

Candy Dialogue Engine Studio License

Version 1.2.1

Definitions

For the purposes of This License, the following terms, when capitalized, shall have consistent meanings as defined:

1. **"Candy Arts"** means the issuer of This License, and the owner and rights holder of all Candy Arts Products This License applies to.
2. **"Candy Dialogue Engine"** means the Candy Dialogue Engine program created by Candy Arts and its elements, including but not limited to source code files, scripts, scenes, compiled binaries, documentation, and any derivative works thereof.
3. **"Candy DE"** means Versions 1.0.x to 1.1.x of Candy Dialogue Engine in whole or in part.
4. **"Candy Arts Assets"** means any software, service or other product owned and Distributed by Candy Arts.
5. **"This License"** means Version 1.2.1 of this document, governing the use of Versions 1.0.x to 1.1.x of Candy Dialogue Engine.
6. **"Candy DE License"** means any Candy Arts License for Candy DE, such as This License.
7. **"Candy Arts License"** means any license, contract or other such document issued by Candy Arts, including This License.
8. **"Entity"** means any individual or organization, excluding Candy Arts, and including Neutral Entities, Users and Creators unless otherwise specified.
9. **"User"** means, except for Neutral Entities, (i) any individual or entity that makes use of Candy DE (as defined at §6.1), including by usage by the Exploitation of Works, and (ii) any Entities who are bound by any Candy Arts Licenses.
10. **"Sub-Version"** – see §1.7.
11. **"Update"** – see §1.7.
12. **"Creator"** – see §3.1.
13. **"Non-Commercial Work"** – see §3.3.
14. **"License Assignment Rights Certificate"** – see §3.4.
15. **"Work"** – see §4.1.
16. **"Alternate Version"** – see §4.2.
17. **"Expansion"** – see §4.3.
18. **"Access Products"** – see §4.4.

19. **"Add-on"** – see §4.5.
20. **"Mod"** – see §4.6.
21. **"Dialogue"** – see §4.7.
22. **"Dormant Work"** – see §4.8.
23. **"Exploitation"** – see §5.1.
24. **"Development"** – see §5.2.
25. **"Distribution"** – see §5.3.
26. **"Budget"** – see §5.4.
27. **"Funding", "Internal Funding" & "External Funding"** – see §5.5.
28. **"Revenue", "Direct Revenue" & "Indirect Revenue"** – see §5.6.
29. **"Transfer"** – see §5.7.
30. **"Incorporation"** – see §6.1.
31. **"Neutral Entity"** – see §7.
32. **"Distribution Platform"** – see §7.2.
33. **"Commissioned Party" & "Commissions"** – see §7.3 and §7.4.
34. **"End-User"** – see §7.6.
35. **"Payment Processor"** – see §7.7.

1. General Provisions

1.1. Jurisdiction

This License shall be governed by and construed in accordance with the laws of Switzerland. Any dispute arising out of or relating to This License shall be submitted exclusively to the competent courts of Switzerland.

1.2. Applicability

This License, as defined in this document, governs all use of Candy Dialogue Engine Versions 1.0.x to 1.1.x.

Where This License is assigned to a Work, it applies to all Creators of the given Work, as defined herein.

Neutral Entities associated with a Work are not considered Users or Creators in relation to that Work. As such, This License does not apply to Entities that qualify as Neutral Entities in relation to that Work.

If any provision of This License is held to be invalid, illegal, or unenforceable, such provision shall be modified only to the extent necessary to render it enforceable, and the remaining provisions shall remain in full force and effect.

1.3. Activation

This License takes effect the moment it is assigned to a software product that Incorporates Candy DE. Upon assignment of This License, such software product immediately becomes a Work.

1.4. Continuity and Transfer

Candy Arts may assign or otherwise transfer This License, including any rights or obligations under it, to any successor entity, purchaser, or affiliate, provided that such entity assumes all obligations of Candy Arts outlined in This License and that the rights of Users are not reduced thereby.

Users hereby grant advance consent to any such transfer or assignment. Upon any such transfer, the term “Candy Arts” as used in This License shall be deemed to refer to the successor or assignee from the date of such transfer.

1.5. Removal and Termination

Removal from Works

This License may only be removed from a Work provided that all Creators associated with that Work mutually agree to its removal, and provided that the Work and its Creators comply with all of the following requirements:

- a) The Work must no longer Incorporate Candy DE, and must have been modified accordingly prior to the removal of This License. Where reasonably and legally possible, existing copies of the Work must also be updated or modified.

- b) The Creators must cease any and all Exploitation of previous versions and copies of the Work that feature Candy DE.
- c) Where reasonably and legally possible, and within their control, the Creators must ensure that no other Entity continues to Distribute or derive Direct Revenue from previous versions and copies of the Work that feature Candy DE.
- d) Candy Arts must be notified of the removal of This License. Such notification shall include the identity of the Work and all associated Creators, the name of This License, the date of removal, and a legally-binding statement that all obligations under This License have been fulfilled and that the Work complies with the conditions above.

Reasonable exemptions to these requirements include, for example, pirate copies being Distributed without authorization or control from the Creators, legitimate owners continuing to use existing copies, or content creators reviewing or broadcasting gameplay of older copies.

Ceasing support may include, without limitation: discontinuing bug fixes and updates for versions or copies of the Work that Incorporates Candy DE (except for updates which remove Candy DE), or denying such copies access to online services provided by or for which access is controlled by the Creators, such as game servers or in-game content stores.

Upon removal of This License, all Creators associated with the Work are released from This License in relation to that Work.

Creator Termination

Creators who seek to terminate and be released from This License must first satisfy all of the following conditions:

- a) Ensure all of the Creator's Works are released from This License, or ensure that the Creator seeking release is no longer associated as a Creator with any Works subject to This License.
- b) All outstanding obligations under This License, including any payments of royalties, reporting duties, or other material conditions, must be fulfilled or settled to the satisfaction of Candy Arts prior to termination.

If the Creator being released is the only or last Creator bound to the Work by This License, and no other Entity is set to become a Creator after the release, removal of This License from the Work is not required: a Work without any bound Creators becomes a Dormant Work.

In such cases, all of the following requirements must be fulfilled:

- a) All rights previously granted to other parties, such as Neutral Entities, to Distribute or derive Revenue from the Work must be withdrawn or otherwise ended.
- b) Candy Arts must be notified in writing that termination will result in the Work becoming a Dormant Work, and be provided the date upon which the Creator intends to terminate.

Contractual or Legal Conflicts

If the Creators have entered into contractual obligations that conflict with any of the above requirements, removal or termination of This License is not permitted until those obligations have ended.

Creators are responsible for understanding and complying with the laws that apply to their Works, activities, and any related services. Where applicable law prevents reasonable compliance with any of these requirements, Candy Arts retains sole discretion to determine whether a Work or a Creator may be released from This License.

Survival of Terms

Termination or removal of This License does not release Creators from any obligations which, by their nature or specific terms, are intended to survive termination.

1.7. Modification of License

This License may be modified in two manners by Candy Arts: **Sub-Versions** and **Updates**. Sub-Versions and Updates may only be created by Candy Arts.

Candy Arts shall publish all new Sub-Versions and Updates on its website (www.candy-arts.com) and maintain a repository of all current and past Sub-Versions and Updates.

Users shall be notified of the publication of new Sub-Versions and Updates as per the terms of §2.2.

Sub-Versions

Sub-Versions are significant modifications to This License.

New Sub-Versions shall only bind Works and their Creators if the Creators agree to assign a new Sub-Version to their Works. Creators may choose to assign a new Sub-Version only to some and not all of their Works; in such cases, for any Work, Creators shall be required to comply only with the terms of the Sub-Version assigned to that Work.

In the event that the use of Candy DE is not related to any Work, the latest Sub-Version of This License shall apply. In such cases, Users who do not consent to the terms of the new Sub-Version shall cease using Candy DE.

Only one Sub-Version of This License may be assigned to a same Work at a given time.

Only the latest published Sub-Version may be newly assigned to a Work or upgraded to. For clarification:

- Where Creators upgrade the Sub-Version of This License assigned to a Work, This License may only be upgraded to its latest published Sub-Version.
- Where This License is newly assigned to a Work, only the latest published Sub-Version may be assigned.
- Where This License changes to another Candy DE License for any reason, only the latest Sub-Version of these other Candy Licenses may be assigned.

Users are hereby notified that they may not expect any specific Sub-Version to remain available or otherwise valid at a later point for the creation of new Works, for the inclusion of Candy DE within an existing Work, or for any change of Candy DE License.

Updates

Updates are minor modifications to any Sub-Version of This License. Updates apply automatically and without approval from Users: at all times, the terms of any given Sub-Version of This License are deemed to be the terms of the latest available Update.

Updates may only introduce limited modifications for administrative or legal purposes, including to correct errors, clarify language, reflect changes in the identity, structure, or ownership of Candy DE (such as rebranding, merger, or transfer of intellectual property), or to comply with applicable laws or regulations.

Updates may also increase the rights granted to Users or reduce their obligations, and shall not reduce these rights or increase these obligations.

Users shall not enter any contractual obligations with third-party Entities that may conflict with the automatic nature of Updates as outlined herein, such as contracts that may require Users to maintain limited rights or specific obligations with respect to Candy Arts or any Candy DE.

Designation

This License carries a numerical designation in the format '*a.b.c*', where:

- '*a*' identifies the Version of This License and therefore the Version of Candy Dialogue Engine it applies to.
- '*b*' identifies the Sub-Version of a This License.
- '*c*' identifies the Update number for a given Version of a This License.

