UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF NEW YORK

RICHARD MINSKY, AN INDIVIDUAL, D/B/A SLART ENTERPRISES,

08 - CV - 0819

Plaintiff,

LEK-DRH

v.

LINDEN RESEARCH, INC., d/b/a LINDEN LAB, a Delaware corporation, JOHN DOE (a/k/a VICTOR VEZINA), an individual, PHILIP ROSEDALE, an individual, MITCHELL KAPOR, an individual, other DOES, presently unknown to Plaintiff,

ANSWER OF DEFENDANT LINDEN RESEARCH, INC. AND COUNTERCLAIMS

Defendants.

DEMAND FOR JURY TRIAL

ANSWER TO COMPLAINT

Linden Research, Inc. ("Linden") hereby responds to the Complaint of Richard Minsky, d/b/a SLART Enterprises, ("Plaintiff") as follows:

JURISDICTION

1. Paragraph 1 of the Complaint states legal conclusions as to which no response is required. To the extent a response is required, Linden admits that the Court has subject matter jurisdiction over the Plaintiff's claims.

PARTIES AND VENUE

- 2. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 2 and on that basis denies the allegations therein.
- 3. Linden admits the allegations of the first two sentences of Paragraph 3. Linden further admits that it operates a three-dimensional online virtual world known as "Second Life," which users access via the Internet through viewer software downloaded from the Second Life website at http://secondlife.com/. Except as expressly admitted, Linden denies the allegations in Paragraph 3.

- 4. Answering Paragraph 4, Linden admits that an avatar is a user's persona in the Second Life virtual world. Linden further admits that "Victor Vezina" is an avatar name used in the Second Life virtual world and that the user associated with the avatar name "Victor Vezina" has registered with Linden and provided contact information to Linden. Except as expressly admitted, Linden is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 4, and on that basis denies the allegations therein.
 - **5.** Linden admits the allegations of Paragraphs 5 and 6.
- **6.** Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 7, and on that basis denies the allegations therein.

ALLEGATIONS

- Answering Paragraph 8, Linden admits that users who successfully register with Linden to use the Second Life service are known as "residents" of Second Life, that users may buy and sell Linden Dollars, that it operates a currency exchange known as the LindeX, and that the Second Life website lists businesses begun by users. The remaining allegations of Paragraph 8 are vague and as a result Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 8 and on that basis denies the allegations therein.
- 8. Answering Paragraph 9, Linden admits that Second Life users retain certain copyright and other intellectual property rights associated with the content they have created in Second Life to the extent that the user has such rights under applicable law and the Second Life Terms of Service. The remaining allegations of Paragraph 9 are vague and as a result Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 9 and on that basis denies the allegations therein.

- **9.** Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 10 through 14, and on that basis denies the allegations therein and further denies that Plaintiff has created or acquired any valid trademark rights in SLART.
- 10. Answering Paragraph 15, Linden avers that the records of the United States Patent and Trademark Office speak for themselves and otherwise Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 15 and on that basis denies the allegations therein.
- 11. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 16 through 17, and on that basis denies the allegations therein.
- 12. Answering Paragraphs 18, 19 and 20, Linden avers that the records of the United States Patent and Trademark Office speak for themselves and otherwise Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 18, 19 and 20 and on that basis denies the allegations therein.
- 13. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 21 through 23, and on that basis denies the allegations therein.
- 14. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 24, and on that basis denies the allegations therein, except that Linden admits that Second Life users may jointly own property as members of a Group and that users in Groups may communicate through Instant Messages and Group Notices.

- **15.** Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 25, and on that basis denies the allegations therein.
- 16. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 26, and on that basis denies the allegations therein except that Linden admits that Martin Roberts is Linden's General Counsel and that on April 24 Linden received a written request from Plaintiff, which request speaks for itself, and Linden denies that Plaintiff has a valid federal registration for SLART or any enforceable rights in SLART.
- 17. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27, and on that basis denies the allegations except that Linden admits that Laura Pirri is counsel for Linden and sent an email to Tamiko Franklin on May 23, 2008.
- 18. Answering Paragraph 28, Linden admits that, on May 28, 2008, Laura Pirri spoke on the telephone with a person identifying herself as Tamiko Franklin, that Ms. Pirri wrote an email to Ms. Franklin on May 28, which email speaks for itself, that Linden's Second Life Brand Center policies were issued on March 24, 2008, and that Linden disputes that Plaintiff owns a valid federal registration for SLART or any enforceable rights in SLART. Except as expressly admitted, Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 28, and on that basis denies the allegations therein.
- 19. Answering paragraph 29, Linden avers that the terms of the Second Life Brand Center speak for themselves. Except as expressly so averred, Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 29, and on that basis denies the allegations therein.

- **20.** Answering Paragraphs 30 through 32, Linden avers that Ms. Pirri and Ms. Franklin corresponded by email on May 29, May 30, and June 2, which correspondence speaks for itself. Except as expressly so admitted, Linden is without knowledge or information sufficient to form a belief or to the truth of the allegations in Paragraph 30 through 32 and on that basis denies the allegations therein.
- 21. Linden denies the allegations in Paragraph 33, except that Linden admits that Laura Pirri authored an email which speaks for itself and that Linden disputes that Plaintiff owns a valid federal registration for SLART or has any enforceable rights in SLART.
- 22. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 34, and on that basis denies the allegations therein, except admits that Plaintiff filed a report with Linden which speaks for itself.
- 23. Linden denies the allegations in Paragraph 35, except that Linden admits that Laura Pirri wrote an email to Tamiko Franklin on July 14, which email speaks for itself, and participated in a telephone conference with Plaintiff and a person who identified herself as Tamiko Franklin on July 17, 2008, and that Linden disputes that Plaintiff has a valid federal registration for SLART or has any enforceable rights in SLART.
- **24.** Answering Paragraph 36, Linden avers that use of its service is governed by the Second Life Terms of Service, which Terms of Service speak for themselves. Except as expressly averred, Linden denies the allegations in Paragraph 36.
- 25. Answering Paragraph 37, Linden admits that Plaintiff filed a complaint in this Court, Action No. 08-CV-819, on July 29, 2008 and subsequently amended that complaint, that Linden received the original complaint and a waiver of service of summons form on July 31, that Mr. Roberts, Mr. Kapor and Mr. Rosedale received an email from Plaintiff to which Mr. Roberts

replied by email on August 4 and that, on August 5, Mr. Roberts and Ms. Pirri participated in a telephone conversation with Plaintiff and someone who identified himself as John Koegel. Except as expressly so admitted, Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 37 and on that basis denies the allegations therein.

26. Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 38 and 39, and on that basis denies the allegations therein.

CLAIMS FOR RELIEF

CLAIM ONE

27. Linden denies the allegations in Paragraphs 40 through 48 except that Linden admits that it disputes that Plaintiff has a valid federal registration for SLART or has any enforceable rights in SLART and further admits that Plaintiff purports to seek the relief described but denies he is entitled to that relief or any relief.

CLAIM TWO

28. Linden states that no response is required to Paragraphs 49 through 50, because Claim Two is not addressed to Linden. To the extent an answer is required, Linden denies the allegations in Paragraphs 49 through 50 insofar as they relate to Linden.

CLAIM THREE

- **29.** Linden denies the allegations in Paragraphs 51 through 53 except that Linden admits that it disputes that Plaintiff has a valid federal registration for SLART or has any enforceable rights in SLART.
- **30.** Answering Paragraph 54, Linden admits that Plaintiff purports to seek the relief described but denies that Plaintiff is entitled to the relief sought or any relief.

CLAIMS FOUR AND FIVE

31. Linden states that no response is required to Paragraphs 55 through 64 because Claims Four and Five are not addressed to Linden. To the extent a response is required, Linden denies the allegations in Paragraph 55 through 64 insofar as they relate to Linden, except that Linden admits that Mssrs. Kapor, Rosedale and Kingdon have held positions with Linden, that Mssrs. Kapor and Kingdon have from time to time made public statements, which statements speak for themselves, that Linden issued a press release on November 14, 2003, which press release speaks for itself, that Linden sent an email to Tamiko Franklin, on June 9, 2008, which email speaks for itself, and that Linden disputes that Plaintiff has a valid federal registration for SLART or has any enforceable rights in SLART.

CLAIM SIX

- **32.** Answering Paragraph 65, Linden avers that the allegations are vague and as a result Linden is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 65 and on that basis, denies those allegations.
- 33. Linden denies the allegations in Paragraphs 66 through 69, except Linden admits that it disputes that Plaintiff has a valid federal registration for SLART or has any enforceable rights in SLART and further admits that Plaintiff purports to seek the relief described but denies that Plaintiff is entitled to the relief sought or any relief.

PRAYER FOR RELIEF

34. Linden states that no response is required to Paragraphs 70-75, as they contain legal conclusions and requests for relief and, to the extent a response is required, Linden denies that Plaintiff is entitled to the relief sought or any relief whatsoever.

PLAINTIFF'S DEMAND FOR JURY TRIAL

35. Linden admits that Plaintiff requested a trial by jury. Linden demands a trial by jury of all issues so triable.

AFFIRMATIVE DEFENSES

First Affirmative Defense

36. The Complaint fails to state a claim upon which relief may be granted.

Second Affirmative Defense

37. Plaintiff is not the owner of any rights in SLART and the federal trademark registration for SLART issued to him was procured through fraud and misrepresentation and is invalid and unenforceable.

