



Mr John Gillis

By Email

3 August 2011

Dear Mr Gillis

SEGA Publishing Europe Limited
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INFRINGEMENT OF SEGA CORPORATION INTELLECTUAL PROPERTY RIGHTS:

1. We write in reference to copyrighted and trade marked materials that appear to be used on your website <http://soniczone.net/SRv14/> (the "**Site**"). We refer in particular to the following unofficial copies of Sonic the Hedgehog games: <http://soniczone.net/SRv14/Games/gameindex.html> (together the "**Infringing Games**"). The Infringing Games make unauthorised use of the Trade Marks and copyright, as defined below.
2. Each of the Infringing Games contains Sonic the Hedgehog and some of them also contain other characters from the official Sonic the Hedgehog franchise.
3. SEGA Corporation and its group companies (together "**SEGA**") are known worldwide for the manufacture and distribution of video game software for both console and on-line/electronic distribution.
4. We have recently discovered that you have been providing unauthorized downloadable version of the Infringing Games. As stated above, Sonic is a protected copyright work and Sonic the Hedgehog is a SEGA trade mark. Your repeated use of Sonic's image and trade mark is unauthorized by SEGA and constitutes a trademark and copyright infringement.
5. SEGA is the owner of the world-famous and iconic cartoon character known as 'Sonic the Hedgehog' and numerous other characters that appear in games in the Sonic the Hedgehog franchise (together "**Sonic**") and all intellectual property rights therein. In particular, SEGA is the owner of various registered and unregistered trade marks for SONIC THE HEDGEHOG including:
 - UK registered trade mark number 2042771A
 - Community registered trade mark number E39904471; and
 - International trade mark application number U00001059285.

The trade marks detailed in this paragraph shall be referred to as the "**Trade Marks**" for the purpose of this letter. As a result of SEGA's substantial use of the Trade Marks for many years, SEGA has acquired a substantial reputation and goodwill in relation to the Trade Marks which are protectable under English law and European trade mark law. As trade mark owner, SEGA is entitled at law to prevent the unauthorized use and reproduction of the Infringing Games.

6. Sonic is a protected copyright work. SEGA is also the sole owner of all copyright that subsists in Sonic ("**Copyright**") and is entitled at law to prevent the unauthorized copying, reproducing and selling of the Infringing Games.
7. As a result of the global success of Sonic, SEGA enjoys substantial reputation and goodwill in Sonic. Further evidence of the success of Sonic can be found on the websites at www.sega.co.uk.
8. SEGA will not tolerate this blatant infringement of its intellectual property rights, and in the circumstances, we require from you signed undertakings in the form attached to be returned to us by 17:00 (BST) on Friday 19 August 2011. If by the due date you do not respond as requested in a manner which indicates a willingness on your part

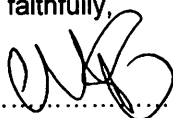
to resolve the matters of which complaint is made, we will instruct external counsel to institute legal proceedings without further notice.

9. If proceedings become necessary (which may be issued and served without further notice to you), the remedies available to us include damages, legal costs and interest. In the meantime, we reserve all our rights in this matter.

This is a complex area of law and we strongly recommend that you seek independent legal advice immediately.

We look forward to hearing from you by Friday 12 August 2011.

Yours faithfully,



Legal Department

SEGA EUROPE LIMITED

FOR AND ON BEHALF OF SEGA CORPORATION

ANNEX: Undertakings

FAO:
Legal Department
SEGA Europe Limited
27 Great West Road
Brentford
Middlesex TW8 9BW

[Date]

Dear Sirs

In consideration of SEGA Corporation refraining from bringing legal proceedings against Mr John Gillis for infringement of its Copyright and Trade Marks by virtue of the unauthorized Sonic the Hedgehog games made available on the Site, I undertake:

1. To immediately remove all Infringing Games from the Site;
2. Not now or in the future to make available any games on the Site using the Trade Marks or Copyright or anything confusingly similar thereto or any other game that would amount to an infringement of the Trade Marks or Copyright;
3. To pay such damages or profits relating to my infringement your Copyright and Trade Marks as may be agreed or, in default of agreement, determined by the court.
4. To pay your reasonable legal costs incurred in connection with my infringement of your Copyright and Trade Marks, to be assessed if not agreed.

All defined terms have the meaning given to them in the letter from SEGA Corporation dated 4 August 2011.

Yours faithfully,

Signed

Name