Accordingly, a License designated as "***Candy Dialogue Engine Studio License (1.2.7)***" refers to the Studio License applying to Candy Dialogue Engine Version 1.x.x, Sub-Version 2.x of that License, Update 7 of that Sub-Version.

For clarity, while the Version of This License and of Candy DE must match, no such matching is required for Sub-Versions or Updates. For example, Version 1.2.1 of This License may apply to Version 1.4.5 of Candy Dialogue Engine.

2. Liability and Obligations

2.1. Liability

Users bear full responsibility to ensure their use of Candy DE and their Works comply with This License.

Candy Arts provides no warranties regarding the reliability, stability, performance, compatibility, or suitability of Candy DE for any particular purpose, nor that Candy DE will be free of defects, errors, or interruptions, nor that Candy DE will meet the specific requirements or expectations of any User.

Except in cases of gross negligence or willful misconduct where such exclusion is not permitted by law, Candy Arts shall not be liable for any direct, indirect, incidental, consequential, special, or exemplary damages, including but not limited to loss of data, loss of profits, business interruption, reputational harm, or any other loss or damage arising from or related to the use of, or inability to use, Candy DE or any Works.

The entire risk arising out of the use or performance of Candy Arts Assets remains with the User. By using or Integrating Candy DE, Users acknowledge that they are solely responsible for verifying the safety, integrity, and functionality of their own Works and for maintaining adequate backups and safeguards.

Any and all liability towards the End-Users of Works is assumed in full by the Creators of the Works and is not attributable to Candy Arts, even in circumstances involving Candy DE.

2.2. User Contact Information

Users and Creators are responsible for ensuring that either they or a legal representative can be reached directly by e-mail at a publicly disclosed address, and must provide, upon request, a valid postal address where they or their legal representative can personally receive correspondence or service of legal documents. To ensure visibility, it is advised that such contact information be provided with or within any Works, on websites or pages where Works are Distributed, and if applicable, on any official websites associated with Works or Creators.

Failure to provide or maintain the above contact information does not constitute a breach of This License; however, Users or Creators shall bear full responsibility for any resulting inability to contact them.

Candy Arts is not required to contact Users or Creators through any other means, such as website contact forms, telephone, social media, or messaging platforms.

Where multiple Creators are involved with a Work, all share equal contractual obligations toward Candy Arts. Accordingly, it shall be sufficient for Candy Arts to contact any one of them regarding matters related to the Work, and the Creator so contacted shall be responsible for informing the other Creators in accordance with their own internal arrangements.

To reduce the risk of impersonation of Candy Arts by fraudulent actors, any initial contact from Candy Arts will invite Users or Creators to verify the legitimacy of the correspondence by contacting Candy Arts through any of the contact options featured on the official Candy Arts website (www.candy-arts.com).

Users and Creators are advised **not** to follow hyperlinks to the Candy Arts website contained in unsolicited or initial correspondence as these may covertly link to fraudulent sites impersonating Candy Arts.

Candy Arts shall not be held responsible for any impersonation of its identity or website, or for any consequences arising therefrom, nor for any failure by Users or Creators to exercise reasonable safety precautions.

2.3. Candy Arts Communication

For matters that are not private or exclusive to specific Users, including the publication of new Versions or Updates of This License, Candy Arts shall provide notice by publishing an announcement on the Candy Arts website (www.candy-arts.com) under the page titled "Notifications".

Publication on this page shall constitute formal notice to all Users of the information posted. Users are expected to review this page at least once every thirty (30) days. Failure to do so shall not constitute a breach of This License, but Users shall be deemed to have received notice of all information older than thirty (30) days published thereon.

2.4. Lawful Use

Users may only use Candy DE in lawful manners and for lawful purposes.

Users are fully responsible for ensuring their use of Candy DE and any use of their Works comply with all applicable laws.

2.5. No Vetting or Endorsement

Candy Arts does not review, monitor, supervise, or explicitly approve any Work in which Candy DE is Incorporated.

The Incorporation of Candy DE within a Work, or any crediting or acknowledgment of Candy Arts, shall not be interpreted as endorsement, approval, sponsorship, partnership, or association by Candy Arts.

2.6. Development and Support

Candy Arts is not obligated to provide technical support, customization, maintenance, bug fixes, updates, upgrades, or future versions of Candy DE.

2.7. Suggestions and Feedback

Candy Arts welcomes suggestions, feedback, or ideas regarding Candy DE.

However, by submitting any such materials, the submitting party acknowledges and agrees that:

- a) All suggestions, feedback, and ideas shall be deemed non-confidential and non-proprietary; Candy Arts shall have no obligation to review, acknowledge, consider, or implement any submission;
- b) Candy Arts shall owe no form of compensation, credit, or attribution for the use, partial use, or non-use of any submitted materials.

- c) Candy Arts shall have the unrestricted right to use, reproduce, modify, adapt, Distribute, or otherwise exploit any suggestions, feedback, or ideas for any purpose, commercial or otherwise, without limitation or obligation.

2.8. False Representation

Candy Arts bears no responsibility for any false, mistaken, or fraudulent representation made by any individual or organization concerning their ownership, rights, authorship, or other association with a Work.

This License governs only the use of Candy DE, and does not confer or imply any rights or authority on the part of Candy Arts over the Works in which they are used, except that the use of Candy DE is conditional on Works, Creators and Users being in compliance with This License.

Any payments made to Candy Arts under This License are deemed to constitute compensation solely for the use of Candy DE, and not in compensation for any exploitation of any Work.

Where any individual or organization is found to have obtained, used, or Distributed a Work without proper rights or authorization from the Work's lawful rights holders, all obligations and liabilities arising from such actions—including any payments owed to the legitimate rights holders—must be resolved directly between those parties. Candy Arts shall not be required to refund, return, or otherwise compensate any party for payments properly received under This License from individuals or organizations later found to have acted without authorization.

2.9. Multiple Creators

Where multiple Creators are bound by This License for a same Work, all Creators are collectively responsible for ensuring that the Work and all Creators remain in compliance at all times. Candy Arts may hold any or all Creators responsible for any non-compliance.

If a Creator misrepresents their rights, authority, or control over a Work, any action they take toward Candy Arts will still be considered valid and binding for that Work and for all Creators associated with it.

Candy Arts is not responsible for resolving internal disputes between Creators, verifying the shared assignment of rights and authority over a Work, or assigning fault or responsibility for any breaches to This License. Where multiple Creators choose to associate with a same Work, they are solely responsible for establishing and maintaining their own internal agreements, governance, and oversight mechanisms to ensure that all parties comply with This License, and for policing their own compliance. No such agreements shall bind Candy Arts, nor shall Candy Arts be required or expected to comply with any such internal arrangements between Creators.

2.10. Entity Binding

Except for Neutral Entities, the following Entities are required to be bound by This License as Creators when This License is assigned to a Work:

- a) Entities who hold intellectual property, ownership or any other rights to the Work.
- b) Entities who Exploit the Work.
- c) Any other Entities whose binding is explicitly required by This License.

Entities cannot be bound to This License without their consent. Where there is reasonable expectation that Entities should be aware that a Work is subject to This License due to the nature of their association with the Work, these Entities are deemed to have provided consent.

Where there is no such reasonable expectation of awareness, it is the responsibility of the bound Creators to make Entities aware and acquire their consent to be bound to This License.

Until any Entities are made aware, or can be reasonably expected to be aware, Creators are liable for any breaches of This License incurred by the association of these Entities with their Works.

Expectation of awareness is deemed reasonable in the following cases:

- Acquiring, holding, or Transferring any ownership or intellectual property rights to a Work.
- Entities who directly control, authorize, or share in the Distribution, Transfer, or monetization of a Work.
- Receiving notice, information, or documentation identifying the Work as including any Candy Arts Assets or being subject to any Candy Arts Licenses.

Expectation of awareness is not deemed reasonable in the following cases:

- Providing services, materials, or tools to Creators without access to or knowledge of the contents or structure of the Work.
- Being involved in a purely technical, administrative, or logistical form, such as hosting, publishing, or contractual facilitation, without involvement in the development, ownership, or distribution of the Work.

2.11. Royalties

Where a Work is assigned This License, Creators of the Work shall owe royalties to Candy Arts, in compliance with the following:

- a) The royalties owed shall be equal to 2.5% (two-and-a-half percent) of the Work's Direct Revenue. Where Direct Revenue is earned in currencies other than Euros, amounts shall be converted to Euros using the European Central Bank reference rate on the last day of each month.
- b) Royalties owed under This License shall not be owed multiple times to Candy Arts for the same Direct Revenue. For example, if the sale of an Expansion counts towards the Direct Revenue of two different Works which are subject to This License, royalties are only owed once on that sale amount.
- c) Royalties owed under This License are cumulative with any royalties owed under other Candy Arts Licenses also assigned to the same Work.
- d) Royalties must be paid to Candy Arts at least every three (3) month period, starting from the first day of the month any Direct Revenue is first derived from the Work. Such payments must cover all royalties owed and which remain unpaid. Retroactive royalties, such as defined at (k) and (l), shall be owed within three (3) months of the assignment of This License to the Work.

