PALLADIUM BOOKS® INTERNET POLICY

With changing times and technology we find we must consider and reconsider a number of competing and related issues in an attempt to come up with a policy that is fair to all concerned; gamers, the industry, and copyright and trademark holders alike. We at Palladium (like most of you) wear all of these hats at one time or another; some of the time we are *creators* who are concerned with legitimate protection of the "sweat of our brow." Other times, our greatest concern is the *fun* of role-playing and spreading the RPG experience. Balancing these interests, we've come up with this policy regarding use of Palladium Books® materials on line, which we hope you'll find easy to understand and use.

RIGHTS AND LICENSES

Palladium is happy to encourage individuals to talk about and share ideas about our many game worlds/settings, characters and rules. Role-playing games and the Internet are all about imagination and sharing ideas. Palladium is happy to allow people to play our games in chat rooms or via e-mail just as you would in your very own living rooms, using the internet or other online services, without royalty, so long as the play is for *personal enjoyment,* is *not* for financial gain, and *does not* include massively multiplayer online role-playing (MMORPG and MMOG), character generators, streaming video, streaming audio, podcasts, videogames or videogame elements, computer software or computer code, or any form of sale or mass distribution or mass participation on computers, the Internet, or any other digital medium or similar form or medium of conveyance. For purposes of this policy, a MMORPG or MMOG is defined as a video game played over the Internet, featuring a persistent basic game setting, and played by more than 30 players.

Palladium is also happy to have you create derivative works of Palladium text, so long as these derivative works are used solely on an individual person's website or other online service for *personal fun* and *limited use between friends,*
not for resale, mass distribution or massively multiplayer function. Furthermore, all such web sites, postings and applications using derivative works (i.e. your creations inspired by, based on, and using Palladium's rules, system of play, settings, characters, sourcebooks/supplements, etc.) MUST bear Palladium's Copyright and Trademark notice as described below. As explained below, under the U.S. Copyright Act, all derivative works of Palladium copyrighted material that you create are automatically owned by Palladium; but Palladium will permit you to use them for personal enjoyment in the manner discussed in this Internet Policy.

Palladium Books does not grant permission to create derivative works, or to take any of our other Registered Trademarks or Copyrighted works, for commercial purposes or financial gain, nor for use as massively multiplayer online games (MMOG or MMORPG), videogames, mass distributed game products or services, or in any electronic, digital or online medium *UNLESS* there is a separate, *written agreement* between you and Palladium Books. (
Note:
We are happy to consider all opportunities, and are always interested in licensing Palladium's vast Megaverse® of role-playing games into other mediums and market areas. We are pleased to discuss such possibilities with all serious business people. Please note, however, that Palladium cannot respond to all offers received and a lack of response from Palladium is NOT an approval; you will need a formal, written

agreement.)

Permission to *play online,* even as small gaming groups, DOES NOT include permission to download copies of Palladium's copyrighted and trademarked materials. If you want a copy of a Palladium product, please buy the book! After all, if people stop buying the books, we won't be able to pay our writers and artists to keep creating, and there will be nothing for anyone! Also, because of other licensing agreements that Palladium may have in place, or may be actively working on, you may not create, post and/or distribute or sell any books, computer programs or software, character generators, massively multiplayer online games (MMOG or MMORPG), videogames, film, or cartoons/animation in print, online, or in digital or other electronic media without express written permission from Palladium Books. **HOWEVER**, Palladium itself *may* be interested in posting, or purchasing, and using such things from you for our own, expanding and improving website(s).

Furthermore, **www.therifter.com** is an "official" place where fans can post and share their RPG house rules, characters, equipment, magic, super abilities, G.M. and player advice, adventures and fan fiction with other Palladium fans. **www.therifter.com** is effectively an online version of **The Rifter®** sourcebook/magazine. Don't forget, you can send submissions for our consideration in **The Rifter®** sourcebook/magazine as well; we are always looking for new source material to publish.

Palladium Books and its agents can NOT be responsible for any violation of other companies' or people's rights which you might commit while using Palladium products. For example, if someone combines a Palladium product with another creator's product, thereby infringing the copyright and/or trademark of that other creator, Palladium is NOT responsible. In such a case, it is only fair that the *person* who commits such a violation is *solely responsible* for their actions. In addition, *the violator* is also responsible for any damages that Palladium may suffer because of the violation.

For this reason, we can NOT allow any *conversions* of Palladium's copyrighted works to other game systems (for example, Rifts® characters using *D20* or *GURPS* stats), nor allow characters and settings from other companies and creators (for example, *Marvel Super-Heroes* or the *Star Wars* characters) to be presented/posted using Palladium's game stats.

