

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

PALLADIUM BOOKS, INC.,
a Michigan corporation,

Plaintiff,

v.

TRION WORLDS, INC.,
a Delaware corporation, and
TRION WORLD NETWORK, INC.,
a Delaware corporation,

Defendants.

Case No.

District Judge Hon.

Magistrate Judge Hon.

**VERIFIED COMPLAINT
AND JURY DEMAND**

Peter M. Falkenstein (P61375)
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COMPLAINT

Plaintiff Palladium Books, Inc. (“Palladium”), by and through its undersigned counsel, for its Complaint against Defendants Trion Worlds, Inc. (“TWI”) and Trion World Network, Inc. (“TWN”) (collectively “Trion” or “Defendants”), states as follows:

1. This is an action sounding primarily in trademark infringement, false designation of origin, and related state law claims. Palladium is the owner of numerous federally registered trademarks for “RIFTS,” which is a very well-known series of over 80 fantasy/science fiction role-playing games and supplements, which has been published over the past twenty (20) years. These registrations include the RIFTS® mark for computer games. Palladium’s RIFTS® series

also includes numerous volumes using the format “Rifts: _____,” with a secondary name, such as “Promise of Power” or “Chaos Earth,” etc. identifying the particular story.

2. Defendants have, within the past two weeks, announced their intention of marketing an online computer game entitled “Rift: Planes of Telara,” and have promoted it as a role-playing fantasy game of the same type that is regularly produced by Palladium under the RIFTS® trademark, and which was the genre of the Rifts: Promise of Power® computer game. Moreover, Defendants are marketing their game on a website accessed via the URL www.riftgame.com. Defendants’ use of a minor variant of Palladium’s long-standing and famous RIFTS® trademark is a knowing, intentional, and malicious attempt to trade on the good will established in the RIFTS® marks over two decades and, if not enjoined, will result in confusion in the marketplace and dilution of the RIFTS® mark.

A. The Parties

3. Plaintiff Palladium is a Michigan corporation, with its principal place of business at 39074 Webb Court, Westland, MI 48185.

4. Plaintiff is informed and believes that Defendant Trion Worlds, Inc. is a corporation organized under the laws of the State of Delaware, with its principal place of business located at 303 Twin Dolphin Drive, Redwood City, California 94065.

5. Plaintiff is informed and believes that Defendant Trion World Network, Inc. is a corporation organized under the laws of the State of Delaware, with its principal place of business located at 303 Twin Dolphin Drive, Redwood City, California 94065.

B. Jurisdiction and Venue

6. The claims asserted in this Complaint arise under the trademark laws of the United States, 15 U.S.C. §§ 1051, *et seq.*, and the statutory and common laws of the State of

Michigan. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331, 28 U.S.C. § 1338, 28 U.S.C. § 1367, and 15 U.S.C. § 1121.

4. Defendants are foreign corporations that have transacted and continue to transact business within the State of Michigan, have purposefully availed themselves of the privilege of doing business in Michigan, and have done so on a continuous and systematic basis. Moreover, Defendants have committed tortious acts that have caused injury to Plaintiff within the Eastern District of Michigan. This Court has personal jurisdiction over the Defendant pursuant to the Michigan long-arm statute, M.C.L. §§ 600.711 and 600.715, and such jurisdiction does not violate the due process principles of the United States Constitution.

5. Venue properly lies in the Eastern District of Michigan pursuant to 28 U.S.C. § 1391 (b) and (c). Acts giving rise to the following causes of action have occurred and are occurring in the Eastern District of Michigan, as well as elsewhere. Additionally, Defendant corporations are subject to personal jurisdiction in the Eastern District of Michigan.

C. Factual Allegations

1. Palladium and the Rifts® Family of Products

6. Palladium, a Michigan corporation headquartered in Westland, Michigan, creates, develops, publishes, markets and sells fantasy and science-fiction role-playing games (RPGs) involving multidimensional travel. Palladium has created a fantasy and science-fiction universe, or Megaverse®, populated by aliens, alien invaders, embattled humans, supernatural beings, time travelers, robots, powerful characters, and mythic figures, all of whom come through portals or dimensional tears, are engaged in invading the earth and in other wars or conflicts, using a wide range of weapons, magic, armor, vehicles, demons, elemental creatures, aliens, and supernatural beings.