- e) Payment of royalties is due before the end of the month that follows any three (3) month period. As an example, if a period extends from May to July, payment is due before the end of August. Royalties owed and not paid within that time frame are deemed late payments.
- f) Creators may choose to make payments in multiple early installments, within the above time frame. As an example, if a period extends from May to July, payments can be made in June, July and August, provided that all royalties owed for that period are paid before September.
- g) In the event of late royalty payments, the amount owed shall be increased by a compound interest of 1% per late month. Creators are responsible for adding this interest to the payment, without notification from Candy Arts.
- h) Where a Work fails to derive any Direct Revenue for the entirety of such a three (3) month period, Creators shall notify Candy Arts of such. Such notifications are not required for subsequent consecutive periods where no Direct Revenue is derived, until the Work resumes deriving Direct Revenue.
- i) Royalty payments shall be made through payment methods provided by Candy Arts, which may include wire transfer to a bank account, payments through distribution platforms, or other payment processors. Candy Arts shall outline available payment options on its website.
- j) Royalty payments shall not be made for amounts lower than ten euro (€10). Where royalties owed for a given three (3) month period do not reach ten euro (€10), the amount owed shall be carried over to the next period.
- k) Where a Work has derived Direct Revenue prior to the moment of assignment of This License, royalties shall retroactively be owed on all Direct Revenue derived from the Work during a period of one (1) year prior to any assignment of This License.
- l) In addition to (k), where the Work's 'full release' occurred within that one (1) year period, or if a Work has not yet seen its 'full release', royalties shall retroactively be owed on all Direct Revenue derived from the Work until assignment of This License.
- m) In the present context, 'full release' shall be understood to mean any public Distribution advertised as "Full Release", "Final Release", "Out of Beta" or other such description that suggests the Work is no longer in an early access, beta, alpha, demo, or otherwise incomplete or pre-release state, whether by affirmative announcement or by the discontinuation of prior "Early Access", "Alpha", "Beta", or "Pre-Release" marketing.
- n) Candy Arts may, at its sole discretion, exempt a Work from the retroactive royalties described at (k) and (l). Such exemption may only be granted if Candy Arts is satisfied that the late assignment of This License does not constitute an attempt to avoid paying royalties during periods or events where the Work derived high Revenue, such as pre-orders or special sales.

Where applicable laws state that any Direct Revenue may be subject to refund, royalties shall not be owed immediately, in compliance with the following conditions:

1. For Direct Revenue stemming from pre-orders of an unreleased Work, royalties are owed as soon as such Direct Revenue is no longer subject to refund by applicable law, or after a one (1) year period (whichever occurs sooner).

2. For Direct Revenue stemming from sales of a released Work, royalties are owed as soon as such Direct Revenue is no longer subject to refund by applicable law, or after a thirty (30) day period (whichever occurs sooner).
3. A Work is deemed released if, by decision or actions of its Creators, end-users may access and use it, and whether or not the Work is deemed completed by its Creators or any other Entity.
4. In the event that an unreleased Work becomes released, all Direct Revenue stemming from pre-orders (as described at condition 1) shall immediately be deemed Direct Revenue stemming from sales (as described at condition 2).
5. If the Creators of a Work spend, invest, leverage, or otherwise derive benefit from any Direct Revenue outlined at conditions 1 or 2, royalties shall be owed immediately on such Direct Revenue.

3. License Assignment

3.1. Creators

Except for Neutral Entities, any Entity is deemed a **Creator** within the context of a Work if the Entity meets either of the following condition:

- a) Exploits a Work.
- b) By any other association with a Work is bound by This License or any Candy Arts Licenses assigned to that Work.

Creators are, by definition, Users, even where any Entities were not Users prior to becoming Creators.

An Entity may simultaneously be a Creator under multiple Candy Arts Licenses, including multiple instances of the same Candy Arts License, in which case their rights and obligations under each Candy Arts License are independent and apply solely to the respective Work governed by each Candy Arts License.

3.2. Conditions of Assignment

This License may only be assigned to a Work under compliance with all of the following conditions:

- a) All other Candy Arts Licenses assigned to the Work must be Studio Licenses.
- b) The Work and all its Creators must fully comply with the terms of This License, from the moment This License is assigned.
- c) The Entity or Entities assigning This License have been granted Assignment Rights for This License by Candy Arts, in the form of a License Assignment Rights Certificate.
- d) The Entity or Entities assigning This License hold the required rights over the Work to do so.

Where a Work or its Creators do not comply with any of the above conditions at the moment of assignment, the assignment will be deemed invalid.

The Work and its Creators must remain in full compliance with the terms of This License after assignment of This License. Where a Work or its Creators fail to comply with the terms of This License after assignment, the Work will be deemed in breach of This License.

Where Alternate Versions exist for a Work, the Work and all Alternate Versions shall be assigned the same Candy Arts Licenses, whether or not they feature the same Candy Arts Assets, as if they are one and the same Work.

3.3. Non-Commercial Works

Any Work that does not qualify as a Non-Commercial Work is deemed a **Commercial Work**.

A Work qualifies as **Non-Commercial** if, during its entire existence, and except for Neutral Entities, it complies and has complied with all of the following requirements:

- a) No User, Creator, or any other Entity derives or has ever derived any Direct Revenue from the Work.
- b) No money is or has ever been spent on Commissions of any kind in relation to the Work, including payments for ready-made assets (see §7.3).
- c) The Work is not and has never been used for advertisement, meaning any intentional use of the Work to promote or market a product, brand, Entity, trademark, or service other than the Work itself, for commercial benefit, including promotional or marketing materials displayed within or adjacent to the Work, sponsorships, or paid placements.
- d) The Work has not been deemed a Commercial Work for any reason under any Candy Arts License.

For clarity, once any Direct Revenue has been derived from a Work, or once money has been spent on Commissions related to the Work, or once the Work has been used for advertisement, even at such a time before its classification as a Work, that Work may never qualify as a Non-Commercial Work, even if such practices cease.

Any incidental increase in visibility, popularity or economic value of a broader franchise to which the Work belongs is not deemed advertisement and is permitted.

3.4. Assignment Rights

Where an Entity is granted permission by Candy Arts to assign This License to one or more Works, the Entity is deemed to hold **Assignment Rights** to This License.

Assignment Rights are evidenced by the Entity's possession of a **License Assignment Rights Certificate** (hereafter: LARC), officially issued by Candy Arts. A LARC specifies the applicable Candy Arts Licenses and entitles the holder to assign them to Works, provided that the Entity remains in full compliance with the terms of both This License and the LARC.

LARCs are distributed exclusively through Candy Arts' official channels — namely its official website, direct digital or postal communication, or through Candy Arts' verified accounts on third-party distribution platforms, marketplaces and social media. LARCs may be delivered as standalone documents or bundled with Candy Arts Assets.

LARCs, or copies thereof, which are not acquired through Candy Arts official channels are deemed illegitimate. Entities assume full responsibility for relying on illegitimate LARCs.

Where a LARC requires payment, Entities must retain and, upon request by Candy Arts, provide proof of such payment as evidence of legitimacy.

3.5. Method of Assignment

This License may be assigned to a Work by formal or informal declaration, from the moment the Work's creation begins.

Where a Work is Distributed, a copy of This License must be included within or attached to the Work, or otherwise Distributed together with it. Such Distribution of This License with a Work shall constitute a formal declaration of intent to have the Work and all associated Creators bound by its terms.

No other Candy DE License shall be simultaneously Distributed with the same Work. In such event, Candy Arts may, at its sole discretion, require clarification from the Creators of the Work, or deem the Candy DE License of its choosing to be the one assigned to the Work.

4. Works

4.1. Scope of Works

In the context of This License, any software product that Incorporates any Candy Arts Assets, in whole or in part, is deemed a **Work**.

4.2. Alternate Versions

A Work and any other Work or non-Work software products are deemed **Alternate Versions** of one another if they implement substantially identical game design, and if differences are limited to one or more of the following:

- Platform variations, such as releases for different hardware (PC vs console, iOS vs Android) or operating systems.
- Regional variants, such as localization changes including language, censorship modifications, or region-specific content adjustments.
- Edition tiers, such as releases differentiated by bundled content (cosmetics, DLC, soundtracks, artbooks) where the base game remains identical.
- Technical updates, such as update versions, remasters, remakes, or re-releases that update graphics, audio, engine, or technical implementation.
- Partial content variations, such as version-exclusive items, characters, quests and plot points, unless such differences are significant enough that either of the software products could reasonably be considered separate installments under customary industry definitions.

For all practical intents and purposes relating to Candy Arts Licenses, Alternate Versions are considered one and the same Work, except where otherwise specified.

4.3. Expansions

In the context of This License, any software product that fulfills all of the following criteria is deemed an **Expansion** with regard to a parent Work:

- a) Introduces, adds, or incorporates new content, functionality, or features to a Work; or modifies content, functionality or features present within a Work.
- b) Is created by, distributed by, owned by, funded by, generates revenue for, or is in any way affiliated with any Creators of the given Work.

This includes, without limitation: downloadable content (DLC), expansions, enhancements, improvements, updates, or other materials that add new assets, areas, gameplay elements, narrative content, or systems to a Work.

For clarity, a software product may be deemed an Expansion whether or not it qualifies as a Work and whether or not it features, incorporates or makes use of any Candy Arts Assets.

A software product is deemed an Expansion of a Work even if it fulfills condition a) indirectly, such as through another Expansion (and whether or not that other Expansion is itself a Work).