Third Affirmative Defense

38. SLART is a combination of Linden's mark SL and the generic term "art," is confusingly similar to Linden's SECOND LIFE and SL marks, and constitutes an infringement of Linden's rights in both marks.

Fourth Affirmative Defense

39. Linden cannot be subject to liability for trademark infringement or dilution because Plaintiff has not used SLART in commerce within the meaning of the Lanham Act or otherwise committed any infringement or dilution of any valid trademark rights of Plaintiff.

Fifth Affirmative Defense

40. Plaintiff's claims are barred, in whole or in part, by the terms of his agreement with Linden.

Sixth Affirmative Defense

41. Plaintiff's claims are barred by unclean hands.

Seventh Affirmative Defense

42. Persons who make a legally permissible use of SLART are not committing trademark infringement or dilution of any valid or enforceable right of Plaintiff and therefore Linden cannot be subject to secondary liability.

Eighth Affirmative Defense

43. At all relevant times, Linden acted in good faith, without actual or constructive knowledge of any infringement or dilution of any valid mark of Plaintiff, with good and sufficient legal cause and therefore cannot be subject to liability.

Ninth Affirmative Defense

44. Plaintiff is not entitled to injunctive relief because any alleged injury is not immediate or irreparable and Plaintiff has an adequate remedy at law.

COUNTERCLAIMS

Defendant and Counterclaimant Linden Research, Inc. ("Linden"), by and through its attorneys, hereby counterclaims as follows against Richard Minsky, d/b/a SLART Enterprises ("Minsky").

NATURE OF THE ACTION

- 45. Linden is the owner of the famous trademark SECOND LIFE for use in connection with providing online services in the nature of a multi-user, virtual environment in which users interact with each other, collaborate, create content and engage in a wide variety of business and social activities.
- **46.** In addition to the mark SECOND LIFE, Linden has also adopted and is using SL as a mark in connection with offering its online services.
- **47.** This is an action to redress violations of the federal Lanham Act for infringement of a federally registered trademark SECOND LIFE (15 U.S.C. Section 1114), unfair competition

and false designation of origin for infringement of the marks SECOND LIFE and SL (15 U.S.C. Section 1125(a)), dilution of the federally registered trademark SECOND LIFE (15 U.S.C. Section 1125(c)), common law trademark infringement and unfair competition and breach of contract, all as a result of Minsky's willful adoption and use of colorable imitations of Linden's marks, as more fully set forth hereafter.

48. Linden seeks preliminary and permanent injunctive relief restraining Minsky's infringement, a declaration that Linden is entitled to terminate Minsky's access to Linden's online services, treble monetary damages, attorneys fees and related relief.

THE PARTIES AND JURISDICTION

- **49.** Linden is informed, believes, and thereon alleges that Richard Minsky is an individual and a resident of the State of New York with his principal place of business at 413 County Route 22, Hudson, New York 12543.
- **50.** Linden is a Delaware corporation with its primary place of business at 945 Battery Street, San Francisco, CA 94111.
- **51.** This Court has jurisdiction over this counterclaim pursuant to 28 U.S.C. § 1338 and 15 U.S.C. § 1119 as the claims arise under the federal Lanham Act. This Court has jurisdiction over all related claims in accordance with 28 U.S.C. §§ 1338(b) and 1367(a).

ALLEGATIONS COMMON TO ALL COUNTS

52. Linden was founded in 1999 with the idea to create a new form of shared experience on the Internet. Bringing together substantial talent and experience in sophisticated hardware and software technologies, Linden's founders developed the capability of offering to users a multi-dimensional, online environment in which users could interact with each other, create content and engage in a wide variety of activities.

- **53.** Publicly launched in 2003 under the brand name Second Life, Linden's virtual world service quickly became extremely popular and rapidly garnered a large user population.
- **54.** Today, Second Life has more than 15 million subscribers in the United States and in sixty-six other countries around the world and it continues to grow. In addition to offering its users the opportunity to interact and collaborate in the virtual environment, Linden's services facilitate a wide variety of business, charitable and educational activities.
- 55. As the creator of one of the earliest and the most popular virtual world services, Second Life has garnered substantial publicity and acclaim. It is featured regularly in news commentary and popular culture and has been licensed for use in several prime time television shows. *Time Magazine* recognized Second Life in its 2006 "Person of the Year" edition, which highlighted the importance of user-created content on the Internet.
- **56.** Since the inception of its business, Linden has continuously used the mark SECOND LIFE to identify its online, virtual world services. Linden has invested substantial resources in establishing its distinctive SECOND LIFE name and mark and in marketing, promoting and advertising the SECOND LIFE brand across the United States.
- **57.** Linden has obtained federal trademark registrations for SECOND LIFE and it owns United States Trademark Registration Nos. 2813096 and 2832935 (issued on February 10, 2004 and April 13, 2004, respectively). True and correct copies of these certificates of registration are attached hereto as Exhibit A.
- 58. As a result of Linden's consistent and widespread use of the SECOND LIFE name and mark on its services, Linden's investment of resources in the brand, its large and loyal base of users, and the substantial publicity it has garnered as an innovative and creative service,

the SECOND LIFE mark enjoys a high degree of consumer recognition and has become a famous mark.

- **59.** Linden enjoys substantial and valuable goodwill embodied in its SECOND LIFE mark.
- **60.** In addition to its SECOND LIFE mark, Linden has adopted and used the trademark SL in connection with offering its services, by, among other things, displaying the mark SL on its website and in periodicals distributed throughout the United States.
 - **61.** In addition, Linden has adopted related marks that incorporate the SL mark.
- **62.** The mark SL has become widely known and associated with Linden's Second Life virtual world service and, as a result, embodies the substantial goodwill that Linden has accumulated in the marketplace in connection with offering its services.
 - **63.** Accordingly, the SL mark is a valuable asset of Linden.
- 64. Over the years, many of Linden's devoted fans who were active in Linden's Second Life virtual world have also used SL alone or in combination with generic terms to refer to Second Life in connection with their activities. For example, Second Life residents used SL plus the generic term "art" to identify their activities concerned with the creation, display, promotion and sale of art in the Second Life environment.
- **65.** On or about June 5, 2007, Linden filed an application with the United States Patent and Trademark Office ("PTO") to register SL as a trademark for use in connection with providing the Second Life virtual world service. That application, Serial No. 77198345, was examined and approved by the PTO and was published for opposition on September 16, 2008.
- **66.** In or about November 2006, Minsky registered as a user of Second Life and began to engage in art-related activities in the Second Life virtual world.

- 67. In order to communicate to others that his activities concerned art in the Second Life environment and to benefit from the acclaim and goodwill that the Second Life virtual world enjoyed among the public and that is embodied in the SL mark, Minsky, as others had done before him, began to use in interstate commerce Linden's mark SL in combination with "art".
- **68.** Unlike others, however, Minsky formed the intention to usurp this combination of SL and "art" and to attempt to gain exclusive rights in it.
- **69.** Toward this end, on or about March 22, 2007, Minsky filed an application with the United States Patent and Trademark Office ("PTO") seeking to register SLART as a trademark in connection with his art-related activities.
- **70.** Minsky attached to his application an exemplar of his use of SLART reflecting the tagline, "a critical review and journal of the arts in Second Life."
- **71.** Minsky falsely claimed in his application that he was entitled to the exclusive use of SL plus ART and that he was not aware of others entitled to use the term in commerce.
- **72.** Minsky also falsely claimed that he was using SLART on a wide variety of services.
- 73. The PTO initially refused Minsky's application, correctly observing that the "proposed mark merely describes the feature of applicant's services," and that "the term 'SLART' is commonly used to describe art within the online world Second Life."
- **74.** In an effort to overcome this refusal from the PTO, Minsky submitted a response falsely claiming that SLART as he had used it did not refer to art in Second Life but instead was a combination of terms of such as "slut" and "fart," and pointed the Examiner to an online, usergenerated dictionary.

- **75.** In reliance on these false statements, the PTO issued a registration for SLART.
- 76. Despite Linden's notice to him that it objects to his use of SLART, Minsky has persisted in using the mark, including in connection with holding himself out as an expert on the Second Life virtual world in order to promote his own commercial activities and to benefit unjustly from the acclaim and goodwill that Linden enjoys as a result of its Second Life online service, and has embarked upon a campaign of harassment and intimidation in an effort to force other users of the Second Life service to cease use of the combination of SL and "art."
- 77. Minsky has been using Linden's SECOND LIFE and SL marks without permission and has taken advantage of Second Life's popularity to garner attention and monetary gain.
- **78.** Linden filed a petition before the Trademark Trial and Appeal Board of the PTO to cancel Minsky's registration on the grounds of fraud. That cancellation proceeding has now been stayed in favor of the action before this Court.

FIRST COUNTERCLAIM FEDERAL TRADEMARK INFRINGEMENT 15 U.S.C. SECTION 1114

- **79.** Linden incorporates the allegations contained in paragraphs 45 to 78 of this Counterclaim as though fully set forth herein.
- **80.** The actions of Minsky described above and specifically, without limitation, Minsky's unauthorized use in interstate commerce of SLART in connection with offering his services and products constitutes infringement of Linden's SECOND LIFE mark in violation of 15 U.S.C. Section 1114.
- **81.** The actions of Minsky described above are likely to cause consumers to be confused, mistaken, or deceived into believing that Minsky's products and services are affiliated

with, associated with or sponsored by Linden, and Minsky will unjustly benefit from such association.