7. Palladium's most popular and renowned RPGs are the RIFTS® series, and are well-known and famous throughout the fantasy and science fiction game industry and beyond. Rifts® is a series of games set 300 years in the future, after a major nuclear catastrophe has destroyed most of the world's population. Tears or rips in the fabric of the universe act as extra-dimensional gateways, leading to scenarios involving aliens, cybertechnology, elemental creatures, supernatural beings, and intricate military maneuvers for power. In the Rifts® scenarios, aliens and monsters have come through the Rifts® to invade the earth and fight against humans for control of the planet. Palladium published the first Rifts® game book in 1990 and since then has published more than 80 Rifts® titles.

8. In order to convey the continuity of the Rifts® series, many of the Rifts® games are titled "Rifts: _____" – with a secondary phrase, such as "Promise of Power"; "Dark Conversions"; "Chaos Earth"; "Megaverse in Flames"; and "Shemarrian Nation," among others, used to denote the particular story in the Rifts® series. *See* **EXHIBIT 1**, printout from www.palladiumbooks.com website, showing some of the "Rifts" products currently being marketed by Palladium.

9. Palladium also developed and licensed a Rifts® computer game, which debuted in 2005, which was produced by Nokia, a global leader in video game technology. That game was entitled "Rifts: Promise of Power."

10. Palladium has also licensed Rifts® to Walt Disney Studios for production of a major motion picture to be produced by world-famous action film producer Jerry Bruckheimer. A screen play has been developed, and it is anticipated that the film will go into production by next year. Both of these developments have been widely publicized by Palladium.

11. Given the popularity of the Rifts® products and these recent developments, it is not surprising that competitors in the industry would attempt to free-ride on the good will established in the Rifts® name.

2. The Rifts® Trademarks

12. In order to protect its valuable intellectual property, Palladium has obtained a number of registered trademarks for the RIFTS® mark. Among these are included, without limitation, the following U.S. registrations:

Reg. No. 2,889,353, for “Books, manuals and comic books containing role playing games involving science fiction or fantasy adventures, . . .”;

Reg. No. 3,036,181, for “Production of motion pictures, television programs, videotapes and DVDs involving science fiction and fantasy adventures”; and, most importantly for this action;

Reg. No. 2,045,806, for:

“Computer game software and computer game programs containing role playing games involving science fiction or fantasy adventures, or involving character generation or scenario generation.”

Copies of the Certificates of Registration for these trademarks, printed from the USPTO database, are attached, respectively, **as EXHIBITS 2, 3, and 4** to this Complaint.

13. The trademark for RIFTS® in the field of computer games and software was registered on March 18, 1997, renewed in 2007, and has become incontestable.

14. Additionally, Palladium obtained a federal registration for its “Rifts: Promise of Power” computer game. Attached as **EXHIBIT 5** is a copy of the specimen submitted to the USPTO in conjunction with that application, showing a picture of the package cover to the game. Currently, Palladium has another computer game, an online version, in development, which it expects to release in the near future.

15. Palladium also owns a federally registered trademark for RIFTER®, for publications relating to role-playing and games and fantasy adventures. *See* **EXHIBIT 6**, copy of trademark registration certificate number 2,328,782 for RIFTER®.

3. Defendants’ Wrongful Conduct.

a. The Infringing Game

16. Defendant TWI is, upon information and belief, the recently adopted new name for Defendant TWNI. *See* **EXHIBIT 7**, Printout from Defendants’ website at www.riftgame.com, p. 1 (“Trion Worlds, formerly known as Trion World Network, is poised to revolutionize the connected games space . . .”).

17. Trion claims to be “the premier publisher and developer of connected video games” *Id.*

18. Trion produces a variety of games in the genre known as “massively multiplayer online games,” also known as “MMOs.” These are games that are played on computers by thousands of players at once, via the internet. They rely on computer software for the operation of the game, just as would a game played on a single computer by one or two players.

19. On or about April 26, 2010, Trion announced that it would be launching a new MMO in the near future entitled “Rift: Planes of Telara.” *Id.*

20. According to Trion’s other website, located at www.trionworlds.com, “Rift: Planes of Telara™ is a fantasy MMO Role Playing Game set in a dynamic world being torn apart by powerful rifts from other planes.” *See* **EXHIBIT 8**, printout from www.trionworlds.com website, p. 5.