4.4. Access Products

Access Products are physical or digital goods, tokens, or mechanisms that fulfill all of the following criteria:

- a) When acquired, purchased, redeemed, scanned, or activated: unlock, enable, modify, or provide access to specific content, features, or functionality within one or more Works.
- b) Does not meet the criteria to be deemed an Expansion.
- c) Are created by, distributed by, owned by, or generate revenue for, or are in any way affiliated with any Creators of such Works.

Examples include, without limitation: physical collectibles, cards, or devices (such as NFC, RFID, or QR-based items), as well as digital or printed codes, access keys, or redemption systems.

For clarity, a software product may be deemed an Access Product whether or not it qualifies as a Work and features, incorporates or makes use of any Candy Arts Assets.

Hardware necessary for the operation of a Work—such as computers, consoles, or standard input devices—is not deemed an Access Product, provided such hardware is not designed or marketed to unlock, enable, or modify content within a Work in a manner that generic alternatives cannot.

4.5. Add-ons

In the context of This License, Works that function as optional additions, modifications, or extensions to any software products that are not Works, are deemed **Add-ons**.

For clarification, an item is considered an Add-on if it extends or augments the functionality of another software product. Works that merely operate within, depend on, or are executed by third-party software for standard operation—such as a game requiring an operating system, or played within an emulator—are not considered Add-ons.

Creating, Distributing, Transferring, or deriving Revenue from Add-ons is not permitted, as Add-ons would enable non-Work software products to derive the benefits of Candy Arts Assets without being bound by any Candy Arts Licenses nor being required to compensate Candy Arts for their use.

4.6. Mods

In the context of This License, **Mods** are optional additions, modifications, or extensions to one or more Works and which fulfill all of the the following criteria:

- a) Are created independently by Entities who are not Creators of the Works and who have no formal or financial association with the Creators of the Work.
- b) Don't qualify as Alternate Versions, Expansions, Access Products or Add-ons in relation to the Works.
- c) Can't function independently of at least one of the Works.

Mods are considered Works if they include any Candy Arts Assets, in whole or in part. Mods are not considered Works if they merely integrate, make use of, or otherwise interact with the

implementation of Candy Arts Assets already found within a larger Work, without including copies or parts of any Candy Arts Assets.

4.7. Dialogues

Dialogues are any text or code written in a format that Candy DE processes as part of its intended functioning, and intended to be processed by Candy DE in such a way.

Candy Arts makes no claims of rights or ownership over Dialogues created by any Entities: such Dialogues are the property of their authors, or whomever may be deemed so by law or by contractual obligations applicable to such authors.

Dialogues, on their own, are not considered Works or Modifications under This License, but are considered part of any Work they are integrated in.

Where Dialogues are not Works, they are not governed by any Candy Arts Licenses, including This License, and their Exploitation is not subject to any restrictions or conditions imposed by Candy Arts.

4.8. Dormant Works

Dormant Works are Works bound by one or more Candy Arts Licenses for which no known Creators remain bound. Any Entity that claims or acquires intellectual property or ownership rights over that Work—or that Distributes it, derives Direct Revenue from it, or otherwise Exploits it in a manner governed by or requiring binding to This License—and does so other than as a Neutral Entity, shall be deemed to have accepted and to be bound by This License from the moment such actions occur.

Any such Entity assumes full legal responsibility for ensuring that its claim of intellectual property or ownership rights, and any exploitation or other use of the Work, is lawful, legitimate, and compliant with all applicable laws, contracts, and intellectual-property rights.

Candy Arts claims no control or ownership over Dormant Works, and all enforcement or application of This License relates exclusively to the use of Candy DE. Accordingly, Candy Arts shall not be held responsible for any false, mistaken, or fraudulent claims of compliance with This License, nor for any actions undertaken by Entities purporting to be bound by it.

5. Exploitation of Works

5.1. Exploitation

Any Development or Distribution of, deriving of Direct Revenue from, or any Transfer of rights to a Work, is deemed **Exploitation** of that Work.

Such actions shall not be deemed Exploitation when performed by and within the scope of the activities of a Neutral Entity.

5.2. Development

Development of a Work includes any contribution to the creation or modification of a Work, whether prior to or after the Work is deemed "complete" or "released", or prior to or after its first Distribution.

Such contributions include, without limitation:

- Writing programming code.
- Creating artistic assets such as images, 3D models, videos, or audio recordings.
- Writing dialogues, story plots, or other narrative content.
- Implementing any of the above within the final Work.
- Testing, debugging, or performance optimization.
- Designing gameplay systems, mechanics, interfaces, or user experiences.
- Providing technical direction, project management, or creative direction that materially influences the Work.
- Preparing, adapting, or localizing content for specific audiences or languages.
- Producing builds or versions of the Work intended for release or Distribution.
- Making modifications, patches, or updates to any portion of the Work after its initial release.

5.3. Distribution

Distribution includes any act or contribution to making a Work, copies of a Work, or Candy DE itself available to the public or to any Entity, including private Entities.

This includes, without limitation, the delivery of a commissioned Work to a client, the sale of a Work to another party, making a Work available for download, or the sale of copies of a Work to the public.

Making a Work or copies of a Work solely available to Candy Arts or to other Creators associated with the same Work shall not constitute an act of Distribution under this definition.

5.4. Budget

The Budget of a Work is defined as the sum of specific monetary or material costs incurred by the Work's Creators, in the Exploitation of that Work, ranging from the Work's Development to its Distribution.

The following costs shall be included as part of a Work's Budget:

- Commissions, as defined under §7.3
- Purchases of assets, such as art or code assets.
- Software license fees, whether one-time or recurring.
- Marketing costs.
- Any third-party services, such as server hosting, legal services, marketing services.
- Media licensing costs, such as audio, video or images included within a Work.
- Salaries, wages, or other compensation paid to any person for work performed on or in connection to the Work, whether as an employee or otherwise.

The following costs are explicitly excluded from a Work's Budget:

- Any payments made to Candy Arts, such as License fees and royalties for the use of Candy Arts assets.
- Purchased hardware, such as computers, servers, components and peripherals.
- The value of any Creator's own time and work.
- Tutorials, courses or other services or products that purely serve as training or knowledge

For the purpose of calculating a Work's Budget, costs may not be split among multiple Works: where an art asset is used in multiple different Works, its full cost is added to the Budget of each Work.

Where Alternate Versions exist for a Work, the Work and all Alternate Versions shall combine their Budgets, as if they are one and the same Work.

For Expansions and Access Products, whether or not they are Works, their Budget shall be calculated as if they were Works and added to the Budget of their parent Works.

Furthermore, any spending shall only be included once in a Work's Budget. For example, where an asset is used in one or more of a Work's Expansions or Access Products, and potentially also in the Work itself, at no additional cost to the Creators, the cost of that asset is only included once in the Work's Budget. However, if additional costs are incurred for the re-use of that asset across Expansions or Access Products, the total spending shall be included in the Work's Budget.

As further example:

- If the Creators of a Work purchase an art asset for €100 and use it in a Work, as well as in two Expansions of that Work, €100 is added to the Work's Budget.
- If the Creators of a Work use an art asset in a Work and in two Expansions of that Work, and the Creators pay €100 for each use of the asset, the total of €300 is added to the Work's Budget.

5.5. Funding

Under the terms of This License, **Funding** is defined as any monetary donation, contribution or transaction to a Work or its Creators, and which is spent on the Exploitation of the Work in such a

manner that it would be included in the Work's Budget as defined under §6.3. Where Funding is provided by Creators, it is further deemed **Internal Funding**. Where Funding is provided by third-parties, it is deemed **External Funding**.

5.6. Revenue

Revenue Generalities

Is deemed **Revenue** all gross income, whether monetary or in-kind, generated directly or indirectly by a Work.

Where it cannot be precisely, objectively and with certainty determined whether any income is attributable to a Work, or in what proportion it is attributable, the entirety of that income is considered Revenue.

This includes, without limitation, situations such as:

- Bundles or such deals or promotions, in which a Work is sold together with other products or services.
- Subscriptions that grant access to a Work alongside other products or services.
- Donations, sponsorships, or similar contributions made to a Creator in the context of their activities creating Works or similar products. In such cases, statements from contributors that a contribution is not intended for any Works are not sufficient to determine that the income is not attributable to a Work.
- Purchase of store credit or virtual currency by end-users, which may be spent on a Work, Expansions or Access Products, in lieu of direct monetary payment.

Statements or declarations by the payer regarding the intended purpose of such income shall not, by themselves, be considered objective evidence. For example, a buyer stating that they are purchasing a bundle, which includes the Work, solely for the purpose of acquiring any of the other products in the bundle, shall not be grounds to exclude such purchase from the Work's Revenue.

Written contracts that expressly require a specific use for the income may be deemed objective evidence, provided such conditions are fulfilled in due time.

Income held in escrow by a third-party is not considered Revenue until it has been released from escrow or otherwise made available to the Creator. By way of example, this would include a situation where a game store holds onto money from pre-orders and only transfers it to the Creators upon official release of the Work.

However, income held in escrow is deemed Revenue if the Creators can spend it or can make any use of it, including but not limited to:

- Using it as collateral to secure loans or lines of credit.
- Leveraging it to attract or negotiate investment terms.
- Transferring, assigning, or selling rights to the funds in escrow.
- Withdrawing or accessing it ahead of the standard release schedule through advance payment arrangements.

- Any other circumstances where the Creators derive economic benefit or utility from the funds in escrow prior to their formal release.