- **82.** Minsky's alleged acts of trademark infringement have been committed with the intent to cause confusion and mistake and to deceive.
 - **83.** Minsky's actions, if not enjoined, will continue.
- **84.** Linden has suffered and continues to suffer damages in an amount to be proven at trial consisting of, among other things, diminution in the value of and goodwill associated with the SECOND LIFE mark and injury to Linden's business.
 - **85.** Linden is therefore entitled to injunctive relief.
- **86.** Linden is also entitled to recover damages in an amount to be determined at trial, Minsky's profits, and the costs of this action.
- **87.** Linden is informed and believes, and on that basis alleges, that the actions of Minsky were undertaken willfully and with the intention of causing confusion, mistake, or deception, making this an exceptional case entitling Linden to recover treble damages and reasonable attorney's fees.

SECOND COUNTERCLAIM FEDERAL TRADEMARK DILUTION 15 U.S.C. § 1125(C)

- **88.** Linden incorporates the allegations contained in Paragraphs 45 to 87 of this Counterclaim as though fully set forth herein.
- 89. As a result of Linden's continuous and widespread use of the SECOND LIFE name and mark on its services, Linden's investment of resources in its brand, its strong and loyal base of customers, and the publicity and acclaim that Linden has garnered in connection with its services, the SECOND LIFE mark enjoys a high degree of consumer recognition throughout the

United States and is a famous mark within the meaning of Section 43(c) of the United States Trademark Act, 15 U.S.C. § 1125(c).

- **90.** The SECOND LIFE mark became famous before Minsky began using SLART.
- 91. Minsky's alleged SLART mark wholly incorporates Linden's SL mark which in turn is widely recognized in the marketplace as a designation of SECOND LIFE and Linden's SECOND LIFE services and Minsky's use of SLART and his campaign of intimidation against users of the Second Life service is likely to cause an association with the SECOND LIFE mark that impairs the distinctiveness of Linden's famous SECOND LIFE mark, weakens the connection in consumers' minds between the SECOND LIFE mark and Linden's services, and tarnishes the SECOND LIFE mark. Minsky's use of SLART is therefore likely to cause dilution by blurring and tarnishment.
- **92.** The actions of Minsky described above and specifically, without limitation, Minsky's unauthorized use in interstate commerce of a mark nearly identical in commercial impression to Linden's famous and distinctive SECOND LIFE mark, constitutes use of a mark that is likely to cause dilution in violation of 15 U.S.C. § 1125(c).
- 93. The actions of Minsky, if not enjoined, will continue. Minsky has suffered, and continues to suffer, damages in an amount to be proven at trial consisting of, among other things, diminution in the value of and goodwill associated with the SECOND LIFE mark and injury to Linden's business. Linden is therefore entitled to injunctive relief pursuant to 15 U.S.C. §§ 1116 and 1125(c).
- **94.** On information and belief, the actions of Minsky were undertaken willfully and with the intention of causing dilution of Linden's famous and distinctive SECOND LIFE mark,

making this an exceptional case entitling Linden to recover additional treble damages and reasonable attorneys' fees.

THIRD COUNTERCLAIM UNFAIR COMPETITION AND FALSE DESIGNATION OF ORIGIN 15 U.S.C. 1125(A)

- **95.** Linden incorporates by reference Paragraphs 45 to 94 of this Counterclaim as though fully set forth herein.
- **96.** The actions of Minsky described above and specifically, without limitation, Minsky's unauthorized use in commerce of SLART in connection with offering his services and products constitutes unfair competition and false designation of origin in connection with Linden's SECOND LIFE and SL marks in violation of 15 U.S.C. Section 1125(a).
- **97.** The actions of Minsky described above are likely to cause consumers to be confused, mistaken, or deceived into believing that Minsky's products and services are affiliated with, associated with, or sponsored by Linden and Minsky will unjustly benefit from such association.
- **98.** Minsky's alleged acts of unfair competition and false designation of origin have been committed with the intent to cause confusion and mistake and to deceive.
- **99.** Minsky's actions, if not enjoined, will continue. Linden has suffered, and continues to suffer, damages in an amount to be proven at trial consisting of, among other things, diminution in the value of and goodwill associated with the SECOND LIFE and SL marks and injury to Linden's business.
 - **100.** Linden is therefore entitled to injunctive relief.
- **101.** Linden is also entitled to recover damages in an amount to be determined at trial, Minsky's profits, and the costs of this action.

102. Linden is informed and believes, and on that basis alleges, that the actions of Minsky were undertaken willfully and with the intention of causing confusion, mistake or deception, making this an exceptional case entitling Linden to recover treble damages and reasonable attorney's fees.

FOURTH COUNTERCLAIM COMMON LAW TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION

- **103.** Linden incorporates by reference Paragraphs 45 to 102 of this Counterclaim as though fully set forth herein.
- 104. The actions of Minsky described above and specifically, without limitation, Minsky's unauthorized use in commerce of SLART in connection with offering his services and products constitutes trademark infringement of Linden's SECOND LIFE and SL marks and unfair competition and misappropriation in violation of the common law of the State of New York.
- 105. The actions of Minsky described above are likely to cause consumers to be confused, mistaken, or deceived into believing that Minsky's products and services are affiliated with, associated with, or sponsored by Linden and Minsky will unjustly benefit from such association.
- **106.** Minsky's alleged acts of trademark infringement and unfair competition and misappropriation have been committed with the intent to cause confusion and mistake and to deceive.
- 107. Minsky's actions, if not enjoined, will continue. Linden has suffered, and continues to suffer, damages in an amount to be proven at trial consisting of, among other things, diminution in the value of and goodwill associated with the SECOND LIFE and SL marks and injury to Linden's business.

108. Linden is therefore entitled to injunctive relief and damages in an amount to be determined at trial, Minsky's profits, and the costs of this action.

FIFTH COUNTERCLAIM CANCELLATION-INFRINGEMENT

- **109.** Linden incorporates by reference the allegations in Paragraphs 45 to 108 of this Counterclaim as though fully set forth herein.
- **110.** On March 18, 2008, the PTO issued United States Trademark Registration No. 3399258 for the mark SLART to Minsky.
- 111. The registration was issued improperly in that the alleged mark SLART is merely a combination of Linden's mark SL with the generic term "art". As such, the alleged SLART mark is an infringement of Linden's rights in SECOND LIFE and SL and is otherwise merely a generic term.
 - **112.** Therefore, Minsky is not entitled to registration of SLART.
- **113.** Linden has been damaged and is likely to continue to be damaged by registration of the SLART mark.
- 114. Accordingly, Linden is entitled to an order from this Court cancelling Minsky's registration. With respect to this order, Linden requests certification to the Director of the PTO instructing the Director to make the appropriate entries upon the PTO's records.

SIXTH COUNTERCLAIM CANCELLATION-FRAUD

- **115.** Linden incorporates by reference Paragraphs 45 to 114 of this Counterclaim as though fully set forth herein.
- 116. On information and belief, at the time of filing for registration of SLART, Minsky was aware that Linden had rights in the marks SECOND LIFE and SL.

- 117. On information and belief, at the time of filing Minsky was aware that relevant members of the public encountering his mark as used on or in connection with his services understood his mark to mean "SECOND LIFE art" or otherwise to refer to "art in SECOND LIFE."
- 118. On information and belief, at the time of filing his response to the Office Action, Minsky was aware and knew that SLART refers to "SECOND LIFE art" and he misrepresented that fact to the PTO and misleadingly claimed that SLART "is a slang term, and not one that refers to art in Second Life." In reliance on these material misrepresentations, the PTO issued a registration to Minsky for SLART.
- **119.** Linden has been damaged and is likely to continue to be damaged by registration of the SLART mark.
- **120.** Accordingly, Linden is entitled to an order from this Court cancelling Minsky's registration. With respect to this order, Linden requests certification to the Director of the PTO instructing the Director to make the appropriate entries upon the PTO's records.

SEVENTH COUNTERCLAIM CANCELLATION – FRAUD

- **121.** Linden incorporates by reference Paragraphs 45 to 120 of this Counterclaim as though fully set forth herein.
- **122.** On information and belief, at the time of filing the application for registration of SLART, Minsky was not using the mark SLART on or in connection with all of the services for which he claimed actual use in commerce under Section 1(a) of the Trademark Act.
- **123.** On information and belief, when Minsky filed the application and supporting declaration with the PTO and claimed that he was currently using the mark on or in connection with the services listed under Section 1(a), that sworn statement was false.

- **124.** On information and belief, at the time of filing the Statement of Use, Minsky was not using the mark SLART on or in connection with all the services listed in the application, which he represented were in use in the Statement of Use.
- 125. On information and belief, Minsky misrepresented the nature of his use in commerce of the alleged mark at the time he submitted his Statement of Use and continued to prosecute the trademark application that led to the registration that is the subject of this dispute.
- **126.** On information and belief, the aforementioned false statements were material and were made with the intent to induce authorized agents of the PTO to grant registration of the SLART mark, and reasonably relying on the truth of said false statements, the PTO did, in fact, grant said registration to Minsky.
- **127.** Linden believes that it has been and will continue to be damaged by registration of the SLART mark.
- **128.** Accordingly, Linden is entitled to an order from this Court cancelling Minsky's registration. With respect to this order, Linden requests certification to the Director of the PTO instructing the Director to make the appropriate entries upon the PTO's records.

