the European Union? By reason of, we need to know, does the law of European Union extend to Terryland and Obliland?

A6. Terryland and Obliland are not the member states of the European Union. However, the laws of Terryland list international case law and doctrine among the secondary means of interpretation of Terryland's legislation.

Q7. How were relations formalized between Allan Chen and Omnia Ltd. in respect of Cosmic Dust? We need to know, did parties make a separate verbal or written agreement on a creation of Cosmic Dust or, according to the scope of employment, Allan Chen engaged only in programming of the game (writing a code etc.)?

A7. Allan Chen has signed an employment agreement with Omnia Ltd. His initial job title was “programmer”, but before he started to work on “Cosmic Dust” his position was changed for “Cosmic Dust Video Game Product Director”.

Q8. Where was the place of the License Agreement? It is an important question, concerning choosing of applicable law to the agreement.

A8. The Agreement was signed in Talestown, Terryland.

Q9. Have Alex Karsky ever consulted with lawyers before issuing the license? It is necessary to know his level of legal knowledge in field of copyright before issuing the license.

A9. No, Alex Karsky had not consulted any lawyers before issuing the license.