Direct Revenue

Is deemed **Direct Revenue** generated by a Work, any gross Revenue received in consideration for, or arising from:

- a) The Work itself.
- b) Expansions.
- c) Access Products.

This includes, without limitation:

- Sales of a Work or of copies of a Work (whether physical or digital).
- Sales of Expansions or Access Products.
- Digital Distribution revenue (including platform sales).
- Subscription fees.
- In-app purchases or microtransactions.
- Advertising income, sponsorships, or product placement within or alongside a Work.
- Custom content commissions.
- Licensing fees.
- Royalties received from third parties.
- Crowdfunding contributions tied to delivery of a Work or to access, license, or related benefits.
- Donations or recurring support (including through patronage or crowdfunding platforms).
- Rewards, prizes and awards, such as from competitions and contests.
- The sale, licensing, or assignment of rights or ownership to a Work, whether in whole or in part.
- Payments received under exclusivity agreements (such as platform or timed exclusivity deals).
- Revenue received from the sale, exchange, or monetization of content, assets, or services related to a Work by third parties, including but not limited to Mods, Add-ons, derivative content, or the trade or resale of digital items, accounts, or similar assets originating from or used within a Work.
- Revenue arising from the sale, licensing, sharing, or commercial use of content, data, or metadata generated by or through a Work, including without limitation user data, analytics, performance metrics, gameplay records, or similar derivative information.
- Any other monetary or in-kind compensation derived from or in connection with a Work itself.

Where it cannot be precisely, objectively, and with certainty determined whether any Revenue qualifies as Direct Revenue, or in what proportion it qualifies as such, the entirety of that Revenue shall be deemed Direct Revenue.

Indirect Revenue

Is deemed **Indirect Revenue** any monetary or in-kind compensation or benefit that is incidentally attributable to or resulting from: a Work but not paid in consideration for the Work itself. This includes, without limitation:

- Increased sales, visibility, or market value of other products, brands, or services promoted, depicted, or advertised through a Work.
- The sale, license, or merchandising of products, goods, or collectibles based on, inspired by, derived from, or representing characters, settings, or other elements from a Work.
- Any other commercial or promotional advantage, benefit, or compensation that arises as a consequence of a Work's existence, success, or use, but is not itself payment for the Work.

5.7. Transfer of Rights

Is deemed a **Transfer** any act of conveyance, assignment, sale, license, lease, or other disposition, in whole or in part, of any rights, ownership, title, or interest in or to a Work, whether or not for consideration, temporary or permanent, voluntary or involuntary, and whether such rights are thereby wholly relinquished or shared with another Entity.

6. Usage Rights

6.1. Usage

A Work shall be deemed to **Incorporate** Candy DE in any of the following events:

- a) The Work includes Candy DE in whole or in part within its code or files.
- b) Candy DE is, in whole or in part, Distributed alongside the Work.
- c) The Work is designed to make use of any of Candy DE's features.
- d) The Work is advertised as capable of making use of any of Candy DE's features.
- e) Creators of the Work facilitate rendering the Work or copies thereof capable of using any of Candy DE's features, such as by providing or facilitating access to instructions, guidance, or software tools to that end.
- f) Creators of the Work encourage End-Users or any other third-parties, verbally or by any form of incentive, to Incorporate Candy DE within the Work or copies thereof, such as through the creation or use of Add-ons, Mods, patches, runtime code injection, modified versions or forks of the Work.

Users are authorized to Incorporate Candy DE within Works, in compliance with all the terms of This License.

6.2. Distribution

This License, when assigned to a Work, authorizes its Creators to Distribute such Work, or to authorize Neutral Entities to engage in such Distribution, provided that the Work, its Creators, and any such Distribution fully comply with all applicable Candy Arts Licenses.

For clarity, the authorizations listed above do not apply if a Work incorporates other Candy Arts Assets without assignment of the required Candy Arts Licenses, or if the Work or its Creators are not in compliance with any such other Candy Arts Licenses.

6.3. Revenue

This License, when assigned to a Work, authorizes Creators to derive any Direct Revenue from such Work.

This License, when assigned to a Work, authorizes Creators to authorize Distribution Platforms to derive Indirect Revenue from such Work, provided that End-Users may access the Work through the given Distribution Platform without any payment. Creators may not authorize Distribution Platforms to derive Direct Revenue from the Work.

Fees paid by Creators to Distribution Platforms in exchange for the hosting or Distribution of their Works are considered Commissions.

Creators are solely responsible for any authorizations they grant in breach of This License to Distribution Platforms. Candy Arts shall not hold Distribution Platforms or any Neutral Entities responsible where Creators misrepresent their rights.

6.5. Transfer of Rights

This License, when assigned to a Work, authorizes the Transfer of intellectual property or ownership rights to the Work. Such Transfer of rights must comply with all terms of This License, including payment of any remaining royalties.

Acquiring Entities must be eligible as Creators, and become deemed as such upon Transfer of rights.

Any benefit or compensation, whether monetary or otherwise, derived by the previous rights holders in exchange for such Transfer of rights is considered Direct Revenue and as such, is subject to royalties as outlined at §2.11. The Entities acquiring the rights to a Work are responsible for paying such royalties to Candy Arts.

6.6. Change of License

Where a Work is assigned This License, This License may not be changed to any other Candy DE Licenses.

7. Neutral Entities

7.1. Generalities

Neutral Entities are third-party Entities which may be involved in the Exploitation of a Work, or which may derive Direct Revenue from it, yet are not considered Users or Creators and are not bound by Candy Arts Licenses in relation to that Work. Reciprocally, Candy Arts shall have no obligations towards Neutral Entities.

Entities may only be considered Neutral Entities if their involvement with a Work remains within the scope of the activities described under Section §7. For example, an online marketplace selling a Work on behalf of a Creator is a Neutral Entity, unless that marketplace has also participated in the creation of the Work.

7.2. Distribution Platforms

Are considered to be acting as **Distribution Platforms** third-party marketplaces, platforms or retailers that sell, Distribute or otherwise make a Work available upon authorization by its Creators.

Creators assume full responsibility for ensuring compliance with This License. Creators remain fully responsible for all actions, practices, and terms applied by Distribution Platforms acting under their authorization, including the manner in which Works are marketed, packaged, bundled, priced, or otherwise made available.

Distribution Platforms, as Neutral Entities, are not bound by This License and therefore hold no compliance obligations or liabilities.

7.3. Commissioned Parties

Are considered to be acting as **Commissioned Parties** individuals or organizations commissioned or contracted by Creators of a Work to supply assets, products, or services related to that Work — deemed **Commissions** — whether during or after the Work's creation.

This may include, for example:

- Software used in the creation of a Work.
- Digital hosting services (such as game servers, data storage, etc.).
- Legal, accounting or financial advice.
- Marketing, public relations, or advertising services for a Work.
- Art assets, programming code, or other creative content incorporated into a Work.
- Voice acting, music composition, sound design, or other performance services.
- Localization or translation services for text, dialogue, or other content of a Work.
- Payment processing or transaction services related to the sale or Distribution of a Work.
- Quality assurance or usability testing services.
- Analytics, telemetry, or data collection services related to the performance of a Work.

For an individual or organization to be considered a Commissioned Party, the following conditions must be fulfilled:

- a) The Commission clearly specifies the service to be provided. Where the service consists of the delivery of a product (such as artistic assets), the Commission must clearly describe the products to be delivered and their quantity.
- b) The Commission specifies either the duration of the services or a deadline by which all services must be delivered. Services provided on a recurring basis (such as software access or server hosting) may include a clause allowing the perpetual renewal of access.
- c) The Commission must require payment in exchange for the products or services delivered, and such payment must be monetary only and must not qualify as a salary or be dependent on the Work's Revenue. The payment amount may depend on production costs or labor time, and may take the form of a subscription fee where reasonable and customary for the type of service provided.
- d) The relationship between the Creators and the Commissioned Party must not qualify as an employment relationship under applicable law.
- e) Except where customization is required by the nature of the services, the terms of the commission agreement must match the standard terms ordinarily offered by the Commissioned Party.
- f) Any rights or ownership transferred to the Creators must arise solely from the terms of the Commission agreement and must not include automatic joint ownership of the resulting Work.
- g) Neither the Commissioned Party nor the Creators must be bound to one another by any exclusivity obligations preventing them from working with other clients, services or any other entities, except where exclusivity is reasonably required for confidentiality or the nature of the Commissioned work.
- h) Commissioned Parties must operate as independent entities or individuals providing services to the general public. Entities substantially owned or controlled by the Creators or by a related organization are not considered Commissioned Parties.
- i) Commissioned Parties must not share management, finances, or decision-making authority with the Creators or any related organization.
- j) The Commission must not involve loans, investments, or any form of financing of the Work or of the Creators. All payments made under the Commission must represent compensation for goods or services actually delivered, and must not grant the Commissioned Party any ownership, control, or financial interest in the Work or in its Revenue.
- k) All Commissioned Parties must be governed by a written agreement between both parties, specifying the terms required under This License. This agreement must be made available to Candy Arts for review upon request.

Any derogation from these conditions that cannot be reasonably justified by the circumstances may cause the Commission to be treated as a partnership rather than a Commissioned Party.

Creators assume full responsibility for ensuring compliance with any applicable Candy Arts Licenses. Creators remain fully responsible for all actions, practices, and terms applied by Commissioned Parties acting under their authorization.

Commissioned Parties, acting as Neutral Entities, are not bound by This License and therefore hold no compliance obligations or liabilities.