No Robotech and other licensed properties. The business terms of licensing agreements may also prevent Palladium from allowing our fans to post fan source material for licensed properties like **Robotech®**
. Most big companies are very protective of their intellectual copyrights and restrictive of the rights they allow fans. We'll keep you posted about these on a case by case basis.

If you are in doubt about whether you may post something, contact us by e-mail at rifter@palladiumbooks.com before you post.

YOUR LIMITED LICENSE

To implement the policies described in the paragraphs above, Palladium needs to formally grant you a "limited license" to use Palladium text.

Please consider this paragraph your formal non-exclusive "limited license" to use Palladium copyrighted text and trademarks *solely* for your own *personal and limited use* and enjoyment on the Internet and other online services. In addition, Palladium grants you a revocable, non-exclusive "limited license" to create and use works which are derivative of Palladium copyrighted text, so long as the resulting "derivative works" are used only on the Internet and other online services, for
personal fun and limited use,
and NOT for mass distribution or financial gain in any way (including the sale of downloadable material, subscriptions to the website, sale of turns in turn-based games, online advertising, play-by-mail, and so on).

In order to keep this "limited license," you must always post the proper *Palladium notices* (see section below on *"Notices"*
), and must also comply with all of Palladium's evolving policies (including but not limited to policies about liability for your actions on the Internet and other online services) which we post. This means a proper copyright and trademark statement on the home page or main page of any website posting derivative works created by fans as well as on the first page of EACH individual work or new posting of RPG material (i.e. set of rules, set of magic spells, skills or powers, each individual adventure, map, fictional story, etc.).

DERIVATIVE WORKS

Above, we've stated our policies about your use of Palladium intellectual properties. A related policy involves Palladium's use of works created by you using Palladium rules, characters, world settings, etc.

Under the U.S. Copyright Act, these are "Derivative Works" which, legally we have a right to prevent or to own (take a look at Section 106 of the Copyright Act). We are willing, however, to allow the creation of

derivatives of our text strictly for limited personal use (though not for financial gain), subject to the following.

Any derivative works that you create are automatically owned by Palladium, under the terms of the U.S. Copyright Act. You agree that, if necessary for Palladium to protect its rights, you will sign documents acknowledging Palladium's ownership of any derivative work and cooperate with Palladium to protect those rights. Regardless of whether Palladium asks you to sign such documents, under the law Palladium will still own the derivative work from the time it is created. But, under this policy, you can use the derivative work for your personal, non-commercial, and non-financial purposes, as described above (obviously, you still can't use or license a derivative work for financial gain in any way, under the Copyright Act). If Palladium's Internet Policy changes in the future, you may be required to cease use of the derivative work, but we will notify you in advance if that is going to happen.

Many other companies do not permit their fans to create derivative works based on their materials. We want our fans to get maximum enjoyment from our games by allowing you to experiment and expand the limits of the Palladium Megaverse®, as long as everyone understands that what you do is just for personal enjoyment, not commercial gain, and doesn't interfere with Palladium's legitimate business needs. We sincerely hope that Palladium's updated Internet Policy leads to hours of great gaming on the net for all of us.

NOTICES

Because of the way Copyright and Trademark laws work, anyone who posts or uploads any Palladium material MUST include proper Copyright and Trademark notices.

COPYRIGHT NOTICES

For all text and other works covered by the U.S. Copyright Act, including derivative works, insert a copyright notice like the one that appears in the front of the book. For instance, a proper copyright notice for Rifts® would be:

"Copyright © 1990, 2005 and (the date of your posting of your work) Palladium Books Inc. & Kevin Siembieda; all rights reserved world wide. No part of this work may be sold, distributed or reproduced in part or whole, in any form or by any means, without written permission from the publisher. All incidents, situations, institutions, governments and people are fictional and any similarity to characters or persons living or dead is strictly coincidental."

Note: This kind of notice must be included on the home page or main page of any website in addition to the first page of EACH individual work or file/new posting of RPG based material (e.g. each set of magic spells, skills, powers, weapons, equipment, map, individual adventure, fictional story, etc.).

TRADEMARK NOTICES

For any use of our Trademarks (whether registered or unregistered), the proper notice should be used whenever the “mark” is used. There are two (2) kinds of Trademark notices. The simplest type is the ® for Registered Trademarks and the ™ for unregistered trademarks. These "simple" notices should be used EVERY TIME a Palladium mark is used in a logo, title, headline or text.

The Registered Trademark statement is simple:

“(Insert name of trademark)® is a Registered Trademark owned and licensed by Kevin Siembieda and Palladium Books, Inc."

For example, here is a proper trademark for Rifts®:

"Rifts® is a Registered Trademark owned and licensed by Palladium Books, Inc. and Kevin Siembieda."