21. As described, Rift: Planes of Telara (“Rift:PofT”) is precisely the type of game – a fantasy role-playing game – that Palladium has been marketing for 20 years under its RIFTS® trademarks, and which was the subject of the Rifts: Promise of Power® computer game.

22. As evidenced from Trion’s websites, the RIFT mark is the dominant portion of the Rift:PofT title and is, in fact, made more prominent in the game’s design logo. *See, e.g.*, Exhibit 4, p.1, Banner Heading; Exhibit 5, p.1.

23. Furthermore, upon information and belief, Trion previously introduced a version of this new game at an industry trade show in 2009 as “Heroes of Telara,” deciding only recently to change to a title including a variation of the RIFTS® trademark. As noted in a column dated April 26, 2010 by William Murphy of MMORPG.com (which stands for “Massively Multiplayer Online Role Playing Game”):

At last year’s E3 Trion unveiled plans for their flagship MMORPG, Heroes of Telara. . . . Heroes of Telara went into ninja-stealth mode and hardly a word was uttered about it in the time since. The silence was finally broken Thursday night with the unveiling of a brand new trailer, along with a brand new name. Heroes of Telara is no more. Long live **Rift: Planes of Telara**.

See **EXHIBIT 9**, Printout from www.mmorpg.com website, pp. 1-2.

24. Whatever “buzz” or preliminary good will Trion may have built up in its proposed new game, came under the title “Heroes of Telara,” until it announced on April 26, 2010 that it intended to change the title.

b. Likelihood of Confusion

25. It is also clear that the public will not readily distinguish between Defendants’ “RIFT” mark and Palladium’s RIFTS® mark. The Murphy column quoted above quickly moves, in discussing the new game, from use of “Rift” to the use of “Rifts” on a regular basis. A few examples, among many, include:

- “The Rifts are causing creatures and life from other worlds to seep into and threaten Telara.
- “There are two factions of belief concerning the Rifts of Telara.”
- “[T]he Defiants want nothing more than to harness the Rifts’ power.”

Exh. 9, at 2.

26. It is virtually certain that the “Rifts” version of the word will be used frequently with reference to the Rift:PofT game, thereby increasing the likelihood of confusion.

27. Even where an effort is made to distinguish between RIFT and RIFTS, where the singular term is used in its possessive, as it is already being used, “Rift’s” – referring to Defendants’ game – will sound exactly like “Rifts.”

28. In fact, the internet surfers whose comments follow the Murphy article demonstrate the conversion from RIFT to RIFTS within a mere day or two of the announcement of the game’s title. Exh. 9, at 4 *et seq.*

b. The Infringing Trademark Application

29. On April 21, 2010, Defendant TWNI filed an application with the U.S. Patent and Trademark Office for “Rift: Planes of Telara.” See **EXHIBIT 10**, Printout from USPTO’s TESS database for Serial No. 85022202, for “Entertainment Services, namely providing online video games and computer games.”

30. That application was filed under section 1B, indicating that it is an “intent to use” application and that TWNI was not at that time using the mark commercially.

31. For the reasons shown above, the applied-for mark, as applied to the services it purports to cover, infringes Palladium’s RIFTS® family of trademarks.

c. The Infringing Domain Name

32. Defendants have also acquired the domain name (URL) “riftgame.com.” *See EXHIBIT 11*, Printout from www.godaddy.com website. Although purchased by a “proxy” service to avoid having to identify the owner, the information provided by godaddy.com indicates that the site is being operated through “trionworld” servers.

33. The riftgame.com URL is being used to operate a website promoting the Rift:PofT game. The domain name consists solely of a minor variation on the RIFTS® trademark, in conjunction with the purely descriptive term “game,” which is descriptive of the type of product offered by both Trion and Palladium.

34. Used in this manner, the riftgame.com domain name is likely to cause confusion among prospective customers seeking out Palladium’s RIFTS® games on the internet. Indeed, a variety of searches on Google.com indicate how Defendants’ game is infiltrating searches that primarily direct internet traffic to Palladium’s website and games. *See EXHIBIT 12*, Printouts of Google searches for “Rifts MMO,” showing confusion as to whether Defendants’ game is actually an MMO of Palladium’s RIFTS®.

d. Defendants’ Wrongful Intent

35. Palladium’s RIFTS® games and trademark have been exceptionally well-known in the fantasy and role-playing game industry for the past two decades.