7.4. Ready-Made Services and Products

Entities who provide publicly offered or ready-made products and services—such as pre-packaged assets, software, or online services made available to the general public under standard terms—are treated as **Commissioned Parties** under This License.

In such cases, some of the conditions that Commissioned Parties must fulfill may be deemed fulfilled by the nature of the transaction itself, such as written agreement through a purchase confirmation or license acceptance, and duration satisfied by immediate or recurring delivery.

Creators are not required to take additional steps to ensure compliance when acquiring such ready-made products or services through legitimate channels.

7.5. Content Creators

Are considered to be acting as **Content Creators** any individuals or organizations engaged in demonstrating, reviewing, streaming, broadcasting, or creating educational or tutorial content featuring a Work, provided that the Content Creators engage in such activities of their own initiative, and not under request, agreement or contract from a Work's Creators.

For avoidance of confusion, *Content Creators* are not considered Creators in the sense of *Work Creators*.

Content Creators, and the platforms that host their content, are considered Neutral Entities and are therefore not bound by Candy Arts Licenses with respect to the Works featured in their content.

Due to the independent nature of the activities of Content Creators, Candy Arts does not require Work Creators to authorize, monitor or take any responsibility for such activities.

Where the activities of Content Creators fall within the scope of any agreement with the Creators of a Work in regards to that Work, Content Creators are instead considered Commissioned Parties.

7.6. End-Users

Are considered to be acting as **End-Users** any Entities who make use of a Work. End-Users qualify as Neutral Entities if their usage of a Work is lawful and consistent with the intended usage of the Work.

End-Users shall not Distribute nor derive direct Revenue from a Work, except where authorized by the Work's Creators. End-Users shall not be held responsible in the event that Creators grant such authorization in breach of any Candy Arts Licenses.

End-Users who Distribute or derive direct Revenue from a Work without authorization from the Creators may, depending on the circumstances, be deemed to be Distributing or deriving Revenue from Candy Arts Assets under their own responsibility, and may therefore:

- a) Cease or fail to qualify as Neutral Entities.
- b) Be deemed Users.
- c) Be bound or required to be bound by This License and other Candy Arts Licenses.
- d) Be infringing the copyrights or other intellectual property rights of Candy Arts.
- e) Be deemed to have engaged in Undue Enrichment.
- f) Be required to pay compensation or damages to Candy Arts.

7.7. Payment Processors

Are considered to be acting as **Payment Processors** third-party services that receive, process or facilitate payments relating to a Work on behalf of the Creators of that Work, but have no other involvement with the Work.

For example, publishers may process payments for a Work on behalf of Creators, but do not qualify as Payment Processors as they may also finance, control or otherwise influence the development of the Work, or take charge of its marketing and promotion.

Payment Processors, as Neutral Entities, are not bound by This License and therefore hold no compliance obligations or liabilities.

8. Attribution and Credits

Any Distributed Work must properly credit Candy Arts, in compliance with the guidelines outlined below.

8.1. Attribution Materials

The following Attribution Materials are provided with Candy Arts Assets by Candy Arts in the form of digital files:

- **Code Disclaimer:** either of the files titled "Candy_DE_Code_Disclaimer";
- **Candy Arts Splash Screen:** either of the files titled "Candy_Arts_Splash_Screen";

Where an Attribution Material is provided in multiple file formats, Creators may choose which of the file formats to use.

The Attribution Materials may not be altered, obscured, or modified except for resizing or format adaptation necessary to fit the medium, provided that readability and the proportions of the visual content are preserved.

8.2. Programming Code

All programming scripts, source files, or other text-based materials that contain any portion of a Candy Arts Asset's code, whether modified or unmodified, must include—within code comments or other text visible in the file—the full text within the ***Code Disclaimer*** file.

The ***Code Disclaimer*** text must appear at the very beginning of each such file, in a manner that is clearly legible and reasonably prominent. Formatting (such as color, font, or size) may be adjusted only to ensure readability and to conform to the syntax or conventions of the file type.

Translation of the ***Code Disclaimer*** text into any language is strictly prohibited, even if the original text is included alongside the translation. The phrasing of the ***Code Disclaimer*** text must always appear exactly as written by Candy Arts.

8.3. Video Games and Interactive Software

The ***Candy Arts Splash Screen*** must be displayed for not less than three (3) seconds when the software is launched.

The ***Candy Arts Splash Screen*** may be skipped by user input after the first launch of the software, provided that it continues to appear automatically on subsequent launches unless skipped by the user.

The ***Candy Arts Splash Screen*** must appear before or alongside other engine or middleware credits, and must not be hidden behind other UI elements.

8.4. Promotional Materials

Promotional materials or other media Distributed alongside a Work, which are not themselves Works, are not required to display Attribution.

Where such materials include Attribution to Candy Arts, it must be made clear that the Attribution refers solely to the use or inclusion of Candy Arts Assets within the main Work.

8.5. Additional Guidelines

For Works presented in multiple media formats (for example, a game and its promotional video), each medium must independently comply with the relevant attribution rule.

Media embedded within a video game or other software are exempt from this requirement, provided that the game or software itself already displays the required accreditation in accordance with This License. This exemption applies only to media distributed as part of the Work itself, and not to separately Distributed promotional or derivative materials.

Candy Arts may, at its own discretion, grant written waivers or alternative attribution terms upon request, for instance where a Work's format or context makes compliance with the above guidelines impractical.

Works that do not clearly fall within any of the categories described under Section §8, or that, due to the particular characteristics of their presentation, would be unable to display accreditation in a sufficiently visible or legible manner despite compliance with these guidelines, must contact Candy Arts prior to any Distribution to arrange specific attribution guidelines appropriate to the Work's medium or format.

Where Candy Arts reasonably determines that a Work does not display adequate attribution in a sufficiently legible or noticeable manner, even if the attribution technically complies with the terms under Section §8, Candy Arts retains full discretion to require that the Creators modify, within a reasonable time frame, how attribution to Candy Arts is displayed.

8.6. Restrictions

Users, Creators and Works may not claim or imply any support, endorsement, approval, partnership or sponsorship with Candy Arts without explicit authorization.

Accreditation in compliance with the guidelines of Section §8 is not a statement or an implication of support, endorsement, approval, partnership or sponsorship by Candy Arts. Such accreditation exclusively indicates that a Work uses or features Candy Arts Assets.

9. Infractions

The actions listed under Section §9 constitute infractions against Candy Arts and This License, and shall be subject to Preventive or Corrective Actions at Candy Arts' sole discretion.

9.1. Financial Harm

Where financial harm or loss to Candy Arts or to Candy Arts Assets has occurred as a result of any breach of This License or of any other Candy Arts License, Candy Arts may demand appropriate financial compensation, including restitution for damages, lost profits, and reasonable enforcement costs.

Candy Arts may also require the offending party to take corrective measures to mitigate ongoing or future financial harm.

9.2. Insufficient Attribution

Insufficient Attribution occurs where an Entity fails to comply with the attribution requirements of any Candy Arts License (§3).

Where Insufficient Attribution is committed for the purpose of concealing the use of Candy Arts Assets, products or services within a Work, or where Creators fail or decline to comply with any requests or notices from Candy Arts to display proper attribution, the incident of Insufficient Attribution shall be deemed *malicious*.

Where Insufficient Attribution isn't malicious nor causes significant harm to Candy Arts (including financial harm or visibility loss), Candy Arts will issue a Notice of Corrective Action requiring that the affected Work display the proper attribution.

9.3. Defamation

Defamation occurs where an Entity publicly issues false or misleading statements about Candy Arts. Statements of opinion or legitimate criticism do not constitute Defamation.

Where there is reasonable belief that an Entity was aware of the untrue nature of their statements, Defamation is deemed to have been committed *knowingly*.

Where an Entity, prior to making such statements, could have readily verified their falsity through due diligence, Defamation shall be deemed to have been committed *recklessly*.

Candy Arts reserves the right to respond publicly to Defamatory statements in order to restore the truth and any harm caused to its reputation. Where an Entity knowingly or recklessly commits any act of Defamation, the Entity shall be deemed to have consented to Candy Arts publicly disclosing information about the Entity which would normally be considered private, such as communications between Candy Arts and the Entity, provided that:

- a) The disclosure is relevant to restoring the truth; and
- b) Such disclosure is not prohibited by applicable law.

Furthermore, Candy Arts may require that the Defaming Entities issue public statements of apology, retraction and correction to any defamatory statements.

9.4. Unjust Enrichment

Any Revenue or other benefit derived in violation of any Candy Arts License, or through infringement of Candy Arts' copyright or other intellectual property rights, constitutes **Unjust Enrichment**. Any Revenue or benefit arising from Unjust Enrichment is deemed the lawful property of Candy Arts and must be remitted to Candy Arts immediately upon discovery or upon request.

Where such Revenue is not remitted to Candy Arts within thirty (30) days of its receipt, Candy Arts may, without prior notice, claim interest on the outstanding amount at the rate provided by applicable law from the date of default until full payment is made.

Where such Revenue is remitted after thirty (30) days but within one (1) year of its receipt, and prior to Candy Arts undertaking any Preventive or Corrective Actions with respect to the incident of Unjust Enrichment from which the Revenue arose, Candy Arts shall not claim interest on that Revenue.