EIGHTH COUNTERCLAIM BREACH OF CONTRACT

- **129.** Linden incorporates by reference Paragraphs 45 to 128 of this Counterclaim as though fully set forth herein.
- **130.** Minsky registered as a user of Second Life, downloaded the Second Life software, and entered the Second Life virtual world.
- **131.** As a condition of his access, Minsky acknowledged and accepted the Second Life Terms of Service.

- 132. In addition, as those Terms of Service were periodically revised by Linden, and as a condition of his continued access to Linden's Second Life virtual world, Minsky acknowledged and accepted the revised Terms of Service. A true and correct copy of the current Second Life Terms of Service is attached hereto as Exhibit B.
- **133.** By accepting the Terms of Service, Minsky entered into a valid and binding contract with Linden.
- **134.** Minsky has violated the Terms of Service by, *inter alia*, violating Term of Service 4.4.
- **135.** Linden has performed or is excused from performing the material obligations required of it under the Second Life Terms of Service.
- **136.** Minsky's conduct, including without limitation, his violation of Term of Service 4.4, constitutes a material breach of the Terms of Service.
- **137.** As a proximate result of Minsky's breach of contract, Linden is entitled to the relief requested herein.

NINTH COUNTERCLAIM DECLARATORY RELIEF-TERMINATION OF CONTRACT

- **138.** Linden incorporates by reference Paragraphs 45 to 137 of this Counterclaim as though fully set forth herein.
- 139. The actions of Minsky described above constitute a breach of the Second Life
 Terms of Service and entitle Linden to terminate Minsky's access to the SECOND LIFE online
 virtual world, as per the provisions of Term of Service 2.6.
- **140.** On information and belief, Minsky disputes that he has violated the Second Life Terms of Service and that Linden is entitled to terminate his access.

- **141.** A real and justifiable controversy therefore exists as to Linden's right to terminate that access.
- **142.** Linden seeks a declaration from this Court that, as a result of Minsky's violation of the Second Life Terms of Service, Linden is within its rights to terminate Minsky's account according to its policies and procedures under its Terms of Service.

PRAYER FOR RELIEF

WHEREFORE, Linden requests that judgment be entered as follows:

- **143.** That Minsky's Complaint be dismissed with prejudice;
- **144.** That the Director of the PTO be ordered to cancel Minsky's United States

 Trademark Registration No. 3399258 for the mark SLART and to make the appropriate entries upon the PTO's records reflecting the cancellation;
- 145. That Minsky, his attorneys and representatives and all of those in privity with or acting under his direction and/or pursuant to his control, be preliminarily and permanently enjoined and restrained, from directly or indirectly:
 - (a) Using the mark SLART, or terms, marks, symbols or indicia confusingly similar to the SLART, SECOND LIFE and SL marks, in connection with the production, advertisement, promotion, distribution, offering for sale or selling of services related to art.
 - (b) Performing any acts or using any service marks, trademarks, names, words or phrases that are likely to cause confusion, to cause mistake, to deceive or otherwise mislead the public into believing that the services or goods of Defendant originate with, or are affiliated with, associated with, or sponsored by Linden;

- **146.** That Minsky be required to file with the Court, and serve on Linden, a statement under oath evidencing compliance with any preliminary or permanent injunctive relief ordered by the Court within fourteen (14) days after the entry of such order of injunctive relief;
- **147.** That Minsky, his attorneys and representatives and all of those in privity with or acting under its direction and/or pursuant to its control, be required to deliver up for destruction all advertising, signs, labels, wrappers, packaging, and any other materials bearing the SLART mark;
- **148.** That the Court issue a declaration that Linden is within its rights under the Terms of Service to terminate Minsky's Second Life account.
- **149.** That Minsky be ordered to pay Linden monetary damages for the harm resulting from his infringement and dilution of Linden's marks, as described above, in an amount to be determined at trial;
- **150.** That damages be trebled and that Minsky be ordered to pay Linden's attorneys' fees on the basis that this is an exceptional case;
- **151.** That Linden have such other and further relief as this Court shall deem just and proper.

DEMAND FOR JURY TRIAL

152. Linden demands a trial by jury of all issues so triable.

Dated: October 10, 2008

Respectfully Submitted,

COOLEY GODWARD KRONISH

s/ Janet L. Cullum

By: Janet L. Cullum

Admitted pro hac vice Assigned Bar Roll No. 106604

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ATTORNEYS FOR DEFENDANT LINDEN RESEARCH, INC.

EXHIBIT A

Int. Cls.: 9, 38 and 41

Prior U.S. Cls.: 21, 23, 26, 36, 38, 100, 101, 104 and 107

United States Patent and Trademark Office

Reg. No. 2,813,096 Registered Feb. 10, 2004

TRADEMARK SERVICE MARK PRINCIPAL REGISTER



LINDEN RESEARCH, INC. (DELAWARE COR-PORATION) 577 SECOND STREET, SUITE 200 SAN FRANCISCO, CA 94107

FOR: ENTERTAINMENT SOFTWARE, NAMELY, SOFTWARE THAT IS USED FOR PROVIDING MULTI-PLAYER ACCESS TO AN ON-LINE GAME ENVIRONMENT; COMPUTER GAME SOFTWARE; VIDEO GAME SOFTWARE; VIRTUAL REALITY GAME SOFTWARE; INTERACTIVE VIDEO GAMES COMPRISED OF COMPUTER HARDWARE AND SOFTWARE; COMPUTER GRAPHICS SOFTWARE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 10-25-2002; IN COMMERCE 10-25-2002.

FOR: COMMUNICATION SERVICES IN THE NATURE OF TEXT MESSAGING AND ELECTRONIC MAIL SERVICES USED IN PLAYING ON-LINE COMPUTER GAMES, IN CLASS 38 (U.S. CLS. 100, 101 AND 104).

FIRST USE 10-25-2002; IN COMMERCE 10-25-2002.

FOR: ENTERTAINMENT SERVICES, NAMELY, PROVIDING AN ON-LINE COMPUTER GAME BY MEANS OF COMMUNICATIONS NETWORKS; ENTERTAINMENT SERVICES IN THE NATURE OF PROVIDING AN ON-LINE MULTI-PLAYER ELECTRONIC COMPUTER GAME; ENTERTAINMENT SERVICES, NAMELY, PROVIDING AN ON-LINE COMPUTER GAME THAT MAY BE ACCESSED BY MEANS OF COMMUNICATIONS NETWORKS; MULTIMEDIA ENTERTAINMENT SOFTWARE PRODUCTION SERVICES, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 10-25-2002; IN COMMERCE 10-25-2002.

SER. NO. 78-223,156, FILED 3-7-2003.

MITCHELL FRONT, EXAMINING ATTORNEY

Int. Cls.: 9, 38, and 41

Prior U.S. Cls.: 21, 23, 26, 36, 38, 100, 101, 104, and

107

United States Patent and Trademark Office

Reg. No. 2,832,935

Registered Apr. 13, 2004

TRADEMARK SERVICE MARK PRINCIPAL REGISTER

SECOND LIFE

LINDEN RESEARCH, INC. (DELAWARE COR-PORATION) 577 SECOND STREET SUITE 200 SAN FRANCISCO, CA 94107

FOR: ENTERTAINMENT SOFTWARE, NAMELY, SOFTWARE THAT IS USED FOR PROVIDING MULTI-PLAYER ACCESS TO AN ON-LINE GAME ENVIRONMENT; COMPUTER GAME SOFTWARE; VIRTUAL REALITY GAME SOFTWARE; COMPUTER GRAPHICS SOFTWARE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 5-1-2002; IN COMMERCE 12-31-2002.

FOR: COMMUNICATION SERVICES IN THE NATURE OF TEXT MESSAGING AND ELECTRONIC MAIL SERVICES USED IN PLAYING ON-LINE COMPUTER GAMES, IN CLASS 38 (U.S. CLS. 100, 101 AND 104).

FIRST USE 5-1-2002; IN COMMERCE 12-31-2002.

FOR: ENTERTAINMENT SERVICES, NAMELY, PROVIDING AN ON-LINE COMPUTER GAME BY MEANS OF COMMUNICATIONS NETWORKS; ENTERTAINMENT SERVICES IN THE NATURE OF PROVIDING AN ON-LINE MULTI-PLAYER ELECTRONIC COMPUTER GAME; ENTERTAINMENT SERVICES, NAMELY, PROVIDING AN ON-LINE COMPUTER GAME THAT MAY BE ACCESSED BY MEANS OF COMMUNICATIONS NETWORKS, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 5-1-2002; IN COMMERCE 12-31-2002.

SN 76-976,360, FILED 10-7-2002.