36. Defendants represent on their various websites that they have personnel with many years of experience in the gaming industry. For example, they cite to the recent acquisition of Scott Hartsman, “who comes to Trion with more than 20 years of games industry experience and has contributed to more than 40 online products.” Purportedly, Hartsman was a former executive with Sony Online Entertainment. *See Exhibit 8*, p. 3. Defendants also cite to

the acquisition of David Reid as marketing director, who has “more than a decade of successes in the games industry.” Id.

37. It is inconceivable that a company boasting such a wealth of individuals with such broad-based experience in the gaming industry would not have institutional and individualized knowledge of the family of RIFTS® products produced by Palladium over the past 20 years – particularly given the introduction of the Nokia Rifts® computer game several years ago. Thus, it is clear that Defendants are knowingly and intentionally attempting to free-ride on the good will established in the RIFTS® marks.

4. Irreparable Injury to Palladium

38. Defendants’ continued use of a mark substantially similar to Palladium’s RIFTS® trademark will cause substantial consumer confusion and, in turn, will cause Plaintiff irreparable economic harm. Palladium’s advertising and marketing are targeted to unsophisticated teenagers and other fantasy and science fiction role playing game players looking for an exciting RPG, or video/computer game. Many of these potential customers, who may have experience or be familiar with Palladium’s high-quality and well-known products, will undoubtedly be confused and misled by the existence of a competitor’s product – new and unproven – bearing a name clearly evocative of the well-known Palladium family of Rifts® products.

COUNT I – TRADEMARK INFRINGEMENT **15 U.S.C. § 1114 – (Section 32 of the Lanham Trademark Act)**

39. Plaintiff Palladium repeats and realleges all allegations of the Complaint as if fully restated herein.

40. At all times relevant hereto, Plaintiff Palladium has been the exclusive owner of the trademark “Rifts,” including, among others, the following United States trademark

registrations for “Rifts”: Reg. No. 2,045,806; Reg. No. 2,889,353; and Reg No. 3,036,181, all of which are valid and subsisting.

41. Palladium’s registered trademarks include:

“Computer game software and computer game programs containing role playing games involving science fiction or fantasy adventures, or involving character generation or scenario generation.”

42. Through continued and extensive use and advertising, the RIFTS® mark has become exclusively identified with Plaintiff Palladium.

43. Defendants have infringed Plaintiff’s mark in interstate commerce by various acts, including the promotion and marketing of a computer role playing game entitled “Rift: Planes of Telara.” Defendant wrongfully used and continues to use a mark substantially similar to the RIFTS® mark and/or other words, terms, names, symbols, or devices, in commerce, in connection with its goods and services

44. Such use is without permission or authority of Plaintiff and is likely to cause and has already caused confusion, to cause mistake, and to deceive as to the affiliation, connection, or association of Defendants with Plaintiff Palladium, or as to the origin, sponsorship, or approval of Defendants’ goods, services, or commercial activities, by Plaintiff Palladium.

45. Defendants’ violation of Plaintiff’s rights in the trademark “Rifts” is knowing, willful, deliberate, fraudulent, and intentional, and was made with the knowledge that such violation would damage Plaintiff and the trademark.

46. As a direct result of Defendants’ violations, as aforesaid, Plaintiff Palladium has suffered substantial harm including, but not limited to, irreparable harm which cannot be remedied unless Defendants are enjoined from use of the trademarks.

WHEREFORE, Plaintiff prays that this Honorable Court issue judgment in favor of Plaintiff, providing as follows:

(a) That Defendants, their partners, directors and officers, agents, servants, employees, and all other persons in active concert or privity or in participation with Defendants, be preliminarily and permanently enjoined from directly or indirectly using “Rifts” or any other trademark of Plaintiff Palladium, or any colorable imitation or variant thereof, as part of any trademark, service mark or trade name, or in such a way as to be likely to cause confusion, mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff Palladium, or as to the origin, sponsorship, or approval of Defendants’ goods, services, or commercial activities, by Plaintiff Palladium, enjoining specifically, but not limited to, Defendants’ use of “Rift: Planes of Telara” as the name of a computer game;

(b) That Defendants be preliminarily and permanently required to cease the use of the domain name riftgame.com, and to immediately shut down the website accessed via said domain name, and to transfer said domain name to Palladium;

(c) That Defendants be required to account to Plaintiff Palladium for all income and benefits received by Defendants from the use of Plaintiff’s trademark, or colorable imitation thereof, and that Defendants be required to disgorge all such income;