9.5. Wrapper Abuse

Wrapper Abuse is the act of redistributing Candy Arts Assets together with a Work where the primary intent, effect, or commercial value of such Distribution lies in the redistribution of Candy Arts Assets themselves rather than in the Work as an original creation. Wrapper Abuse is strictly prohibited, regardless of whether any Revenue is derived from the practice.

Candy Arts has full discretion to assess whether a Work constitutes Wrapper Abuse. Such assessment may be based, without obligation or limitation, on any of the following criteria:

- The usefulness, purpose and proper functioning of the Work.
- The Distribution of multiple, substantially similar or derivative Works.
- The sale price of the Work in relation to the apparent value of the Work.
- Customer feedback, comments or purchasing trends suggesting acquisition of the Work for the purpose of accessing the Candy Arts Assets.
- Statements by Entities affiliated with the Work.
- The manner in which the Work is advertised.
- Files included with the Work, or the Work being Distributed as non-compiled software.
- Lack of meaningful development progress of a Work allegedly Distributed in pre-release or other unfinished state.
- The platforms through which the Work is Distributed, or the manner of its Distribution.
- Presence of alterations to Candy DE not pertinent to the Work.
- Code comments.
- Any past history of Wrapper Abuse or similar abuses by Creators of the Work, or history of other license abuse or non-compliance, including with regard to products or services not affiliated with or owned by Candy Arts.

The above criteria, on their own, shall not be deemed to constitute Wrapper Abuse. Rather, they may be taken into consideration as part of a more extensive assessment as to whether a Work constitutes Wrapper Abuse. Candy Arts shall provide good faith, reasonable leeway to any Work being assessed as potential Wrapper Abuse.

Where there is reasonable suspicion that a Work is being Distributed with the intent or likelihood of Wrapper Abuse, and where Creators associated with the Work have no history of similar abuses, Candy Arts may issue a Notice of Corrective Action to reduce the possibility of Wrapper Abuse.

If Creators fail or decline to comply with such Notice of Corrective Action, or where there is strong evidence that a Work is being Distributed with the intent to commit Wrapper Abuse, or where Creators have a history of similar abuses, Candy Arts may take any other Preventive or Corrective Actions it deems appropriate.

9.6. Circumventive Design Fraud

Circumventive Design Fraud is the deliberate design, distribution, release, or promotion of a Work that (i) relies upon, requires, or is intended to operate together with Candy Arts Assets, and (ii) omits those Candy Arts Assets from the Work itself for the purpose or effect of avoiding any normally applicable Candy Arts Licenses, by instead requiring End-Users to obtain, install, or otherwise integrate such Candy Arts Assets separately.

A Work shall be deemed to be engaged in Circumventive Design Fraud if the Work cannot be used as marketed or intended without the End-Users obtaining and integrating particular Candy Arts Assets, or if the Work is advertised, documented, distributed, or supported as specifically compatible with any Candy Arts Assets not included within the Work. However, a Work shall not be deemed to engage in Circumventive Design Fraud if it is assigned all the required Candy Arts Licenses.

Circumventive Design Fraud is deemed (i) a fraudulent attempt to evade Candy Arts Licenses, (ii) a material breach of This License and of any other applicable Candy Arts Licenses, (iii) an infringement of Candy Arts' copyrights and (iv) unfair competition under applicable law. Any Direct Revenue derived from such Works is deemed Unjust Enrichment and must be remitted to Candy Arts.

Given the intentional and deceptive nature of Circumventive Design Fraud, and given the potential damages, Candy Arts reserves the right to take any Preventive or Corrective Actions it deems appropriate, even on a first offense, without prior Notice of Corrective Action.

9.7. Reclassification Abuse

Reclassification Abuse is the act of representing an existing or substantially identical Work as a new or distinct Work, or conversely, representing a new Work as a continuation or component of an existing Work, for the purpose of circumventing, resetting, or evading the terms, conditions, or eligibility of a Candy Arts License.

Reclassification Abuse includes, without limitation, rebranding, renaming, repackaging, or making superficial modifications to a Work in order to claim eligibility for different Candy Arts Licenses, to conceal prior non-compliance, or to otherwise misrepresent the Work's identity, continuity, or relationship to other Works or Users or Creators.

Candy Arts retains full discretion to determine whether a Work constitutes Reclassification Abuse, based on its substance, content, continuity, and prior history of Distribution.

9.8. License Hoarding

License Hoarding occurs where an Entity assigns This License to a Work and either:

- a) The Work was still in an early stage of development at the time of assignment, and its development subsequently stalled or proceeded at a slow pace, such that there is reason to believe This License was assigned to secure an older Sub-Version for what is effectively an undefined future project not in active development.
- b) The Work has undergone active development since This License was assigned, but its scope has changed considerably throughout the development process, such that the Work's current form would reasonably be deemed a different game or software product than the form it had at the time of assignment.

Candy Arts may deem a Work to constitute License Hoarding where any of the following circumstances apply:

- a) Statements or admissions by the Creators indicating that the Work fits the criteria of License Hoarding.
- b) Lack of reasonably meaningful or sustained development activity for a period of at least one (1) year following the assignment of This License.
- c) Significant changes in the scope, genre, or creative direction of the Work inconsistent with its original form.
- d) Rebranding or transformation of a Work into a different franchise or intellectual property, where continuity of identity cannot reasonably be claimed.

Candy Arts shall provide good faith, reasonable leeway to any Work being assessed as potential License Hoarding.

Where License Hoarding is deemed to have occurred, Candy Arts may require that any Candy Arts Licenses assigned to the Work be updated to their latest Sub-Version and Update, provided there is credible evidence that the Creators intend to continue genuine development of the Work in good-faith, without further significant deviation from its declared concept, scope, or genre.

Where no such evidence or confidence exists, Candy Arts may proceed with Termination for Breach to prevent the Work from further engaging in License Hoarding.

9.9. Chargeback/Refund Fraud

Chargeback/Refund Fraud occurs where an Entity initiates or procures, through any card provider, payment processor, marketplace, or similar platform, a chargeback, refund, or other such reversal of payment made – directly or through third parties – to Candy Arts, and where such chargeback or refund is not motivated by lawful or legitimate grounds.

A chargeback or refund shall be deemed illegitimate if, after appeal by Candy Arts, the issuer or processor reverses the refund in favor of Candy Arts, or if the object of the purchase was duly delivered or made available as advertised and did not present any defects.

Any Entity committing Chargeback/Refund Fraud shall be Blacklisted, even on a first offense, and Candy Arts reserves the right to claim compensation for any resulting damages.

10. Enforcement and Remedies

10.1. Right to Enforce

Candy Arts retains the right to enforce This License and to take any and all actions necessary to protect Candy DE, Candy Arts, its intellectual property, its reputation, and all associated rights. Candy Arts' rights of enforcement apply to all forms of breach or infraction, or threatened breach or infraction, of This License.

Candy Arts shall attempt to issue notice of any Preventive or Corrective Actions to the affected Users or Creators under the same conditions described at §2.2. Where such Preventive or Corrective Actions concern a Work, Candy Arts is required only to attempt notification of one Creator associated with that Work. Any Creator so notified shall, where possible, inform the remaining Creators.

Where notification cannot be issued to any or all Creators of a Work due to the Creators failing to comply with the conditions at §2.2, the Preventive and Corrective Actions remain valid and are deemed to apply from the moment the decision is made by Candy Arts to take these Preventive and Corrective Actions.

Failure by Candy Arts to enforce any provision of This License shall not be construed as a waiver of any right to enforce that provision or any other provision in the future.

10.2. Preventive and Corrective Actions

Candy Arts may, at its discretion, take **Preventive or Corrective Actions**, including but not limited to:

- Auditing.
- Notice of Corrective Action.
- Mandatory Change of License.
- Remittance of Revenue Demand.
- Distribution Injunction.
- Blacklisting.
- Termination for Breach.
- DMCA or equivalent take-down notices against infringing Works or related materials.
- Seeking financial compensation for damages resulting from the breach, including any legal fees or costs.
- Issuing public clarifications or corrections to address false or misleading statements, and requiring public corrections from the offending parties.
- Requesting proof of compliance or modification of offending content or code.
- Initiating legal proceedings.

Candy Arts, at its sole discretion, will exercise these measures in good faith and in proportion to the nature, severity, intent, frequency and consequences of the infraction, taking into consideration any efforts by the parties involved to remedy or prevent further non-compliance.

10.3. Auditing

Candy Arts reserves the right to verify compliance with This License at any time, through **Auditing** measures.

At the request of Candy Arts, any Entity bound by This License must provide, within a reasonable period of time specified by Candy Arts, any of the following information or documents:

- a) Proof of acquisition of Assignment Rights of any requested Candy Arts Licenses (e.g. proof of purchase of any LARC).
- b) Proof of the date on which each relevant Candy Arts License was assigned or activated.
- c) A list of expenses and budget items relevant to the calculation of a Work's Budget, as described under §5.4.
- d) Proof of Revenue or Funding, including but not limited to payment processor statements, sales reports from distribution platforms, or accounting documents.
- e) Proof of Distribution, including but not limited to listings, identifiers, or records from any platforms, storefronts, repositories, or services where the Work is or has been Distributed.
- f) Identification and contact information of all Creators associated with a Work.
- g) Any other evidence reasonably necessary to determine a Work's compliance with This License.

Creators shall maintain the ability to provide such information or documentation for a period of ten (10) years for as long as This License remains assigned to a Work.