BRIAN PINO, EXAMINING ATTORNEY

EXHIBIT B

Resident Login | Join

POLICIES & GUIDELINES

Privacy
Community Standards
Terms of Service
DMCA
Brand Center

- inSL Logo Program
- Trademark Guidelines

Online Safety

Value Added Tax (VAT)

Terms of Service

Welcome to Second Life! The following agreement (this "Agreement" or the "Terms of Service") describes the terms on which Linden Research, Inc. ("Linden Lab") offers you access to its services. This offer is conditioned on your agreement to all of the terms and conditions contained in the Terms of Service, including your compliance with the policies and terms linked to (by way of the provided URLs) from this Agreement. By using Second Life, you agree to these Terms of Service. If you do not so agree, you should decline this agreement, in which case you are prohibited from accessing or using Second Life. Linden Lab may amend this Agreement at any time in its sole discretion, effective upon posting the amended Agreement at the domain or subdomains of http://secondlife.com where the prior version of this Agreement was posted, or by communicating these changes through any written contact method we have established with you.

THE SERVICES AND CONTENT OF SECOND LIFE

1.1 Basic description of the service: Second Life, a multi-user environment, including software and websites.

"Second Life" is the multi-user online service offered by Linden Lab, including the software provided to you by Linden Lab (collectively, the "Linden Software") and the online environments that support the service, including without limitation: the server computation, software access, messaging and protocols that simulate the Second Life environment (the "Servers"), the software that is provided by Linden Lab and installed on the local computer or other device you use to access the Servers and thereby view or otherwise access the Second Life environment (the "Viewer"), application program interfaces provided by Linden Lab to you for use with Second Life (the "APIs"), and access to the websites and services available from the domain and subdomains of http://secondlife.com (the "Websites"). The Servers, Viewer, APIs, Websites and any other Linden Software collectively constitute the "Service" as used in this Agreement.

1.2 Linden Lab is a service provider, which means, among other things, that Linden Lab does not control various aspects of the Service.

You acknowledge that Linden Lab is a service provider that may allow people to interact online regarding topics and content chosen by users of the service, and that users can alter the service environment on a real-time basis. Linden Lab generally does not regulate the content of communications between users or users' interactions with the Service. As a result, Linden Lab has very limited control, if any, over the quality, safety, morality, legality, truthfulness or accuracy of various aspects of the Service.

1.3 Content available in the Service may be provided by users of the Service, rather than by Linden Lab. Linden Lab and other parties have rights in their respective content, which you agree to respect.

You acknowledge that: (i) by using the Service you may have access to graphics, sound effects, music, video, audio, computer programs, animation, text and other creative output (collectively, "Content"), and (ii) Content may be provided under license by independent content providers, including contributions from other users of the Service (all such independent content providers, "Content Providers"). Linden Lab does not pre-screen Content.

You acknowledge that Linden Lab and other Content Providers have rights in their respective Content under copyright and other applicable laws and treaty provisions, and that except as described in this Agreement, such rights are not licensed or otherwise transferred by mere use of the Service. You accept full responsibility and liability for your use of any Content in violation of any such rights. You agree that your creation of Content is not in any way based upon any expectation of compensation from Linden Lab.

Certain of the fonts in the Meta family of copyrighted typefaces are used



Free Basic Membership

Resident Referral

Tell your friends about Second Life.



Private Regions

Buy your own private region today!



Got Questions?

Get the answers from our support channels!



- >> Mainland Pricing & Fees
- M Private Region Pricing & Fees
- >> Land Portal (Beta)
- ≥ Land Auctions



in Second Life under license from FSI FontShop International. You acknowledge that you may not copy any Meta font that is included in the Viewer and that you may use any such Meta font solely to the extent necessary to use the Linden Software in Second Life and that you will not use such Meta fonts for any other purpose whatsoever:

1.4 Second Life "currency" is a limited license right available for purchase or free distribution at Linden Lab's discretion, and is not redeemable for monetary value from Linden Lab.

You acknowledge that the Service presently includes a component of inworld fictional currency ("Currency" or "Linden Dollars" or "L\$"), which constitutes a limited license right to use a feature of our product when, as, and if allowed by Linden Lab. Linden Lab may charge fees for the right to use Linden Dollars, or may distribute Linden Dollars without charge, in its sole discretion. Regardless of terminology used, Linden Dollars represent a limited license right governed solely under the terms of this Agreement, and are not redeemable for any sum of money or monetary value from Linden Lab at any time. You agree that Linden Lab has the absolute right to manage, regulate, control, modify and/or eliminate such Currency as it sees fit in its sole discretion, in any general or specific case, and that Linden Lab will have no liability to you based on its exercise of such right.

1.5 Second Life offers an exchange, called LindeX, for the trading of Linden Dollars, which uses the terms "buy" and "sell" to indicate the transfer of license rights to use Linden Dollars. Use and regulation of LindeX is at Linden Lab's sole discretion.

The Service currently includes a component called "Currency Exchange" or "Lindex," which refers to an aspect of the Service through which Linden Lab administers transactions among users for the purchase and sale of the licensed right to use Currency. Notwithstanding any other language or context to the contrary, as used in this Agreement and throughout the Service in the context of Currency transfer: (a) the term "sell" means "to transfer for consideration to another user the licensed right to use Currency in accordance with the Terms of Service," (b) the term "buy" means "to receive for consideration from another user the licensed right to use Currency in accordance with the Terms of Service," (c) the terms "buyer," "seller", "sale" and "purchase" and similar terms have corresponding meanings to the root terms "buy" and "sell," (d) "sell order" and similar terms mean a request from a user to Linden Lab to list Currency for sale on the Currency Exchange at a requested sale price, and (e) "buy order" and similar terms mean a request from a user for Linden Lab to match open sale listings with a requested purchase price and facilitate completion of the sale of Currency.

You agree and acknowledge that Linden Lab may deny any sell order or buy order individually or with respect to general volume or price limitations set by Linden Lab for any reason. Linden Lab may limit sellers or buyers to any group of users at any time. Linden Lab may halt, suspend, discontinue, or reverse any Currency Exchange transaction (whether proposed, pending or past) in cases of actual or suspected fraud, violations of other laws or regulations, or deliberate disruptions to or interference with the Service.

1.6 Second Life is subject to scheduled and unscheduled service interruptions. All aspects of the Service are subject to change or elimination at Linden Lab's sole discretion.

Linden Lab reserves the right to interrupt the Service with or without prior notice for any reason or no reason. You agree that Linden Lab will not be liable for any interruption of the Service, delay or failure to perform, and you understand that except as otherwise specifically provided in Linden Lab's billing policies posted at http://secondlife.com/corporate/billing.php, you shall not be entitled to any refunds of fees for interruption of service or failure to perform. Linden Lab has the right at any time for any reason or no reason to change and/or eliminate any aspect(s) of the Service as it sees fit in its sole discretion.

1.7 In the event you choose to use paid aspects of the Service, you agree to the posted pricing and billing policies on the Websites.

Certain aspects of the Service are provided for a fee or other charge. These fees and charges are described on the Websites, and in the event you elect to use paid aspects of the Service, you agree to the pricing, payment and billing policies applicable to such fees and charges, posted or linked at http://secondlife.com/corporate/billing.php. Linden Lab may add new services for additional fees and charges, or proactively amend fees and charges for existing services, at any time in its sole discretion.

ACCOUNT REGISTRATION AND REQUIREMENTS

2.1 You must establish an account to use Second Life, using true and accurate registration information.

You must establish an account with Linden Lab (your "Account") to use the Service, except for those portions of the Websites to which Linden Lab allows access without registration. You agree to provide true, accurate, current and complete information about yourself as prompted by the registration form ("Registration Data") and maintain and promptly update the Registration Data to keep it true, accurate, current and complete. You may establish an Account with Registration Data provided to Linden Lab by a third party through the use of an API, in which case you may have a separate, additional account relationship with such third party. You authorize Linden Lab, directly or through third parties, to make any inquiries we consider necessary to validate your Registration Data. Linden Lab reserves all rights to vigorously pursue legal action against all persons who misrepresent personal information or are otherwise untruthful about their identity, and to suspend or cancel Accounts registered with inaccurate or incomplete information. Notwithstanding the foregoing, you acknowledge that Linden Lab cannot guarantee the accuracy of any information submitted by any user of the Service, nor any identity information about any user.

2.2 You must be 13 years of age or older to access Second Life; minors over the age of 13 are only permitted in a separate area, which adults are generally prohibited from using. Linden Lab cannot absolutely control whether minors or adults gain unauthorized access to the Service.

You must be at least 13 years of age to participate in the Service. Users under the age of 18 are prohibited from accessing the Service other than in the area designated by Linden Lab for use by users from 13 through 17 years of age (the "Teen Area"). Users age 18 and older are prohibited from accessing the Teen Area. Any user age 18 and older who gains unauthorized access to the Teen Area is in breach of this Agreement and may face immediate termination of any or all Accounts held by such user for any area of the Service. If you reside in a jurisdiction where the age of majority is greater than 18 years old, you are prohibited from accessing the Service until you have reached such age of majority.

By accepting this agreement in connection with an Account outside the Teen Area, you represent that you are an adult 18 years of age or older. By accepting this agreement in connection with an Account for use in Teen Area, you represent that (i) you are at least 13 years of age and less than 18 years of age; (ii) you have read and accept this Agreement; (iii) your parent or legal guardian has consented to you having an Account for use of the Teen Area and participating in the Service, and to providing your personal information for your Account; and (iv) your parent or legal guardian has read and accepted this Agreement.