(d) That Defendants be required to deliver to Plaintiff, at Defendants’ sole expense, any and all goods or products which use or bear any trademark of Plaintiff’s, or any colorable imitation thereof;

(e) That Defendants be required to withdraw with prejudice their federal application, Serial No. 85020022, for the service mark “Rift: Planes of Telara”;

(f) That Defendants pay Plaintiff all damages available under the Lanham Trademark Act, including treble damages, suffered by Plaintiff as a result of Defendants' violations of Plaintiff's rights under 15 U.S.C. § 1114, as aforesaid;

(g) That Defendants pay Plaintiff attorney fees, and all other damages available for violation of the Lanham Act, 15 U.S.C. §§ 1051, *et seq.*; and

(h) Granting Plaintiff such other relief as this Honorable Court deems just.

COUNT II – FALSE DESIGNATION OF ORIGIN
15 U.S.C. § 1125 – (Section 43 of the Lanham Trademark Act)

47. Plaintiff Palladium repeats and realleges all allegations of the Complaint as if fully set forth herein.

48. At all times relevant hereto, Plaintiff Palladium has been the exclusive owner of the trademark "Rifts."

49. Through continued and extensive use and advertising, the trademark "Rifts" has become exclusively identified with Plaintiff Palladium.

50. Defendants have wrongfully used and continue to use the mark RIFTS® and/or other confusingly similar words, terms, names, symbols, or devices, in commerce, in connection with their goods and services.

51. Such use is likely to cause and has already caused confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff Palladium, or as to the origin, sponsorship, or approval of Defendants' goods, services, or commercial activities, by Plaintiff Palladium.

52. Defendants' violation of Plaintiff's rights in the trademark "Rifts" is knowing, willful, deliberate, fraudulent, and intentional, and was made with the knowledge that such violation would damage Plaintiff and the trademark.

53. As a direct result of Defendants' violations, as aforesaid, Plaintiff Palladium has suffered substantial harm including, but not limited to, irreparable harm which cannot be remedied unless Defendants are enjoined from use of the trademarks.

WHEREFORE, Plaintiff prays that this Honorable Court issue judgment in favor of Plaintiff, providing as follows:

(a) That Defendants, their partners, directors and officers, agents, servants, employees, and all other persons in active concert or privity or in participation with Defendants, be enjoined from directly or indirectly using "Rifts" or any other trademark of Plaintiff Palladium, or any colorable imitation thereof, as part of any trademark, service mark or trade name, or in such a way as to be likely to cause confusion, mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff Palladium, or as to the origin, sponsorship, or approval of Defendants' goods, services, or commercial activities, by Plaintiff Palladium, enjoining specifically, but not limited to, Defendants' use of "Rift: Planes of Telara" as the name of a computer game;

(b) That Defendants be preliminarily and permanently required to cease the use of the domain name riftgame.com, and to immediately shut down the website accessed via said domain name, and to transfer said domain name to Palladium;

(c) That Defendants be required to account to Plaintiff Palladium for all income and benefits received by Defendants from the use of Plaintiff's trademark, or colorable imitation thereof, and that Defendants be required to disgorge all such income;

(d) That Defendants be required to deliver to Plaintiff, at Defendants' sole expense, any and all goods or products which use or bear any trademark of Plaintiff's, or any colorable imitation thereof;

(e) That Defendants be required to withdraw with prejudice their federal application, Serial No. 85020022, for the service mark “Rift: Planes of Telara”;

(f) That Defendant pay Plaintiff all damages suffered by Plaintiff as a result of Defendant’s violations of Plaintiff’s rights under Section 43(a) of the Lanham Act, as aforesaid, and that said damages be trebled;

(g) That Defendants pay Plaintiff attorney fees, and all other damages available for violation of the Lanham Act, 15 U.S.C. §§ 1051, *et seq.*; and

(h) Granting Plaintiff such other relief as this Honorable Court deems just.

COUNT III – TRADEMARK DILUTION
15 U.S.C. § 1125(c) -- (Section 43(c) of the Lanham Trademark Act)

54. Plaintiff Palladium repeats and realleges all allegations of the Complaint as though fully set forth herein.

55. At all times relevant hereto, Plaintiff Palladium has been the exclusive owner of the trademark “Rifts.”

56. Through continued and extensive use and advertising throughout the United States and the world, the trademark “Rifts” has become exclusively identified with Plaintiff Palladium and has become distinctive and famous.

