

**SUPERIOR COURT**

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

No: 500-05-037042-973  
500-05-055223-000

Date: August 23, 2005

THE HONOURABLE JUSTICE JEAN FRAPPIER, J.S.C., PRESIDING:

HÉLÈNE DESPUTEAUX  
Plaintiff

vs

LES ÉDITIONS CHOUETTE (1987) INC.  
and  
CHRISTINE L'HEUREUX  
Defendants

**JUDGMENT**

The court homologates the discharge and settlement (the settlement) signed by the parties on August 18, 2005, including clause number 8 concerning confidentiality and, to ensure the execution of said clause, by consent of the parties, orders as follows:

1. ORDERS that the settlement be placed under seal, after having authorized each party to keep a copy;
2. ORDERS to the parties not to disclose the terms of the settlement, nor to make copies of it, without prior authorization of the Court;
3. AUTHORIZES, however, the parties, without having to request an order of the Court, to disclose the terms of the settlement or forward copy of it to any person entitled to have knowledge of its content by law or by reason of his or her profession, such as lawyer, accountant, auditor, tax consultant, in their dealings with the parties;

4. AUTHORIZES the parties, so that they can deal with all persons interested to take part in the publication of their work, to disclose the terms of the settlement to the persons interested in the production or marketing of the texts and illustrations set out in the settlement;
5. ORDERS any person who might become aware of the settlement and to whom this judgment is forwarded to respect the confidentiality of its terms.

JEAN FRAPPIER, J.S.C.

Me Normand Tamaro  
Tamaro Goyette  
Attorney for the plaintiff

Me Réginald Gagnon  
Attorney for the defendant

*Johanne Forget, avocate.*

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SUPERIOR COURT (CIVIL DIVISION)

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## DISCHARGE AND SETTLEMENT

### 1. DESPUTEUX ILLUSTRATIONS

Hélène Desputeux takes back the texts and illustrations she has designed by virtue of her various agreements P-2 (hereinafter texts and illustrations) (court file number 500-05-037042-973). Christine L'Heureux and/or Chouette claim no rights whatsoever related to Hélène Desputeux's texts and illustrations. Hélène Desputeux is sole owner of the rights related to her texts and illustrations, subject to the following as to the possibility for Hélène Desputeux to publish her texts and illustrations.

For a period of five years, Hélène Desputeux will be entitled to publish not more than 4 books every 18 months, in the form of her own choosing. During those five years, the books will be published at her own expenses, in other words Hélène Desputeux will have to bear all the production costs, and she will negotiate the distribution arrangements directly with potential distributors, excluding Chouette's distributor, ADP.

As to the illustrations of the book entitled "Petit pot" or "Le pot", for a period of five years Hélène Desputeux will be forbidden to publish them under a similar title.

As to the plastic books, it will be impossible for Hélène Desputeux to publish them in a plastic coated format (similar to the collection "Étoile de mer") for a period of five years, which does not prevent her to publish them in another format.

The printers' films and the digitized copies of her texts and illustrations will be handed over to Hélène Desputeux within 45 days in full property and without costs.

### 2. TRADEMARK

As to her trademark taken by Chouette and still including an illustration designed by H el ene Desputeaux, Chouette will substitute to this H el ene Desputeaux's illustration another non-Desputeaux illustration (by reference to the term used by the parties during the court auditions) in lieu of trademark. The request related to the change of the trademark will be made to the trademark office within 45 days.

H el ene Desputeaux will use her texts and illustrations with or without Caillou's name without having to report to Chouette and/or Christine L'Heureux, and free of any rights, charge or royalties in case of use of the name Caillou.

### 3. LICENCE P-2.12 AND RIDER P-2.17 AND OTHER CONTRACTS P-2

License P-2.12 and its rider P-2.17 (as per court file number) are cancelled for all legal purposes, as if they had never existed.

More specifically, all other contracts P-2 (as per court file number) are deemed rescinded to their respective termination date, none of those contracts being in force at the time of execution of this settlement.

### 4. USE

Chouette will continue to use all material related to its Caillou illustrations which does not relate directly to the original work signed by Desputeaux and published by Chouette.