When in doubt, or when referring to many titles in the Palladium Megaverse®, post a blanket TM statement like the one we use on our Press Releases and presented below:

“Rifts®, The Rifter®, RECON®, Splicers®, Palladium Books®, Phase World®, The Palladium Fantasy Role-Playing Game®, Megaverse®, Nightbane®, The Mechanoids®, The Mechanoid Invasion®, Coalition Wars® and After the Bomb® are Registered Trademarks of Palladium Books Inc. Heroes Unlimited, Beyond the Supernatural, and other published book titles, names, slogans and likenesses are trademarks of Palladium Books Inc. and Kevin Siembieda.”

NOTE: Use Palladium’s many RPGs and sourcebooks as your guide. On page 2 of every Palladium publication is our copyright and trademark statement. (Of course, older books will not be up to date and will have old TM statements and may have ™ instead of ®.) Likewise, look at our books for easy reference to see where the ® and ™ trademark symbols are placed.

Where to place the ® symbol

The ® should appear at the end of the Registered Trademark, i.e. the trademarked word/name/logo/mark. For example: Rifts®. The ® trademark symbol can be much smaller than the word/title/logo, but must be easily read, legible and recognizable. The trademark statement above lists all of Palladium’s current

Registered Trademarks that require a ®. The ® needs to appear when used as a logo, title or headline. It does not need to appear in a body of text, except, perhaps, when it is referring to a book title.

Where to place the TM symbol

The “TM” should appear at the end of most titles and names of games or game settings, i.e. the trademarked word/name/logo/mark. For example: **Heroes Unlimited™** or **Naruni™**. The ™ trademark symbol can be much smaller than the word/title/logo, but must be easily read, legible and recognizable. The ™ needs to appear when used as a logo, title or headline.

The proper symbol for an unregistered mark is ™, placed immediately following the mark/logo/title/word. Basically, all titles of Palladium publications, games and sourcebooks that don’t have a ® get a TM (e.g. Wormwood™, Chaos Earth™, Triax™, Naruni™, Heroes Unlimited™).

The TM statement is simple:

“(Insert name or names of trademarks)™ is a trademark owned and licensed by Palladium Books, Inc. and Kevin Siembieda."

Some of our more notable unregistered trademarks include:

Nightlands™, Heroes Unlimited™, Villains Unlimited™, Powers Unlimited™, Aliens Unlimited™, Beyond the Supernatural™, Boxed Nightmares™, Dead Reign™, Warpath: Urban Jungle™, Ninjas & Superspies™, Mystic China™, Triax™, Arzno™, MercTown™, Mindwerks™, Vampire Kingdoms™, Federation of Magic™, Juicer Uprising™, Phase World™, Wormwood™, Psyscape™, Cyber-Knight™, Glitter Boy™, Juicer™, Mind Melter™, Psi-Stalker™, Coalition States™, Northern Gun™, Dog Boy™, SAMAS™, Wilk’s™, Erin Tarn™, Emperor Prosek™, Naruni™, Naruni Enterprises™, Splugorth™, Mega-Damage™, M.D.C., S.D.C.™, I.S.P.™, P.P.E.™, O.C.C., R.C.C., ... and many other names and titles.

If you use Microsoft Word®, the ©, ® and ™ symbols are easy to find. On the Word® tool bar, click “Insert” – then “Symbols” – then “Special Characters.” Each of those symbols will appear on the Special Characters list and may be inserted into your text by clicking on them.

FINAL WORDS

Our previous Internet Policy was well received by the vast majority of Palladium fans, and this 2008 update simply takes into consideration new technology, applications and usage of the Internet and digital mediums.

We are going to keep an eye on how our policies are being received and followed. We also expect some of you to raise issues about our Internet Policies for us to think about. In short, we expect our Internet Policy to continue to evolve. Palladium therefore reserves the right to change or even revoke this “limited license.” Palladium also reserves all rights which are not specifically granted above.

Over the past 27 years we have built a company and gaming community that is unlike any other in the RPG industry, a family of friends. We have done so by being open, friendly and caring. We want to promote gaming, fun, interaction and the sharing of ideas. We want YOU, our fans, to be an interactive part of Palladium’s business, and be able to enjoy our games in a wide range of mediums. Our Internet Policy and “limited license” is an attempt to facilitate this. At the same time, Palladium MUST preserve and protect its valuable trademarks, copyrights and other intellectual property rights. We hope you understand. We also hope this information about intellectual property, limited license and notices is useful to you. Please don’t hesitate to ask us questions about anything.

– Kevin Siembieda, Publisher, and Larry Jordan, Esq.