Linden Lab cannot absolutely control whether minors gain access to the Service other than the Teen Area, and makes no representation that users outside the Teen Area are not minors. Linden Lab cannot absolutely control whether adults gain access to the Teen Area of the Service, and makes no representation that users inside the Teen Area are not adults. Adult employees, contractors and partners of Linden Lab regularly conduct their work in the Teen Area. Linden Lab cannot ensure that other users or any non-employee of Linden Lab will not provide Content or access to Content that parents or guardians may find inappropriate or that any user may find objectionable.

2.3 You need to use an account name in Second Life which is not misleading, offensive or infringing. You must select and keep secure your account password.

You must choose an account name to identify yourself to Linden Lab staff (your "Account Name"), which will also serve as the name for the graphical representation of your body in the Service (such representation, an "Avatar"). You may not select as your Account Name the name of another person to the extent that could cause deception or confusion; a name which violates any trademark right, copyright, or other proprietary right; a name which may mislead other users to believe you to be an employee of Linden Lab; or a name which Linden Lab deems in its discretion to be vulgar or otherwise offensive. Linden Lab reserves the right to delete or change any Account Name for any reason or no reason. You are fully responsible for all activities conducted through your Account or under your Account Name.

At the time your Account is opened, you must select a password. You are responsible for maintaining the confidentiality of your password and are responsible for any harm resulting from your disclosure, or authorizing the disclosure of, your password or from use by any person of your password

to gain access to your Account or Account Name. At no time should you respond to an online request for a password other than in connection with the log-on process to the Service. Your disclosure of your password to any other person is entirely at your own risk.

2.4 Account registrations are limited per unique person. Transfers of accounts are generally not permitted.

Linden Lab may require you to submit an indication of unique identity in the account registration process; e.g. credit card or other payment information, or SMS message code or other information requested by Linden Lab. When an account is created, the information given for the account must match the address, phone number, and/or other unique identifier information associated with the identification method. You may register multiple accounts per identification method only at Linden Lab's sole discretion. A single account may be used by a single legal entity at Linden Lab's sole discretion and subject to Linden Lab's requirements. Additional accounts beyond the first account per unique user may be subject to fees upon account creation. You may not transfer your Account to any third party without the prior written consent of Linden Lab; notwithstanding the foregoing, Linden Lab will not unreasonably withhold consent to the transfer of an Account in good standing by operation of valid written will to a single natural person, provided that proper notice and documentation are delivered as requested by Linden Lab.

2.5 You may cancel your account at any time; however, there are no refunds for cancellation.

Accounts may be cancelled by you at any time. Upon your election to cancel, your account will be cancelled within 24 hours, but if you have paid for a period in advance you will be allowed to use the remaining time according to these Terms of Service unless your account or this Agreement is suspended or terminated based on our belief that you have violated this Agreement. There will be no refunds for any unused time on a subscription or any prepaid fees for any portion of the Service.

2.6 Linden Lab may suspend or terminate your account at any time, without refund or obligation to you.

Linden Lab has the right at any time for any reason or no reason to suspend or terminate your Account, terminate this Agreement, and/or refuse any and all current or future use of the Service without notice or liability to you. In the event that Linden Lab suspends or terminates your Account or this Agreement, you understand and agree that you shall receive no refund or exchange for any unused time on a subscription, any license or subscription fees, any content or data associated with your Account, or for anything else.

2.7 Accounts affiliated with delinquent accounts are subject to remedial actions related to the delinquent account.

In the event an Account is suspended or terminated for your breach of this Agreement or your payment delinquency (in each case as determined in Linden Lab's sole discretion), Linden Lab may suspend or terminate the Account associated with such breach and any or all other Accounts held by you or your affiliates, and your breach shall be deemed to apply to all such Accounts.

2.8 You are responsible for your own Internet access.

Linden Lab does not provide Internet access, and you are responsible for all fees associated with your Internet connection.

LICENSE TERMS AND OTHER INTELLECTUAL PROPERTY TERMS

3.1 You have a nonexclusive, limited, revocable license to use Second Life while you are in compliance with the terms of service.

Subject to the terms of this Agreement, Linden Lab grants to you a non-exclusive, limited, fully revocable license to use the Linden Software and the rest of the Service during the time you are in full compliance with the Terms of Service. Additional terms may apply to use of the APIs or other separate elements of the Service (i.e. elements that are not required to use the Viewer or the Servers); these terms are available where such separate elements are available for download from the Websites. Nothing in this Agreement, or on Linden Lab's websites, shall be construed as granting you any other rights or privileges of any kind with respect to the Service or to any Content. You acknowledge that your participation in the Service, does not make you a Linden Lab employee and that you do not expect to be, and will not be, compensated by Linden Lab for such activities.

3.2 You retain copyright and other intellectual property rights with respect to Content you create in Second Life, to the extent

that you have such rights under applicable law. However, you must make certain representations and warranties, and provide certain license rights, forbearances and indemnification, to Linden Lab and to other users of Second Life.

Users of the Service can create Content on Linden Lab's servers in various forms. Linden Lab acknowledges and agrees that, subject to the terms and conditions of this Agreement, you will retain any and all applicable copyright and other intellectual property rights with respect to any Content you create using the Service, to the extent you have such rights under applicable law.

Notwithstanding the foregoing, you understand and agree that by submitting your Content to any area of the service, you automatically grant (and you represent and warrant that you have the right to grant) to Linden Lab: (a) a royalty-free, worldwide, fully paid-up, perpetual, irrevocable, non-exclusive right and license to (i) use, reproduce and distribute your Content within the Service as permitted by you through your interactions on the Service, and (ii) use and reproduce (and to authorize third parties to use and reproduce) any of your Content in any or all media for marketing and/or promotional purposes in connection with the Service, provided that in the event that your Content appears publicly in material under the control of Linden Lab, and you provide written notice to Linden Lab of your desire to discontinue the distribution of such Content in such material (with sufficient specificity to allow Linden Lab, in its sole discretion, to identify the relevant Content and materials), Linden Lab will make commercially reasonable efforts to cease its distribution of such Content following the receipt of such notice, although Linden Lab cannot provide any assurances regarding materials produced or distributed prior to the receipt of such notice; (b) the perpetual and revocable right to delete any or all of your Content from Linden Lab's servers and from the Service, whether intentionally or unintentionally, and for any reason or no reason, without any liability of any kind to you or any other party; and (c) a royalty-free, fully paid-up, perpetual, irrevocable, non-exclusive right and license to copy, analyze and use any of your Content as Linden Lab may deem necessary or desirable for purposes of debugging, testing and/or providing support services in connection with the Service. Further, you agree to grant to Linden Lab a royalty-free, worldwide, fully paid-up, perpetual, irrevocable, nonexclusive, sublicensable right and license to exercise the copyright, publicity, and database rights you have in your account information, including any data or other information generated by your account activity, in any media now known or not currently known, in accordance with our privacy policy as set forth below, including the incorporation by reference of terms posted at http://secondlife.com/corporate/privacy.php.

You also understand and agree that by submitting your Content to any area of the Service, you automatically grant (or you warrant that the owner of such Content has expressly granted) to Linden Lab and to all other users of the Service a non-exclusive, worldwide, fully paid-up, transferable, irrevocable, royalty-free and perpetual License, under any and all patent rights you may have or obtain with respect to your Content, to use your Content for all purposes within the Service. You further agree that you will not make any claims against Linden Lab or against other users of the Service based on any allegations that any activities by either of the foregoing within the Service infringe your (or anyone else's) patent rights.

You further understand and agree that: (i) you are solely responsible for understanding all copyright, patent, trademark, trade secret and other intellectual property or other laws that may apply to your Content hereunder; (ii) you are solely responsible for, and Linden Lab will have no liability in connection with, the legal consequences of any actions or failures to act on your part while using the Service, including without limitation any legal consequences relating to your intellectual property rights; and (iii) Linden Lab's acknowledgement hereunder of your intellectual property rights in your Content does not constitute a legal opinion or legal advice, but is intended solely as an expression of Linden Lab's intention not to require users of the Service to forego certain intellectual property rights with respect to Content they create using the Service, subject to the terms of this Agreement.

3.3 Linden Lab retains ownership of the account and related data, regardless of intellectual property rights you may have in content you create or otherwise own.

You agree that even though you may retain certain copyright or other intellectual property rights with respect to Content you create while using the Service, you do not own the account you use to access the Service, nor do you own any data Linden Lab stores on Linden Lab servers (including without limitation any data representing or embodying any or all of your Content). Your intellectual property rights do not confer any rights of access to the Service or any rights to data stored by or on

behalf of Linden Lab

3.4 Linden Lab licenses its textures and environmental content to you for your use in creating content in-world.

During any period in which your Account is active and in good standing, Linden Lab gives you permission to create still and/or moving media, for use only within the virtual world environment of the Service ("in-world"), which use or include the "textures" and/or "environmental content" that are both (a) created or owned by Linden Lab and (b) displayed by Linden Lab in-world.

CONDUCT BY USERS OF SECOND LIFE

4.1 You agree to abide by certain rules of conduct, including the Community Standards and other rules prohibiting illegal and other practices that Linden Lab deems harmful.