57. Subsequent to October 6, 2006, and long after Palladium’s mark became famous, Defendants began to wrongfully use, and they continue to use, the mark Rifts® and/or other words, terms, names, symbols, or devices, in commerce, in connection with their goods and services.

58. Such use is likely to dilute and blur the distinctive quality of Palladium’s famous RIFTS® trademark.

59. Defendants' violation of Plaintiff's rights in the trademark "Rifts" is knowing, willful, deliberate, fraudulent, and intentional, and was made with the knowledge that such violation would dilute the trademark and trade on Palladium's reputation. Defendants willfully intended to trade on the recognition of Palladium's famous RIFTS® mark.

60. As a direct result of Defendants' violations, as aforesaid, Plaintiff Palladium has suffered substantial harm including, but not limited to, irreparable harm which cannot be remedied unless Defendants are enjoined from use of the trademarks.

WHEREFORE, Plaintiff prays that this Honorable Court issue judgment in favor of Plaintiff, providing as follows:

(a) That Defendants, their partners, directors and officers, agents, servants, employees, and all other persons in active concert or privity or in participation with Defendants, be preliminarily and permanently enjoined from directly or indirectly using "Rifts" or any other trademark of Plaintiff Palladium, or any colorable imitation or variant thereof, as part of any trademark, service mark or trade name, or in such a way as to be likely to cause confusion, mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff Palladium, or as to the origin, sponsorship, or approval of Defendants' goods, services, or commercial activities, by Plaintiff Palladium, enjoining specifically, but not limited to, Defendants' use of "Rift: Planes of Telara" as the name of a computer game;

(b) That Defendants be preliminarily and permanently required to cease the use of the domain name riftgame.com, and to immediately shut down the website accessed via said domain name, and to transfer said domain name to Palladium;

(c) That Defendants be required to account to Plaintiff Palladium for all income and benefits received by Defendants from the use of Plaintiff's trademark, or colorable imitation thereof, and that Defendants be required to disgorge all such income;

(d) That Defendants be required to deliver to Plaintiff, at Defendants' sole expense, any and all goods or products which use or bear any trademark of Plaintiff's, or any colorable imitation thereof;

(e) That Defendants be required to withdraw with prejudice their federal application, Serial No. 85020022, for the service mark "Rift: Planes of Telara";

(f) That Defendants pay Plaintiff all damages available under the Lanham Trademark Act, including treble damages, suffered by Plaintiff as a result of Defendants' violations of Plaintiff's rights under 15 U.S.C. § 1114, as aforesaid;

(g) That Defendants pay Plaintiff attorney fees, and all other damages available for violation of the Lanham Act, 15 U.S.C. §§ 1051, *et seq.*; and

(h) Granting Plaintiff such other relief as this Honorable Court deems just.

COUNT IV – UNFAIR TRADE PRACTICES
M.C.L. § 445.903 (Michigan Consumer Protection Act)

61. Plaintiff repeats and realleges all allegations of the Complaint as though fully set forth herein.

62. Defendants' conduct aforesaid has caused a probability of confusion or misunderstanding as to the source, sponsorship, approval, or certification of its goods or services.

63. Through its conduct aforesaid, Defendants have represented that its goods or services have sponsorship, approval, or characteristics that they do not have.

64. As a direct result of Defendants' violations, as aforesaid, Plaintiff Palladium has suffered substantial harm including, but not limited to, irreparable harm which cannot be remedied unless Defendants are enjoined from use of the trademark.

WHEREFORE, Plaintiff prays that this Honorable Court issue judgment in favor of Plaintiff, providing as follows:

(a) That Defendants, their partners, directors and officers, agents, servants, employees, and all other persons in active concert or privity or in participation with Defendants, be enjoined from directly or indirectly using "Rifts" or any trademark of Plaintiff Palladium, or any colorable imitation thereof, as a part of any trademark, service mark, or trade name, or in any way likely to cause confusion, mistake, or to deceive as to the affiliation, connection, or association of Defendants with Plaintiff Palladium, or as to the origin, sponsorship, or approval of Defendants' goods, services, or commercial activities, by Plaintiff Palladium, enjoining specifically, but not limited to, Defendants' use of "Rift: Planes of Telara" as the name of a computer game;