Candy Arts may impose Audits described at (b) and (c) no more than once every twelve (12) months, unless the previous such Audit has revealed non-compliance with the terms of This License. In such event, Candy Arts may conduct a subsequent Audit within thirty (30) days, and further Audits once every three (3) months, for a total period of twenty-four (24) months after the last Audit that revealed any incident of non-compliance.

Where Candy Arts declines or fails to conduct an Audit within any of the above periods, such omission shall not be deemed a waiver of Candy Arts' right to conduct future Audits, nor a waiver of any rights, claims, or remedies with respect to compliance during such periods.

Audits shall be limited to materials reasonably necessary to verify compliance, such as financial, licensing, and production records related to Works using Candy Arts assets. Candy Arts shall treat all obtained information as confidential and shall not disclose it to third parties except where required by law or necessary for enforcement proceedings.

Entities may require that an Audit be conducted by a professional appointed by Candy Arts, such as a certified lawyer, accountant, or other qualified licensing professional, where confidentiality, data protection, or other legitimate privacy concerns reasonably justify such an arrangement.

Such professional shall act on behalf of Candy Arts, and all associated costs shall be borne by the Entities. This option does not apply where no suitable professional is reasonably available in the jurisdiction or region of the Entity. Professionals who hold any personal, financial, or business ties to the Entities, or to any affiliated organizations or individuals, are not considered suitable for this purpose.

Entities may likewise require that an in-person Audit be conducted by such a professional on their premises, under the same conditions: the professional shall act on behalf of Candy Arts, the Entity shall bear all associated costs, and this option shall not apply where no suitable professional is reasonably available.

For safety and practicality, Candy Arts shall not be required to conduct or send any professional or representative to conduct an in-person Audit in any location that Candy Arts, in good faith, considers to present material risk to personal safety, health, or security, or where access is restricted by law, conflict, or travel limitations. In such cases, Candy Arts may, at its discretion, require that the Audit be conducted remotely or through submission of equivalent documentation. Candy Arts shall bear no liability for delays, refusals, or inability to conduct an Audit due to such circumstances.

Failure to provide all required documentation in due time or to comply with an Audit shall be deemed non-compliance and may result in Preventive or Corrective Actions under §10.2.

Where an Audit reveals underpayment, misreporting, or any other breach, Candy Arts may apply any relevant Preventive or Corrective Actions under §10.2, including the recovery of unpaid fees or royalties, reassignment of License tiers, or Termination for Breach.

In the event that This License is removed from a Work or terminated for any reason, in any manner, and whether by Candy Arts, Creators, or any other Entity, all Auditing terms and conditions shall survive for a period of no less than five (5) years thereafter.

10.4. Notice of Corrective Action

Where Candy Arts determines, in good faith, that a breach or infraction may have occurred, Candy Arts may issue a written **Notice of Corrective Action** to the offending party, identifying the issue and requiring corrective action within a reasonable time.

Where a breach or infraction is unintentional or incidental, and provided such issues are not systemic or recurrent on the part of a Work or its Creators, no further action will be taken if corrective measures are undertaken in due time.

Creators may, within the response period specified in the Notice of Corrective Action, contact Candy Arts to discuss its terms if (i) they have reasonable cause to believe that no breach or infraction has been committed, (ii) if compliance is not possible, would cause disproportionate harm, or would conflict with other legal or contractual obligations, or (iii) to request alternate arrangements. Candy Arts will review such concerns in good faith and may, at its discretion, amend, clarify, or withdraw the Notice of Corrective Action where appropriate.

Failure to comply within the time allowed, or refusal to comply, will result in further Preventive or Corrective Actions by Candy Arts.

10.5. Mandatory Change of License

When a Work no longer complies with the terms of This License and cannot be restored to compliance, a new Candy DE License must be assigned.

Where such non-compliance results from deliberate actions or decisions by any of the Work's Creators, the new Candy DE License must be assigned immediately.

Where the non-compliance is incidental and not caused by any decision, action, error or negligence of the Creators, Creators shall have thirty (30) days to assign a new applicable Candy DE License. In such cases:

- If a new Candy DE License is assigned within this thirty (30)-day period, the new Candy DE License shall apply retroactively from the moment the change became necessary, provided that the Work has been in compliance with the new Candy DE License since that moment.
- If a Work is not assigned a new Candy DE License within this thirty (30)-day period, the new Candy DE License shall apply only from the date of assignment, and any Revenue derived in the interim shall be considered Unjust Enrichment.

10.6. Remittance of Revenue

Where any Creator, User or other Entity has derived any Revenue deemed Unjust Enrichment (§9.4), such Revenue must immediately be remitted to Candy Arts.

Where such Revenue is not remitted to Candy Arts in due time, Candy Arts may issue a **Remittance of Revenue Demand** to any Entities involved.

Where possible, the recipients of any Remittance of Revenue Demand are required to inform any other Entities involved with the same incidents of Unjust Enrichment.

Where multiple Entities are involved in the same incidents of Unjust Enrichment, all such Entities are jointly and severally liable for the full amount of the Revenue concerned. Candy Arts may, at its discretion, require full remittance from any one or more of those Entities, irrespective of any internal arrangements or allocation of Revenue between them.

10.7. Distribution Injunction

Where a Work doesn't comply with the terms of This License or any other applicable Candy Arts License, Candy Arts may issue a **Distribution Injunction** against the Work.

Where a Distribution Injunction is issued, any rights or authorizations to Distribute the Work, granted by Candy Arts and held by the Creators, shall be immediately suspended and any Distribution of the Work shall immediately cease.

Any Distribution Injunction shall specify a duration limit, either in the form of a date or time frame, or in the form of conditions the Work and its Creators must fulfill for the Distribution Injunction to expire.

10.8. Blacklisting

Blacklisted Works or Entities may no longer become bound by any Candy Arts Licenses, nor may Blacklisted Entities assign any Candy Arts Licenses to any Works, even where such Entities would not be bound by the Candy Arts Licenses upon assignment.

Blacklisted Users, Creators or Works remain bound by Candy Arts Licenses they were already bound to prior to becoming Blacklisted, unless these Candy Arts Licenses are explicitly terminated by Candy Arts, or by the Users or Creators themselves.

In the event of Blacklisting, Users and Creators shall not be entitled to refunds or compensation for any previously purchased Candy Arts products, services, or usage rights. Candy Arts shall not be held liable for any loss, damage, or expense arising from or related to a Blacklisting, including but not limited to loss of revenue, legal fees, damages, refund obligations or inability to fulfill contractual commitments.

Blacklisting is intended to protect Candy Arts against Users, Creators, or Works that cause or risk causing significant or repeated harm, damage, or disruption, or that demonstrate unwillingness to comply with License terms.

Users and Creators may appeal their own Blacklisting or the Blacklisting of their Work by contacting Candy Arts directly. Candy Arts retains full discretion to uphold, modify, or reverse any Blacklisting.

Where the Blacklisting may have occurred in error, appellants may provide evidence and reasoning to demonstrate the error. Where the Blacklisting did not occur in error, appellants must satisfy all of the following conditions before their appeal may be considered:

- Rectify all violations or infractions such that the Users, Creators, and/or Works involved are in full compliance with all applicable Candy Arts Licenses.
- Acknowledge and accept responsibility for any infractions that led to the Blacklisting.
- Ensure that any outstanding fees, royalties, or compensation owed to or expected by Candy Arts have been paid in full.
- Publicly retract and correct any false, misleading, or defamatory statements made against Candy Arts.

Fulfilling these conditions does not guarantee the success of an appeal and does not obligate Candy Arts to reverse or modify the Blacklisting. Candy Arts retains the right, at its own discretion, to impose additional or alternative conditions for the reversal of a Blacklisting.

Blacklisting takes immediate effect upon decision by Candy Arts, regardless of whether the affected Users or Creators have received, responded to, or acknowledged the notice. Failure or inability to contact the affected parties does not delay or invalidate the Blacklisting.

Candy Arts is not required to physically or technically prevent use of, access to or payment for its products or services by affected parties following a Blacklisting. Any Blacklisting remains fully valid and enforceable even if affected parties manage to access, pay for, or use Candy Arts products or services.

10.9. Termination for Breach

This License may be **Terminated for Breach** by Candy Arts with respect to any User, Creator or Work which breaches, violates, or fails to comply with the terms of any applicable Candy Arts License, or who infringes Candy Arts' copyrights or other intellectual property rights.

Candy Arts will only resort to such termination in the following cases:

- Repeated and/or severe breaches or infractions of any applicable Candy Arts Licenses, copyrights or intellectual property rights.
- Creators ignoring or refusing to comply with Notices of Corrective Action or other Preventive or Corrective Actions.
- Creators or Works not being eligible for This License.

Upon Termination for Breach, all rights granted under This License shall immediately cease, and the affected Works, Creators or Users shall discontinue all use of Candy DE and all Exploitation of Works incorporating Candy DE.

Termination for Breach shall not release the breaching party from liability for any acts, omissions, or obligations incurred prior to termination, nor shall it affect Candy Arts' rights to seek damages, equitable relief, or other remedies available under applicable law or This License.

Users and Creators shall not be entitled to refunds or compensation for any previously purchased Candy Arts products, services, or usage rights. Candy Arts shall not be held liable for any loss, damage, or expense arising from or related to Termination for Breach, including but not limited to loss of revenue, legal fees, damages, refund obligations or inability to fulfill contractual commitments.

Candy Arts reserves the right, at its own discretion, to reinstate This License upon satisfactory demonstration of full compliance and remediation of the breach.