You agree to read and comply with the Community Standards posted on the Websites, (for users 18 years of age and older, at http://secondlife.com/corporate/cs.php; and for users of the Teen Area, at http://teen.secondlife.com/footer/cs

In addition to abiding at all times by the Community Standards, you agree that you shall not: (i) take any action or upload, post, e-mail or otherwise transmit Content that infringes or violates any third party rights; (ii) impersonate any person or entity without their consent, including, but not limited to, a Linden Lab employee, or falsely state or otherwise misrepresent your affiliation with a person or entity; (iii) take any action or upload, post, e-mail or otherwise transmit Content that violates any law or regulation; (iv) take any action or upload, post, email or otherwise transmit Content as determined by Linden Lab at its sole discretion that is harmful, threatening, abusive, harassing, causes tort, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, or racially, ethnically or otherwise objectionable; (v) take any actions or upload, post, e-mail or otherwise transmit Content that contains any viruses, Trojan horses, worms, spyware, time bombs, cancelbots or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information; (vi) take any action or upload, post, email or otherwise transmit any Content that would violate any right or duty under any law or under contractual or fiduciary relationships (such as inside information, proprietary and confidential information learned or disclosed as part of employment relationships or under nondisclosure agreements); (vii) upload, post, email or otherwise transmit any unsolicited or unauthorized advertising, or promotional materials, that are in the nature of "junk mail," "spam," "chain letters," "pyramid schemes," or any other form of solicitation that Linden Lab considers in its sole discretion to be of such nature; (viii) interfere with or disrupt the Service or servers or networks connected to the Service, or disobey any requirements, procedures, policies or regulations of networks connected to the Service; (ix) attempt to gain access to any other user's Account or password; or (x) "stalk", abuse or attempt to abuse, or otherwise harass another user. Any violation by you of the terms of the foregoing sentence may result in immediate and permanent suspension or cancellation of your Account. You agree that Linden Lab may take whatever steps it deems necessary to abridge, or prevent behavior of any sort on the Service in its sole discretion, without notice to you.

4.2 You agree to use Second Life as provided, without unauthorized software or other means of access or use. You will not make unauthorized works from or conduct unauthorized distribution of the Linden Software.

Linden Lab has designed the Service to be experienced only as offered by Linden Lab at the Websites or partner websites. Linden Lab is not responsible for any aspect of the Service that is accessed or experienced using software or other means that are not provided by Linden Lab. You agree not to create or provide any server emulators or other software or other means that provide access to or use of the Servers without the express written authorization of Linden Lab. Notwithstanding the foregoing, you may use and create software that provides access to the Servers for substantially similar function (or subset thereof) as the Viewer; provided that such software is not used for and does not enable any violation of these Terms of Service. Linden Lab is not obligated to allow access to the Servers by any software that is not provided by Linden Lab, and you agree to cease using, creating, distributing or providing any such software at the request of Linden Lab. You are prohibited from taking any action that imposes an unreasonable or disproportionately large load on Linden Lab's infrastructure.

You may not charge any third party for using the Linden Software to

access and/or use the Service, and you may not modify, adapt, reverse engineer (except as otherwise permitted by applicable law), decompile or attempt to discover the source code of the Linden Software, or create any derivative works of the Linden Software or the Service, or otherwise use the Linden Software except as expressly provided in this Agreement. You may not copy or distribute any of the written materials associated with the Service. Notwithstanding the foregoing, you may copy the Viewer that Linden Lab provides to you, for backup purposes and may give copies of the Viewer to others free of charge. Further, you may use and modify the source code for the Viewer as permitted by any open source license agreement under which Linden Lab distributes such Viewer source code.

4.3 You will comply with the processes of the Digital Millennium Copyright Act regarding copyright infringement claims covered under such Act.

Our policy is to respond to notices of alleged infringement that comply with the Digital Millennium Copyright Act ("DMCA"). Copyright-infringing materials found within the world of Second Life can be identified and removed via Linden Lab's DMCA compliance process listed at http://secondlife.com/corporate/dmca.php, and you agree to comply with such process in the event you are involved in any claim of copyright infringement to which the DMCA may be applicable.

4.4 Without a written license agreement, Linden Lab does not authorize you to make any use of its trademarks.

You agree to review and adhere to the guidelines on using "Second Life," "SL," "Linden," the Eye-in-Hand logo, and Linden Lab's other trademarks, service marks, trade names, logos, domain names, taglines, and trade dress (collectively, the "Linden Lab Marks") at http://secondlife.com/corporate/brand and its subpages, which may be updated from time to time. Except for the licenses expressly granted there or in a separate written agreement signed by you and Linden Lab, Linden Lab reserves all right, title, and interest in the Linden Lab Marks and does not authorize you to display or use any Linden Lab Mark in any manner whatsoever. If you have a written license agreement with Linden Lab to use a Linden Lab Mark, your use shall comply strictly with that agreement's terms and conditions and use guidelines.

RELEASES, DISCLAIMERS OF WARRANTY, LIMITATION OF LIABILITY, AND INDEMNIFICATION

5.1 You release Linden Lab from your claims relating to other users of Second Life. Linden Lab has the right but not the obligation to resolve disputes between users of Second Life.

As a condition of access to the Service, you release Linden Lab (and Linden Lab's shareholders, partners, affiliates, directors, officers, subsidiaries, employees, agents, suppliers, licensees, distributors) from claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way connected with any dispute you have or claim to have with one or more users of the Service. You further understand and agree that: (a) Linden Lab will have the right but not the obligation to resolve disputes between users relating to the Service, and Linden Lab's resolution of any particular dispute does not create an obligation to resolve any other dispute; (b) to the extent Linden Lab elects to resolve such disputes, it will do so in good faith based solely on the general rules and standards of the Service and will not make judgments regarding legal issues or claims; (c) Linden Lab's resolution of such disputes will be final with respect to the virtual world of the Service but will have no bearing on any real-world legal disputes in which users of the Service may become involved; and (d) you hereby release Linden Lab (and Linden Lab's shareholders, partners, affiliates, directors, officers, subsidiaries, employees, agents, suppliers, licensees, distributors) from claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way connected with Linden Lab's resolution of disputes relating to the Service.

5.2 Other service or product providers may form contractual relationships with you. Linden Lab is not a party to your relationship with such other providers.

Subject to the terms of this Agreement, you may view or use the environment simulated by the Servers through viewer software that is not the Viewer provided by Linden Lab, and you may register for use of Second Life through websites that are not Websites owned and operated by Second Life. Linden Lab is not responsible for any software used with or in connection with Second Life other than Linden Software developed by Linden Lab. Linden Lab does not control and is not responsible for any information you provide to parties other than Linden Lab. Linden Lab is

not a party to your agreement with any party that provides software, products or services to you in connection with Second Life.

5.3 All data on Linden Lab's servers are subject to deletion, alteration or transfer.

When using the Service, you may accumulate Content, Currency, objects, items, scripts, equipment, or other value or status indicators that reside as data on Linden Lab's servers. THESE DATA, AND ANY OTHER DATA, ACCOUNT HISTORY AND ACCOUNT NAMES RESIDING ON LINDEN LAB'S SERVERS, MAY BE DELETED, ALTERED, MOVED OR TRANSFERRED AT ANY TIME FOR ANY REASON IN LINDEN LAB'S SOLE DISCRETION.

YOU ACKNOWLEDGE THAT, NOTWITHSTANDING ANY COPYRIGHT OR OTHER RIGHTS YOU MAY HAVE WITH RESPECT TO ITEMS YOU CREATE USING THE SERVICE, AND NOTWITHSTANDING ANY VALUE ATTRIBUTED TO SUCH CONTENT OR OTHER DATA BY YOU OR ANY THIRD PARTY, LINDEN LAB DOES NOT PROVIDE OR GUARANTEE, AND EXPRESSLY DISCLAIMS (SUBJECT TO ANY UNDERLYING INTELLECTUAL PROPERTY RIGHTS IN THE CONTENT), ANY VALUE, CASH OR OTHERWISE, ATTRIBUTED TO ANY DATA RESIDING ON LINDEN LAB'S SERVERS.

YOU UNDERSTAND AND AGREE THAT LINDEN LAB HAS THE RIGHT, BUT NOT THE OBLIGATION, TO REMOVE ANY CONTENT (INCLUDING YOUR CONTENT) IN WHOLE OR IN PART AT ANY TIME FOR ANY REASON OR NO REASON, WITH OR WITHOUT NOTICE AND WITH NO LIABILITY OF ANY KIND.

5.4 Linden Lab provides the Service on an "as is" basis, without express or implied warranties.

LINDEN LAB PROVIDES THE SERVICE, THE LINDEN SOFTWARE, YOUR ACCOUNT AND ALL OTHER SERVICES STRICTLY ON AN "AS IS" BASIS, PROVIDED AT YOUR OWN RISK, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OR CONDITIONS OF ANY KIND, WRITTEN OR ORAL, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF TITLE, NONINFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Without limiting the foregoing, Linden Lab does not ensure continuous, error-free, secure or virus-free operation of the Service, the Linden Software or your Account, and you understand that you shall not be entitled to refunds for fees based on Linden Lab's failure to provide any of the foregoing other than as explicitly provided in this Agreement. Some jurisdictions do not allow the disclaimer of implied warranties, and to that extent, the foregoing disclaimer may not apply to you.

$5.5\ Linden\ Lab's$ liability to you is expressly limited, to the extent allowable under applicable law.