H el ene Desputeaux will be limited in the future to design, if need be, illustrations of Caillou age four or less, as per the original work signed by Desputeaux and published by Chouette.

Chouette will continue to design new illustrations of Caillou derived from its present catalogue, excluding illustrations belonging to H el ene Desputeaux.

### 5. ORIGINAL WORK STILL IN STOCK

Chouette will account for the sales of the original work (texts and/or illustrations by H el ene Desputeaux) for 2004 and 2005 and will pay any balance owing within 60 days.

Chouette will cease all use of the original work (texts and/or illustrations by H el ene Desputeaux) by December 31, 2005. Final accounting will follow within five months. The copies not sold at this date will be removed from the market and will be destroyed under the supervision of a bailiff, or sold to H el ene Desputeaux at production cost. In case of destruction, H el ene Desputeaux will receive copy of the destruction report.

### 6. PAYMENT AND DISCHARGE

Chouette promises to pay H el ene Desputeaux the sum of \_\_\_\_\_ Payment of \_\_\_\_\_ will initially be made out of the sums detained by notary Batiot upon service of present document. Balance will be payable by check in the order of Me Normand Tamaro as trustee within six months. The amount of \_\_\_\_\_ is paid as liquidated damages for the violation of H el ene Desputeaux's moral rights.



Subject to Article 5 of present document, complete payment of the sum of \_\_\_\_\_ will effect complete and final discharge on the part of H el ene Desputeaux for all sums owing or possibly owing under various contracts or agreements having been concluded by the parties.

More specifically, the present settlement effects discharge between the parties for all claims related to legal facts previous to the signature of present document having arisen between the parties.

As of June 1st, 2005, which is the start of Chouette's fiscal year 2005-2006, Chouette will pay to H el ene Desputeaux two per cent of the income Chouette derives from the sale of Caillou products (books, by-products and licenses, except for the earnings paid by Cinar). Payments are due at the end of every Chouette's fiscal year (first payment being due on May 31, 2006 for the fiscal year 2005-2006), and payable within 90 days of the fiscal year.

## 7. REVENUES PAID BY CINAR

According to agreement P-134 (interlocutory agreement between H el ene Desputeaux, Christine L'Heureux and Chouette pending final decision of the case), the present settlement constitutes the final decision taking place in the proceedings between the parties, so that Chouette is deemed always to have been the sole signatory with Cinar of the agreement P-136 (agreement of 1995 between Chouette and Cinar), excluding Desputeaux. Chouette is also deemed to have had the right to sign agreement P-136 with Cinar.

This agreement P-136 is deemed modified, back to the date of the signature in 1995 by Chouette and Cinar, in such manner as to recognize that the parties to the present settlement directly receive by Cinar a discharge and payment annortioned as follows:

It is nonetheless agreed that all payments made by Cinar before present settlement were made by virtue of agreement P-134 to Me Batiot. As a consequence of the preceding, each party has the right to sue independently from the others to recover from Cinar or its assignees all sums that the latter could have omitted to pay according to P-136.

Me Batiot's mandate will cease with the payment stated in article 6 of present document, each party having to pay Me Batiot's fees in a proportion of 25/25/50 for him to close his file.

## 8. CONFIDENTIALITY

The terms of present agreement will be kept confidential, except for any disclosure to be made by virtue of a court order, or to any person entitled to have knowledge of its content by law or by reason of his or her profession, such as prosecutors, accountants, auditors, tax consultants, in their dealings with one of the parties.

In order to allow the parties to contract with any person interested in publishing their works, the parties recognize that any of them will have the right to disclose the present settlement along with the homologation judgment to the persons concerned with the production or marketing of their texts and illustrations, on the condition that these persons respect the confidentiality of the present settlement.

## 9. HOMOLOGATION

The parties agree to request that the present settlement be certified by the Superior Court of Quebec, namely by Honorable judge Frappier on August 22, 2005, or at another date that the Court may deem suitable.

And the parties have signed

Hélène Desputeaux

Christine L'Heureux

Luc Payette  
On behalf of Chouette

*Johanne Forget, avocate.*

Unofficial translation made by  
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