



Dear Mr. Tremblay,

On behalf of all game makers in Quebec, I urge Ubisoft to stop the illegitimate practice of forcing talented people to sign employment contracts that restrict their creative and economic freedom. Using government money to lock talent into contracts that prohibit them from moving to new projects is an affront to creative freedom, limits consumer choice and stifles the growth of the multi-media industry in Quebec.

At EA, we firmly believe that the continued growth and development of our craft is dependent on the ability of creative people to choose the company they want to work for. As long as the competition remains fair and the employees respect their obligations of loyalty and confidentiality, this is something that all companies in our industry should support. EA's commitment to this principle is a matter of record.

EA has never sought legal action against Ubisoft for its aggressive solicitation and hiring of people who work at EA Montreal. As long as our former employees respect their obligations of confidentiality, EA does not intend to prevent them from exercising their talents elsewhere. Unfortunately, Ubisoft does not share EA's commitment to employee freedom. The non-competition clauses that Ubisoft requires all its employees to sign prevent fair competition and hinder the free circulation of talent. This policy effectively impedes the growth of our industry in Quebec.

Ubisoft is one of the few companies in the Quebec game industry that forces its employees to sign non-compete clauses.

Ubisoft has no legitimate interests to protect that cannot be fully protected by confidentiality undertakings. Moreover, the games on which these people work are protected by other legal means, such as copyright. Therefore, a confidentiality undertaking is more than sufficient to protect the business interests of Ubisoft. We are confident you know this.

The non-compete covenant that Ubisoft requires its employees sign greatly surpasses the legitimate interests it may have in respect to confidentiality. Their only purpose is to seek to enclose within Ubisoft the talent, creativity and imagination of its employees, which is improper. The restrictive covenants that Ubisoft obligates its employees to sign force those who no longer wish to pursue their career at Ubisoft to put a hold on their career for one year which in our industry, as you know, is tantamount to ending his/her career.

Moreover, the restrictive covenants Ubisoft forces its employees to sign are contrary to the spirit of the salary grants and employment incentives that Quebec offers to our industry. Ubisoft receives grants from the Quebec government representing 50 percent of the wages of its employees whereas grants provided to other developers are only equivalent to about 37 percent.

In our view, it is not legitimate for Ubisoft to seek to benefit from important government grants, the object of which is the development and growth of the video game industry in Quebec, while at the same time, Ubisoft paralyzes the local development community.

In the spirit of creative freedom, economic emancipation and workers' rights, EA has in fact accepted the application of an employee who had been working at Ubisoft.

Please be assured that EA will continue, as it has in the past, to require that all its employees respect their duty of loyalty and confidentiality that they owe to their former employers. EA would not in any manner, receive any advantage from any such violation given that the fundamental basis of success in our industry is creativity and originality. EA, moreover, shall continue to require that its employees sign a declaration stating that they shall not use any material or documents of a former employer without the written authorization of same wherein they also undertake not to violate any contractual obligations of confidentiality they may have with respect to their former employers.

As you know, the judgment of the Court of Appeal in our last dispute was on an interim basis only and did not decide this issue on the merits. We therefore do not consider it as the final word on this matter.

We sincerely hope that Ubisoft shall understand that it is in the best interests of the industry that there is a free circulation of manpower so as to ensure its development and growth and this while respecting the duties of loyalty and confidentiality.

Yours very truly,

Alain Tascan
Electronic Arts (Canada) Inc.
General Manager of EA Montreal

cc : Heenan Blaikie