IN NO EVENT SHALL LINDEN LAB OR ANY OF ITS SHAREHOLDERS, PARTNERS, AFFILIATES, DIRECTORS, OFFICERS, SUBSIDIARIES, EMPLOYEES, AGENTS, SUPPLIERS, LICENSEES OR DISTRIBUTORS BE LIABLE TO YOU OR TO ANY THIRD PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION ANY DAMAGES FOR LOST PROFITS, ARISING (WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE) OUT OF OR IN CONNECTION WITH THE SERVICE (INCLUDING ITS MODIFICATION OR TERMINATION), THE LINDEN SOFTWARE, YOUR ACCOUNT (INCLUDING ITS TERMINATION OR SUSPENSION) OR THIS AGREEMENT, WHETHER OR NOT LINDEN LAB MAY HAVE BEEN ADVISED THAT ANY SUCH DAMAGES MIGHT OR COULD OCCUR AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY. IN ADDITION, IN NO EVENT WILL LINDEN LAB'S CUMULATIVE LIABILITY TO YOU FOR DIRECT DAMAGES OF ANY KIND OR NATURE EXCEED FIFTY DOLLARS (U.S. \$50.00). Some jurisdictions do not allow the foregoing limitations of liability, so to the extent that any such limitation is impermissible, such limitation may not apply to you. You agree that Linden Lab cannot be held responsible or liable for anything that occurs or results from accessing or subscribing to the Service.

5.6 You will indemnify Linden lab from claims arising from breach of this Agreement by you, from your use of Second Life, from loss of Content due to your actions, or from alleged infringement by you.

At Linden Lab's request, you agree to defend, indemnify and hold harmless Linden Lab, its shareholders, partners, affiliates, directors, officers, subsidiaries, employees, agents, suppliers, licensees, distributors, Content Providers, and other users of the Service, from all damages, liabilities, claims and expenses, including without limitation attorneys' fees and costs, arising from any breach of this Agreement by you, or from your use of the Service. You agree to defend, indemnify and hold harmless Linden Lab, its shareholders, partners, affiliates, directors,

officers, subsidiaries, employees, agents, suppliers, licensees, and distributors, from all damages, liabilities, claims and expenses, including without limitation attorneys' fees and costs, arising from: (a) any action or inaction by you in connection with the deletion, alteration, transfer or other loss of Content, status or other data held in connection with your Account, and (b) any claims by third parties that your activity or Content in the Service infringes upon, violates or misappropriates any of their intellectual property or proprietary rights.

PRIVACY POLICY

6.1 Linden Lab uses your personal information to operate and improve Second Life, and will not give your personal information to third parties except to operate, improve and protect the Service.

The personal information you provide to us during registration is used for Linden Lab's internal purposes only. Linden Lab uses the information it collects to learn what you like and to improve the Service. Linden Lab will not give any of your personal information to any third party without your express approval except: as reasonably necessary to fulfill your service request, to third- party fulfillment houses, customer support, billing and credit verification services, and the like; to comply with tax and other applicable law; as otherwise expressly permitted by this Agreement or as otherwise authorized by you; to law enforcement or other appropriate third parties in connection with criminal investigations and other investigations of fraud; or as otherwise necessary to protect Linden Lab, its agents and other users of the Service. Linden Lab does not guarantee the security of any of your private transmissions against unauthorized or unlawful interception or access by third parties. Linden Lab can (and you authorize Linden Lab to) disclose any information about you to private entities, law enforcement agencies or government officials, as Linden Lab, in its sole discretion, believes necessary or appropriate to investigate or resolve possible problems or inquiries, or as otherwise required by law. If you request any technical support, you consent to Linden Lab's remote accessing and review of the computer onto which you load Linden Software for purposes of support and debugging. You agree that Linden Lab may communicate with you via email and any similar technology for any purpose relating to the Service, the Linden Software and any services or software which may in the future be provided by Linden Lab or on Linden Lab's behalf. You agree to read the disclosures and be bound by the terms of the additional Privacy Policy information posted on our website at http://secondlife.com/corporate/privacy.php.

6.2 Linden Lab may observe and record your interaction within the Service, and may share aggregated and other general information (not including your personal information) with third parties.

You acknowledge and agree that Linden Lab, in its sole discretion, may track, record, observe or follow any and all of your interactions within the Service. Linden Lab may share general, demographic, or aggregated information with third parties about our user base and Service usage, but that information will not include or be linked to any personal information without your consent.

DISPUTE RESOLUTION

If a dispute arises between you and Linden Lab, our goal is to provide you with a neutral and cost-effective means of resolving the dispute quickly. Accordingly, you and Linden Lab agree to resolve any claim or controversy at law or in equity that arises from or relates to this Agreement or our Service (a "Claim") in accordance with one of the subsections below.

- **7.1 Governing Law.** This Agreement and the relationship between you and Linden Lab shall be governed in all respects by the laws of the State of California without regard to conflict of law principles or the United Nations Convention on the International Sale of Goods.
- **7.2 Forum for Disputes.** You and Linden Lab agree to submit to the exclusive jurisdiction and venue of the courts located in the City and County of San Francisco, California, except as provided in Subsection 7.3 below regarding optional arbitration. Notwithstanding this, you agree that Linden Lab shall still be allowed to apply for injunctive or other equitable relief in any court of competent jurisdiction.
- **7.3 Optional Arbitration.** For any Claim, excluding Claims for injunctive or other equitable relief, where the total amount of the award sought is less than ten thousand U.S. Dollars (\$10,000.00 USD), the party requesting relief may elect to resolve the Claim in a cost-effective manner through binding non-appearance-based arbitration. A party electing arbitration shall initiate it through an established alternative dispute

resolution ("ADR") provider mutually agreed upon by the parties. The ADR provider and the parties must comply with the following rules: (a) the arbitration shall be conducted, at the option of the party seeking relief, by telephone, online, or based solely on written submissions; (b) the arbitration shall not involve any personal appearance by the parties or witnesses unless otherwise mutually agreed by the parties; and (c) any judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

7.4 Improperly Filed Claims. All Claims you bring against Linden Lab must be resolved in accordance with this Dispute Resolution Section. All Claims filed or brought contrary to this Dispute Resolution Section shall be considered improperly filed. Should you file a Claim contrary to this Dispute Resolution Section, Linden Lab may recover attorneys' fees and costs up to one thousand U.S. Dollars (\$1,000.00 USD), provided that Linden Lab has notified you in writing of the improperly filed Claim, and you have failed to promptly withdraw the Claim.

GENERAL PROVISIONS

The Service is controlled and operated by Linden Lab from its offices within the State of California, United States of America. Linden Lab makes no representation that any aspect of the Service is appropriate or available for use in jurisdictions outside of the United States. Those who choose to access the Service from other locations are responsible for compliance with applicable local laws. The Linden Software is subject to all applicable export restrictions. You must comply with all export and import laws and restrictions and regulations of any United States or foreign agency or authority relating to the Linden Software and its use.

Linden Lab's failure to act with respect to a breach by you or others does not waive Linden Lab's right to act with respect to that breach or subsequent or similar breaches. No consent or waiver by Linden Lab under this Agreement shall be deemed effective unless delivered in a writing signed by a duly appointed officer of Linden Lab. All or any of Linden Lab's rights and obligations under this Agreement may be assigned to a subsequent owner or operator of the Service in a merger, acquisition or sale of all or substantially all of Linden Lab's assets. You may not assign or transfer this Agreement or any or all of your rights hereunder without the prior written consent of Linden Lab, and any attempt to do so is void. Notwithstanding anything else in this Agreement, no default, delay or failure to perform on the part of Linden Lab shall be considered a breach of this Agreement if such default, delay or failure to perform is shown to be due to causes beyond the reasonable control of Linden Lab.

This Agreement sets forth the entire understanding and agreement between you and Linden Lab with respect to the subject matter hereof. The section headings used herein, including descriptive summary sentences at the start of each section, are for convenience only and shall not affect the interpretation of this Agreement. If any provision of this Agreement shall be held by a court of competent jurisdiction to be unlawful, void, or for any reason unenforceable, then in such jurisdiction that provision shall be deemed severable from these terms and shall not affect the validity and enforceability of the remaining provisions.

Linden Lab may give notice to you by means of a general notice on our website at http://secondlife.com, through the Second Life Viewer at or after log-in to your Account, by electronic mail to your e-mail address in our records for your Account, or by written communication sent by first class mail, postage prepaid, or overnight courier to your address on record for your Account. All notices given by you or required under this Agreement shall be faxed to Linden Lab Legal Department, Attn: Dispute Resolution, at: (415) 243-9045; or mailed to us at: Linden Lab Legal Department, Attn: Dispute Resolution, 945 Battery Street, San Francisco, CA 94111.

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Event & Speaker Requests

Employment

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Second Life Help Address & Directions

English THROL

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CERTIFICATE OF SERVICE

I, Katie Krajeck, hereby certify that I caused a true and correct copy of the ANSWER OF DEFENDANT LINDEN RESEARCH, INC. AND COUNTERCLAIMS, with supporting papers and exhibits attached thereto, to be served by electronic mail and via Federal Express this 10th day of October, 2008, upon:

Mr. Richard Minsky

Pro Se Plaintiff

413 County Road 22

Hudson, New York 12534

minsky@minsky.com

Katie Krajeck, Esq.