(b) That Defendants be required to account to Plaintiff Palladium for all income and benefits received by Defendants from the use of Plaintiff's trademark, and that Defendants be required to disgorge all such income;

(c) That Defendants be required to deliver to Plaintiff, at Defendants' sole expense, any and all goods or products which use or bear any trademark of Plaintiff's, or any colorable imitation thereof;

(d) That Defendants be required to withdraw with prejudice their federal application, Serial No. 85020022, for the service mark "Rift: Planes of Telara";

(e) That Defendants pay Plaintiff all damages suffered by Plaintiff as a result of Defendants' violations of Plaintiff's rights under M.C.L. § 445.903, as aforesaid;

(f) That Defendants pay Plaintiff attorney fees and all other damages, costs, and expenses of Plaintiff recoverable for violation of the Michigan Consumer Protection Act; and

(g) Granting Plaintiff such other relief as this Honorable Court deems just.

COUNT V – COMMON LAW UNFAIR COMPETITION

65. Plaintiff repeats and realleges all allegations in the Complaint as though fully set forth herein.

6. At all times relevant hereto, Plaintiff Palladium has been the exclusive owner of the trademark RIFTS®.

67. Through continued and extensive use and advertising, the trademark RIFTS® has become exclusively identified with Plaintiff Palladium.

68. Defendants have wrongfully used and continue to wrongfully use the trademark and/or colorable imitations thereof, in commerce, in connection with the sale, offering for sale, distribution, or advertising of its goods and services, in violation of Plaintiff Palladium's rights under the Michigan common law of unfair competition.

69. Defendants' conduct aforesaid is likely to cause confusion, or to cause mistake, or to deceive consumers and the public.

70. Defendants' violation of Plaintiff's rights in the trademark is willful, deliberate, fraudulent, and intentional, and was made with the knowledge that such violation would damage Plaintiff and the trademark.

71. As a direct result of Defendants' violations, as aforesaid, Plaintiff Palladium has suffered substantial harm including, but not limited to, irreparable harm which cannot be remedied unless Defendants are enjoined from use of the service mark.

WHEREFORE, Plaintiff prays that this Honorable Court issue judgment in favor of Plaintiff, providing as follows:

(a) That Defendant, its partners, directors and officers, agents, servants, employees, and all other persons in active concert or privity or in participation with Defendant, be enjoined from directly or indirectly using Rifts, any trademark of Plaintiff Palladium, or any colorable imitation thereof, as any part of a trademark, service mark, or trade name, or in such a way as to be likely to cause confusion, mistake, or to deceive consumers or the public; enjoining specifically, but not limited to, Defendants' use of "Rift: Planes of Telara" as the name of a computer game;

(b) That Defendants be required to account to Plaintiff Palladium for all income and benefits received by Defendants from the use of Plaintiff's trademark, or colorable imitation thereof, and that Defendants be required to disgorge all such income;

(c) That Defendants be required to withdraw with prejudice their federal application, Serial No. 85020022, for the service mark "Rift: Planes of Telara";

(d) That Defendants pay Plaintiff all damages suffered by Plaintiff as a result of Defendants' violations of Plaintiff's rights under the Michigan common law of unfair competition;

(e) That Defendants pay Plaintiff attorney fees, and all other damages available for violation of the Michigan common law of unfair competition; and

(f) Granting Plaintiff such other relief as this Honorable Court deems just.

DEMAND FOR TRIAL BY JURY

Plaintiff Palladium Books, Inc. demands a trial by jury of all issues triable to a jury.

Respectfully submitted,

JAFFE RAITT HEUER & WEISS, P.C.

By: /s/ Peter M. Falkenstein
Peter M. Falkenstein (P61375)
Joan H. Lowenstein (P39422)
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Attorneys for Plaintiff

Date: May 5, 2010

VERIFICATION

I, Kevin Siembieda, verify, pursuant to 28 U.S.C. § 1746, the following:

I am President of Palladium Books, Inc., the Plaintiff in this matter, and I am authorized to make this Verification on its behalf. I have read the foregoing Complaint, know the contents thereof, and the facts alleged therein are true to the best of my knowledge and belief, except as to those facts alleged on information and belief, and as to those I believe them to be true.

I verify under penalty of perjury that the foregoing is true and correct. Executed on May 5, 2010.


Kevin Siembieda